

DRIVEN TO KEEP

# PROMISES



OLD DOMINION FREIGHT LINE, INC.

2009 ANNUAL REPORT

“Driven to keep our promises,  
so our customers  
can keep theirs.”

A lot of people think OD is in the business  
of moving freight and managing logistics.



What we're really in the business of doing  
is keeping promises. We realize our trucks,  
trailers and containers are filled with more  
than freight. They contain a commitment to  
our customers. At OD, we believe the world  
revolves around promises, and no other  
transportation company is as committed  
or capable of delivering on those promises.



“Driven to  
keep the promise  
of creating  
value for our  
shareholders.”

#### Fellow Shareholders:

As we celebrated our 75th anniversary in 2009, we faced one of the most difficult operating environments in memory — a year that tested the strength of our business model, our management expertise and the dedication of our entire workforce. Throughout the year, we remained focused on our long-term objectives of delivering outstanding service, improving the productivity of our workforce, managing our variable costs and remaining disciplined with the pricing for our services. We also remained true to our employees by preserving the family atmosphere we have fostered over our history, a culture that sustained us through this difficult period. It was the faithful execution of these strategies and the dedication of our employees that once again produced solid profitability, strong cash flow and increased shareholder value.

With our focus on the long-term success of the Company, many of the operating decisions we made during 2009 ran counter to most of our peers. Despite lower volumes, we improved our service standards. Despite pricing pressures caused by overcapacity in the industry, we maintained our disciplined pricing structure by delivering value to our customers. Despite the temptation to choose short-term gains at the expense of our long-term goals, we continued to invest in our infrastructure, our systems and our people. We believe our unwavering commitment to these long-term strategies differentiated us in the marketplace. As a result, we were the only public less-than-truckload (“LTL”) carrier that was profitable in 2009, and we produced the best operating ratio among the public LTL carriers for the third consecutive

year. While our financial results for 2009 were not at our historical levels, they were a testament to the strength of our Company.

Our performance in 2009 also positioned us well for the challenges and opportunities of 2010. We entered the year with a productive and motivated workforce, reduced capital expenditure needs and the capacity and financial strength to leverage industry consolidation opportunities. While we have a cautious outlook for 2010 due to poor visibility with regard to economic growth and potential regulatory headwinds, we sense the industry environment is improving with respect to pricing and tonnage trends. We expect our results for 2010 to benefit from the improvement in operating leverage that firmer pricing and increased tonnage would likely generate. We also expect the strengths of our business model will continue to support our industry-leading performance.

**Industry-leading performance in a historic economic downturn** — Old Dominion’s performance in 2009 reflected our keen understanding of the need to balance short-term profit objectives with our long-term goals for growth in earnings and shareholder value. The LTL industry is characterized by significant capital investment; therefore, a rapid decrease in tonnage produces considerable deleveraging pressures on operations. As a result of the overall tonnage decline in 2009, many carriers reduced their pricing, which created one of the most competitive pricing environments in our history. Although

our tonnage declined 11.6% during 2009, our research indicates that there was no significant change in our market share. The combination of our tonnage decline and competitive pricing caused Old Dominion’s operating ratio for 2009 to increase to 94.3%, or 270 basis points over 2008. Our net income in 2009 was \$34.9 million, or \$0.94 per diluted share, as compared to \$1.84 in 2008; however, maintaining profitability was a significant accomplishment under these extremely difficult circumstances.

We believe an important factor driving our 2009 results was maintaining our on-time deliveries at approximately 99% and reducing our cargo claims ratio to a historical low. These factors generated value to our customers, which enabled us to maintain our year-over-year revenue per hundredweight levels, excluding our fuel surcharges, at the exact average we produced in 2008. We may have lost or failed to win some business in 2009 because of our pricing philosophy, but we also gained new customers and saw other customers return because of the value they place on our reliable, quality services.

