

ANNUAL REPORT



IN THE BUSINESS OF KEEPING PROMISES.

OLD DOMINION FREIGHT LINE, INC.



At OD, your promises are our promises.  
And we deliver both.



No matter what our customers ship, their business is our business and a promise is a promise. Whether it's a promise made by our employees or a promise made by our customers, our people are determined to ensure that every shipment arrives on-time and damage-free. The way we see it, we're not just helping the world move shipments, we're Helping the World Keep Promises.®

It's your freight.  
It's our promise.

OD is one of the top transportation companies in the world. Through the OD Domestic, OD Expedited, OD Global and OD Technology brands, we provide our customers with outstanding service and innovative solutions for their transportation needs. This allows us to keep our promise of providing shippers with an unmatched value proposition, consisting of industry-leading on-time and damage-free service at a fair and equitable price. The consistent execution of this proposition has clearly differentiated us from our competition, and we expect it will continue to drive long-term growth in our revenue, earnings and shareholder value.





**OD Domestic** enables shippers to manage their LTL and logistical needs throughout the continental United States by providing:

- Superior direct service throughout the continental United States
- Next- and second-day service within our Southeast, Gulf Coast, Northeast, Midwest, Central and West regions of the country
- Commitment to industry-leading on-time delivery and claims-free service
- Assembly and distribution services
- Security divider service, which provides locked-in security for freight

**OD Expedited** allows domestic and global shippers to customize their delivery requirements through the following services:

- 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 United States
- White Glove – provides specialized delivery and assembly services to residential, medical and retail facilities across the continental United States
- OD Expo – provides transportation services for trade show materials



**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 between the United States and Canada, Mexico, Alaska, Hawaii, and the Caribbean
- Worldwide less-than-container load and full-container load services
- National container drayage
- International air freight services around the globe
- Global assembly and distribution services

**OD Technology** empowers our customers to manage their shipping needs and provides our employees with the tools they need to efficiently manage operations. In 2012, we were once again named by *CIO Magazine* to their CIO-100 listing as a result of our strategic integration of technology and business processes. Our technology also contributed to our recognition as the #1 National LTL carrier for the prestigious 2012 Mastio Quality Award.



**OD Household Services** delivers reliable self-moving services that are as stress-free as they are hassle-free, all while keeping costs under control.

- Homeowners pack – we drive and deliver
- Only pay for the space used
- Moves managed online at [odmove.com](http://odmove.com)
- Scheduled transit times throughout the continental United States

# FELLOW SHAREHOLDERS

We are pleased to report that Old Dominion continued its record-setting financial and service performance in 2012, once again leading the LTL industry. Our simple formula of providing outstanding on-time and claims-free service at a fair and equitable price has created an unmatched value proposition that continues to win market share. For the third consecutive year, we produced double-digit revenue growth. We also achieved the best operating ratio in our 78-year history and increased both our net income and earnings per share by more than 20% for the year.

We believe our success is a reflection of the consistent, disciplined implementation of our long-range strategic plan by our entire team. Our value proposition has resonated with an increasing number of customers that demand dependable, transparent and comprehensive transportation solutions. In return, the revenue yield supported by our high level of service has enabled us to continuously invest in our people, systems and network, which further improves our capabilities and opportunities for growth.

The continuous cycle of planning, execution and investment, coupled with ongoing yield management is woven into our culture and differentiates Old Dominion

compared to 2011, our operating ratio improved 110 basis points to 86.5%, which was the best annual operating ratio achieved in Old Dominion's history. Net income increased \$30.0 million, or 21.5%, to \$169.5 million for 2012 from \$139.5 million for 2011. Our earnings per diluted share increased 20.9% for 2012 to \$1.97, as compared to \$1.63 for 2011. Our 2011 results reflect a three-for-two stock split effected September 7, 2012, which was our fifth three-for-two stock split in the past 10 years.

**Record 2012 capital expenditures provide capacity for future growth** – For 2012, we had capital expenditures of \$374.3 million, consisting of \$143.7 million for real estate purchases and service center expansion, \$216.6 million for tractors, trailers and other equipment and \$14.0 million for technology and other assets. These investments expanded our aggregate service center door capacity by 5.4% and included major projects at Indianapolis, Indiana and Morristown, Tennessee, which are two of our larger breakbulk facilities. In addition to the increase in service center capacity, our equipment purchases were higher than recent years to support our projected tonnage growth as well as to replace equipment being retired through our regular replacement cycle.

“We have the financial strength and market opportunity to continue our growth toward double-digit market share.”

in the marketplace. For our customers, we consistently outperform LTL industry service standards and continue to evaluate ways to make our service and technology better. Our success provides our OD Family with financial security, opportunities for advancement and pride in serving on our winning team. For our shareholders, we have created substantial value by achieving compound average annual growth in our share price of 36%, 27% and 25% for the previous three-, five- and 10-year periods, respectively.

