Transport Capital Partners, LLC

Business Expectations Survey Results

First Quarter 2009

Transport Capital
Partners

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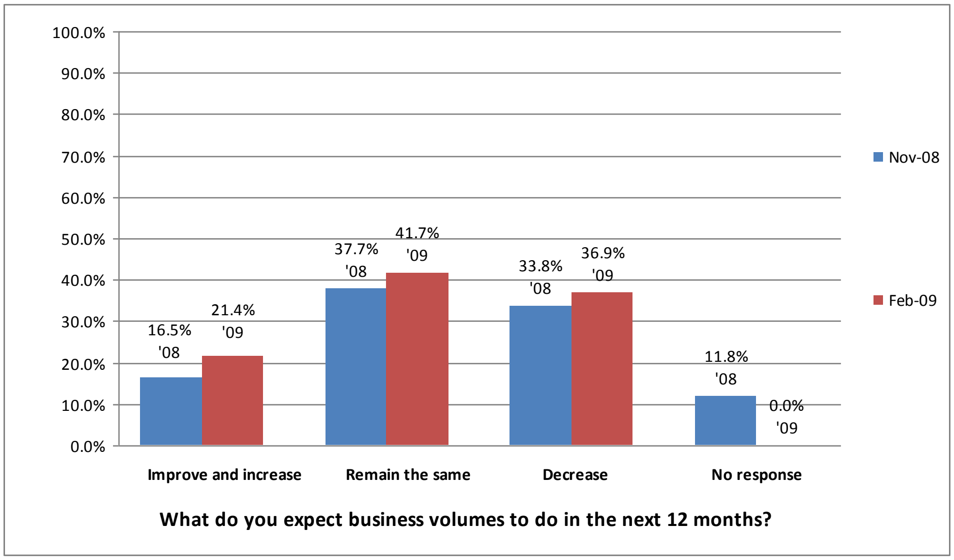
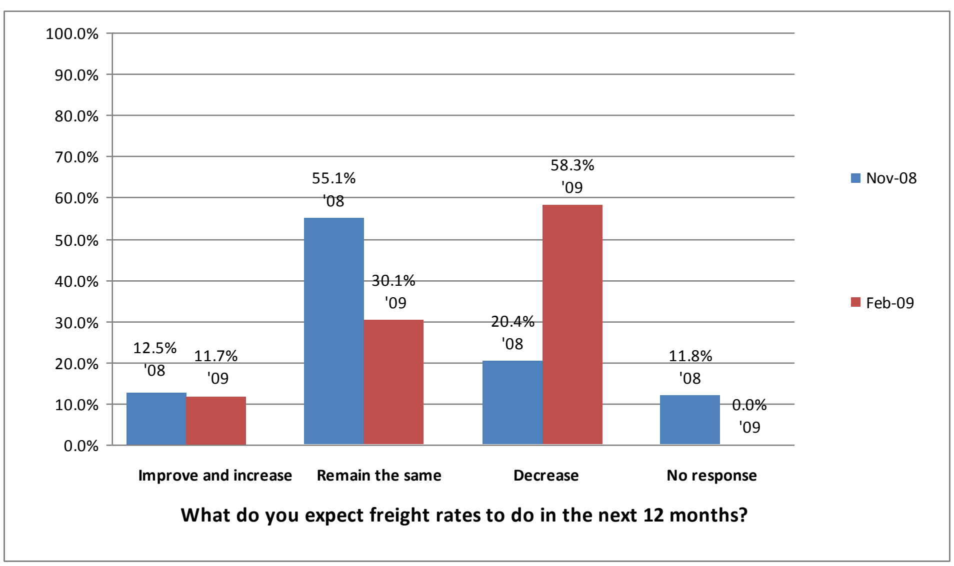
Table 1