In addition to the positive impact from our revenue yield strategies, our operating ratio for 2009 benefited from our focus on productivity and efficiency. We are proud that we were one of the few, if not the only carrier, in the LTL industry that did not reduce wages or employee benefits in 2009. We believe this strategy motivated our employees and contributed to additional productivity improvements. In our pickup and delivery operations, we increased our shipments per hour and stops per hour by 3.9% and 3.4%, respectively. Improvements in our platform and linehaul operations are evidenced by the 9.3% improvement in our platform pounds handled per hour and 0.5% increase in our linehaul laden load average. By tightly managing our labor costs and leveraging our state-of-the-art technology, we were able to offset some, but not all, of the deleveraging effects of the decline in volume and the excess capacity we had built into our operations. We ended 2009 with approximately 25% to 30% of available capacity in our fleet and service centers. In part, this excess capacity reflects specific actions to expand our tractor and trailer fleet during the year. We also increased the number of available doors at our service centers by approximately 8%. Despite the impact on short-term earnings, we believe this additional capacity will provide an excellent launching point for an economic recovery or further industry consolidation that generally accompanies a sustained economic downturn.

**Financial strength positions us for long-term growth** — Old Dominion continued to generate substantial net cash from operating activities for 2009, totaling \$130.7 million. As anticipated, our cash flow from operations funded the majority of our capital expenditures of \$210.9 million for the year. We completed 2009 with a ratio of long-term debt to total capitalization of 34.0%, and our borrowing

capacity on our revolving credit facility was \$109.7 million. We expect capital expenditures for 2010 to be approximately \$95 million, which reflects reduced equipment and real estate purchases and excludes acquisition opportunities that may arise. We expect to fund these planned capital expenditures completely through net cash generated from our operating activities.

Our financial strength is an advantage we will utilize to reach our long-term growth objectives. We will continue our initiatives to build density in our existing network, through both expanding our customer base in existing markets and serving a greater percentage of our current customers’ needs. We plan to steadily strengthen our service center network by increasing our geographic coverage through the addition of approximately 40 service centers in the coming years and by increasing our capacity in existing markets where warranted by expanding existing service centers or relocating our operations to larger facilities. We will continue to invest in value-added services, such as container delivery, warehousing and truckload brokerage, to leverage our infrastructure and strengthen our customer relationships. We will also pursue selective strategic acquisitions that primarily add new service capabilities or geographic coverage and that are accretive to our operations.

**Conclusion** — Old Dominion will continue executing our proven strategies of providing high-quality, value-driven services to our customers at a fair price, regardless of the specific industry or economic conditions we face in 2010. Delivering on these promises served us well in 2009 as we outperformed our competition and differentiated ourselves in the marketplace. Because of the decisions we made in 2009 and the available capacity we have built into our operations, we are poised to capitalize on increased operating leverage in 2010 that could result from an improving economic environment, additional industry consolidation or a combination of each. As a result, we remain confident in our ability to produce long-term growth in earnings and shareholder value.

Our success would not be possible without the dedicated efforts, innovation and flexibility of our employees and veteran management team. On behalf of all our shareholders, we thank the OD Family for their extraordinary efforts in 2009. And on behalf of the OD Family, we thank you for your investment in Old Dominion.

Sincerely,

*Earl E. Congdon*

Earl E. Congdon  
Executive Chairman

*David S. Congdon*

David S. Congdon  
President and Chief Executive Officer



“Driven to keep  
the promise of  
providing simplified  
transportation  
solutions.”



Old Dominion promises to find innovative ways to simplify our customers' transportation processes. We keep that promise by providing customers with a single-source solution for managing their transportation and logistical needs. Through OD – Domestic, OD – Expedited, OD – Global, OD – Technology and OD – Solutions, we deliver the transportation products and services our customers need to deliver on their promises.

