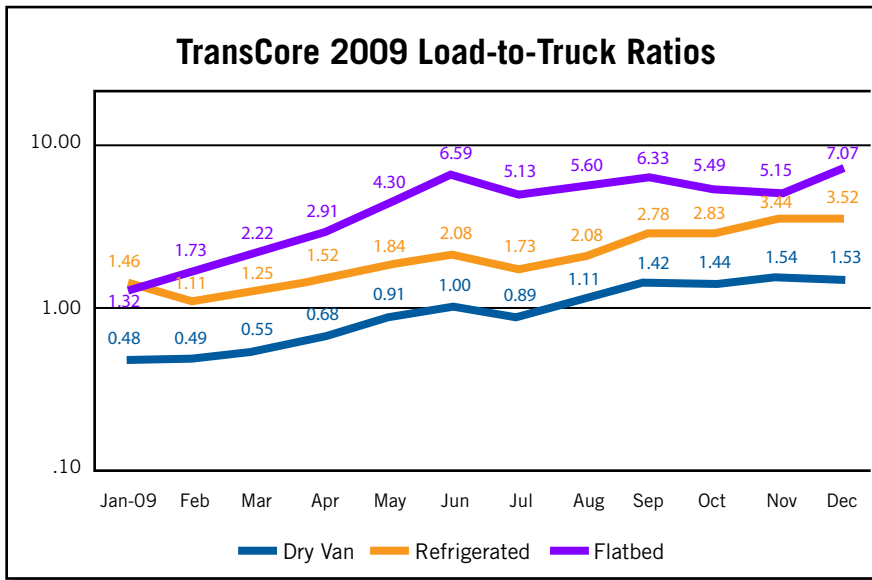




### 2009 in Review:

### Speed Bumps on the Road to Recovery

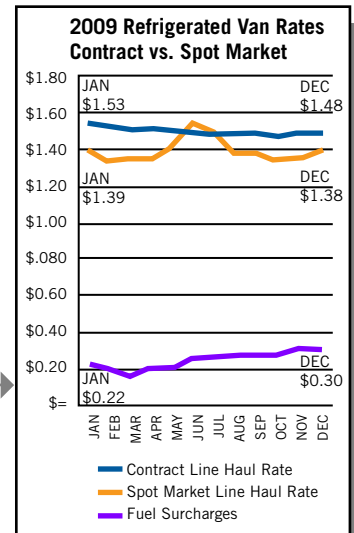
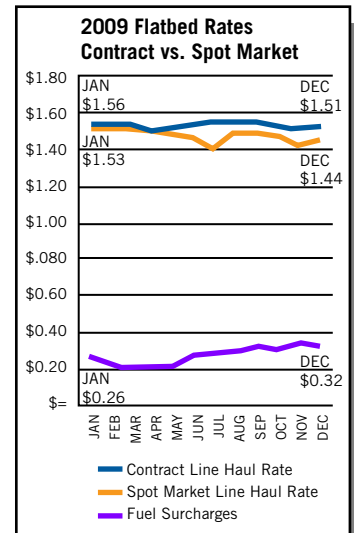
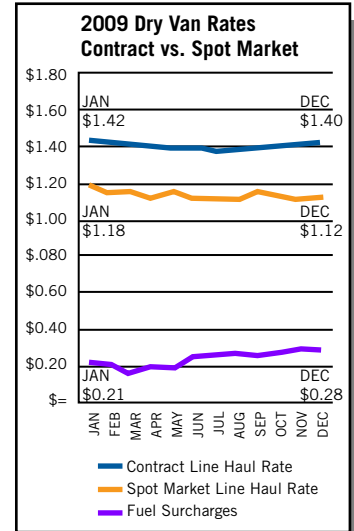
Where's the freight? – For the first quarter of 2009, fallout from the financial market crisis that began in Q4 2008 continued to depress freight volumes. The ATA tonnage index (not seasonally adjusted) slipped by 9% from 2008 totals. Not surprisingly, spot market freight declined. There were 43% fewer spot market loads available in 2009 than in 2008, due primarily to freight scarcity in the first half of the year. Rates declined, as well, for contract freight as well as brokered freight on the spot market.



