

CELADON GROUP INC
Form 10-Q
January 29, 2010

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 December 31, 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

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

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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 January 29, 2010 (the latest practicable date), 22,141,092 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
 December 31, 2009 and June 30, 2009
 (Dollars in thousands except per share and par value amounts)

	December 31, 2009 (unaudited)	June 30, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$6,617	\$863
Trade receivables, net of allowance for doubtful accounts of \$1,059 at December 31, 2009 and June 30, 2009	56,069	55,291
Prepaid expenses and other current assets	17,905	10,044
Tires in service	5,119	4,336
Equipment held for resale	---	8,012
Income tax receivable	---	232
Deferred income taxes	2,994	2,780
Total current assets	88,704	81,558
Property and equipment	231,999	237,167
Less accumulated depreciation and amortization	75,338	70,025
Net property and equipment	156,661	167,142
Tires in service	1,557	1,581
Goodwill	19,137	19,137
Other assets	1,566	1,581
Total assets	\$267,625	\$270,999
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$5,793	\$5,461
Accrued salaries and benefits	9,632	10,084
Accrued insurance and claims	9,587	8,508
Accrued fuel expense	9,184	8,592
Other accrued expenses	11,786	11,547
Current maturities of long-term debt	697	1,109
Current maturities of capital lease obligations	8,058	6,693
Provision for income taxes	468	---
Total current liabilities	55,205	51,994
Long-term debt, net of current maturities	172	5,870
Capital lease obligations, net of current maturities	30,618	35,311
Deferred income taxes	33,722	34,132
Minority interest	---	25
Stockholders' equity:		

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Common stock, \$0.033 par value, authorized 40,000,000 shares; issued 23,775,849 and 23,840,677 shares at December 31, 2009 and June 30, 2009, respectively

	785	787
Treasury stock at cost; 1,634,757 and 1,744,245 shares at December 30, 2009 and June 30, 2009, respectively	(11,271)	(12,025)
Additional paid-in capital	97,577	97,030
Retained earnings	64,541	62,955
Accumulated other comprehensive loss	(3,724)	(5,080)
Total stockholders' equity	147,908	143,667
Total liabilities and stockholders' equity	\$267,625	\$270,999

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

CELADON GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands except per share amounts)
(Unaudited)

	For the three months ended		For the six months ended	
	December 31,		December 31,	
	2009	2008	2009	2008
Revenue:				