DYNAMEX INC
Form 10-Q
March 17, 2003

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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended January 31, 2003

OR

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

Commission file number: 000-21057

DYNAMEX INC.
(Exact name of registrant as specified in its charter)

Delaware	86-0712225
(State of incorporation)	(I.R.S. Employer Identification No.)

1870 Crown Drive Dallas, Texas (Address of principal executive offices)	75234 (Zip Code)

Registrant's telephone number, including area code:
(214) 561-7500

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 of the registrant's common stock, $.01 par value, outstanding as of March 14, 2003 was 11,208,017 shares.

DYNAMEX INC.

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DYNAMEX INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands except per share data)

	January 31,	July 31,

	2003	2002
	(Unaudited)	
ASSETS		
CURRENT		
Cash and cash equivalents	$ 5,980	$ 4,489
Accounts receivable (net of allowance for doubtful accounts of $660 and $562, respectively)	23,699	23,165
Prepaid and other current assets	1,806	3,223
Deferred income taxes	1,654	1,657
Total current assets	33,139	32,534
Property and equipment - net	4,586	4,627
Goodwill	44,027	43,739
Intangibles - net	1,026	950
Deferred income taxes	10,389	11,407
Other assets	592	613
Total assets	$ 93,759	$ 93,870
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
CURRENT		
Accounts payable trade	$ 4,435	$ 3,894
Accrued liabilities	13,109	13,543
Current portion of long-term debt	5,793	5,778
Total current liabilities	23,337	23,215
Long-term debt	21,513	25,531
Total liabilities	44,850	48,746
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock; $0.01 par value, 10,000 shares authorized; none outstanding	--	--
Common stock; $0.01 par value, 50,000 shares authorized; 11,208 and 11,207 outstanding, respectively	112	112
Additional paid-in capital	74,064	74,062
Retained deficit	(24,553)	(27,828)
Unrealized foreign currency translation adjustment	(714)	(1,222)
TOTAL STOCKHOLDERS' EQUITY	48,909	45,124
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 93,759	$ 93,870

See accompanying notes to condensed consolidated financial statements.

DYNAMEX INC.

CONDENSED STATEMENTS OF CONSOLIDATED OPERATIONS
(in thousands except per share data)
(Unaudited)

	Three months ended January 31,		
	2003	2002	
Sales	$ 59,331	$ 57,077	$
Cost of sales	41,997	39,827	
Gross profit	17,334	17,250	
Selling, general and administrative expenses	14,061	14,326	
Depreciation and amortization	511	736	
(Gain) loss on disposal of property and equipment	(19)	5	
Operating income	2,781	2,183	
Interest expense	604	766	
Other (income) expense	(60)	573	
Income before taxes	2,237	844	
Income tax expense	930	1,294	
Income (loss) before cumulative effect of change in accounting principle	1,307	(450)	
Cumulative effect of change in accounting for goodwill	--	--	
Net income (loss)	$ 1,307	$ (450)	$
Basic earnings (loss) per common share:			
Before cumulative effect of accounting change	$ 0.12	$ (0.04)	$
Accounting change	--	--	
Basic earnings (loss) per common share	$ 0.12	$ (0.04)	$
Diluted earnings (loss) per common share:			
Before cumulative effect of accounting change	$ 0.12	$ (0.04)	$
Accounting change	--	--	
Diluted earnings (loss) per common share	$ 0.12	$ (0.04)	$
Weighted average shares:			
Common shares outstanding	11,208	10,363	

Adjusted common shares - assuming exercise of stock options	11,334	10,363

See accompanying notes to condensed consolidated financial statements.

DYNAMEX INC.
CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS
(in thousands)
(Unaudited)

	Six months en January 31	
	2003	
OPERATING ACTIVITIES		(
Net income (loss)	$ 3,275	$
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,073	
Amortization and write down of goodwill and intangible assets	18	
Provision for losses on accounts receivable	314	
Deferred income taxes	1,020	
Loss (gain) on disposal of property and equipment	13	
Changes in current operating assets and liabilities:		
Accounts receivable	(848)	
Prepaids and other assets	1,417	
Accounts payable and accrued liabilities	107	
Net cash provided by operating activities	6,389	
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,044)	
Net proceeds from disposal of property and equipment	29	
Net cash used in investing activities	(1,015)	
FINANCING ACTIVITIES		
Principal payments on long-term debt	(2,900)	
Net payments under line of credit	(1,100)	
Net proceeds from sale of common stock	3	
Other assets and deferred financing costs	(177)	
Net cash used in financing activities	(4,174)	
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,491	
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,489	
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 5,980	$
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 900	$
Cash paid for taxes	$ 378	$
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Issuance of 300 shares in shareholder class action lawsuit settlement	$ --	$

See accompanying notes to condensed consolidated financial statements.

DYNAMEX INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business - Dynamex Inc. (the "Company" and "Dynamex") provides same-day delivery and logistics services in the United States and Canada. The Company's primary services are (i) same-day, on-demand delivery, (ii) scheduled distribution and (iii) fleet management.

The operating subsidiaries of the Company, with country of incorporation, are as follows:

- Dynamex Operations East, Inc. (U.S.)
- Dynamex Operations West, Inc. (U.S.)
- Dynamex Dedicated Fleet Services, Inc. (U.S.)
- Dynamex Canada Corp. (Canada)
- Alpine Enterprises Ltd. (Canada)
- Roadrunner Transportation, Inc. (U.S.)
- New York Document Exchange Corp. (U.S.)

