UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended September 30, 1999
Commission File No. 000-22490

FORWARD AIR CORPORATION
(Exact name of registrant as specified in its charter)

TENNESSEE	62-1120025
(State or other jurisdiction of incorporation or organization)	(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) 636-7100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES [X]   NO [ ]

The number of shares outstanding of the registrant's common stock, $.01 par value, as of November 5, 1999 was 13,778,377.

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FORWARD AIR CORPORATION

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

Forward Air Corporation

Condensed Consolidated Balance Sheets

<TABLE>
<CAPTION>

	September 30, 1999	December 31, 1998
	(Unaudited)	(Note 1)
	(In thousands, except share data)	
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,779	$ 455
Accounts receivable, less allowance of $918 in 1999 and $952 in 1998	24,178	19,754
Other current assets	3,359	3,207
Total current assets	35,316	23,416
Property and equipment	44,707	40,072
Less accumulated depreciation and amortization	13,117	10,152
	31,590	29,920
Other assets	3,490	3,472
Total assets	$70,396	$56,808
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,762	$ 4,120
Accrued expenses	7,750	7,056
Current portion of long-term debt	232	4,529

Current portion of capital lease obligations	508	676
Total current liabilities	14,252	16,381
Long-term debt, less current portion	18	15,403
Capital lease obligations, less current portion	4,035	4,723
Deferred income taxes	2,932	1,230
Shareholders' equity:		
Preferred stock	--	--
Common stock, $.01 par value:		
Authorized shares - 50,000,000 in 1999 and 20,000,000 in 1998		
Issued and outstanding shares - 13,771,736 in 1999 and 12,587,818 in 1998	138	126
Additional paid-in capital	35,189	15,768
Retained earnings	13,832	3,177
Total shareholders' equity	49,159	19,071
Total liabilities and shareholders' equity	$70,396	$56,808

</TABLE>

See notes to condensed consolidated financial statements.

Forward Air Corporation

Condensed Consolidated Statements of Income
(Unaudited)

<TABLE>
<CAPTION>

	Three months ended		Nine months ended	
	September 30, 1999	September 30, 1998	September 30, 1999	September 30, 1998
	(In thousands, except per share data)			
<S>	<C>	<C>	<C>	<C>
Operating revenue	$ 42,599	$ 33,354	$ 121,108	$ 92,943
Operating expenses:				
Purchased transportation:				
Provided by Landair Corporation	992	1,339	2,494	4,268
Provided by others	17,642	13,232	50,145	36,096
Salaries, wages and employee benefits	9,690	7,823	27,564	22,230
Operating leases	2,117	1,717	6,340	4,785
Depreciation and amortization	1,266	1,193	3,720	3,177
Insurance and claims	710	581	1,580	2,006
Other operating expenses	3,622	3,257	11,291	9,675
	36,039	29,142	103,134	82,237
Income from operations	6,560	4,212	17,974	10,706
Other income (expense):				
Interest expense	(141)	(236)	(766)	(661)

Other, net	94	2	172	13
	(47)	(234)	(594)	(648)
Income from continuing operations before income taxes	6,513	3,978	17,380	10,058
Income taxes	2,508	1,510	6,725	3,858
Income from continuing operations	4,005	2,468	10,655	6,200
Discontinued operations:				
Income from operations (less income taxes of $--, $--, $-- and $850, respectively)	--	--	--	1,345
Loss on Spin-off (less income taxes of $--, $--, $-- and $380, respectively)	--	--	--	(380)
	--	--	--	965
Net income	$ 4,005	$ 2,468	$ 10,655	$ 7,165
Income per share:				
Basic				
Income from continuing operations	$ .29	$ .20	$ .81	$ .50
Income from discontinued operations	--	--	--	.08
Net income	$ .29	$ .20	$ .81	$ .58
Diluted				
Income from continuing operations	$ .28	$ .19	$ .77	$ .48
Income from discontinued operations	--	--	--	.08
Net income	$ .28	$ .19	$ .77	$ .56

</TABLE>

See notes to condensed consolidated financial statements.