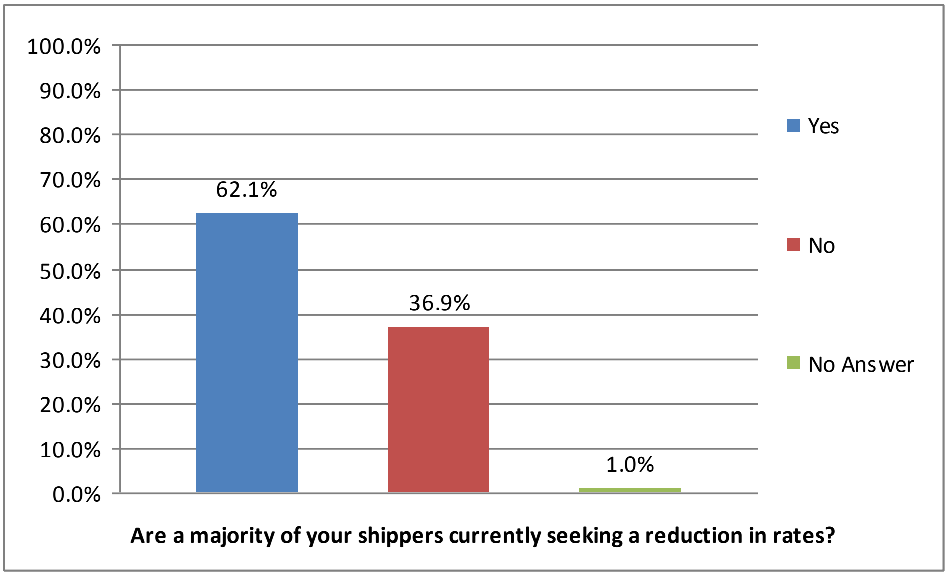
The share of carriers expecting volumes to decrease in the next 12 months was 37%, compared to 34% reporting declining expectations in November. Steady volumes were expected by 42%, compared to 38% in November's survey. Those expecting volumes to improve rose from 16.5% to 21% this month. The "no response" answer dropped from 12% in November to 0%, showing that all respondents chose to express an opinion and that there is most likely not a real shift in expectations.

Table 2



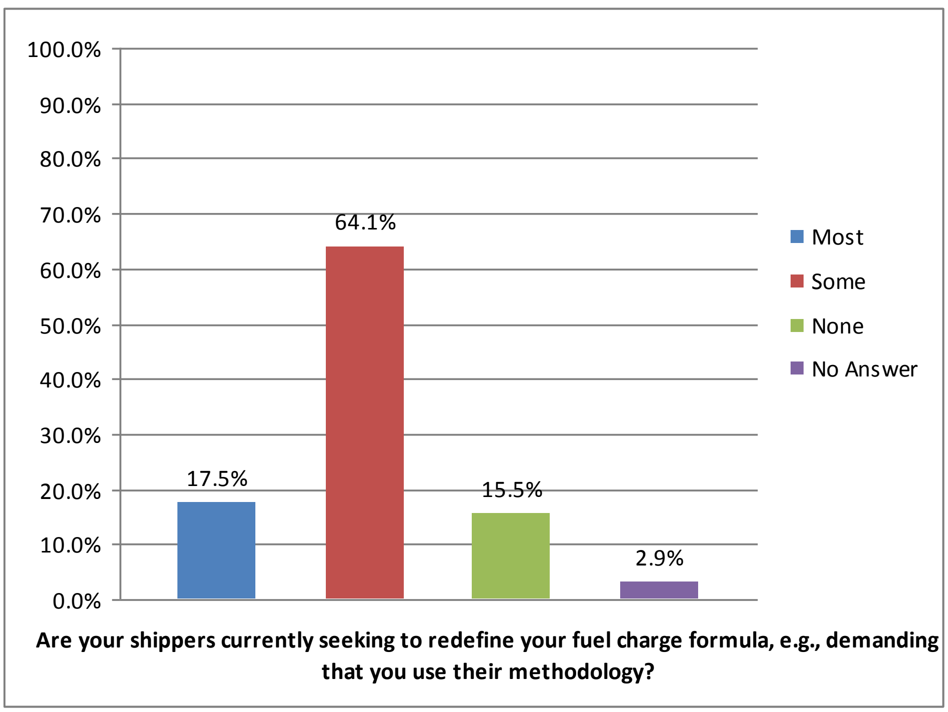
Freight rate expectations over the next 12 months dropped significantly from the last survey, with 58% expecting a decrease, compared to 20% in November. Almost a third of carriers expect rates to remain the same, with the remainder expecting an increase.