Basis of presentation - The consolidated financial statements include the accounts of Dynamex Inc. and its wholly-owned subsidiaries. All significant inter-company accounts and transactions have been eliminated. All dollar amounts in the financial statements and notes to the financial statements except per share data are stated in thousands of dollars unless otherwise indicated. Except as otherwise indicated, references to years mean our fiscal year ending July 31, 2003 or ended July 31 of the year referenced, and comparisons are to the corresponding period of the prior year.

The accompanying interim financial statements are unaudited. Certain information and disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted, although the Company believes the disclosures included herein are adequate to make the information presented not misleading. The results of the interim periods presented are not necessarily indicative of results to be expected for the full fiscal year, and should be read in conjunction with the Company's

audited financial statements for the fiscal year ended July 31, 2002.

The accompanying interim financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the Company's financial position at January 31, 2003, the results of its operations for the three and six month periods ended January 31, 2003 and 2002, and cash flows for the six month periods ended January 31, 2003 and 2002. The tax provision for the three and six-month periods ended January 31, 2003 and 2002 are based upon management's estimate of the Company's annualized effective tax rate.

Comprehensive income (loss) - Comprehensive income for the three and six months ended January 31, 2003 was $1,605 and $3,783, respectively, compared to $201 and $(18,777) for the same periods ended January 31, 2002. The two components of comprehensive income are net income (loss) and foreign currency translation adjustments. The changes in the exchange rate between the U.S. dollar and the Canadian dollar resulted in foreign currency translation gains of $298 and $508 in the three and six month periods ended January 31, 2003, respectively, compared to gains of $651 and $26 for the same periods in the prior year.

Goodwill - Effective August 1, 2001, the Company adopted SFAS No. 142 "Goodwill and Other Intangible Assets" (SFAS No. 142). SFAS No. 142 requires, among other things, that companies no longer amortize goodwill, but instead test goodwill for impairment at least annually. In addition, SFAS No. 142 requires that the Company identify reporting units for the purposes of assessing potential future impairments of goodwill. The Company completed its goodwill impairment analysis during the fourth quarter of fiscal 2002 and recognized a transitional goodwill impairment loss related to its United States operations of $30.0 million and recorded the charge net of $10.7 million of deferred tax benefits as the cumulative effect of a change in accounting principle in the Condensed Statement of Consolidated Operations. The valuations performed as part of the analysis employed a combination of present value techniques to measure fair value corroborated by comparisons to estimated market multiples. Third party specialists were engaged to assist in the valuations. As required by SFAS No. 142, the charge was recorded in the first quarter of fiscal year 2002. Since the financial statements for that period had previously been released, the six-month period ended January 31, 2002 presented herein has been restated to reflect this charge. Management will perform its annual test of impairment during the fourth quarter of 2003.

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DYNAMEX INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

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New accounting pronouncements - In December 2002 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure (SFAS No. 148). SFAS No. 148 amends SFAS No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based compensation. This Statement also amends APB Opinion No. 28, Interim Financial Reporting, to require disclosure about those effects in interim financial statements. SFAS No. 148 is effective for financial statements for fiscal years ending after December 15, 2002. The Company has adopted the interim disclosure provisions of SFAS No. 148 (see Note 4).

2. INTANGIBLES

At January 31, 2003, intangibles and related amortization expense for the three and six months ended January 31, 2003 and 2002 consist of the following:

	Cost	Accumulate Amortization	Net	Amortizati Three Months Ended January 31, 2003	2002
Covenants not-to-compete	$ 9,924	$ 9,921	$ 3	$ 4	$ 14
Trademarks	470	77	393	5	5
Deferred bank financing fees	1,341	711	630	188	210
Total	$ 11,735	$ 10,709	$ 1,026	$ 197	$ 229

During the quarter ended October 31, 2002, the Company capitalized $649 related to the amendment of its Bank Credit Agreement. These fees are being amortized over the life of the Bank Credit Agreement, which matures November 2003. Amortization of deferred financing fees is classified as interest expense in the consolidated statement of operations. Estimated amortization expense for the succeeding five fiscal years, including deferred bank financing fees, is $400 for 2003, $270 for 2004 and approximately $20 per year thereafter.

3. COMPUTATION OF EARNINGS PER SHARE

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings (loss) per share computation as required by Statement of Financial Accounting Standards No. 128, Earnings Per Share. Common stock equivalents related to stock options are excluded from diluted earnings (loss) per share calculation if their effect would be anti-dilutive to earnings (loss) per share before cumulative effect of change in accounting principle.

	Three months ended January 31, 2003	2002	Six months e January 2003	
Net income before cumulative effect of change in accounting principle	$ 1,307	$ (450)	$ 3,275	$
Cumulative effect of change in accounting principle	--	--	--	

Net income (loss)	$ 1,307	$ (450)	$ 3,275	$
Weighted average common shares outstanding	11,208	10,363	11,207	
Common share equivalents related to options	126	--	93	
Common shares and common share equivalents	11,334	10,363	11,300	
Basic earnings (loss) per common share:				
Before cumulative effect of accounting change	$ 0.12	$ (0.04)	$ 0.29	$
Accounting change	--	--	--	
Basic earnings (loss) per common share	$ 0.12	$ (0.04)	$ 0.29	$
Diluted earnings (loss) per common share:				
Before cumulative effect of accounting change	$ 0.12	$ (0.04)	$ 0.29	$
Accounting change	--	--	--	
Diluted earnings (loss) per common share	$ 0.12	$ (0.04)	$ 0.29	$