Forward Air Corporation

Condensed Consolidated Statements of Cash Flows
(Unaudited)

<TABLE>
<CAPTION>

<S>	Nine months ended September 30, 1999 <C>	September 30, 1998 <C>
	(In thousands)	
Cash provided by (used in) operations	$ 14,127	$ (4,708)
Investing activities:		
Proceeds from disposal of property and equipment	666	19
Purchases of property and equipment	(5,901)	(10,000)

Contribution of capital to Landair Corporation	--	(5,000)
Other	(123)	(197)
	--------	--------
	(5,358)	(15,178)
Financing activities:		
Proceeds from long-term debt	--	23,996
Payments of long-term debt	(19,682)	(6,647)
Payments of capital lease obligations	(856)	(736)
Proceeds from exercise of stock options	1,003	2,474
Common stock issued under employee stock purchase plan	57	--
Net proceeds from public offering	18,033	--
	--------	--------
	(1,445)	19,087
	--------	--------
Increase (decrease) in cash and cash equivalents	$ 7,324	$ (799)
	========	========

</TABLE>

See notes to condensed consolidated financial statements.

Forward Air Corporation

Notes to Condensed Consolidated Financial Statements
(Unaudited)
September 30, 1999

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended September 30, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For further information, refer to the consolidated financial statements and footnotes thereto included in the Forward Air Corporation annual report on Form 10-K for the year ended December 31, 1998.

The balance sheet at December 31, 1998 has been derived from the audited financial statements at that date, but does not include all of the financial information and footnotes required by generally accepted accounting principles for complete financial statements.

2. DISCONTINUED OPERATIONS

The accompanying condensed consolidated financial statements include Forward Air Corporation and its subsidiaries. On July 9, 1998 (the "Measurement Date"), the Board of Directors of the Company authorized the separation of the Company into two publicly-held corporations, one owning and operating the deferred air freight operations and the other owning and operating the truckload operations (the "Spin-off").

The Spin-off was effected on September 23, 1998 through the distribution to shareholders of the Company of all the outstanding shares of common stock of a new truckload holding company, Landair Corporation. Pursuant to the Spin-off, the common stock of Landair Corporation was distributed on a pro rata basis of one share of Landair Corporation common stock for every share of the common stock of the Company. Subsequent to the Spin-off, the Company has continued as the legal entity that owns and operates the deferred air freight operations through its operating subsidiaries and Landair Corporation is the legal entity that owns and operates the truckload operations. Additionally, the name Landair Services, Inc. was changed to Forward Air Corporation on August 26, 1998. As a result of the Spin-off, the results of operations and cash flows of the truckload operations have been reported as discontinued operations in the accompanying condensed consolidated financial statements.

2. DISCONTINUED OPERATIONS (CONTINUED)

As used in the accompanying condensed consolidated financial statements, the term "Forward Air" refers to the deferred air freight operations; the term "truckload" refers to the truckload operations; and the term "the Company" refers to the entity which, prior to the Spin-off, operated both the deferred air freight business and truckload business and which, after the Spin-off, operates the deferred air freight business.

Summarized income statement information relating to the truckload operations (as reported in discontinued operations) for the period presented prior to the Spin-off is as follows (in thousands):

<TABLE>
<CAPTION>

<S>	Three months ended September 30, 1998 <C>	Nine months ended September 30, 1998 <C>
Operating revenue	$ --	$ 51,543
Operating expenses	--	48,450
Income from operations	--	3,093
Interest expense	--	(924)
Other, net	--	26
Income before income taxes	--	2,195
Income taxes	--	850
Income from discontinued truckload operations	$ --	$ 1,345

</TABLE>

The estimated loss on Spin-off in the amount of $380,000 recorded in 1998 includes an estimate of the net of the after-tax income of the discontinued operations from the Measurement Date through the date of the Spin-off and the estimated costs associated with the Spin-off. The costs associated with the Spin-off represent the cost of separating the two businesses which are non-deductible for income tax purposes. Upon effecting the Spin-off in September 1998, the actual loss on Spin-off approximated the $380,000 estimated amount.

3. COMPREHENSIVE INCOME

The Company had no items of other comprehensive income in 1999 or 1998 and, accordingly, comprehensive income is equivalent to net income.

4. NET INCOME PER SHARE

On February 24, 1999, the Board of Directors approved a two-for-one split of the common stock of the Company which was distributed on March 19, 1999 to shareholders of record as of March 12, 1999. Common stock issued and additional paid-in capital have been restated to reflect this split for all periods presented. All common share and per share data included in the condensed

4. NET INCOME PER SHARE (CONTINUED)

consolidated financial statements and notes thereto have been restated to give effect to the stock split.