Table 3



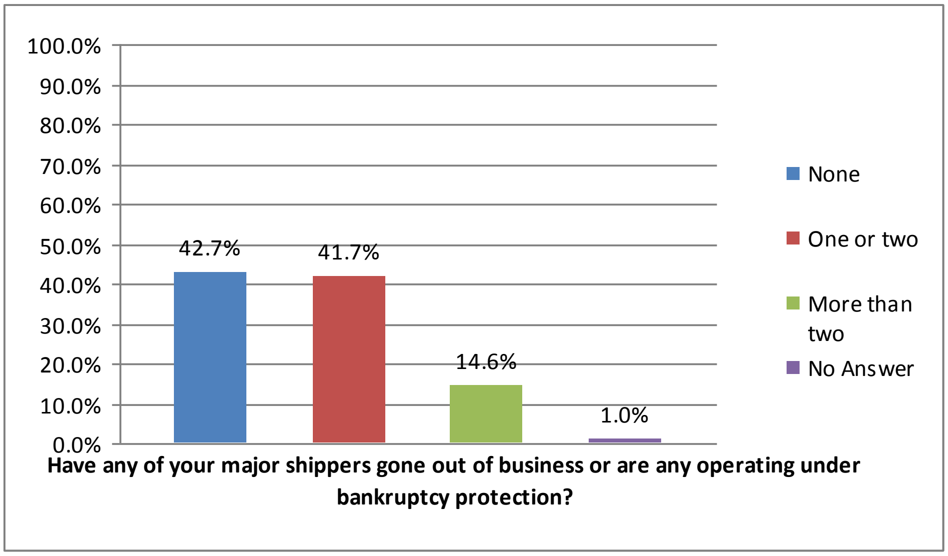
Given the decrease in tonnage, many shippers are seeking to take advantage of the situation. A large portion of carriers (62.1%) said a majority of shippers are currently seeking a reduction in rates. 36.9% said shippers are not seeking reductions.

Table 4



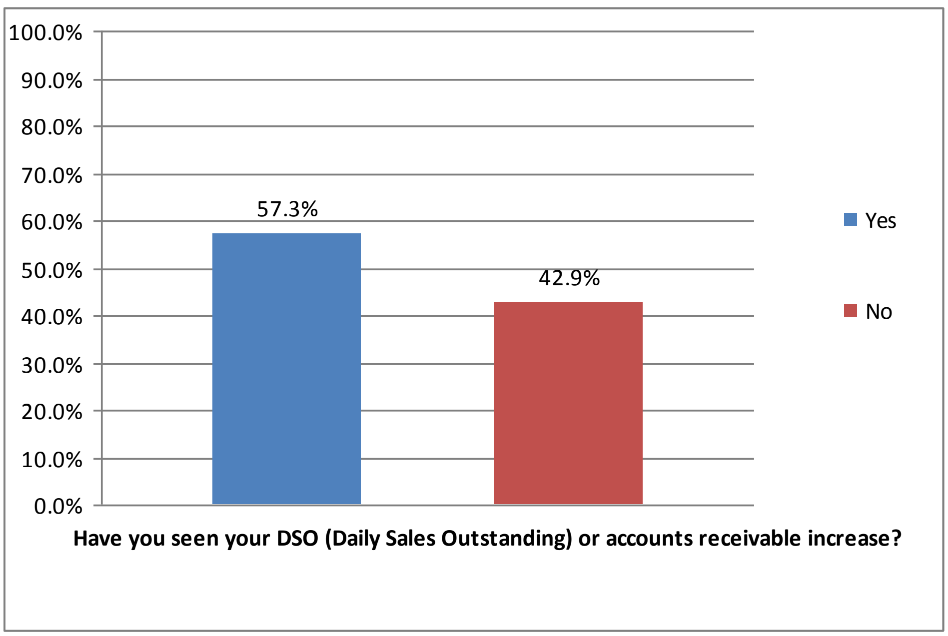
In addition to seeking rate reductions, over 81% of the shippers are seeking to redefine fuel charge formulas and demanding that they use their methodology. Clearly carriers need to watch these efforts closely and understand which lanes and customers are profitable with modified fuel surcharges.