4. STOCK OPTION PLAN

The Company applies APB Opinion No. 25 and related interpretations in accounting for its stock options. The exercise price of stock options granted is equal to the market price of the stock on the date of grant; therefore, using the intrinsic value method to value the options, no compensation cost has been recognized for stock options in the financial statements. Had the Company determined compensation cost based on the fair value at the grant date for its stock options consistent with the method set forth under SFAS No. 123, the Company's net earnings (loss) would have been reduced to the pro forma amounts indicated below:

	Three months ended January 31,		Six mon Janua
	2003	2002	2003
Net income (loss):			
As reported	$ 1,307	$ (450)	$ 3,275
Deduct: Total stock based compensation expense determined under fair value based method for all awards, net of related tax effects	62	159	130
Pro forma net income (loss)	$ 1,245	$ (609)	$ 3,145
Earning (loss) per share:			
Basic - as reported	$ 0.12	$ (0.04)	$ 0.29
Basic - pro forma	$ 0.11	$ (0.06)	$ 0.27
Diluted - as reported	$ 0.12	$ (0.04)	$ 0.29
Diluted - pro forma	$ 0.11	$ (0.06)	$ 0.27

The fair value of each grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 2003 and 2002, respectively: dividend yield of 0% for all years; expected volatility of 76% and 73%; risk-free interest rate of 4.10% and 5.10%; and expected lives of an average of 10 years for all years. The weighted average fair value of options granted during 2003 and 2002 was $3.13 and $1.86, respectively.

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

This discussion contains forward-looking statements, which involve assumptions regarding Company operations and future prospects. Although the Company believes its expectations are based on reasonable assumptions, such statements are subject to risk and uncertainty, including, among other things, competition, foreign exchange, and risks associated with the local delivery industry. These and other risks are mentioned from time to time in the Company's filings with the Securities and Exchange Commission. Caution should be taken that these factors could cause the actual results to differ from those stated or implied in this and other Company communications.

GENERAL

The Company is a leading provider of same-day delivery and logistics services in the United States and Canada. Through internal growth and acquisitions, the Company has built a national network of same-day delivery and logistics systems in Canada and has established operations in 22 U.S. metropolitan areas.

Effective August 1, 2001, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142). As a result of the adoption of this new accounting pronouncement, a goodwill impairment charge of $19.3 million was recognized during fiscal 2002. In accordance with SFAS No. 142 and other accounting pronouncements, the Company measured the impairment during fiscal 2002, and once the impairment was finalized, recorded the charge with an effective date of August 1, 2001. Since the quarterly financial statements for fiscal year 2002 had previously been released, prior year financial statements presented herein have been restated to reflect this charge. The following discussion of the Company's results of operations is based on income before the accounting change.

A significant portion of the Company's revenues is generated in Canada. For the three and six month periods ended January 31, 2003, Canadian revenues accounted for approximately 33.5% of total consolidated revenue in each period, compared to 32.7% and 32.8%, respectively for the same periods in 2002.

RESULTS OF OPERATIONS

	Three months ended January 31,		Six months e January 3
	2003	2002	2003
Sales	100.0%	100.0%	100.0%
Cost of sales	70.8%	69.8%	70.5%
Gross profit	29.2%	30.2%	29.5%
Selling, general and administrative expenses	23.7%	25.1%	23.5%
Depreciation and amortization	0.9%	1.3%	0.9%
(Gain) loss on disposal of property and equipment	0.0%	0.0%	0.0%
Operating income	4.6%	3.8%	5.1%
Interest expense	1.0%	1.3%	1.0%
Other (income) expense	-0.1%	1.0%	-0.1%
Net income before taxes	3.8%	1.5%	4.2%
Income tax expense	1.6%	2.3%	1.5%
Net income (loss) before accounting change	2.2%	-0.8%	2.7%

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

THREE MONTHS ENDED JANUARY 31, 2003 COMPARED TO THREE MONTHS ENDED JANUARY 31, 2002

Net income for the three months ended January 31, 2003 was $1.3 million ($0.12 per share) compared to a net loss for the three months ended January 31, 2002 of $450,000 ($0.04 per share). The increase was attributable to increased sales volume and lower selling, general and administrative expenses ("SG & A"), depreciation, interest and income taxes. Results for the prior year quarter include one-time charges totaling $1.2 million associated with a tax reorganization of the Company's Canadian operations that allowed the Company to repatriate excess Canadian cash and pay down long-term debt by $5 million. These charges include a non-cash foreign currency translation adjustment of $714,000, Canadian taxes of $226,000 and professional fees of approximately $210,000.

Sales for the three months ended January 31, 2003 increased $2.3 million, or 3.9%, to $59.3 million from $57.1 million for the same period in 2002. There was an increase in the conversion rate between the U.S. dollar and the Canadian dollar that had the effect of increasing sales for the three months ended January 31, 2003 by approximately $0.4 million had the conversion rate been the same as the period ended in 2002. On a revenue per day basis, Canadian sales increased 6.4% and U.S. sales increased 2.8%. In Canadian dollars, Canadian sales increased 4.2% on a revenue per day basis in 2003 versus 2002.