#### ■ OD – DOMESTIC

OD – Domestic enables shippers to manage their domestic LTL and logistical needs throughout the continental U.S. by providing: ■ Superior direct service to the 48 contiguous states ■ Next- and second-day service within our Southeast, Gulf Coast, Northeast, Midwest, Central and West regions of the country ■ Freight assembly and distribution services

#### ■ OD – EXPEDITED

OD – Expedited allows domestic and global shippers to define their delivery requirements through the following Speed Service product offerings that are backed by a money-back guarantee: ■ Guaranteed – provides guaranteed on-time delivery within our normal transit times ■ On Demand – provides time-specific delivery for shipments requiring more expedient service ■ Air – provides time-specific air freight services within the continental U.S. In 2009, OD – Expedited began offering two new services: ■ "White Glove" delivery and assembly services to residential, medical and retail facilities across the continental U.S. ■ Guaranteed security divider service to provide locked, compartmentalized freight security

#### ■ OD – GLOBAL

OD – Global offers a full complement of services within the global supply chain, all of which provide door-to-door freight visibility, including: ■ Direct service to Canada, Mexico, the Caribbean, Alaska and Hawaii ■ Door-to-door services between China and the U.S. ■ Worldwide less-than-container load ("LCL") and full-container load services ■ International air freight services around the globe ■ New for 2009 – Our Pacific Promise™ provides guaranteed port-to-door LCL service from Asia to the U.S.

#### ■ OD – TECHNOLOGY

OD – Technology empowers our customers to manage their shipping needs and provides the tools we need to improve the efficiency of our operations.

#### ■ OD – SOLUTIONS

OD – Solutions offers a variety of value-added services to enable shippers to effectively manage their supply chain, including: ■ Truckload brokerage services throughout North America ■ Warehousing services ■ Logistical consulting services ■ Transportation management systems

# “Driven to keep the promise of best-in-class domestic and global solutions.”

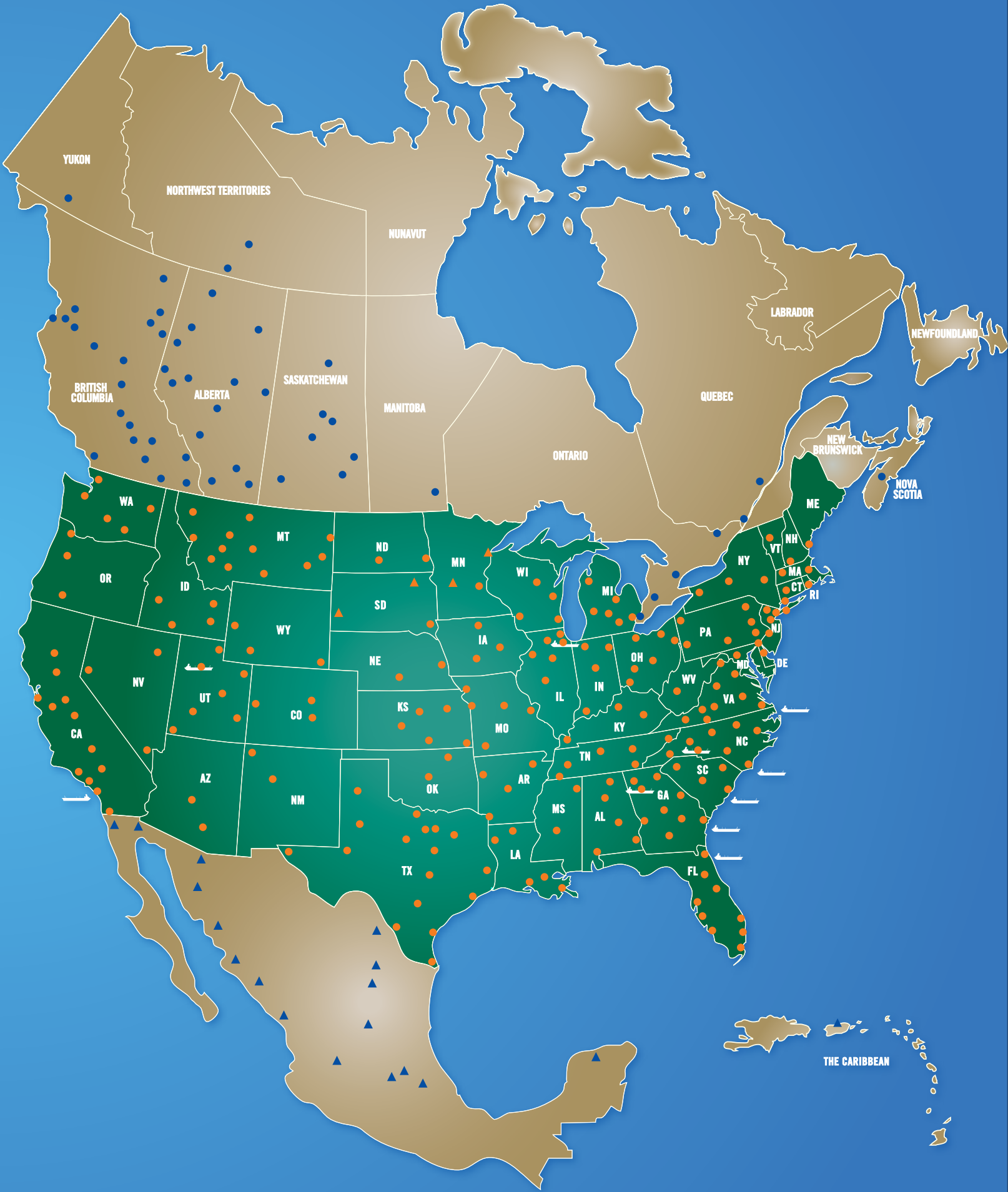
Direct, on-time domestic LTL service throughout the continental United States.