Table 5



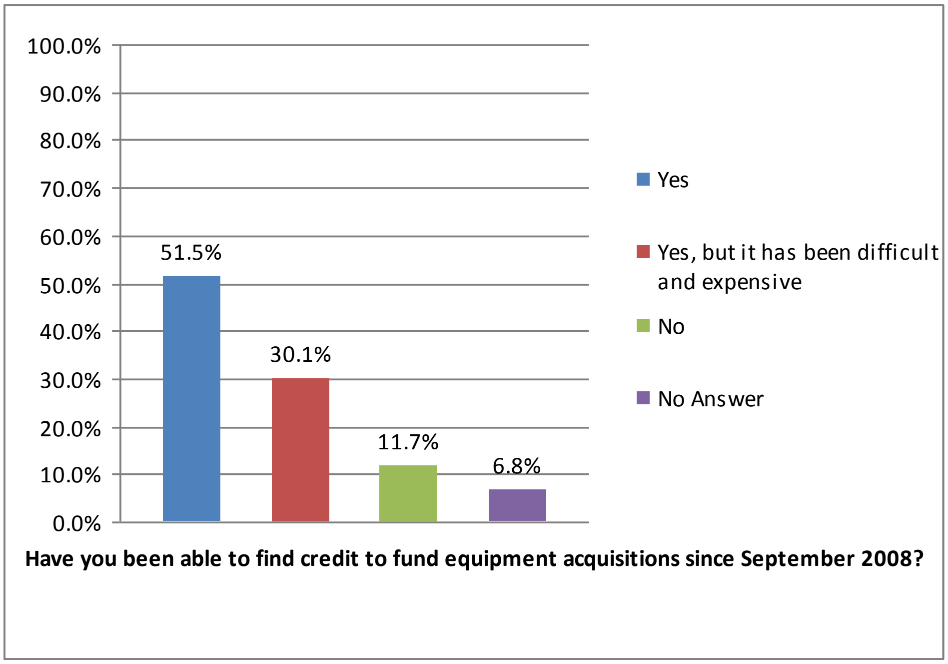
Over half the carriers said more than one of their major shippers have gone out of business or are operating under bankruptcy protection. As carriers get left "holding the bag" on their receivables, lenders will be more likely to reduce lines of credit or make those lines more expensive to source. Carriers will have to be ever more vigilant as to financial stability of even long-term customers.

Table 6



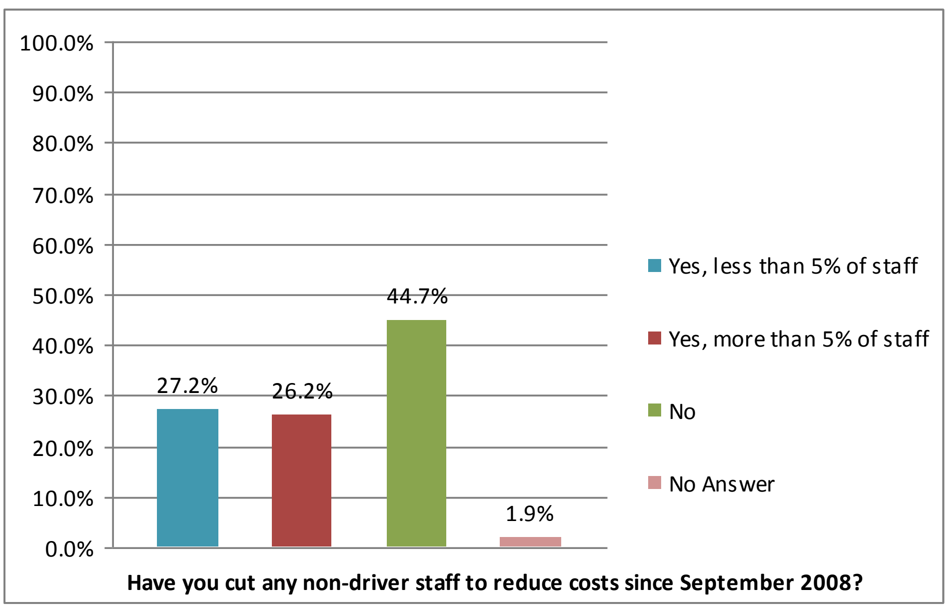
Over half of carriers said they have seen their DSO (Daily Sales Outstanding) or accounts receivable increase. We are now hearing stories of shippers extending DSO up to 120 days. Carriers will have to carefully consider whether they can afford to be the "bank" for such shippers.

