NEWS RELEASE

Werner Enterprises Reports Growth in First Quarter 2011 Revenues and Earnings

4/20/2011

OMAHA, Neb., Apr 20, 2011 (BUSINESS WIRE) --

Werner Enterprises, Inc. (NASDAQ:WERN), one of the nation's largest transportation and logistics companies, reported revenues and earnings for the first quarter ended March 31, 2011.

Summarized financial results for first quarter 2011 compared to first quarter 2010 are as follows (dollars in thousands, except per share data):

	1Q11	1Q10	% Change
Total revenues	$ 469,429	$ 425,075	10%
Trucking revenues, net of fuel surcharge	$ 316,447	$ 303,668	4%
Value Added Services ("VAS") revenues	$ 63,573	$ 61,400	4%
Operating income	$ 27,442	$ 18,264	50%
Net income	$ 16,293	$ 10,836	50%
Earnings per diluted share	$ 0.22	$ 0.15	49%

Despite the recent cost headwinds of three unusually severe winter storms during the first five weeks of first quarter 2011 and rising diesel fuel prices during the latter part of first quarter 2011, Werner Enterprises produced 49% earnings per share growth in first quarter 2011 compared to first quarter 2010.

In first quarter 2011, freight trends in our One-Way Truckload business improved significantly beginning the second week of February to levels higher than 2010 and improved further in March. Our Midwest freight demand was particularly strong, followed closely by most of our other domestic geographic areas, except for the West which showed less strength. We are encouraged by recently improving truckload freight trends, which we believe are caused to a greater degree by industry capacity constraints than economic recovery.

Our average revenues per total mile increased 4.5% in first quarter 2011 compared to first quarter 2010. This increase was the result of customer contractual rate increases, freight mix improvement and unusually strong customer demand for truck capacity in the latter part of first quarter 2011. This resulted in significant customer capacity charges for repositioning trucks from other regions and providing additional trucks above committed levels. We have been very successful in this tightening capacity environment in working jointly with our customers to secure sustainable solutions across all modes. We are committed to maintaining our fleet count at approximately 7,300 trucks. We remain focused on expanding our operating margin to raise our returns on assets, equity and invested capital, while staying true to our expanded portfolio of services for our customers.

The gap between the lower market value of an aged industry truck fleet and the higher cost of environmentally-friendly new trucks has never been wider. It is extremely difficult for many carriers to access the required capital to simply replace their existing truck fleets with new trucks. As a result, it is anticipated these capital constraints will restrict industry truck growth and may cause the number of trucks in the industry to decline.

As noted in detail in our fourth quarter 2010 earnings release, the most dramatic safety regulatory changes in our company's 55-year history are all occurring over the next three years. The Compliance Safety Accountability program, proposed changes to the hours of service regulations for commercial truck drivers and the proposed required use of electronic on-board recorders on virtually all trucks are all expected to reduce, or have the effect of reducing, industry capacity.

We continue to diversify our business model with the goal of a balanced portfolio of revenues comprised of One-Way Truckload (which includes the Regional, medium-to-long-haul Van and Expedited fleets), Dedicated and Logistics (VAS). Our specialized services unit, primarily Dedicated, ended the quarter with 3,600 trucks (49% of our total fleet).

Average diesel fuel prices were 78 cents per gallon higher in first quarter 2011 than in first quarter 2010 and were 46 cents per gallon higher than in fourth quarter 2010. For the first 20 days of April 2011, the average diesel fuel price per gallon was $1.00 higher than the average diesel fuel price per gallon in the same period of 2010 and $1.11 higher than in second quarter 2010. Diesel fuel prices have risen significantly since the last week of February 2011 compared to the falling prices in second quarter 2010. When fuel prices rise rapidly, a negative earnings lag occurs because the cost of fuel rises immediately and the market indexes used to determine fuel surcharges increase at a

slower pace. In a period of declining fuel prices, we generally experience a temporary favorable earnings effect because the fuel costs decline at a faster pace than the market indexes used to determine fuel surcharge collections.

We continue to make meaningful progress improving our fuel miles per gallon ("mpg") by controlling truck idling and implementing fuel mpg enhancing equipment changes to our fleet. We continue to invest in environmentally friendly and fuel-saving equipment solutions such as aerodynamic trucks, idling reduction systems, tire inflation systems and trailer skirts to reduce our fuel gallons purchased and improve our fuel mpg.

The driver recruiting and retention market remains competitive. An improved freight market, extended unemployment benefit programs, changing industry safety regulations and reduced financing options for driving school candidates continue to tighten qualified and student driver supply. We expect driver market challenges to increase as the year progresses. We continue to believe our position in the current driver market is better than that of many competitors because over 70% of our driving jobs reside in more attractive, shorter-haul Regional and Dedicated fleet operations that enable us to return these drivers to their homes on a more frequent and consistent basis.