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

<TABLE>
<CAPTION>

	Three months ended		Nine months ended	
	September 30, 1999	September 30, 1998	September 30, 1999	September 30, 1998
<S>	<C>	<C>	<C>	<C>
Numerator:				
Numerator for basic and diluted income per share:				
Income from continuing operations	$ 4,005	$ 2,468	$10,655	$ 6,200
Income from discontinued operations	--	--	--	965
Net income	$ 4,005	$ 2,468	$10,655	$ 7,165
Denominator:				
Denominator for basic income per share - weighted-average shares	13,757	12,478	13,110	12,328
Effect of dilutive stock options	786	316	692	498
Denominator for diluted income per share - adjusted weighted-average shares	14,543	12,794	13,802	12,826
Income per share - basic:				
Income from continuing operations	$ .29	$ .20	$ .81	$ .50
Income from discontinued operations	--	--	--	.08
Net income	$ .29	$ .20	$ .81	$ .58
Income per share - diluted:				
Income from continuing operations	$ .28	$ .19	$ .77	$ .48
Income from discontinued operations	--	--	--	.08
Net income	$ .28	$ .19	$ .77	$ .56
Securities that could potentially dilute basic income per share in the future that were not included in the computation of diluted income per share because to do so would have been antidilutive for the periods presented	25	30	25	30

=======	=======	=======	=======

</TABLE>

5. SHAREHOLDERS' EQUITY

On May 4, 1999, 1.0 million shares of the common stock of the Company were sold under a Form S-3 Registration Statement dated April 23, 1999. The net proceeds of the offering were $18.0 million and were used principally to repay outstanding debt.

6. INCOME TAXES

For the three and nine months ended September 30, 1999 and 1998, the effective income tax rate varied from the statutory federal income tax rate of 35% primarily as a result of the effect of state income taxes, net of the federal benefit, and permanent differences.

7. CONTINGENCIES

The Company is, from time to time, a party to litigation arising in the normal course of its business, most of which involve claims for personal injury and property damage incurred in connection with the transportation of freight. Management believes none of these actions, individually or in the aggregate, will have a material adverse effect on the financial condition or results of operations of the Company.

8. RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements to conform to the 1999 presentation. These reclassifications had no effect on net income as previously reported.

9. SUBSEQUENT EVENTS

Acquisition of Businesses

On October 4, 1999, the Company acquired certain air cargo operating assets of Quick Delivery Service, Inc. ("Quick"), a surface transportation contractor to the air cargo industry based in Mobile, Alabama. Annual revenue from Quick's air cargo operations was approximately $13.0 million. On October 25, 1999, the Company acquired certain air cargo operating assets of LTD Air Cargo, Inc. ("LTD"), a surface transportation contractor to the air cargo industry based in Nashville, Tennessee. Annual revenue from LTD's air cargo operations was approximately $11.0 million. The acquisitions will be accounted for as a purchase. The results of operations for the acquired businesses will be included in the consolidated statements of income from the acquisition dates forward.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

We provide scheduled ground transportation of cargo on a time-definite basis. As a result of our established transportation schedule and network of terminals, our operating cost structure includes significant fixed costs. Our ability to improve our operating margins will depend on our ability to increase the volume of freight moved through our network.

The following does not include a discussion and analysis of the truckload business, which has been accounted for as a discontinued operation as a result of the Spin-off effected on September 23, 1998. (See Note 2 to the Condensed Consolidated Financial Statements.)

RESULTS OF OPERATIONS

The following table shows the percentage relationship of expense items to operating revenue for the periods indicated.

<TABLE>
<CAPTION>

	Three months ended		Nine months ended	
	September 30, 1999	September 30, 1998	September 30, 1999	September 30, 1998
<S>	<C>	<C>	<C>	<C>
Operating revenue	100.0%	100.0%	100.0%	100.0%
Operating expenses:				
Purchased transportation	43.7	43.7	43.5	43.4
Salaries, wages and employee benefits	22.7	23.5	22.8	23.9
Operating leases	5.0	5.1	5.2	5.2
Depreciation and amortization	3.0	3.6	3.1	3.4
Insurance and claims	1.7	1.7	1.3	2.2
Other operating expenses	8.5	9.8	9.3	10.4
	84.6	87.4	85.2	88.5
Income from operations	15.4	12.6	14.8	11.5
Other income (expense):				
Interest expense	(0.3)	(0.7)	(0.6)	(0.7)
Other, net	0.2	--	0.1	--
	(0.1)	(0.7)	(0.5)	(0.7)
Income before income taxes	15.3	11.9	14.3	10.8
Income taxes	5.9	4.5	5.5	4.1
Income from continuing operations	9.4	7.4	8.8	6.7

