



NEWS RELEASE

Werner Enterprises Reports Improved Fourth Quarter and Annual 2011 Revenues and Earnings

1/26/2012

OMAHA, Neb.--(BUSINESS WIRE)--Jan. 26, 2012-- Werner Enterprises, Inc. (NASDAQ: WERN), one of the nation's largest transportation and logistics companies, reported improved revenues and earnings for the fourth quarter and year ended December 31, 2011 compared to the same periods of 2010.

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

	4Q11	4Q10	% Change	2011	2010	% Change
Total revenues	\$507,937	\$463,214	10%	\$2,002,850	\$1,815,020	10%
Trucking revenues, net of fuel surcharge	\$329,110	\$327,682	0%	\$1,310,612	\$1,287,068	2%
Value Added Services ("VAS") revenues	\$79,674	\$59,834	33%	\$291,109	\$250,983	16%
Operating income	\$49,399	\$40,627	22%	\$173,674	\$134,582	29%
Net income	\$29,368	\$24,115	22%	\$102,757	\$80,039	28%
Earnings per diluted share	\$0.40	\$0.33	21%	\$1.40	\$1.10	28%

Werner Enterprises achieved annual earnings in excess of \$100 million for the first time in our history. Fourth quarter 2011 was the eighth consecutive quarter in which Werner achieved year-over-year earnings growth in excess of 20%. We are very appreciative of our customers' support and sincerely thank all of our associates for their

dedication, commitment and hard work in passing this mile marker on the road to improving results. With a comprehensive portfolio of superior service offerings, a newer truck fleet, an outstanding team of associates and a strong financial position, we are excited about the prospects for 2012 and beyond.

Fourth quarter 2011 freight demand (as measured by our daily morning ratio of loads to trucks in our one-way truckload network) was better than fourth quarter 2010 and showed more traditional seasonal trends. Our freight demand progressively improved from September to December, before the normal seasonal decline which began during the second week of December. Our morning loads-to-trucks ratio was balanced for fourth quarter 2011 with a seasonal positive strengthening in November and early December. We continue to believe that favorable truckload demand trends are caused to a greater degree by supply side constraints limiting truckload capacity, as compared to growing demand generated by increased economic activity.

Average revenues per total mile, net of fuel surcharge, increased 4.6% in fourth quarter 2011 compared to fourth quarter 2010. Contractual rate increases, an improved freight mix and better surge pricing were the primary reasons for the rate improvement. Several larger sized seasonal projects in fourth quarter 2011 also aided the increase in our revenue per total mile. We continue to be successful in this tightening capacity environment by working jointly with our customers to secure sustainable transportation solutions across all modes.

We remain committed to maintaining our truck count at approximately 7,300 trucks. In the last six months, our truck count has operated slightly below this level due to the increasingly challenging driver market. Our primary objectives continue to be expanding our operating margin percentage and improving our returns on assets, equity and invested capital, while staying true to our broad transportation services portfolio.

Capacity in our industry remains constrained by economic, safety and regulatory factors. From 2007 to 2010, the number of new class 8 trucks built was well below historical replacement levels for our industry. This led to the oldest average industry truck age in 40 years. Carriers were compelled to upgrade their aging truck fleets which led to increased replacement purchases of new and later-model used trucks in 2011. However, we do not believe that industry fleet growth is occurring, as some carriers are already struggling to finance the replacement truck upgrade due to the large pricing gap between the significantly increased costs of EPA-compliant new trucks compared to the lower value of record-old trucks. For example, the average cost of new trucks purchased in 2011 is approximately 30% higher than the average cost of trucks being sold in 2011.

We continue to diversify our business model with the goal of achieving a balanced portfolio of revenues comprised of One-Way Truckload (which includes the Regional, medium-to-long-haul Van and Expedited fleets), Specialized Services and Logistics (VAS). Our Specialized Services unit, primarily Dedicated, ended the quarter with 3,475 trucks (or 48% of our total fleet).

Diesel fuel prices were 63 cents per gallon higher in fourth quarter 2011 than in fourth quarter 2010 and were 2 cents per gallon lower than in third quarter 2011. For the first 26 days of January 2012, the average diesel fuel price per gallon was 41 cents higher than the average diesel fuel price per gallon in the same period of 2011 and 14 cents higher than in first quarter 2011.