The increase in sales came primarily from the Company's scheduled, distribution and outsourcing services. These services increased $1.5 million (5.2%) in the quarter ended January 31, 2003 compared to the same period in the prior year. On-demand sales, which had been especially impacted by the soft economy, showed modest growth of 2.7% in the second quarter of 2003. On demand services comprised 49.0% of total sales in the three months ended January 31, 2003 compared to 49.6% in the same period last year. While on demand services will continue to be a major component of the Company's product offerings, it is believed that the major growth opportunities are in the scheduled, distribution and outsourcing services.

Cost of sales for the three months ended January 31, 2003 increased $2.2 million, or 5.4%, to $42.0 million from $39.8 million for the same period in 2002. Cost of sales, as a percentage of sales, increased to 70.8% for the three months ended January 31, 2003 from 69.8% for the same period ended in 2002. Of this 1% increase in costs of sales as a percentage of sales, approximately 0.6% is attributable to personnel and independent contractor costs, primarily resulting from the change in the overall business mix of the Company. Scheduled and distribution and other specialized services sales are increasing as a percentage of total sales while on demand sales have declined as a percentage of sales. Scheduled and distribution and other specialized services generally have a higher cost of sales and lower selling, general and administrative costs than on demand sales. The remaining increase is related to higher insurance costs, primarily workers compensation, and increased communication costs resulting from functionality upgrades.

Selling, general and administrative expenses for the three months ended January 31, 2003 decreased $265,000, or 1.8%, to $14.1 million from $14.3 million for the same period in 2002. This decrease is attributable to several factors. Professional fees decreased approximately $200,000 due to legal fees incurred during the three month period ended January 31, 2002 related to the tax reorganization of our Canadian operations. A decrease in communication costs of approximately $140,000 was offset by an increase in occupancy costs of $125,000, the result of rent escalations. As a percentage of sales, SG & A expenses were 23.7% for the three months ended January 31, 2003, compared to 25.1% in the same period last year.

For the three months ended January 31, 2003, depreciation and amortization was $0.5 million compared to $0.7 million for the same period ended in 2002. This decrease is due primarily to lower capital expenditures in 2002 and 2001 compared to prior years, primarily because major software purchases were completed in prior years and the decision was made to transition to two-way mobile data units to communicate with drivers that require no capital expenditure.

Interest expense for the three months ended January 31, 2003 was $0.6 million, down 21% from the prior year period. This decrease is attributable to lower outstanding debt. The weighted average interest rate at January 31, 2003 was 5.74%, up from 5.70% at January 31, 2002. The rate is slightly higher in the current quarter because the interest rate on $13 million of outstanding debt has been fixed at 6.14%.

The effective income tax rate declined from 153% in the three-month period ended

January 31, 2002 to 42% in the current period. The primary reason for this decline is the increase in U.S. taxable income that is substantially offset by the utilization of the net operating loss carryforwards generated in prior years, and further by a marginally lower tax rate in Canada in the

current year period. The prior year also included a $226,000 non-recurring tax expense and a $714,000 non-tax deductible foreign exchange loss related to the tax reorganization of the Company's Canadian operations.

SIX MONTHS ENDED JANUARY 31, 2003 COMPARED TO SIX MONTHS ENDED JANUARY 31, 2002

Net income for the six months ended January 31, 2003 was $3.3 million ($0.29 per share) compared to net income before the accounting change of $457,000 ($0.04 per share) for the same period in 2002. This improvement results from slightly higher gross profit associated with increased sales and lower selling, general and administrative, interest, depreciation and amortization expense and lower income taxes. Results for the prior period include one-time charges totaling $1.2 million associated with restructuring Canadian operations that allowed the Company to repatriate excess Canadian cash and pay down long-term debt by $5 million. These charges include a non-cash foreign currency translation adjustment of $714,000, Canadian taxes of $226,000 and professional fees of approximately $210,000.

Sales for the six months ended January 31, 2003 increased $2.3 million, or 1.9%, to $121 million from $119 million for the same period in 2002. The increase in the conversion rate between the U.S. dollar and the Canadian dollar had the effect of increasing sales for the six months ended January 31, 2003 by approximately $200,000 had the conversion rate been the same as in 2002. On demand sales increased slightly to $60.0 million from $59.4 million in the same period in the prior year, and sales from scheduled, distribution and outsourcing services increased 2.8%, from $59.4 million to $61.1 million. The larger increase in the scheduled, distribution and outsourcing services is due primarily from focused sales efforts in those areas.

Cost of sales for the six months ended January 31, 2003 increased both in terms of absolute dollars and as a percentage of sales, by $2.0 million and 0.4%, respectively, to $85.3 million from $83.3 million for the same period in 2002. Scheduled and distribution and other specialized services sales are increasing as a percentage of total sales while on demand sales have declined as a percentage of sales. Scheduled and distribution and other specialized services generally have a higher cost of sales and lower selling, general and administrative costs than on demand sales. This change in the business mix of the Company resulted in cost of sales increasing as a percentage of sales from 70.1% in the six months ended January 31, 2002 to 70.5% in the same period of the current fiscal year.

SG & A expenses for the six months ended January 31, 2003 decreased $0.7 million, or 2.5%, to $28.4 million from $29.1 million for the same period in 2002. As a percentage of sales, SG & A expenses decreased from 24.5% for the six months ended January 31, 2002 to 23.5% in 2003. This decline is due to several factors. Salaries and benefits declined approximately $230,000 as a result of the change in the business mix that requires fewer personnel in the dispatch and

customer service areas, as well as lower administrative salaries. A reduction in communication costs of approximately $240,000 was offset almost entirely by an increase in occupancy costs due to rent escalations. Legal and professional fees decreased almost $500,000 as a result of the conversion of U.S. payroll processing from an outsourced third-party provider to the in-house Oracle HR/Payroll system and non-recurring legal fees of $210,000 incurred in the period ended January 31, 2002 related to the tax reorganization of our Canadian operations.