Load-to-truck ratio on TransCore's DAT Network reflected steady improvement in the marketplace beginning in February 2009, for all equipment types. In the fourth quarter, spot freight began to surpass 2008 in year-over-year comparisons.

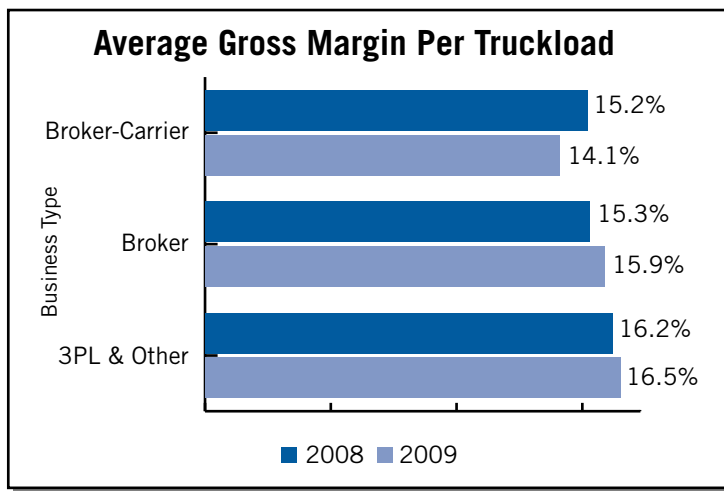
Spot market rebounds first – Load-to-truck ratios on TransCore's DAT® Network began to show signs of recovery in the second quarter (see graph, above.) By October, TransCore's Freight Index and load-to-truck ratios achieved steady improvement, on a year-over-year basis. Overall freight volume was slower to recover; the American Trucking Associations (ATA) Tonnage Report issued its first positive year-over-year comparison in December.

Freight rates deteriorated throughout 2009 for all equipment types, except for a summer season spike in spot rates for refrigerated vans (far right.) The decline continued through January and February 2010 (not shown) but rates began to rise in March, led by vans on the spot market. (Source: Transcore Truckload Rate Index - Spot Markets)

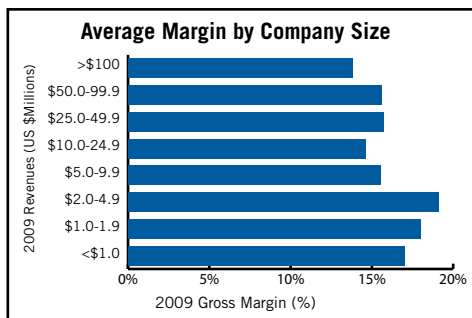


Truckers and brokers face bankruptcy – Continuing a three-year trend, trucking companies continued to close their doors or park trucks in 2009, reducing capacity throughout the year. Brokers were squeezed by low freight volume and late-paying customers, leading to a 74% increase in bankruptcies year-over-year (as reported in *Transport Topics*, September 21, 2009.) Companies that survived the downturn positioned themselves for future .

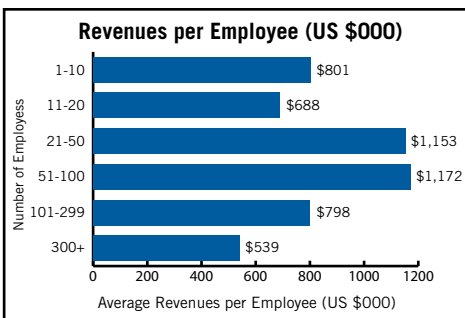
## Financial Performance



Average gross margins in 2009 were 15.6% overall, which is not significantly different from last year's survey response. Profitability varied most noticeably by business type: 3PLs earned better-than-average margins of 16.5%, while broker-carriers reported margins of 14.1% in 2009, a full percentage point lower than 2008 responses. In last year's survey, gross profit margins varied most significantly by length of haul. This year's respondents reported an average length of haul that was 10% longer than the average in last year's survey report, but it was not a major factor in profitability.