The driver recruiting and retention market became more challenging during fourth quarter 2011. Assuming the domestic economy strengthens in 2012, we anticipate the driver market will become even more challenging in 2012. While historically higher national unemployment rates have aided our driver recruiting and retention efforts, we believe that an improved freight market, extended unemployment benefit payment programs, a reduction in available truck driving school graduates and changing industry safety regulations are tightening driver supply. While we are not immune to fluctuations in the driver market, we continue to believe we are in a better position in the current market than many competitors because over 70% of our driving jobs are 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 assets were \$4.8 million in fourth quarter 2011 compared to \$2.8 million in fourth quarter 2010 and \$6.0 million in third quarter 2011. The market for the sale of used trucks and trailers remains strong. Gains on sales are reflected as a reduction of Other Operating Expenses in our income statement.

We continue to buy new trucks to replace older trucks we sell or trade. We continue to invest in environmentally friendly equipment solutions such as more aerodynamic truck features, idle reduction systems, tire inflation systems and trailer skirts. Over the last three years, Werner Enterprises has reduced its annual carbon footprint by over 140,000 tons. Our net capital expenditures in 2011 were \$232.2 million. We expect our net capital expenditures in 2012 to be in a range of \$160 million to \$210 million. During 2011, we reduced the average age of our company truck fleet from 2.8 years at December 31, 2010 to 2.4 years at December 31, 2011. We expect to further reduce our company truck fleet age to approximately 2.1 years by December 31, 2012. We remain committed to the ongoing investment required to maintain a best-in-class fleet while focusing on the lowest operating cost model for our customers.

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

Value Added Services (amounts in 000's)	4Q11		4Q10		2011		2010	
	\$	%	\$	%	\$	%	\$	%
Revenues	\$ 79,674	100.0	\$ 59,834	100.0	\$ 291,109	100.0	\$ 250,983	100.0
Rent and purchased transportation expense	65,829	82.6	50,553	84.5	244,194	83.9	213,567	85.1
Gross margin	13,845	17.4	9,281	15.5	46,915	16.1	37,416	14.9
Other operating expenses	8,012	10.1	6,519	10.9	29,879	10.2	26,411	10.5
Operating income	\$ 5,833	7.3	\$ 2,762	4.6	\$ 17,036	5.9	\$ 11,005	4.4

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

			%				%	
	4Q11	4Q10	Difference	Change	2011	2010	Difference	Change
Total VAS shipments	67,666	60,884	6,782	11%	254,926	261,396	(6,470)	(2)%
Less: Non-committed shipments to Truckload segment	20,337	20,499	(162)	(1)%	78,842	93,760	(14,918)	(16)%
Net VAS shipments	47,329	40,385	6,944	17%	176,084	167,636	8,448	5%
Average revenue per shipment	\$1,554	\$1,376	\$178	13%	\$1,536	\$1,346	\$190	14%

In fourth quarter 2011, VAS revenues increased 33%, gross margin dollars increased 49% and operating income dollars increased 111% compared to fourth quarter 2010.

Brokerage revenues in fourth quarter 2011 increased 19% compared to fourth quarter 2010 due to a 9% increase in shipment volume and a 10% increase in average revenue per shipment. Brokerage gross margin dollars and gross margin percentage increased both year-over-year and sequentially. Intermodal revenues increased 75%, and Intermodal operating income increased by an even higher percentage, comparing fourth quarter 2011 to fourth quarter 2010. Werner Global Logistics revenues increased 52% and operating results improved significantly in fourth quarter 2011 compared to fourth quarter 2010.

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

<u>Operating Ratios</u>	<u>4Q11</u>	<u>4Q10</u>	<u>Difference</u>	<u>2011</u>	<u>2010</u>	<u>Difference</u>
Truckload Transportation Services	87.1%	88.4%	(1.3)%	88.1%	90.6%	(2.5)%
Value Added Services	92.7	95.4	(2.7)%	94.1	95.6	(1.5)%

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 fourth quarter 2011 and fourth quarter 2010 are 89.9% and 90.4%, respectively, and for 2011 and 2010 are 90.7% and 92.1%, respectively, when fuel surcharge revenues are reported as revenues instead of a reduction of operating expenses.

Our financial position remains strong. We ended 2011 with no debt, \$12.4 million of cash, and stockholders' equity of \$725.1 million, after paying a \$36.4 million special dividend to shareholders in December 2011.