Table 7



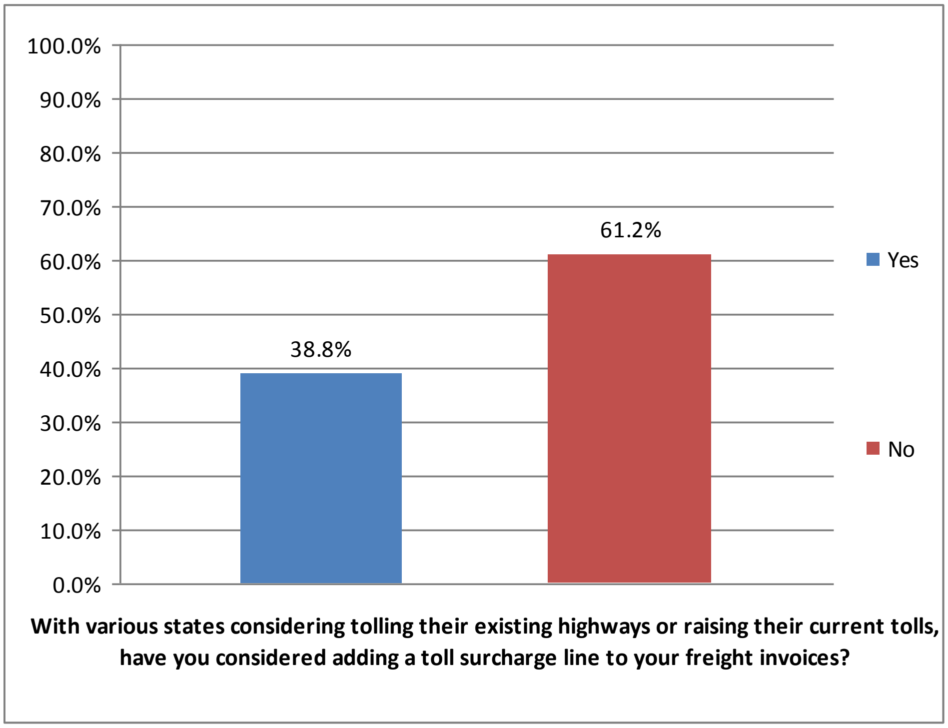
Most carriers (51.5%) have been able to find credit to fund equipment acquisitions since September 2008, though 41.8% said it has been difficult and expensive to do so or have not been able to find credit for this purpose.

Table 8



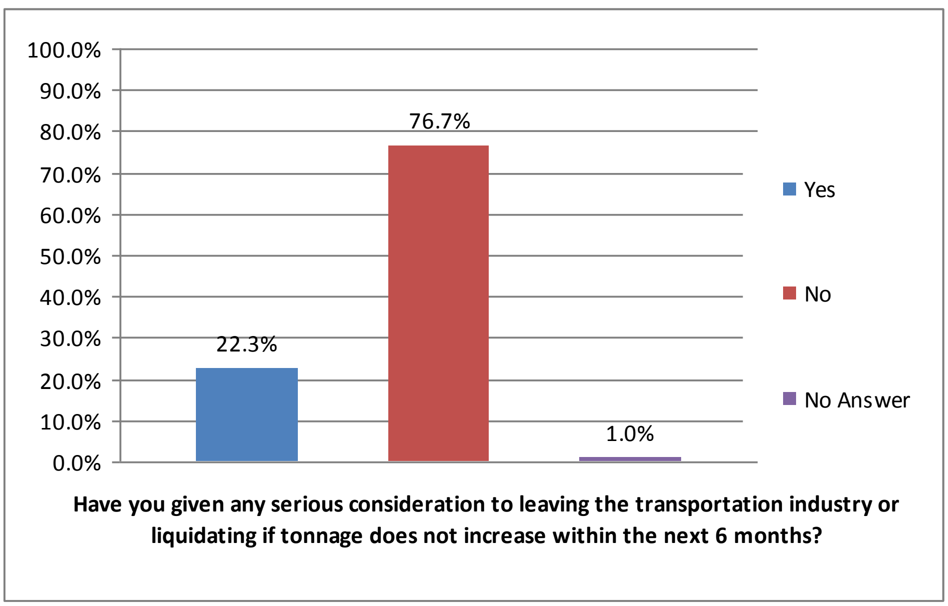
The American Trucking Association (ATA) reported that U.S. trucking lost almost 25,000 jobs in January 2009. While most were drivers, many were non-drivers. A little over half of carriers (53.4%) have cut non-driver staff to reduce costs since September 2008.