</TABLE>

Three Months Ended September 30, 1999 compared to Three Months Ended September 30, 1998

Operating revenue increased by $9.2 million, or 27.5%, to $42.6 million in the third quarter of 1999 from $33.4 million in the same period of 1998. The increase resulted primarily from increased volume of freight shipments from domestic and international air cargo customers, increased operating terminals and direct shuttles and enhanced logistics services.

Purchased transportation represented 43.7% of operating revenue in the third quarter of 1999 compared to 43.7% in the same period of 1998.

Salaries, wages and employee benefits were 22.7% of operating revenue in the third quarter of 1999 compared to 23.5% in the same period of 1998. The decrease in salaries, wages and employee benefits as a percentage of operating revenue was due primarily to operating efficiencies resulting from increased volume of freight transported through our network coupled with a reduction in Company linehaul drivers which were hired initially as a part of the acquisition of certain of the assets of Adams Air Cargo, Inc. in October 1997.

Operating leases, the largest component of which is terminal rent, were 5.0% of operating revenue in the third quarter of 1999 compared to 5.1% in the same period of 1998. The decrease in operating leases as a percentage of operating revenue between periods was attributable to increased leverage of leased facilities.

Depreciation and amortization expense as a percentage of operating revenue was 3.0% in the third quarter of 1999, compared to 3.6% in the same period of 1998. The decrease in depreciation and amortization expense as a percentage of revenue was attributable to increased utilization of operating equipment.

Insurance and claims were 1.7% of operating revenue in the third quarter of 1999, compared with 1.7% in the same period of 1998.

Other operating expenses were 8.5% of operating revenue in the third quarter of 1999 compared to 9.8% in the same period of 1998. The decrease in other operating expenses as a percentage of operating revenue was primarily attributable to a lower operating cost structure due to increased operating revenue and a reduction in commissions paid to agent terminals.

Income from operations increased by $2.4 million, or 57.1%, to $6.6 million for the third quarter of 1999 compared to $4.2 million for the same period in 1998. The improvement in income from operations is due primarily to a lower operating cost structure in the current year resulting from an increase in operating revenue which allowed the Company to spread the fixed costs of the network over a larger revenue base.

Interest expense was $141,000, or 0.3%, of operating revenue in the third quarter of 1999, compared to $236,000, or 0.7%, for the same period in 1998. The decrease in interest expense was due to lower average net borrowings during 1999.

The combined federal and state effective tax rate for the third quarter of 1999 was 38.5% compared to a rate of 38.0% for the same period in 1998.

As a result of the foregoing factors, income from continuing operations increased by $1.5 million, or 60.0%, to $4.0 million for the third quarter of 1999, compared to $2.5 million for the same period of 1998.

Nine Months Ended September 30, 1999 compared to Nine Months Ended September 30, 1998

Operating revenue increased by $28.2 million, or 30.4%, to $121.1 million in the first nine months of 1999 from $92.9 million in the same period of 1998. The increase resulted primarily from increased volume of freight shipments from domestic and international air cargo customers, increased operating terminals and direct shuttles and enhanced logistics services.

Purchased transportation represented 43.5% of operating revenue in the first nine months of 1999 compared to 43.4% in the same period of 1998.

Salaries, wages and employee benefits were 22.8% of operating revenue in the first nine months of 1999 compared to 23.9% in the same period of 1998. The decrease in salaries, wages and employee benefits as a percentage of operating revenue was due primarily to operating efficiencies resulting from increased volume of freight transported through our network coupled with a reduction in Company linehaul drivers which were hired initially as a part of the acquisition of certain of the assets of Adams Air Cargo, Inc. in October 1997.

Operating leases, the largest component of which is terminal rent, were 5.2% of operating revenue in the first nine months of 1999 compared to 5.2% in the same period of 1998.

Depreciation and amortization expense as a percentage of operating revenue was 3.1% in the first nine months of 1999, compared to 3.4% in the same period of 1998. The decrease in depreciation and amortization expense as a percentage of revenue was attributable to increased utilization of operating equipment.