As in past years, company size was not a good predictor of gross margin per truckload move. The highest average margins [18.3%] were achieved in 2009 by companies with annual revenues between \$1 and \$5 million. In general, the smallest firms achieved higher margins on lower overall revenue.



Respondents reported an average of \$853,400 in revenues per employee, not counting independent agents. The highest productivity, of more than \$1 million per employee, was reported by firms with 21-100 employees.

## 2009 by the Numbers

Ratio of spot freight loads to available trucks, January 2009  
**0.82 to 1**

Ratio of spot freight loads to available trucks, December 2009  
**2.65 to 1**

Year-over-year decline in total spot market loads, 2009 vs. 2008  
**43%**

Year-over-year increase in total spot market loads, **Q4 2009** vs. Q4 2008  
**50%**

12-month average spot market line haul rate for dry vans  
**\$1.13 per mile**

12-month average contract line haul rate for dry vans  
**\$1.39 per mile**

## Survey Highlights

Average gross margin per truck load (TL)  
**15.6%**

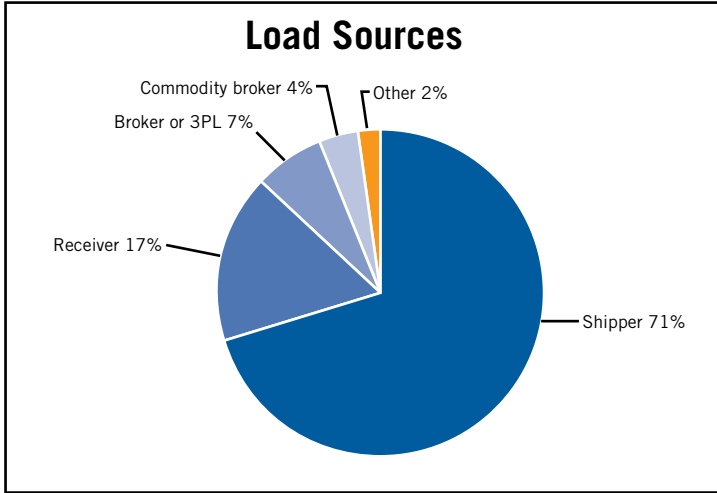
Average length of haul  
**957 miles**

Average loads per month  
**990**

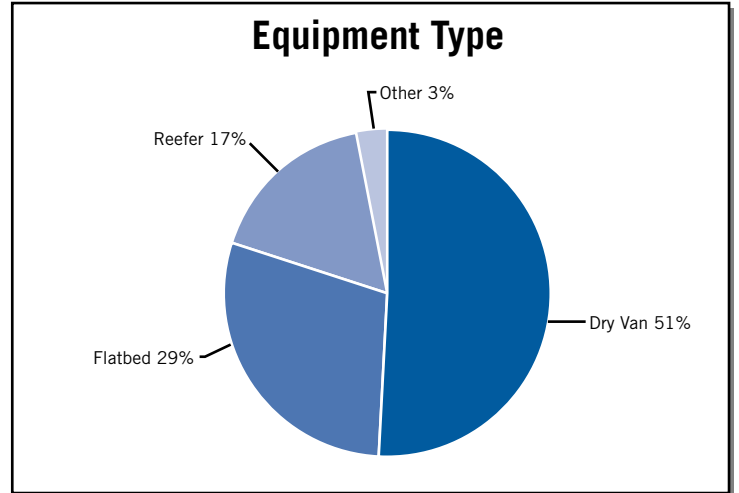
Average annual revenues per employee  
**\$853,000**

Average annual revenues per company  
**\$34.8 million**

## Customers and Freight



Shippers provided the overwhelming majority [71%] of respondents' loads in 2009, followed by receivers [17%] and 3PLs or other brokers [7%]. Commodity brokers provided about 4% of freight. These responses did not differ significantly from last year's.