Depreciation and amortization for the six months ended January 31, 2003 was $1.1 million compared to $1.5 million for the same period in 2002. This decrease is primarily attributable to lower capital expenditures in 2002 and 2001 compared to prior years, primarily because major software purchases were completed in prior years and the decision was made to transition to two-way mobile data units to communicate with drivers that require no capital expenditure.

Interest expense decreased $0.5 million or 27.4% for the six months ended January 31, 2003 compared to same period in 2002 and as a percentage of sales, to 1.0% from 1.4%. This decrease primarily results from lower debt levels.

The effective income tax rate declined from 83% in the six-month period ended January 31, 2002 to 36% in the current period. The primary reason for this decline is the increase in U.S. taxable income that is substantially offset by the utilization of the net operating loss carryforwards generated in prior years, and further by a marginally lower tax rate in Canada in the current year period. The prior year also included a $226,000 non-recurring tax expense and a $714,000 non-tax deductible foreign exchange loss related to the tax reorganization of the Company's Canadian operations.

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

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LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $6.4 million for the six months ended January 31, 2003 compared to $6.1 million for the same period in 2002. Net cash provided by operations, prior to changes in current operating assets and liabilities and deferred income taxes, was $4.7 million for the six months ended January 31, 2003 compared to $2.3 million for the six months ended January 31, 2002 (before the effects of the write-off of goodwill), due to the higher income before the accounting change. The Company has dedicated specific resources to the collection of accounts receivable and, as a result, has seen a significant decline over the last two years in the amount of accounts written off as uncollectible. This trend is reflected in the reduction of the Company's allowance for doubtful accounts.

Capital expenditures for the six months ended January 31, 2003 were approximately $1.0 million. Management expects annual capital expenditures to be in the $1.5 to $2.0 million range for the full fiscal year. The Company does not have significant capital expenditure requirements to replace or expand the number of vehicles used in its operations because substantially all of its drivers are owner-operators who provide their own vehicles.

As of January 31, 2003, the Company's bank credit agreement (Credit Agreement) consisted of an amortizing term loan of $15.6 million and a revolving credit facility of $19.5 million due November 30, 2003. Amounts outstanding under the

revolving credit facility included borrowings of $11.4 million and outstanding letters of credit totaling $4.2 million. Interest on outstanding borrowings is payable monthly at prime plus 0.50% or LIBOR plus 3.50%. The Company has entered into interest rate protection arrangements on a portion of the borrowings under the Credit Agreement. The interest rate on $13 million of outstanding debt has been fixed at 6.14%. This hedging arrangement is effective October 31, 2001 and matures on February 28, 2003. At the expiration of the current agreement, the Company intends to enter into a new interest rate protection agreement on a minimum of 30% of the then outstanding Loans as required by the Credit Agreement. Amounts outstanding under the Credit Agreement are secured by all of the Company's U.S. assets and 100% of the stock of its principal Canadian subsidiaries. The Credit Agreement also contains restrictions on the payment of dividends, incurring additional debt, capital expenditures and investments by the Company as well as requiring the Company to maintain certain financial ratios. Generally, the Company must obtain the lenders' consent to consummate any acquisition.

The Company's EBITDA (Earnings before interest, taxes, depreciation and amortization) was approximately $7.4 million for the six months ended January 31, 2003, compared to $6.8 million in the same period last year. This increase is attributable to higher sales and lower selling, general and administrative costs. The 2002 EBITDA does not include unusual and non-recurring items related to the Company's Canadian tax reorganization. Management believes that including these items in the EBITDA calculation would distort the comparability of the prior year to the current year EBITDA. Management has included EBITDA in its discussion herein as a measure of liquidity because it believes that it is a widely accepted financial indicator of a company's ability to service and/or incur indebtedness, maintain current operating levels of fixed assets and acquire additional operations and businesses. EBITDA should not be considered as a substitute for statement of operations or cash flow data from the Company's financial statements, which have been prepared in accordance with generally accepted accounting principles. In addition, the Company's definition of EBITDA may not be identical to similarly entitled measures used by other companies. The following table reconciles net income (loss) presented in accordance with generally accepted accounting principles (GAAP) to EBITDA, which is a non-GAAP financial measure (in thousands):

	Three months ended January 31,		Six mont Janua
	2003	2002	2003
Net income (loss)	$ 1,307	$ (450)	$ 3,275
Adjustments:			
Cumulative effect of change in accounting for goodwill	--	--	--
Income tax expense	930	1,294	1,833
Interest expense	604	766	1,217
Depreciation and amortization	511	736	1,091
EBITDA	3,352	2,346	7,416
Canadian tax reorganization:			
Foreign currency transaction loss	--	714	--
Legal and professional fees	--	210	--
EBITDA adjusted for unusual/non-recurring charges	$ 3,352	$ 3,270	$ 7,416

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

The Company's cash flows from operations for the six months ended January 31, 2003 were approximately $6.4 million. Consequently, purchases of property and equipment and payments of long-term debt were financed entirely by internally generated cash flow.

During the third quarter of fiscal 2003, the Company expects to repatriate surplus Canadian cash of $2.5 million, less 5% Canadian tax withholding. We will use these funds to reduce the outstanding bank debt and for general corporate purposes. The Company expects to pay only minimal cash taxes on this transaction in the United States because it will utilize available net operating loss carryforwards to offset the income impact.

