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HEARTLAND EXPRESS INC
Form 8-K
April 17, 2009

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):
April 15, 2009

HEARTLAND EXPRESS, INC.
(Exact name of registrant as specified in its charter)

Commission File Number - 0-15087

NEVADA
(State of other Jurisdiction
of Incorporation)

93-0926999
(IRS Employer ID No.)

901 NORTH KANSAS AVE, NORTH LIBERTY, IA
(Address of Principal Executive Offices)

52317
(Zip Code)

Registrant's Telephone Number (including area code): 319-626-3600

Item 9.01. Financial Statements and Exhibits

Exhibit 99.1 - Heartland Express, Inc. press release dated April 15, 2009 with respect to the Company's financial results for the quarter ended March 31, 2009.

Item 2.02. Results of Operations and Financial Condition.

On April 15, 2009 Heartland Express, Inc. announced its financial results for the quarter ended March 31, 2009. The press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on behalf of the undersigned

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thereunto duly authorized.

HEARTLAND EXPRESS, INC.

Date: April 17, 2009

BY: /s/John P. Cosaert

JOHN P. COSAERT
Vice-President
Finance and Treasurer

Exhibit No. 99.1

Wednesday, April 15, 2009 For Immediate Release

Press Release

Heartland Express, Inc. Reports Revenues and Earnings for the First Quarter of 2009

NORTH LIBERTY, IOWA - April 15, 2009 - Heartland Express, Inc. (Nasdaq: HTLD) announced today financial results for the quarter ended March 31, 2009. As previously announced the quarter started with negative freight trends from the fourth quarter of 2008. Freight demand remained depressed throughout the first quarter of 2009. However, for the quarter ended March 31, 2009, Heartland Express, Inc. posted an operating ratio (operating expenses as a percentage of operating revenues) of 83.4% and a 12.3% net margin (net income as a percentage of operating revenues) both significant improvements over the prior year comparative period. The Company reported an operating ratio of 86.7% and a 9.8% net margin for the quarter ended March 31, 2008.

Operating revenues for the quarter decreased 22.8% to \$115.0 million from \$149.0 million in the first quarter of 2008. The significant reduction in fuel prices period over period translated into lower fuel surcharge revenue which accounted for approximately half of the decline in total operating revenues. Lower miles driven by lower load counts attributed to overall general economic conditions accounted for the other half of the reduction in operating revenues. Net income for 2009 was \$14.1 million compared to \$14.7 million in the 2008 period. Earnings per share were unchanged at \$0.15 for both periods.

There continues to be excess capacity in the market and this combined with declines in overall freight demand continued to place extreme pressure on freight rates throughout the quarter. Further, the Company has not seen any strong indicators of improvements in the demand for freight services that would affect our levels of business in the near future. Although the Company experienced depressed freight demand volumes during the quarter that affected the financial results, the Company remains opportunistic about the steps the Company took during the first quarter to position itself for future growth and opportunities when freight demand returns. Heartland opened its tenth regional operation near Dallas, Texas in the first quarter of 2009.

During the quarter ended March 31, 2009 the Company experienced a 51.4% decrease in fuel expense mainly driven by a decrease in average fuel cost rates and

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further by less miles driven. During the quarter ended March 31, 2009 the U.S. average cost of fuel was \$2.18 per gallon compared to \$3.52 for the same period of 2008. The Company's continued focus on idle hour reductions, terminal fuel purchases as well as overall increased fuel efficiency of tractors provided further contributing factors to the reduction of fuel expense period over period. The Company continues to increase its intensity of controlling fuel costs as well as all other operating expenses and is exploring other cost saving opportunities and operating efficiencies to make the Company better prepared for an economic recovery.

During the current turbulent economic conditions, the Company continues to demonstrate its confidence in the financial strength of the Company and its future prospects through its continued investment in the Company through its share repurchase program. The Company purchased approximately 3.5 million shares of its outstanding common stock during the quarter ended March 31, 2009 for a cost of approximately \$45.4 million. Another indication of our confidence was reflected in our continued tractor fleet upgrade program that began in 2008 and

is expected to be completed by the 2009 year end. The Company took delivery of 45 new tractors in the first quarter of 2009 which brings the total purchases under the current upgrade program to 620 tractors. Management believes the Company has adequate liquidity to meet the capital requirements of the current fleet upgrade through cash generated from operations and existing cash and cash equivalents. The fleet upgrade is another example of how the Company is positioning itself for the future. During the first quarter of 2009 the Company achieved the highest level of environmental performance by the U.S. Environmental Protection Agency through the SmartWay(sm) program. Heartland's 1.25 score given by SmartWay(sm) is a testament to our commitment to being environmentally responsible and an industry leader in fuel saving strategies.