Table 9



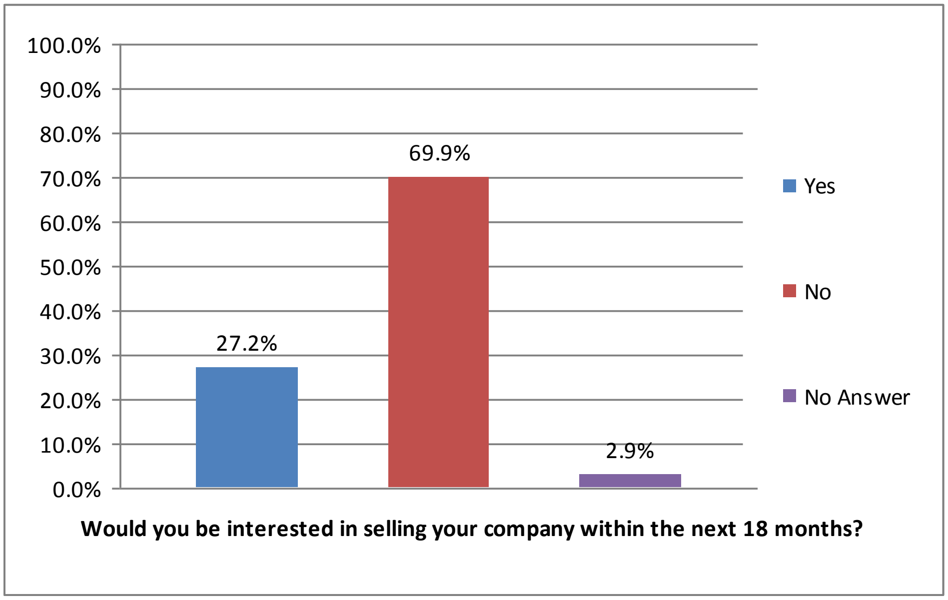
Faced with many states considering tolling their existing highways or raising their current tolls, almost 40% of the carriers are considering adding a toll surcharge line to their invoices. TCP will continue to monitor this new surcharge closely in future surveys.

Table 10



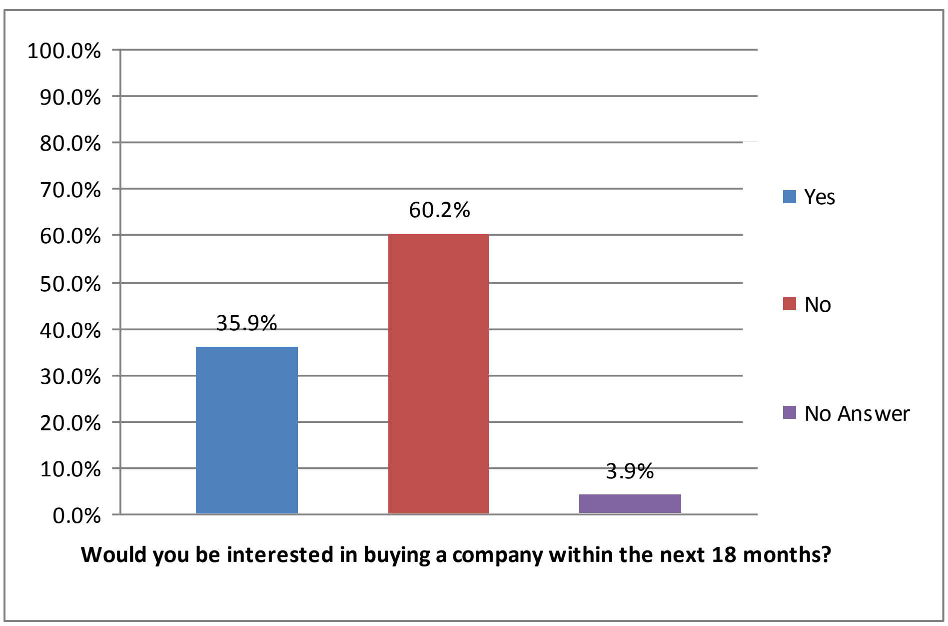
Amazingly, almost 25% of the carriers are giving serious consideration to leaving the transportation industry or liquidating if tonnage does not increase within the next six months. This is on top of the huge number of carriers who left the business in the first half of 2008. Such a movement will clearly limit capacity in the recovery.

Table 11



While most carriers (69.9%) are not interested in selling their company within the next 18 months. 27.2% expressed interested in selling within that time period. We believe the carriers who are considering leaving the marketing in 18 months are wanting for used truck prices and bottom lines to improve so they can exit the industry with enough cash for retirement.