Management expects that its future capital requirements will generally be met from internally generated cash flow. The Company's access to other sources of capital, such as additional bank borrowings and the issuance of debt securities, is affected by, among other things, general market conditions affecting the availability of such capital. The Company completed its last acquisition in August 1998. Should the Company pursue acquisitions in the future, the Company may be required to incur additional debt. There can be no assurance that the Company's primary lenders will consent to such acquisitions or that if additional financing is necessary, it can be obtained on terms the Company deems acceptable.

CONTRACTUAL OBLIGATIONS

The following table sets forth the Company's contractual commitments as of January 31, 2003 for the periods indicated (in thousands):

	Total	Less than 1 year	1-3 years	3-5 years	Thereafter
Long-term debt	$ 27,302	$ 5,789	$ 21,513	$ --	$ --
Capital lease obligations	4	4	--	--	--
Operating leases	10,725	4,372	4,662	1,283	408
Total	$ 38,031	$ 10,165	$ 26,175	$ 1,283	$ 408

The Company has entered into an employment agreement with its CEO which provides for the payment of a base salary in the annual amount of $300,000, participation in an executive bonus plan, an auto allowance, and participation in other employee benefit plans. In addition, the Company has entered into retention agreements with certain key executive officers and other employees that provide certain benefits in the event their employment is terminated subsequent to a change in control of the Company, as defined in the retention agreements. The

Company believes that it is unlikely that these circumstances will transpire, but if they did the potential exposure could range between $3 million and $4 million.

DEFERRED TAXES

During the six months ended January 31, 2003, U.S. tax deductions exceeded financial statement deductions by approximately $3.2 million. As a result, net deferred tax assets were reduced by approximately $1.1 million during this period, with an offsetting charge to tax expense in the Condensed Statement of Consolidated Operations. The Company has U.S. net operating losses totaling approximately $13.6 million at January 31, 2003 and has established a 100% valuation allowance in accordance with the provisions of SFAS No. 109 for U.S. operating losses not currently deductible. The Company continually reviews the adequacy of the valuation allowance and releases the allowance when it is determined that it is more likely than not that the benefits will be realized. The remaining deferred tax assets represent deductions for financial statement purposes that will reduce future taxable income.

INFLATION

The Company does not believe that inflation has had a material effect on the Company's results of operations nor does it believe it will do so in the foreseeable future. However, there can be no assurance the Company's business will not be affected by inflation in the future.

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

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RISK FACTORS

In addition to other information in this report, the following risk factors should be considered carefully in evaluating the Company and its business. This report contains forward-looking statements, which involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in the following risk factors and elsewhere in this report.

ACQUISITION STRATEGY; POSSIBLE NEED FOR ADDITIONAL FINANCING

The Company completed its last acquisition in August 1998. Currently, there are no pending acquisitions. Should the Company pursue acquisitions in the future, the Company may be required to incur additional debt, issue additional securities that may potentially result in dilution to current holders and also may result in increased goodwill, intangible assets and amortization expense. Additionally, the Company must obtain the consent of its primary lenders to consummate any acquisition. There can be no assurance that the Company's primary lenders will consent to such acquisitions or that if additional financing is necessary, it can be obtained on terms the Company deems acceptable.

HIGHLY COMPETITIVE INDUSTRy

The market for same-day delivery and logistics services has been and is expected to remain highly competitive. Competition is often intense, particularly for

basic delivery services. High fragmentation and low barriers to entry characterize the industry. Other companies in the industry compete with the Company not only for provision of services but also for acquisition candidates and qualified drivers. Some of these companies have longer operating histories and greater financial and other resources than the Company. Additionally, companies that do not currently operate delivery and logistics businesses may enter the industry in the future.

CLAIMS EXPOSURE

As of January 31, 2003, the Company utilized the services of approximately 4,300 drivers and messengers. From time to time such persons are involved in accidents or other activities that may give rise to liability claims. The Company currently carries liability insurance with a per claim limit of $20 million. Drivers are required to maintain vehicle liability insurance of at least the minimum amounts required by applicable state or provincial law (generally such minimum requirements range from $35,000 to $75,000). The Company also has insurance policies covering property and fiduciary trust liability, which coverage includes all drivers and messengers. There can be no assurance that claims against the Company, whether under the liability insurance or the surety bonds, will not exceed the applicable amount of coverage, that the Company's insurer will be solvent at the time of settlement of an insured claim, or that the Company will be able to obtain insurance at acceptable levels and costs in the future. If the Company were to experience a material increase in the frequency or severity of accidents, liability claims, workers' compensation claims or unfavorable resolutions of claims, the Company's business, financial condition and results of operations could be materially adversely affected. In addition, significant increases in insurance costs could reduce the Company's profitability.