Insurance and claims were 1.3% of operating revenue in the first nine months of 1999, compared with 2.2% in the same period of 1998. The decrease in insurance and claims as a percentage of operating revenue was due primarily to a decrease in the frequency and severity of accidents and lower premium costs.

Other operating expenses were 9.3% of operating revenue in the first nine months of 1999 compared to 10.4% in the same period of 1998. The decrease in other operating expenses as a percentage of operating revenue was primarily attributable to a lower operating cost structure due to increased operating revenue and a reduction in commissions paid to agent terminals.

Income from operations increased by $7.3 million, or 68.2%, to $18.0 million for the first nine months of 1999 compared to $10.7 million for the same period in 1998. The improvement in

income from operations is due primarily to a lower operating cost structure in the current year resulting from an increase in operating revenue which allowed the Company to spread the fixed costs of the network over a larger revenue base.

Interest expense was $766,000, or 0.6%, of operating revenue in the first nine months of 1999, compared to $661,000, or 0.7%, for the same period in 1998. The increase was due to higher average net borrowings.

The combined federal and state effective tax rate for the first nine months of 1999 was 38.7% compared to a rate of 38.4% for the same period in 1998.

As a result of the foregoing factors, income from continuing operations increased by $4.5 million, or 72.6%, to $10.7 million for the first nine months of 1999, compared to $6.2 million for the same period of 1998.

Liquidity and Capital Resources

Prior to the Spin-off in September 1998, we operated our business and the truckload business together. As a result, our statement of cash flows for 1998 does not fully reflect the cash flows of our business as a stand-alone company.

We have historically financed working capital needs, including capital purchases, with cash flows from operations and borrowings under our bank lines of credit. Net cash provided by operating activities totaled approximately $14.1 million for the nine months ended September 30, 1999 compared with cash used in operating activities of approximately $4.7 million in the same period of 1998. Accounts receivable increased $4.4 million over 1998 levels primarily as a result of increased revenue.

Net cash used in investing activities was approximately $5.4 million in the nine months ended September 30, 1999 compared with $15.2 million in the same period of 1998. Our investing activities consisted primarily of the purchase of operating equipment and management information systems during these periods.

Net cash used in financing activities totalled approximately $1.4 million in the nine months ended September 30, 1999 compared with net cash provided by financing activities of $19.1 million in the same period of 1998. Our financing activities included the continued financing of operating equipment and working capital needs, the repayment of long-term debt and capital leases and proceeds received from the exercise of stock options, common stock issued under an employee stock purchase plan and common stock issued from a public offering.

On May 4, 1999, 1.0 million shares of the common stock of the Company were sold under a Form S-3 Registration Statement dated April 23, 1999. The net proceeds of the offering were $18.0 million and were used principally to repay outstanding debt.

Our credit facilities include a working capital line of credit and an equipment financing facility. As long as we comply with the financial covenants and ratios established in the credit facility agreements, these credit facilities permit us to borrow up to $20.0 million under the working capital line of credit and up to $25.0 million under equipment financing facilities. Interest rates for advances under the facilities vary based on covenants related to total indebtedness, cash flows, results of operations and other ratios. The facilities bear interest at LIBOR plus .80% to 1.90%, expire in September and December 2000 and are secured by accounts receivable and most of our equipment. The amount we can borrow under the line of credit is reduced by the amount of any outstanding letters of credit.

We believe that our available cash, together with proceeds from the recent public offering of the common stock of the Company, expected cash generated from future operations and borrowings under available lines of credit, will be sufficient to satisfy our anticipated cash needs for at least the next 12 months.

Year 2000 Issues

The Company continues to assess the potential impact of the Year 2000 on our internal information technology ("IT") systems and operations. The Company's Year 2000 initiatives include (i) testing and upgrading internal systems; (ii) contacting technology vendors to determine their Year 2000 compliance status; (iii) interface testing of the Company's internal systems with the systems of its principal technology vendors; and (iv) contingency planning. The scope of these efforts includes business systems, systems software, computer hardware, local networking and external telecommunications services.

The Company's State of Readiness

The Company has completed its assessment of its IT systems for Year 2000 compliance. During this assessment, the Company identified certain software applications that required modifications or updates for IT systems to be Year 2000 compliant. The Company has obtained or will obtain such modifications and updates. Based upon its assessment, the Company believes that substantially all of its critical IT systems are Year 2000 compliant or can be made Year 2000 compliant with minor modifications. The Company anticipates all critical IT systems will be Year 2000 compliant by November 15, 1999.

