

CELADON GROUP INC  
Form 10-Q  
October 30, 2009

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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, 2009

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Commission file number: 000-23192

CELADON GROUP, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

13-3361050  
(IRS Employer  
Identification No.)

9503 East 33rd Street  
One Celadon Drive  
Indianapolis, IN  
(Address of principal executive offices)

46235-4207  
(Zip Code)

(317) 972-7000  
(Registrant's telephone number, including area code)

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

No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b2 of the Exchange Act).

Yes  No

As of October 30, 2009 (the latest practicable date), 22,081,363 shares of the registrant's common stock, par value \$0.033 per share, were outstanding.

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CELADON GROUP, INC.

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## Part I. Financial Information

## Item I. Financial Statements

CELADON GROUP, INC.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 September 30, 2009 and June 30, 2009  
 (Dollars in thousands except per share and par value amounts)

	September 30, 2009 (unaudited)	June 30, 2009
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$1,917	\$863
Trade receivables, net of allowance for doubtful accounts of \$1,016 and \$1,059 at September 30, 2009 and June 30, 2009, respectively	60,364	55,291
Prepaid expenses and other current assets	16,488	10,044
Tires in service	5,379	4,336
Equipment held for resale	---	8,012
Income tax receivable	---	232
Deferred income taxes	2,878	2,780
Total current assets	87,026	81,558
Property and equipment	243,043	237,167
Less accumulated depreciation and amortization	76,010	70,025
Net property and equipment	167,033	167,142
Tires in service	1,192	1,581
Goodwill	19,137	19,137
Other assets	1,592	1,581
Total assets	\$275,980	\$270,999
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$5,545	\$5,461
Accrued salaries and benefits	11,401	10,084
Accrued insurance and claims	8,708	8,508
Accrued fuel expense	9,428	8,592
Other accrued expenses	12,887	11,547
Current maturities of long-term debt	968	1,109
Current maturities of capital lease obligations	6,757	6,693
Provision for income taxes	947	---
Total current liabilities	56,641	51,994
Long-term debt, net of current maturities	7,082	5,870
Capital lease obligations, net of current maturities	33,580	35,311
Deferred income taxes	33,116	34,132
Minority interest	---	25
Stockholders' equity:		

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Common stock, \$0.033 par value, authorized 40,000,000 shares; issued 23,756,003 and 23,840,677 shares at September 30, 2009 and June 30, 2009, respectively	784	787
Treasury stock at cost; 1,674,640 and 1,744,245 shares at September 30, 2009 and June 30, 2009, respectively	(11,546 )	(12,025 )
Additional paid-in capital	97,219	97,030
Retained earnings	63,520	62,955
Accumulated other comprehensive loss	(4,416 )	(5,080 )
Total stockholders' equity	145,561	143,667
Total liabilities and stockholders' equity	\$275,980	\$270,999

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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CELADON GROUP, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 For the three months ended September 30, 2009 and 2008  
 (Dollars in thousands except per share amounts)  
 (Unaudited)

	2009	2008
Revenue:		
Freight revenue	\$ 110,686	\$ 109,289
Fuel surcharges	17,151	37,579
Total revenue	127,837	146,868
Operating expenses:		
Salaries, wages, and employee benefits	40,005	41,329
Fuel	29,737	48,066
Operations and maintenance	8,682	9,387
Insurance and claims	3,945	3,619
Depreciation and amortization		