INCOME STATEMENT DATA

(Unaudited)

(In thousands, except per share amounts)

	Quarter Ended 12/31/11	% of Operating Revenues	Quarter Ended 12/31/10	% of Operating Revenues
Operating revenues	\$507,937	100.0	\$463,214	100.0
Operating expenses:				
Salaries, wages and benefits	136,253	26.8	130,684	28.2
Fuel	100,695	19.8	85,199	18.4
Supplies and maintenance	40,778	8.0	38,525	8.3
Taxes and licenses	22,545	4.5	23,804	5.1
Insurance and claims	17,329	3.4	18,286	4.0
Depreciation	39,473	7.8	39,394	8.5
Rent and purchased transportation	100,289	19.8	84,287	18.2

Communications and utilities	3,569	0.7	3,867	0.8
Other	(2,393)	(0.5)	(1,459)	(0.3)
Total operating expenses	<u>458,538</u>	<u>90.3</u>	<u>422,587</u>	<u>91.2</u>
Operating income	<u>49,399</u>	<u>9.7</u>	<u>40,627</u>	<u>8.8</u>
Other expense (income):				
Interest expense	42	0.0	30	0.0
Interest income	(421)	(0.1)	(412)	(0.1)
Other	(210)	(0.0)	(38)	(0.0)
Total other expense (income)	<u>(589)</u>	<u>(0.1)</u>	<u>(420)</u>	<u>(0.1)</u>
Income before income taxes	49,988	9.8	41,047	8.9
Income taxes	20,620	4.0	16,932	3.7
Net income	<u>\$29,368</u>	<u>5.8</u>	<u>\$24,115</u>	<u>5.2</u>
Diluted shares outstanding	<u>73,289</u>		<u>72,989</u>	
Diluted earnings per share	<u>\$0.40</u>		<u>\$0.33</u>	

OPERATING STATISTICS

	Quarter Ended 12/31/11	% Change	Quarter Ended 12/31/10
Trucking revenues, net of fuel surcharge (1)	\$329,110	0.4%	\$327,682
Trucking fuel surcharge revenues (1)	92,598	31.9%	70,189
Non-trucking revenues, including VAS (1)	82,047	32.3%	62,005
Other operating revenues (1)	4,182	25.3%	3,338
Operating revenues (1)	<u>\$507,937</u>	9.7%	<u>\$463,214</u>
Average monthly miles per tractor	9,713	-2.6%	9,970
Average revenues per total mile (2)	\$1.570	4.6%	\$1.501
Average revenues per loaded mile (2)	\$1.781	5.4%	\$1.690
Average percentage of empty miles	11.83%	5.7%	11.19%
Average trip length in miles (loaded)	435	-1.6%	442
Total miles (loaded and empty) (1)	209,612	-4.0%	218,309
Average tractors in service	7,194	-1.4%	7,299
Average revenues per tractor per week (2)	\$3,519	1.9%	\$3,453
Capital expenditures, net (1)	\$78,598		\$35,936
Cash flow from operations (1)	\$64,141		\$73,236
Return on assets (annualized)	9.1%		7.8%
Total tractors (at quarter end)			
Company	6,600		6,595
Independent contractor	600		680
Total tractors	<u>7,200</u>		<u>7,275</u>
Total trailers (truck and intermodal, quarter end)	23,045		23,850

(1) Amounts in thousands.

(2) Net of fuel surcharge revenues.

INCOME STATEMENT DATA

(In thousands, except per share amounts)

	Year Ended 12/31/11	% of Operating Revenues	Year Ended 12/31/10	% of Operating Revenues
Operating revenues	\$2,002,850	100.0	\$1,815,020	100.0
Operating expenses:				
Salaries, wages and benefits	536,509	26.8	527,576	29.1
Fuel	412,905	20.6	313,518	17.3
Supplies and maintenance	169,386	8.5	155,943	8.6
Taxes and licenses	92,917	4.6	94,018	5.2
Insurance and claims	67,523	3.4	69,991	3.8
Depreciation	158,634	7.9	152,242	8.4
Rent and purchased transportation	387,472	19.3	352,648	19.4
Communications and utilities	15,181	0.8	15,123	0.8
Other	(11,351)	(0.6)	(621)	0.0
Total operating expenses	1,829,176	91.3	1,680,438	92.6
Operating income	173,674	8.7	134,582	7.4
Other expense (income):				
Interest expense	85	0.0	47	0.0
Interest income	(1,448)	(0.0)	(1,536)	(0.1)
Other	131	(0.0)	(166)	(0.0)
Total other expense (income)	(1,232)	(0.0)	(1,655)	(0.1)
Income before income taxes	174,906	8.7	136,237	7.5
Income taxes	72,149	3.6	56,198	3.1
Net income	\$102,757	5.1	\$80,039	4.4
Diluted shares outstanding	73,225		72,807	
Diluted earnings per share	\$1.40		\$1.10	