The majority [51%] of respondents' loads were hauled by dry vans. Flatbeds hauled 29% of their freight, reefers carried 17%, and other equipment accounted for the remaining 3%. The most significant difference between this result and last year's was an increase in the proportion of flatbed loads, from 24% of loads in 2008 to 29% in 2009.

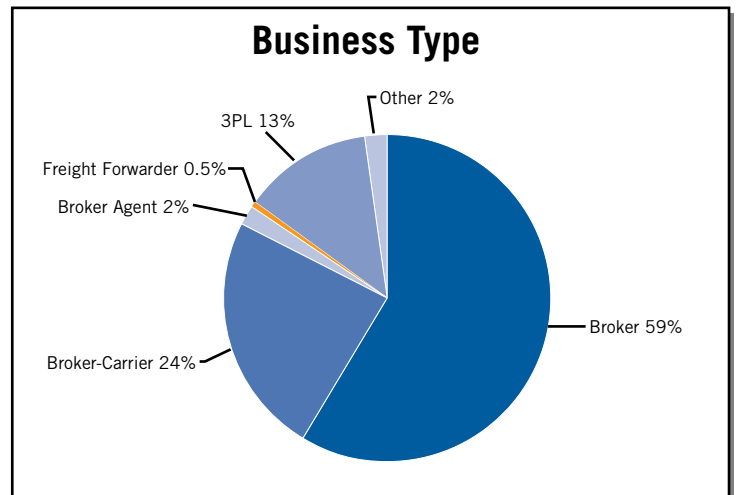
Customer Relationships	2008	2009
Repeat business (not ongoing contract)	55%	57%
Contract of one year or less	13%	12%
Multi-year contract	13%	14%
Exceptions or overflow freight	4%	4%
Spot market	12%	10%
Other sources	3%	3%

Long-term customer relationships, including contracts and non-contracted repeat business, provided 83% of loads in 2009. Repeat business outside of a contract was the source for 57% of loads. These results did not represent a significant change from last year's survey responses. Compared to last year, a smaller proportion (10% vs. 12%) of loads derived from the spot market or load boards, presumably by broker-carriers for their trucking operations.

Load Types			
Mode	2007	2008	2009
Truckload/TL	77%	80%	80%
Partial/LTL	15%	14%	15%
Intermodal	5%	4%	3%
Other	3%	3%	2%

Loads were 80% TL and 15% LTL, statistically similar to last year's proportions. Intermodal freight declined slightly as a proportion of total loads. (Numbers in the table are rounded to the closest whole percent.)

## Survey Participants



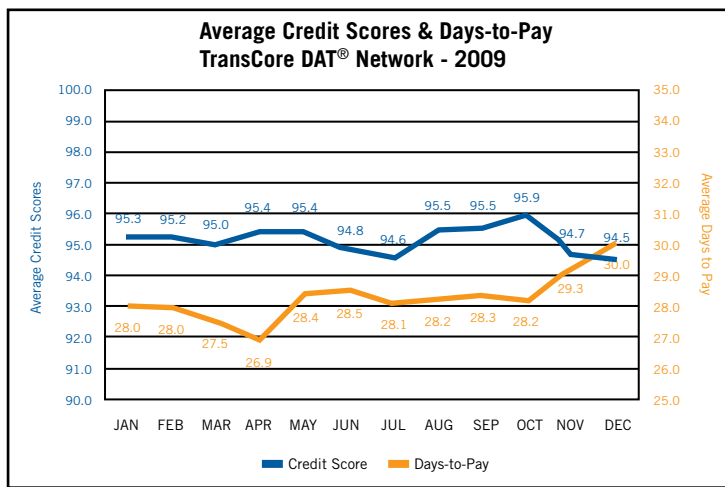
Most 2010 survey respondents were brokers [59%] or broker-carriers [24%], and 13% were 3PLs. Of last year's survey participants, 47% characterized themselves as brokers, 35% as broker-carriers and 11% as 3PLs. More than 60% of the survey respondents have been in business for 8 years or more. This result is not statistically different from last year's.