CERTAIN TAX MATTERS RELATED TO DRIVERS

Substantially all of the Company's drivers supply their own vehicles and as of January 31, 2003, over 84% of these owner-operators were independent contractors as opposed to employees of the Company. The Company does not pay or withhold any federal, state or provincial employment tax with respect to or on behalf of independent contractors. From time to time, taxing authorities in the U.S. and Canada have sought to assert that independent owner-operators in the transportation industry, including those utilized by the Company, are employees, rather than independent contractors. The Company believes that the independent owner-operators utilized by the Company are not employees under existing interpretations of federal (U.S. and Canadian), state and provincial laws. However, there can be no assurance that federal (U.S. and Canadian), state or provincial authorities will not challenge this position, or that other laws or regulations, including tax laws, or interpretations thereof, will not change. If, as a result of any of the foregoing, the Company were required to pay withholding taxes and pay for and administer added employee benefits to these drivers, the Company's operating costs would increase. Additionally, if the Company is required to pay back-up withholding with respect to amounts previously paid to such drivers, it may also be required to pay penalties or be subject to other liabilities as a result of incorrect classification of such drivers. If

the drivers are deemed to be employees rather than independent contractors, then the Company may be required to increase their compensation since the Company likely will be required to modify the drivers' commission-based compensation. Any of the foregoing circumstances could have a material adverse impact on the Company's financial condition and results of operations, and/or require the Company to restate financial information from prior periods.

In addition to the drivers that are independent contractors, certain of the Company's drivers are employed by the Company and supply and operate their own vehicles during the course of their employment. The Company reimburses these employees for all or a portion of the operating costs of those vehicles. The Company believes that these reimbursement arrangements do not represent additional compensation to those employees. However, there can be no assurance that federal (U.S. and Canadian), state or provincial taxing authorities will not seek to recharacterize some or all of such payments as additional compensation. If such amounts were so recharacterized, the Company would have to pay additional employment related taxes on such amounts, and may also be required to pay penalties, which could have an adverse impact on the Company's financial condition and results of operations, and/or to restate financial information from prior periods.

FOREIGN EXCHANGE

Significant portions of the Company's operations are conducted in Canada. Exchange rate fluctuations between the U.S. and Canadian dollars result in fluctuations in the amounts relating to the Canadian operations reported in the Company's consolidated financial statements. The Canadian dollar is the functional currency for the Company's Canadian operations; therefore, any change in the exchange rate will affect the Company's reported revenues for such period. The Company historically has not entered into hedging transactions with respect to its foreign currency exposure, but may do so in the future. There can be no assurance that fluctuations in foreign currency exchange rates will not have a material adverse effect on the Company's business, financial condition or results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations".

PERMITS AND LICENSING

The Company's delivery operations are subject to various federal (U.S. and Canadian), state, provincial and local laws, ordinances and regulations that in many instances require certificates, permits and licenses. Failure by the Company to maintain required certificates, permits or licenses, or to comply with applicable laws, ordinances or regulations could result in substantial fines or possible revocation of the Company's authority to conduct certain of its operations.

DEPENDENCE ON KEY PERSONNEL

The Company's success is largely dependent on the skills, experience and performance of certain key members of its management. The loss of the services of any of these key employees could have a material adverse effect on the Company's business, financial condition and results of operations. The Company's future success and plans for growth also depend on its ability to attract and retain skilled personnel in all areas of its business. There is strong competition for skilled personnel in the same-day delivery and logistics businesses.

RISKS ASSOCIATED WITH THE LOCAL DELIVERY INDUSTRY; GENERAL ECONOMIC CONDITIONS

The Company's revenues and earnings are especially sensitive to events that affect the delivery services industry including extreme weather conditions, economic factors affecting the Company's significant customers and shortages of

or disputes with labor, any of which could result in the Company's inability to service its clients effectively or the inability of the Company to profitably manage its operations. In addition, downturns in the level of general economic activity and employment in the U.S. or Canada may negatively impact demand for the Company's services.

Technological advances in the nature of facsimile and electronic mail have affected the market for on-demand document delivery services. Although the Company has shifted its focus to three-dimensional products, there can be no assurance that these or other technologies will not have a material adverse effect on the Company's business, financial condition and results of operations in the future.

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

DEPENDENCE ON AVAILABILITY OF QUALIFIED COURIER PERSONNEL

The Company is dependent upon its ability to attract and retain qualified courier personnel who possess the skills and experience necessary to meet the needs of its operations. The Company competes in markets in which unemployment is relatively low and the competition for couriers and other employees is intense. The Company must continually evaluate and upgrade its pool of available couriers and support personnel to keep pace with demands for delivery services. There can be no assurance that qualified courier personnel will continue to be available in sufficient numbers and on terms acceptable to the Company. The inability to attract and retain qualified courier personnel would have a material adverse impact on the Company's business, financial condition and results of operations.

"SAFE HARBOR" STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT:

With the exception of historical information, the matters discussed in this report are "forward looking statements" as that term is defined in Section 21E of the Securities Exchange Act of 1934.

Several important factors have been identified, which could cause actual results to differ materially from those predicted. By way of example:

- The competitive nature of the same-day delivery business.
- The ability of the Company to attract and retain qualified courier personnel as well as retain key management personnel.
- A change in the current tax status of courier drivers from independent contractor drivers to employees or a change in the treatment of the reimbursement of vehicle operating costs to employee drivers.
- A significant reduction in the exchange rate between the Canadian dollar and the U.S. dollar.
- Failure of the Company to maintain required certificates, permits or licenses, or to comply with applicable laws, ordinances or regulations could result in substantial fines or possible revocation of the Company's authority to conduct certain of its operations.

- The ability of the Company to obtain adequate financing.

- The ability of the Company to retain independent contractor drivers may be impacted by our ability to pass on fuel cost increases to customers to maintain profit margins and the quality of driver pay.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK
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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

FOREIGN EXCHANGE EXPOSURE

Significant portions of the Company's operations are conducted in Canada. Exchange rate fluctuations between the U.S. and Canadian dollar result in fluctuations in the amounts relating to the Canadian operations reported in the Company's consolidated financial statements. The Company historically has not entered into hedging transactions with respect to its foreign currency exposure, but may do so in the future.