Gains on sales of equipment were $4.8 million in first quarter 2011 compared to $1.1 million in first quarter 2010 and $2.8 million in fourth quarter 2010. Our premium used trucks are increasingly more attractive to fleets that want to upgrade their older trucks without incurring the higher cost of new trucks. Gains on sales are reflected as a reduction of Other Operating Expenses in our income statement.

In 2011, we are purchasing trucks with 2010-standard engines to replace older trucks that we sell or trade. We remain committed to the ongoing investment required to maintain a best-in-class fleet while focusing on the lowest-cost operating model for our customers. We expect to purchase new trucks and trailers for fleet replacement in 2011, with an estimated net capital expenditure of $150 million to $200 million. This compares to net capital expenditures of $119 million in 2010. We expect these purchases to reduce the average age of our company truck fleet from 2.8 years at the end of 2010 to approximately 2.5 years by the end of 2011.

To provide shippers with additional sources of managed capacity and network analysis, Werner continues to develop its non-asset-based VAS segment. VAS includes Brokerage, Freight Management, Intermodal and Werner Global Logistics (International).

Value Added Services (amounts in 000's)	1Q11	1Q10

Revenues	$63,573	100.0%	$61,400	100.0%
Rent and purchased transportation expense	53,332	83.9	51,949	84.6
Gross margin	10,241	16.1	9,451	15.4
Other operating expenses	6,831	10.7	6,367	10.4
Operating income	$3,410	5.4	$3,084	5.0

The following table shows the change in shipment volume and average revenue (excluding logistics fee revenue) per shipment for all VAS shipments.

	1Q11	1Q10	Difference	% Change
Total VAS shipments	58,246	66,825	(8,579)	(13)%
Less: Non-committed shipments to Truckload segment	18,405	26,311	(7,906)	(30)%
Net VAS shipments	39,841	40,514	(673)	(2)%
Average revenue per shipment	$1,500	$1,309	$191	15%

In first quarter 2011, VAS revenues increased 4%, gross margin dollars increased 8% and operating income dollars increased 11% compared to first quarter 2010.

Brokerage revenues in first quarter 2011 increased 22% compared to first quarter 2010 due primarily to increased shipment volume. Brokerage gross margin dollars increased at the same rate as the gross margin percentage remained constant year-over-year, and operating income increased at a higher percentage rate. Sequentially, the Brokerage gross margin percentage improved to 13.7% in first quarter 2011 from 13.1% in fourth quarter 2010. Intermodal revenues increased 26% while intermodal gross margins and operating income increased at a higher percentage rate, comparing first quarter 2011 to first quarter 2010. Werner Global Logistics revenues declined 39% and operating results also declined in first quarter 2011 compared to first quarter 2010, but improved sequentially over fourth quarter 2010. The first quarter 2010 to first quarter 2011 decline is attributed to a decrease in the number of shipments related to several international projects that ended during the latter part of second quarter 2010.

Comparisons of the operating ratios (net of fuel surcharge revenues) for the Truckload segment and VAS segment for first quarters 2011 and 2010 are shown below.

Operating Ratios	1Q11	1Q10	Difference
Truckload Transportation Services	92.4%	95.2%	(2.8)%
Value Added Services	94.6	95.0	(0.4)

Fluctuating fuel prices and fuel surcharge collections impact the total company operating ratio and the Truckload segment's operating ratio when fuel surcharges are reported on a gross basis as revenues versus netting against fuel expenses. Eliminating fuel surcharge revenues, which are generally a more volatile source of revenue, provides a more consistent basis for comparing the results of operations from period to period. The Truckload segment's operating ratios for first quarter 2011 and first quarter 2010 are 94.0% and 96.0%, respectively, when fuel surcharge revenues are reported as revenues instead of a reduction of operating expenses.

Our financial position remains strong. We ended the quarter with no debt and $47.6 million of cash.

INCOME STATEMENT DATA
(Unaudited)
(In thousands, except per share amounts)

	Quarter Ended 3/31/11	% of Operating Revenues	Quarter Ended 3/31/10	% of Operating Revenues
Operating revenues	$469,429	100.0	$425,075	100.0
Operating expenses:				
Salaries, wages and benefits	132,863	28.3	128,334	30.2
Fuel	97,931	20.9	73,881	17.4
Supplies and maintenance	41,189	8.8	37,676	8.9
Taxes and licenses	23,026	4.9	23,457	5.5
Insurance and claims	18,060	3.8	16,838	3.9
Depreciation	39,718	8.5	38,285	9.0
Rent and purchased transportation	88,497	18.9	84,685	19.9
Communications and utilities	3,923	0.8	3,749	0.9
Other	(3,220)	(0.7)	(94)	(0.0)
Total operating expenses	441,987	94.2	406,811	95.7
Operating income	27,442	5.8	18,264	4.3
Other expense (income):				
Interest expense	28	0.0	9	0.0
Interest income	(345)	(0.1)	(337)	(0.1)