## Interpreting the Survey

**Stable results, year-over-year** – Despite continuing turmoil in the marketplace in 2009, there were not many significant changes in this year’s survey responses. Brokers reported average revenues of \$34.8 million, with average productivity exceeding \$850,000 per employee.

Survey respondents moved an average of 990 loads per month and reported gross margins of 15.6% per truckload. These results do not represent a significant change from last year’s survey. The average length of haul, as estimated by survey respondents, was 957 miles. This result was 10% higher than the 869 mile average in last year’s report. The reasons for this unexpected result are unclear.

Days-to-pay increased and credit scores slid down throughout the year. Brokers reported that they struggled to pay carriers on time while their own customers were paying late or even declaring bankruptcy with freight bills left unpaid. As in previous years, brokers on TransCore’s DAT Network participants maintained average credit scores of 94.5 or above, and paid freight bills in an average of 30 days or less.

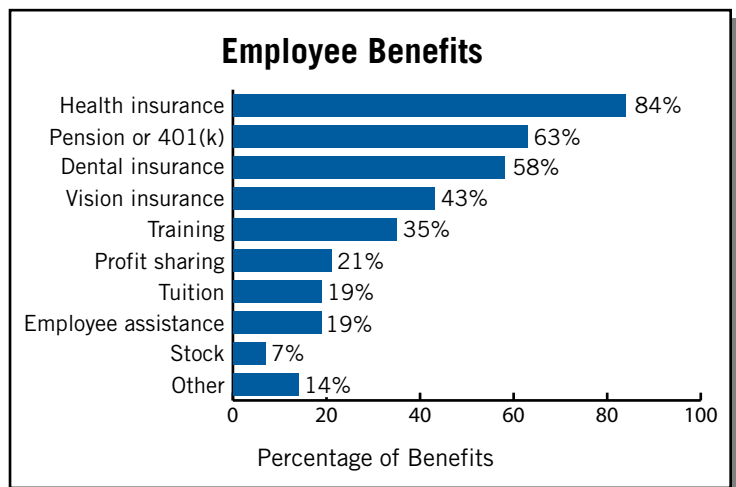


Credit scores (blue) for brokers on TransCore’s DAT Network remained above 94.5 out of 100 throughout the year, and days-to-pay (orange) edged up to 30, on average. (Sources: TransCredit and TransCore)

## Staffing

Average Annual Compensations			
Job Description	2008	2009	Change
Independent Agents	\$63,450	\$73,740	+16%
Broker/Salespeople	\$60,960	\$68,890	+13%
Dispatchers/Truck Finders	\$45,560	\$43,610	-4.3%
Back Office	\$36,010	\$36,000	-0.0%
Carrier Relations/Qual.	\$29,770	\$36,000	+21%

Annual compensation, including salary, commission and bonus, averaged slightly under \$69,000 for employees whose primary job was brokering or selling. This was an increase of 13% from last year’s results. Increases in average pay rates are likely to have resulted indirectly from layoffs, as highly productive or more senior personnel were retained, and commission-based employees earned a larger proportion of the remaining business.



Most (84%) of the survey respondents pay all or part of employees’ health insurance costs, and 63% contribute to retirement or pension plans such as a 401(k). Dental (58%) and vision insurance (43%) were also popular benefit choices among respondents. A higher proportion of this year’s respondents reported offering these benefits, although comments revealed that some companies reduced their contributions to 401(k) and insurance plans.

## How we surveyed

In February 2010, we invited more than 5,000 freight brokerage companies and 3PLs to answer questions about their business. We asked about company operations, revenues, margins and sources of business. More than 225 companies answered the detailed questionnaire, with each response representing a single company – from one-man shops to industry giants. We asked about brokers’ plans to cope with the changing business environment, and learned that many had cut costs, including payroll, in 2009. Others pursued new business opportunities or invested in personnel, technologies, and infrastructure to prepare for an anticipated surge in demand. Respondents also expressed concerns about 2010, including potential capacity shortages and cost increases.