Table 12



Though most carriers are not interested in selling, 35.9% are interested in buying a company within the next 18 months. Clearly the industry is made up of optimists who see the next 18 months as an opportunistic time to expand.

Table 13

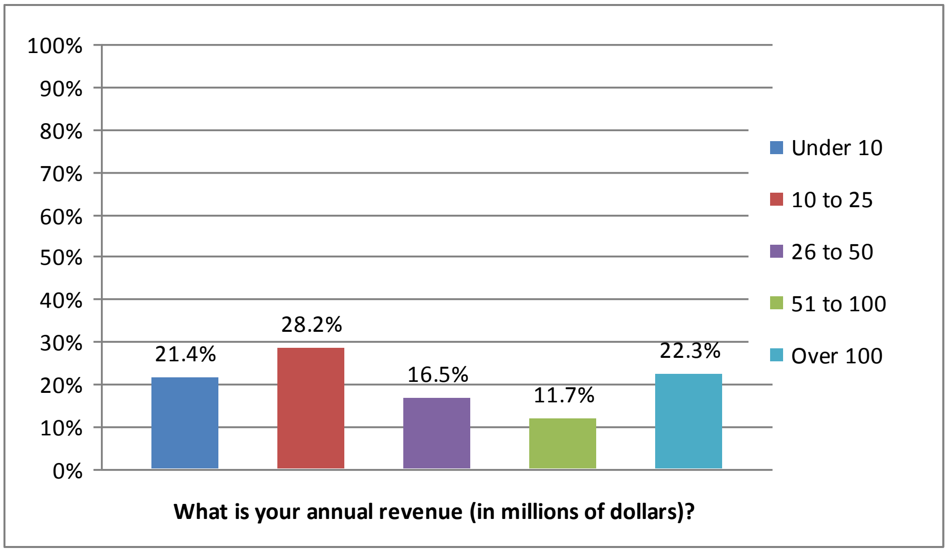
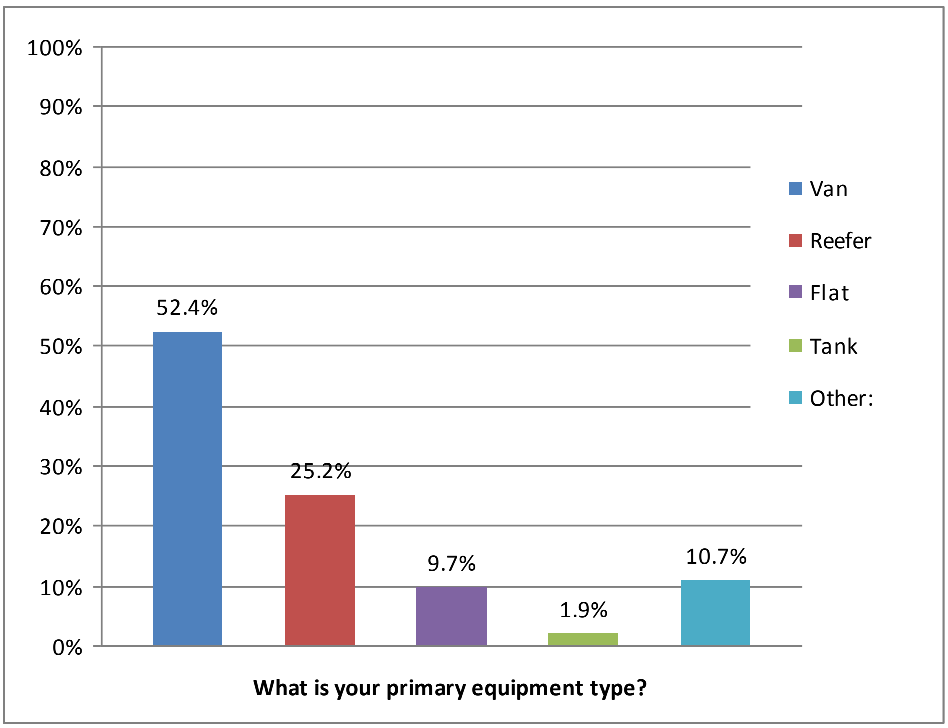


Table 14



Respondents reported fleet sizes spread across five revenue categories, from under $10 million (21.4%) to over $100 million (22.3%). About half the carriers (52.4%) reported themselves as van carriers, 25.2% as reefers, 9.7% as flats, and 1.9% as tanks.