

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 13, 2006

FORWARD AIR CORPORATION

(Exact name of registrant as specified in its charter)

Tennessee 000-22490 62-1120025

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

430 Airport Road
Greeneville, Tennessee 37745

(Address of principal executive offices) (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))

Item 2.02 and Item 8.01.
Results of Operations and Financial Condition and Other Events.

Attached as Exhibit 99.1 and incorporated herein by reference is a copy of a press release, dated February 13, 2006, announcing, among other things, the financial results of Forward Air Corporation (the "Company") for the quarter and year ended December 31, 2005.

The February 13, 2006 press release also announced that the Company's Board of Directors declared a quarterly cash dividend of \$0.07 per share of common stock, an increase from the quarterly rate of \$0.06 per share that had been followed since the first quarter of 2005. The Registrant's fifth cash dividend is payable to common stock shareholders of record at the close of business on March 17, 2006 and is expected to be paid on March 31, 2006.

Item 9.01. Financial Statements and Exhibits.

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

Exhibit Number	Description
99.1	Press Release of Forward Air Corporation dated February 13, 2006.

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 13, 2006

By: /s/ Andrew C. Clarke

Andrew C. Clarke
Chief Financial Officer
and Senior Vice President

EXHIBIT INDEX

No.	Exhibit
99.1	Press Release of Forward Air Corporation dated February 13, 2006.

Forward Air Corporation Reports Record Fourth Quarter and Fiscal 2005 Results;
Increases Quarterly Cash Dividend 16.7%

GREENEVILLE, Tenn.--(BUSINESS WIRE)--Feb. 13, 2006--Forward Air Corporation (NASDAQ:FWRD) today reported record results for the fourth quarter and fiscal year ended December 31, 2005.

Operating revenue for the quarter ended December 31, 2005 increased to a record \$89.1 million from \$77.6 million for the same quarter in 2004. Income from operations was \$18.6 million, compared with \$15.7 million in the prior-year quarter, an increase of 18.5%. Operating expenses were negatively affected during the fourth quarter by \$1.3 million (\$0.8 million after-tax or \$0.03 per fully diluted share) due to the Company's decision to accelerate the vesting of stock options. As a percent of operating revenue, income from operations improved to 20.9% from 20.2% in 2004. Net income during the period increased 20.8% to \$12.2 million from \$10.1 million in the prior-year quarter. Diluted income per share from operations for the fourth quarter of 2005 was \$0.38 compared with \$0.31 in the prior-year quarter, an increase of 22.6%.

Operating revenue for the year ended December 31, 2005 increased to \$320.9 million from \$282.2 million in 2004. Income from operations was \$67.4 million, compared with \$53.6 million in the prior year, an increase of 25.7%. Operating expenses during the year were negatively impacted by \$1.3 million (\$0.8 million after-tax or \$0.03 per fully diluted share) due to the Company's decision to accelerate the vesting of stock options. As a percent of operating revenue, income from operations improved to 21.0% from 19.0% in 2004. Pre-tax income for the period increased to \$71.2 million from \$54.7 million in 2004. In addition to the aforementioned expenses, pre-tax income in 2005 includes a \$1.4 million (\$0.9 million after-tax or \$0.03 per diluted share) gain from a lawsuit settled during the second quarter. Net income during the period increased 30.5% to \$44.9 million from \$34.4 million in the prior year. Diluted income per share from operations for 2005 was \$1.39 compared with \$1.05 in 2004, an increase of 32.4%.

Commenting on the Company's fourth quarter and year-end results, Bruce A. Campbell, President and CEO, said, "2005 was a record year for Forward Air and we are proud of what this Company and its people have accomplished. Our airport-to-airport business, the backbone of our operations, grew at over 16.0% during the year and over 19.0% in the fourth quarter despite essentially two less working days. The year ended strong with average weekly tonnage increasing over 11.0% in the fourth quarter. We also produced record operating income and operating margins, ending 2005 with an industry-leading 21.0% operating margin. The year, and particularly the fourth quarter, weren't without challenges. Logistics and accessorial revenues were flat for the year and down in the fourth quarter.

"As we enter 2006, we are optimistic as tonnage levels and pricing remain strong. We will continue to work diligently to grow our business and are committed to expanding our profitability in 2006 through a continued focus on superior customer service."

Commenting further on the fourth quarter and fiscal 2005 results, Andrew C. Clarke, Senior Vice President and CFO, said, "The non-operating expenses associated with the accelerated vesting of options reduced reported operating income by \$1.3 million in both the fourth quarter and full year. This 2005 event negatively impacted operating margins by 1.4% and 0.4% during the fourth quarter and full year, respectively. Additionally, we spent \$52.3 million repurchasing nearly 1.7 million of the Company's shares last year."

Cash Dividend

Additionally, the Board of Directors increased the quarterly cash dividend by 16.7% to \$0.07 per share of common stock from \$0.06 per share citing the strong cash flow generation of the Company. The cash dividend will be paid on March 31, 2006 to shareholders of record at the close of business on March 17, 2006.

Review of Financial Results

Forward Air will hold a conference call to discuss fourth quarter and fiscal 2005 results on Tuesday, February 14, 2006, at 9:00 a.m. EST. The Company's conference call will be available online at www.forwardair.com or by dialing 800-841-9385. 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

Forward Air is a high-service-level contractor to the air cargo industry providing time-definite ground transportation services through a network of 81 terminals located on or near major airports in the United States and Canada. The Company provides these services as a cost-effective alternative to air transportation of 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.

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

	Three months ended		Year ended	
	12/31/05	12/31/04 (a)	12/31/05	12/31/04 (a)
Operating revenue	\$ 89,072	\$ 77,578	\$ 320,934	\$ 282,197
Operating expenses:				
Purchased transportation	37,919	32,938	132,912	118,425
Salaries, wages and employee benefits	18,781	17,336	68,086	62,728
Operating leases	3,327	3,059	13,486	12,791
Depreciation and amortization	2,310	1,729	8,947	6,817
Insurance and claims	1,339	836	5,202	5,382
Other operating expenses	6,801	6,028	24,864	22,456
Total operating expenses	70,477	61,926	253,497	228,599
Income from operations	18,595	15,652	67,437	53,598
Other income, net	530	411	3,800	1,072
Pre-tax income	19,125	16,063	71,237	54,670
Income taxes	6,928	5,969	26,328	20,249
Net income	\$ 12,197	\$ 10,094	\$ 44,909	\$ 34,421

Income per share:

Basic	\$ 0.39	\$ 0.31	\$ 1.41	\$ 1.07
Diluted	\$ 0.38	\$ 0.31	\$ 1.39	\$ 1.05

Weighted average shares outstanding:

Basic	31,311	32,397	31,847	32,310
Diluted	31,902	33,089	32,419	32,940

FORWARD AIR CORPORATION
Condensed Consolidated Balance Sheets
(In thousands)

	12/31/05		12/31/04	
	(Unaudited)		Audited (b)	
Assets:				
Cash and short-term investments		\$ 79,332	\$ 111,678	
Other current assets		57,876	47,744	
Property and equipment, net		47,222	37,286	
Other assets		28,645	17,845	
Total assets		\$ 213,075	\$ 214,553	
Liabilities and Shareholders' Equity:				
Current liabilities		25,965	25,657	
Long-term obligations		8,294	7,893	

Shareholders' equity	178,816	181,003
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Total liabilities and shareholders' equity	\$ 213,075	\$ 214,553
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- (a) Income per share has been restated to give effect to a three-for-two stock split declared in February 2005.
- (b) Taken from audited financial statements, which are not presented in their entirety.

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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