Next-day and second-day domestic service within each of our six geographic regions.

Expedited service for time-sensitive shipments.

Global service to and from all of North America, Central America, South America and the Far East.

Worldwide less-than-container load and full-container load services.



“Driven to keep our promise  
of financial strength.”

Selected Financial Data

(In thousands, except per share amounts and operating statistics)

	2009	2008	2007	2006	2005
<b>Operating Data:</b>					
Revenue from operations	\$1,245,005	\$1,537,724	\$1,401,542	\$1,279,431	\$1,061,403
Operating income	70,391	129,070	129,937	130,485	97,585
Income before accounting change	34,871	68,677	71,832	72,569	53,883
Net income	34,871	68,677	71,832	72,569	53,475
Diluted earnings per share	\$ 0.94	\$ 1.84	\$ 1.93	\$ 1.95	\$ 1.43
Diluted weighted average shares outstanding	37,285	37,285	37,285	37,285	37,276

Operating Statistics:

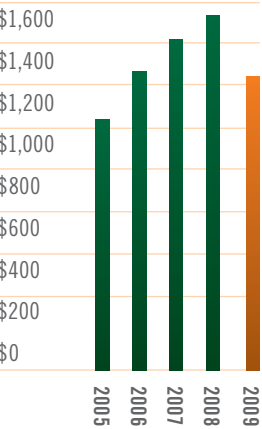
Operating ratio	94.3%	91.6%	90.7%	89.8%	90.8%
Revenue per hundredweight	\$ 12.70	\$ 13.88	\$ 13.30	\$ 13.16	\$ 12.63
Revenue per intercity mile	\$ 4.16	\$ 4.60	\$ 4.31	\$ 4.32	\$ 4.12
Intercity miles (in thousands)	299,330	334,219	325,268	296,464	257,900
Total tons (in thousands)	4,902	5,545	5,271	4,859	4,203
Total shipments (in thousands)	5,750	6,691	6,765	6,428	5,751
Average length of haul (miles)	928	901	926	922	912
Total service centers	210	206	192	182	154
Tractors	5,390	5,058	5,016	4,643	4,028
Trailers	21,185	20,067	19,513	17,915	15,701

Financial Position:

Current assets	\$ 174,175	\$ 209,230	\$ 216,277	\$ 256,367	\$ 150,213
Current liabilities	148,125	142,190	127,723	121,546	111,028
Total assets	1,159,278	1,074,905	981,048	892,193	641,648
Long-term debt (including current maturities)	305,532	251,989	263,754	274,582	128,956
Shareholders' equity	593,000	558,129	489,452	417,620	345,051