As an integral part of its Year 2000 compliance effort, the Company has been testing the interfacing of its IT systems with the systems of certain of its IT vendors with whom the Company has material relationships. The Company will continue this testing in an effort to minimize operations disruptions due to Year 2000 issues. At present, the Company has not identified any material IT vendor which will not be Year 2000 compliant.

Estimated Cost to Address Year 2000 Issues

To date, costs incurred in connection with Year 2000 issues have not been material. Management estimates that the total Year 2000 project costs will not have a material impact on the Company's results of operations, liquidity, or financial condition. Except for expenditures for capital items, Year 2000 project costs are being expensed and are funded through cash from operations. The Company has not yet deferred any IT project due to its Year 2000 efforts.

Risks of the Company's Year 2000 Issues

Virtually every aspect of the Company's operations might be disrupted if our systems or the systems of our material vendors are not Year 2000 compliant. While the Company is attempting to minimize any negative consequences arising from Year 2000 issues, there can be no assurance that Year 2000 issues will not have a material adverse impact on our business, operations or financial condition. Moreover, while the Company expects that upgrades to its IT systems will be completed in a timely manner, there can be no assurances that the Company will not encounter unexpected costs or delays.

Moreover, if any of the Company's significant vendors or customers experience business disruptions due to Year 2000 issues, the Company might be adversely affected. In certain instances, primarily telecommunications vendors or vendors materially dependent on telecommunications, the Company is limited in its ability to verify Year 2000 compliance and must rely on vendor representations which may not provide unqualified Year 2000 compliance assurances. The Company's efforts with respect to its customers have been focused on electronic data interface ("EDI") support. The Company is contacting each customer with whom there is an EDI relationship to offer conversion to the Year 2000 compliant version of EDI standards. In certain cases, customers have elected not to upgrade.

At present, the Company is not able to determine whether there would be a material impact on the Company's results of operations, liquidity or financial condition if the Company's material systems, vendors and customers are not Year 2000 compliant. A worst-case scenario would result in the short-term inability of the Company to transport freight for its customers. This would result in lost revenue; however, the amount would be dependent on the length and nature of the disruption which cannot be predicted or estimated.

Contingency Plans

The Company will formulate detailed contingency plans at that point in time when the Company believes that a material vendor will not be Year 2000 compliant. As the Company anticipates that all its material vendors will be Year 2000 compliant, the Company has not yet established detailed contingency plans. However, as a general precaution, the Company will document manual procedures to be implemented if the IT systems of certain of its material vendors, primarily telecommunications vendors, fail. It is recognized that these procedures would provide limited

support in the event of a material vendor failure and would only partially mitigate the impact of the failure on Company operations.

Forward-Looking Statements

The Company, or its executive officers and directors on behalf of the Company, may from time to time make written or oral "forward-looking statements." 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. 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 due to a decreased volume of freight moving through the Company's network, competition, surplus inventories, loss of a major customer, the Company's lack of prior operating history as an entity independent of the truckload operations, the ability of the Company's information systems to handle increased volume of freight moving through its network, and the availability and compensation of qualified independent owner-operators to serve the Company's transportation needs. The Company disclaims any intent or obligation to update these forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

On May 4, 1999, the Company sold 1.0 million shares of its common stock in a public offering. The net proceeds of $18.0 million were used principally to repay outstanding debt. With this repayment, the Company's exposure to market risk related to its remaining outstanding debt is not significant.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is, from time to time, a party to litigation arising in the normal course of its business, most of which involve claims for personal injury and property damage incurred in connection with the transportation of freight. Management believes that none of these actions, individually or in the aggregate, will have a material adverse effect on the financial condition or results of operations of the Company.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

Not Applicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable

ITEM 5. OTHER INFORMATION

Not Applicable

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits - The response to this portion of Item 6 is submitted as a separate section of this report.

(b) Reports on Form 8-K - The Company did not file any reports on Form 8-K during the three months ended September 30, 1999.

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 thereunto duly authorized.

Forward Air Corporation

Date: November 12, 1999 By: /s/ Edward W. Cook

Edward W. Cook
Chief Financial Officer
and Senior Vice President

EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit No.	
<S>	<C>
27.1	Financial Data Schedule - Period Ended September 30, 1999 (Electronic Filing Only)

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF FORWARD AIR CORPORATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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