The sensitivity analysis model used by the Company for foreign exchange exposure compares the revenue and net income figures from Canadian operations, at the actual exchange rate, to a 10% decrease in the exchange rate. Based on this model, a 10% decrease would result in a decrease in quarterly revenue of approximately $2.0 million and a decrease in quarterly net income of approximately $0.1 million. There can be no assurances that the above projected exchange rate decrease will materialize. Fluctuations of exchange rates are beyond the control of the Company's management.

INTEREST RATE EXPOSURE

The Company has entered into an interest rate protection agreement on a portion of the borrowings under its bank credit facility. Through an interest rate swap, the interest rate on $13 million of outstanding debt has been fixed at 6.14%. This hedging agreement expires on February 28, 2003 and will be renewed in accordance with the terms of the bank credit agreement in an amount of 30% of the then outstanding facility. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

The sensitivity analysis model used by the Company for interest rate exposure compares interest expense fluctuations over a one-year period based on current debt levels and current interest rates versus current debt levels at current interest rates with a 10% increase. Based on this model, a 10% increase would result in an increase in interest expense of approximately $0.1 million. There can be no assurances that the above projected interest rate increase will materialize. Fluctuations of interest rates are beyond the control of the Company's management

ITEM 4. CONTROLS AND PROCEDURES
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ITEM 4. CONTROLS AND PROCEDURES

The term "disclosure controls and procedures" is defined in Rules 13a-14(c) and 15d-14(c) of the Securities Exchange Act of 1934 (Exchange Act). These rules refer to the controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods. The Company's Chief Executive and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures as of a date within 90 days before the filing of this quarterly report (the Evaluation Date), and have concluded that, as of the Evaluation Date, such controls and procedures were effective at ensuring that required information will be disclosed on a timely basis in reports filed under the Exchange Act.

The Company maintains a system of internal accounting controls that is designed to provide reasonable assurance that the Company's books and records accurately reflect its transactions and that the established policies and procedures are followed. Subsequent to the date of our most recent evaluation, there were no significant changes to internal controls or in other factors that could significantly affect the Company's internal controls.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The Company is a party to various legal proceedings arising in the ordinary course of its business. Management believes that the ultimate resolution of these proceedings will not, in the aggregate, have a material adverse effect on the financial condition, results of operations, or liquidity of the Company.

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

We held our Annual Meeting of Shareholders on January 14, 2003. At the meeting, our shareholders voted on the following three proposals:

Proposal 1: To elect the following nominees as directors:

Nominee	For	Withheld
Richard K. McClelland	9,946,364	45,157
Kenneth H. Bishop	9,946,364	45,157
Brian J. Hughes	9,946,264	45,257
Wayne Kern	9,945,746	45,775
Stephen P. Smiley	9,946,364	45,157
Bruce E. Ranck	9,946,364	45,157

Proposal No. 2: To approve an amendment to the Company's Amended and Restated 1996 Stock Option Plan to increase the number of shares available for grant of stock options thereunder:

For	Against	Abstentions	Broker Non-Votes
9,683,629	201,324	106,568	-0-

Proposal No. 3: To ratify the appointment of BDO Seidman, LLP as independent auditors of the Company for the year ending July 31, 2003:

For	Against	Abstentions	Broker Non-Votes
9,938,279	8,638	44,604	-0-

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits:

10.2 Dynamex Inc. Amended and Restated 1996 Stock Option Plan

99.1 Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K:

None

SIGNATURE

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.

DYNAMEX INC.

Dated: March 17, 2003

by /s/ Richard K. McClelland

Richard K. McClelland
President, Chief Executive Officer and
Chairman of the Board
(Principal Executive Officer)

Dated: March 17, 2003 by /s/ Ray E. Schmitz

Ray E. Schmitz
Vice President - Chief Financial Officer
(Principal Financial Officer)

Dated: March 17, 2003 by /s/ George S. Stephens

George S. Stephens
Corporate Controller
(Principal Accounting Officer)

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CERTIFICATION

I, Richard K. McClelland, President and Chief Executive Officer of Dynamex Inc. and Subsidiaries ("registrant") certify that:

1. I have reviewed this quarter report on Form 10-Q of the registrant;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a. Designed such controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing of this quarterly report (the "Evaluation Date"); and

   c. Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons

performing the equivalent function);

a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weakness in internal controls, and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: March 17, 2003 by /s/ Richard K. McClelland

Richard K. McClelland
President, Chief Executive Officer and
Chairman of the Board
(Principal Executive Officer)

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CERTIFICATION

I, Ray E. Schmitz, Vice President and Chief Financial Officer of Dynamex Inc. and Subsidiaries ("registrant") certify that:

1. I have reviewed this quarter report on Form 10-Q of the registrant;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a. Designed such controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in

which this quarterly report is being prepared;

b. Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing of this quarterly report (the "Evaluation Date"); and

c. Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function);

a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weakness in internal controls, and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: March 17, 2003 by /s/ Ray E. Schmitz

Ray E. Schmitz
Vice President - Chief Financial Officer
(Principal Financial Officer)

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EXHIBIT INDEX

EXHIBITS NUMBER	DESCRIPTION
10.2	Dynamex Inc. Amended and Restated 1996 Stock Option Plan
99.1	Certification of CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002

E-1