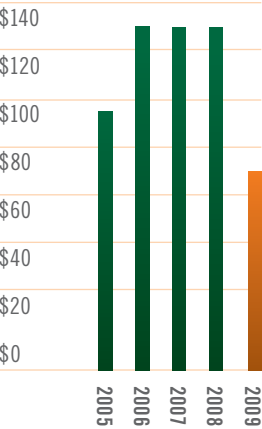
Revenue from Operations

(in millions)



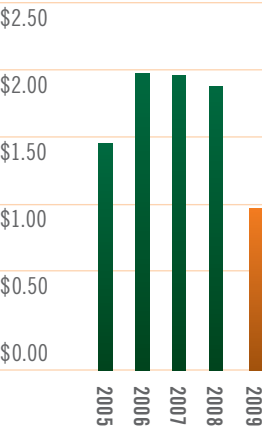
Operating Income

(in millions)



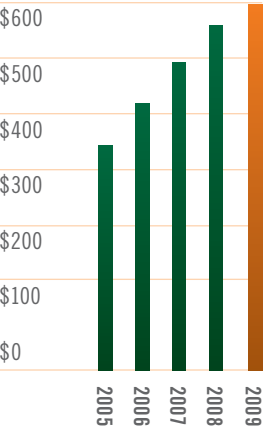
Diluted EPS

(in millions)



Shareholders' Equity

(in millions)



Board of Directors and Executive Officers

**Earl E. Congdon** <sup>(1) (4)</sup>  
Executive Chairman

**David S. Congdon** <sup>(1) (4)</sup>  
Director;  
President and  
Chief Executive Officer

**John R. Congdon** <sup>(1) (4)</sup>  
Vice Chairman;  
Chairman,  
Old Dominion Truck Leasing, Inc.

**J. Paul Breitbach** <sup>(1) (2) (5)</sup>  
Director;  
Retired Executive Vice President,  
Krispy Kreme Doughnuts, Inc.

**John R. Congdon, Jr.** <sup>(1)</sup>  
Director;  
Vice Chairman,  
Old Dominion Truck Leasing, Inc.

**Robert G. Culp, III** <sup>(1) (2) (3)</sup>  
Director;  
Chairman of the Board of Directors,  
Culp, Inc.

**John D. Kasarda, Ph.D.** <sup>(1) (5)</sup>  
Director;  
Professor and Director of the Kenan  
Institute of Private Enterprise at the  
University of North Carolina at Chapel Hill

**Leo H. Suggs** <sup>(1) (3) (5)</sup>  
Director;  
Chairman of the Board of Directors  
and Chief Executive Officer,  
Greatwide Logistics Services, Inc.

**D. Michael Wray** <sup>(1) (2) (3)</sup>  
Director;  
President,  
Riverside Brick & Supply Company, Inc.

**John B. Yowell**  
Executive Vice President and  
Chief Operating Officer

**J. Wes Frye**  
Senior Vice President – Finance,  
Chief Financial Officer,  
Treasurer and Assistant Secretary

**Greg C. Gantt**  
Senior Vice President – Operations

**Joel B. McCarty, Jr.**  
Senior Vice President,  
Secretary and General Counsel

(1) Director (2) Audit Committee (3) Compensation Committee (4) Executive Committee (5) Governance & Nomination Committee

Shareholders' Information

Form 10-K/Investor Contact

Our Annual Report on Form 10-K is available on our website, [www.odfl.com](http://www.odfl.com), or a copy (without exhibits) is available at no charge by contacting J. Wes Frye, Senior Vice President – Finance, at our corporate office.

Annual Shareholders' Meeting

The Annual Meeting of Shareholders will be held on Monday, May 24, 2010, at 10:00 a.m. at our corporate office.

Registrar and Transfer Agent

American Stock Transfer and Trust Company, LLC  
59 Maiden Lane, Plaza Level, New York, NY 10038  
718.921.8200

Independent Auditors

Ernst & Young LLP  
202 CentrePort Drive, Suite 200, Greensboro, NC 27409



*Helping the world keep promises.™*

OLD DOMINION FREIGHT LINE, INC.

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