**Strong, profitable growth in 2012** – Old Dominion again set new financial records in 2012 with significant improvement in revenue, profit margin and earnings. Our annual revenue exceeded the \$2 billion milestone for the first time, increasing 12.1% to \$2.11 billion for 2012. As

As a result of these investments, we believe Old Dominion remains one of the best positioned companies in the industry to continue to win market share as well as to leverage growth opportunities through industry consolidation. Having completed a number of major projects in 2012, our planned capital expenditures for 2013 are projected to be approximately \$270 million.

**Continuing improvements in service, yield, density and efficiency** – In 2012, we again improved our two primary customer service metrics, with an on-time delivery percentage of 99% and a cargo claims ratio at a Company-record low of 0.4%. We believe our consistent record of maintaining service and claims standards at these levels is unmatched among our public peers. Providing

superior service to our customers is essential to our value proposition and will remain one of our highest priorities.

We believe our service performance is essential to our ability to improve our pricing and revenue yield. For 2012, our revenue per hundredweight, excluding fuel surcharge, increased 3.9%, despite downward pressure exerted by a 0.5% increase in weight per shipment and a 1.2% decrease in length of haul. Given a stable economy in 2013, we anticipate a positive pricing environment and further improvement in revenue yield.

We generate operating efficiencies by increasing the volume, or density, of shipments we handle over the relatively high fixed costs of our fleet and service center network. Our regional, inter-regional and national LTL network serves the entire United States and provides us with inherent competitive advantages to win market share. We also have access to high-growth global markets that provide additional opportunities for revenue growth. We anticipate that as we win additional market share and improve our density, these operational efficiencies coupled with a stable pricing environment will produce additional profitability.

We are recognized by many as a leader in transportation technology. We invest heavily in equipment and systems that improve our efficiency, and we continuously provide our employees with training to improve their productivity. In 2012, this effort produced improvements in platform pounds per hour, P&D stops per hour and P&D shipments per hour.

**Recognition as a premier carrier** – In 2012, we again received the Mastio Quality Award as the #1 national LTL carrier. This is the third year in a row that we have received this prestigious award and it is the first time in the history of the Mastio Quality Award that the same carrier has received it for three consecutive years. In addition, for the second year in a row we were ranked by *Forbes* as one



of "America's 100 Most Trustworthy Companies" and for the first time earned NASSTRAC's 2013 "Carrier of the Year" award for the multi-regional LTL category. We are very proud of these accolades and are thankful that our employees, customers, and vendors believe in us and our business model.

**A clear focus on long-term growth** – For 2013 and beyond, we are excited about Old Dominion's prospects for long-

term growth in earnings and shareholder value. We estimate that our market share has grown to approximately 6% to 7% of the domestic LTL market, and we have the financial strength and market opportunity to continue our growth toward double-digit market share. We have outperformed our industry peers in both weak and strong

economic environments, and we are clearly focused on our long-term growth objectives.

In closing, we are mindful that our success and growth are inextricably bound to the quality of our daily execution and delivering on the promises we keep to our customers. Our highly motivated, union-free team of employees drives our success through their innovation and commitment to quality service. We recognize, and thank them for, their hard work and continuing dedication.

Finally, we appreciate the contribution that you, our fellow shareholders, have made to support our efforts. Thank you for your interest and your investment in Old Dominion.

Sincerely,

*David S. Congdon*

David S. Congdon  
President and Chief  
Executive Officer

*Earl E. Congdon*

Earl E. Congdon  
Executive Chairman

# SELECTED FINANCIAL DATA

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

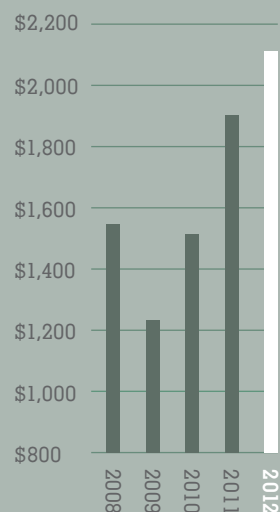
	2012	2011	2010	2009	2008
<b>OPERATING DATA:</b>					
Revenue from operations	\$2,110,483	\$1,882,541	\$1,480,998	\$1,245,005	\$1,537,724
Operating income	285,254	234,072	137,739	70,391	129,070
Net income	169,452	139,470	75,651	34,871	68,677
Diluted earnings per share	\$ 1.97	\$ 1.63	\$ 0.90	\$ 0.42	\$ 0.82
Diluted weighted average shares outstanding	86,165	85,720	83,890	83,891	83,891

	2012	2011	2010	2009	2008
<b>OPERATING STATISTICS:</b>					
Operating ratio	86.5%	87.6%	90.7%	94.3%	91.6%
Revenue per hundredweight	\$ 15.35	\$ 14.72	\$ 13.09	\$ 12.70	\$ 13.88
Revenue per intercity mile	\$ 5.02	\$ 4.83	\$ 4.38	\$ 4.16	\$ 4.60
Intercity miles (in thousands)	420,214	389,588	338,504	299,330	334,219
Total tons (in thousands)	6,875	6,397	5,656	4,902	5,545
Total shipments (in thousands)	7,765	7,256	6,327	5,750	6,691
Average length of haul (in miles)	941	952	948	928	901
Total service centers	218	216	213	210	206
Tractors	6,099	5,830	5,718	5,390	5,058
Trailers	24,181	22,685	20,986	21,185	20,067