Despite spending \$45.4 million on repurchasing stock, the Company ended the quarter with cash, cash equivalents, short-term and long-term investments of \$216.2 million, an \$11.8 million decrease from the \$228.0 million reported at December 31, 2008. The Company's balance sheet continues to be debt-free. During the quarter, Heartland Express declared a regular quarterly cash dividend. The quarterly dividend of approximately \$1.8 million at the rate of \$0.02 per share was paid on April 2, 2009 to shareholders of record at the close of business on March 20, 2009. The Company has now paid cash dividends of \$234.1 million over the past twenty-three consecutive quarters.

The Company continues to focus on customer service as one of our core building blocks. Heartland Express has most recently been awarded eight service awards evidencing the Company's continued ability to deliver the highest quality of service to our customers. Such awards included, 2008 LXP Carrier of the Year - Tier One Carriers, LXP Carrier of the Year - Promotional Events, 2008 Lowes Silver Carrier Award, Kelloggs Complete Carrier of the Year 2008, Nestle Waters - Tennessee Region Carrier of the Year 2008, Nestle Waters - Southeast Region World Class Customer Service 2008, Eastman - Supplier Excellence Award for the Year 2008, Quaker Oats - National Carrier of the Year 2008.

This press release may contain statements that might be considered as forward-looking statements or predictions of future operations. Such statements are based on management's belief or interpretation of information currently available. These statements and assumptions involve certain risks and uncertainties. Actual events may differ from these expectations as specified from time to time in filings with the Securities and Exchange Commission.

Contact: Heartland Express, Inc.
Mike Gerdin, President

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John Cosaert, Chief Financial Officer
319-626-3600

HEARTLAND EXPRESS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (in thousands, except per share amounts)

Three months ended
March 31,

	2009	2008
OPERATING REVENUE	\$ 114,979	\$ 149,049
OPERATING EXPENSES:		
Salaries, wages, and benefits	\$ 44,059	\$ 48,592
Rent and purchased transportation	2,938	5,106
Fuel	24,558	50,499
Operations and maintenance	4,040	3,963
Operating taxes and licenses	2,284	2,243
Insurance and claims	3,514	3,782
Communications and utilities	996	1,005
Depreciation	11,814	10,412
Other operating expenses	3,403	4,332
Gain on disposal of property & equipment	(1,667)	(644)
	95,939	129,290
Operating income	19,040	19,759
Interest income	871	2,863
Income before income taxes	19,911	22,622
Federal and state income taxes	5,770	7,959
Net Income	\$ 14,141	\$ 14,663
Earnings per share	\$ 0.15	\$ 0.15
Weighted average shares outstanding	92,485	96,215
Dividends declared per share	\$ 0.020	\$ 0.020

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HEARTLAND EXPRESS, INC.
AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	March 31, 2009	December 31, 2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 46,601	\$ 56,651
Short-term investments	133	241
Trade receivables, net	34,487	36,803
Prepaid tires	5,732	6,449
Other current assets	5,001	2,834
Deferred income taxes	36,331	35,650
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Total current assets	128,285	138,628
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PROPERTY AND EQUIPMENT	385,641	389,561
Less accumulated depreciation	158,605	151,881
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	227,036	237,680
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LONG TERM INVESTMENTS	169,472	171,122
OTHER ASSETS	10,191	10,284
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	\$ 534,984	\$ 557,714
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LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 14,626	\$ 10,338
Compensation & benefits	15,190	15,862
Income taxes payable	7,899	452
Insurance accruals	71,699	70,546
Other accruals	7,182	7,498
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Total current liabilities	116,596	104,696
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LONG-TERM LIABILITIES		
Income taxes payable	34,319	35,264
Deferred income taxes	56,938	57,715
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	91,257	92,979
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COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		

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Preferred stock, \$0.01 par value; authorized 5,000 shares, none issued	-	-
Capital stock; common, \$0.01 par value; authorized 395,000 shares; issued and outstanding 90,689 in 2009 and 94,229 in 2008	907	942
Additional paid-in capital	439	439
Retained earnings	334,283	367,281
Accumulated other comprehensive loss	(8,498)	(8,623)
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	327,131	360,039
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	\$ 534,984	\$ 557,714
	=====	=====