Other	26	0.0	(11)	(0.0)
Total other expense (income)	(291)	(0.1)	(339)	(0.1)
Income before income taxes	27,733	5.9	18,603	4.4
Income taxes	11,440	2.4	7,767	1.9
Net income	$16,293	3.5	$10,836	2.5
Diluted shares outstanding	73,138		72,545	
Diluted earnings per share	$.22		$.15	

OPERATING STATISTICS

	Quarter Ended 3/31/11	% Change	Quarter Ended 3/31/10
Trucking revenues, net of fuel surcharge (1)	$316,447	4.2%	$303,668
Trucking fuel surcharge revenues (1)	83,273	51.2%	55,059
Non-trucking revenues, including VAS (1)	66,165	4.7%	63,188
Other operating revenues (1)	3,544	12.2%	3,160
Operating revenues (1)	$469,429	10.4%	$425,075
Average monthly miles per tractor	9,705	-0.7%	9,769
Average revenues per total mile (2)	$1.502	4.5%	$1.437
Average revenues per loaded mile (2)	$1.693	3.9%	$1.629
Average percentage of empty miles	11.26%	-4.6%	11.80%
Average trip length in miles (loaded)	450	-1.3%	456
Total miles (loaded and empty) (1)	210,634	-0.3%	211,315
Average tractors in service	7,235	0.3%	7,211
Average revenues per tractor per week (2)	$3,364	3.9%	$3,239
Capital expenditures, net (1)	$20,054		$10,874
Cash flow from operations (1)	$53,800		$64,962
Return on assets (annualized)	5.6%		3.7%
Total tractors (at quarter end)			
Company	6,645		6,575
Independent contractor	655		675
Total tractors	7,300		7,250
Total trailers (truck and intermodal, quarter end)	23,530		23,730

(1) Amounts in thousands.

(2) Net of fuel surcharge revenues.

BALANCE SHEET DATA
(In thousands, except share amounts)

	3/31/11	12/31/10
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$47,599	$13,966
Accounts receivable, trade, less allowance of $9,907 and $9,484, respectively	210,565	190,264
Other receivables	10,130	10,431
Inventories and supplies	21,201	16,868
Prepaid taxes, licenses and permits	11,095	14,934
Current deferred income taxes	28,456	27,829
Other current assets	21,842	23,407
Total current assets	350,888	297,699
Property and equipment	1,538,017	1,549,637
Less - accumulated depreciation	710,609	708,582
Property and equipment, net	827,408	841,055
Other non-current assets	12,151	12,798
	$1,190,447	$1,151,552
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$64,519	$57,708
Insurance and claims accruals	73,443	71,857
Accrued payroll	20,349	18,838
Other current liabilities	19,346	20,037
Total current liabilities	177,657	168,440
Other long-term liabilities	10,694	10,380
Insurance and claims accruals, net of current portion	115,250	113,250
Deferred income taxes	201,841	190,507
Stockholders' equity:		
Common stock, $.01 par value, 200,000,000 shares		

authorized; 80,533,536 shares issued; 72,768,665 and 72,644,998 shares outstanding, respectively	805	805
Paid-in capital	92,516	91,872
Retained earnings	740,870	728,216
Accumulated other comprehensive loss	(2,872)	(3,420)
Treasury stock, at cost; 7,764,871 and 7,888,538 shares, respectively	(146,314)	(148,498)
Total stockholders' equity	685,005	668,975
	$1,190,447	$1,151,552

Werner Enterprises, Inc. was founded in 1956 and is a premier transportation and logistics company, with coverage throughout North America, Asia, Europe, South America, Africa and Australia. Werner maintains its global headquarters in Omaha, Nebraska and maintains offices in the United States, Canada, Mexico, China and Australia. Werner is among the five largest truckload carriers in the United States, with a diversified portfolio of transportation services that includes dedicated; medium-to-long-haul, regional and local van; expedited; temperature-controlled; and flatbed services. Werner's Value Added Services portfolio includes freight management, truck brokerage, intermodal, and international services. International services are provided through Werner's domestic and global subsidiary companies and include ocean, air and ground transportation; freight forwarding; and customs brokerage.

Werner Enterprises, Inc.'s common stock trades on The NASDAQ Global Select MarketSM under the symbol "WERN". For further information about Werner, visit the Company's website at **www.werner.com**.

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements are based on information presently available to the Company's management and are current only as of the date made. Actual results could also differ materially from those anticipated as a result of a number of factors, including, but not limited to, those discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2010. For those reasons, undue reliance should not be placed on any forward-looking statement. The Company assumes no duty or obligation to update or revise any forward-looking statement, although it may do so from time to time as management believes is warranted or as may be required by applicable securities law. Any such updates or revisions may be made by filing reports with the U.S. Securities and Exchange Commission, through the issuance of press releases or by other methods of public disclosure.

SOURCE: Werner Enterprises, Inc.

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