	2012	2011	2010	2009	2008
<b>FINANCIAL POSITION:</b>					
Current assets	\$ 275,028	\$ 331,852	\$ 222,582	\$ 174,175	\$ 209,230
Current liabilities	225,139	204,810	170,046	148,125	142,190
Total assets	1,712,514	1,513,074	1,239,881	1,159,278	1,074,905
Long-term debt (including current maturities)	240,407	269,185	271,217	305,532	251,989
Shareholders' equity	1,025,969	856,519	668,649	593,000	558,129

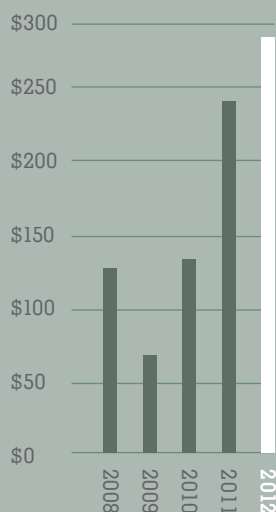
## REVENUE FROM OPERATIONS

(in millions)



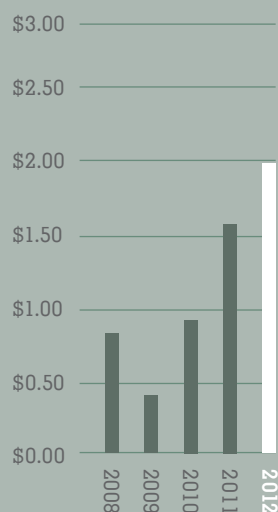
## OPERATING INCOME

(in millions)



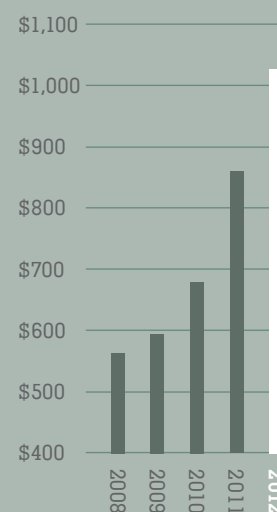
## DILUTED EPS

(in millions)



## SHAREHOLDERS' EQUITY

(in millions)



# BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

**EARL E. CONGDON**<sup>(1)</sup>

Executive Chairman

**DAVID S. CONGDON**<sup>(1)</sup>

Director; President and  
Chief Executive Officer

**ROBERT G. CULP, III**<sup>(1)(2)(3)</sup>

Lead Independent Director;  
Chairman, Culp, Inc.

**J. PAUL BREITBACH**<sup>(1)(2)(4)</sup>

Director; Retired Executive Vice President,  
Krispy Kreme Doughnuts, Inc.

**JOHN R. CONGDON**<sup>(1)</sup>

Director; Chairman,  
Old Dominion Truck Leasing, Inc.

**JOHN R. CONGDON, JR.**<sup>(1)</sup>

Director; Vice Chairman,  
Old Dominion Truck Leasing, Inc.

**JOHN D. KASARDA, PH.D.**<sup>(1)(4)</sup>

Director; Professor and Director of the Center for  
Air Commerce for the Kenan Institute of Private Enterprise  
at the University of North Carolina at Chapel Hill

**LEO H. SUGGS**<sup>(1)(3)(4)</sup>

Director; Director,  
Greatwide Logistics Services, Inc.

**D. MICHAEL WRAY**<sup>(1)(2)(3)</sup>

Director; President,  
Riverside Brick & Supply Company, Inc.

**GREG C. GANTT**

Executive Vice President and Chief Operating Officer

**DAVID J. BATES**

Senior Vice President – Operations

**KEVIN M. FREEMAN**

Senior Vice President – Sales

**J. WES FRYE**

Senior Vice President – Finance,  
Chief Financial Officer and Assistant Secretary

**CECIL E. OVERBEY, JR.**

Senior Vice President – Strategic Development

**ROSS H. PARR**

Vice President – Legal Affairs,  
General Counsel and Secretary

(1) Director (2) Audit Committee (3) Compensation Committee (4) Governance and Nomination Committee

## SHAREHOLDER 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 MEETING OF SHAREHOLDERS**

The Annual Meeting of Shareholders will be held on Friday, May 31, 2013, at 10:00 a.m. EDT at our corporate office.

**REGISTRAR AND TRANSFER AGENT**

American Stock Transfer and Trust Company, LLC  
6201 15th Avenue  
Brooklyn, NY 11219  
718.921.8200

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP  
100 North Tryon Street, Suite 3800  
Charlotte, NC 28202



**HELPING THE WORLD  
KEEP PROMISES.**

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