OPERATING STATISTICS

Year Ended

Year Ended

	12/31/11	% Change	12/31/10
Trucking revenues, net of fuel surcharge (1)	\$1,310,612	1.8%	\$1,287,068
Trucking fuel surcharge revenues (1)	373,384	46.6%	254,764
Non-trucking revenues, including VAS (1)	301,772	16.2%	259,628
Other operating revenues (1)	17,082	26.0%	13,560
Operating revenues (1)	<u>\$2,002,850</u>	10.3%	<u>\$1,815,020</u>
Average monthly miles per tractor	9,840	-1.7%	10,012
Average revenues per total mile (2)	\$1.533	3.8%	\$1.477
Average revenues per loaded mile (2)	\$1.736	4.1%	\$1.668
Average percentage of empty miles	11.71%	2.4%	11.43%
Average trip length in miles (loaded)	442	-0.7%	445
Total miles (loaded and empty) (1)	855,180	-1.8%	871,290
Average tractors in service	7,242	-0.1%	7,252
Average revenues per tractor per week (2)	\$3,480	2.0%	\$3,413
Capital expenditures, net (1)	\$232,198		\$119,033
Cash flow from operations (1)	\$264,480		\$228,483
Return on assets (annualized)	8.3%		6.6%
Total tractors (at quarter end)			
Company	6,600		6,595
Independent contractor	600		680
Total tractors	<u>7,200</u>		<u>7,275</u>
Total trailers (truck and intermodal, quarter end)	23,045		23,850

(1) Amounts in thousands.

(2) Net of fuel surcharge revenues.

BALANCE SHEET DATA
(In thousands, except share amounts)

	12/31/11	12/31/10
ASSETS		
Current assets:		
Cash and cash equivalents	\$12,412	\$13,966
Accounts receivable, trade, less allowance of \$10,154 and \$9,484, respectively	218,712	190,264
Other receivables	9,213	10,431

Inventories and supplies	30,212	16,868
Prepaid taxes, licenses and permits	15,094	14,934
Current deferred income taxes	25,805	27,829
Other current assets	29,883	23,407
Total current assets	<u>341,331</u>	<u>297,699</u>
Property and equipment	1,625,008	1,549,637
Less - accumulated depreciation	682,872	708,582
Property and equipment, net	<u>942,136</u>	<u>841,055</u>
Other non-current assets	<u>18,949</u>	<u>12,798</u>
	<u>\$1,302,416</u>	<u>\$1,151,552</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Checks issued in excess of cash balances	\$6,671	\$0
Accounts payable	93,486	57,708
Insurance and claims accruals	62,681	71,857
Accrued payroll	19,483	18,838
Other current liabilities	16,504	20,037
Total current liabilities	<u>198,825</u>	<u>168,440</u>
Other long-term liabilities	14,194	10,380
Insurance and claims accruals, net of current portion	121,250	113,250
Deferred income taxes	243,000	190,507
Stockholders' equity:		
Common stock, \$.01 par value, 200,000,000 shares authorized; 80,533,536 shares issued; 72,847,576 and 72,644,998 shares outstanding, respectively	805	805
Paid-in capital	94,396	91,872
Retained earnings	779,994	728,216
Accumulated other comprehensive loss	(5,170)	(3,420)
Treasury stock, at cost; 7,685,960 and 7,888,538 shares, respectively	(144,878)	(148,498)
Total stockholders' equity	<u>725,147</u>	<u>668,975</u>
	<u>\$1,302,416</u>	<u>\$1,151,552</u>

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.

Werner Enterprises, Inc.

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Executive Vice President, Treasurer and
Chief Financial Officer