OLD DOMINION FREIGHT LINE INC/VA
Form 424B4
November 06, 2002

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Filed Pursuant to Rule 424(b)(4)
Registration No. 333-100470

3,045,000 Shares

Common Stock

We are selling 1,949,124 shares of common stock, and Old Dominion Truck Leasing, Inc., the selling shareholder, is selling 1,095,876 shares of common stock. We will not receive any of the proceeds from the shares of common stock sold by the selling shareholder.

Our common stock is listed on the Nasdaq National Market under the symbol ODFL. The last reported sale price on November 5, 2002 was $22.70 per share.

The underwriters have an option to purchase a maximum of 455,000 additional shares from us to cover over-allotments of shares.

Investing in our common stock involves risks. See Risk Factors on page 8.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Us	Proceeds to the Selling Shareholder
Per Share	$22.00	$1.10	$20.90	$20.90
Total	$66,990,000	$3,349,500	$40,736,692	$22,903,808

Delivery of the shares of common stock will be made on or about November 12, 2002.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse First Boston

BB&T Capital Markets

Legg Mason Wood Walker

Incorporated

The date of this prospectus is November 5, 2002.

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

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PROSPECTUS SUMMARY

The following summary highlights information appearing elsewhere in this prospectus. It may not contain all of the information that may be important to you in deciding whether to invest in the common stock. You should read the entire prospectus, including the Risk Factors and the Consolidated Financial Statements and related Notes included in this prospectus, before making an investment decision. Unless otherwise indicated, the information in this prospectus assumes that the underwriters over-allotment option will not be exercised. Unless the context requires otherwise, references in this prospectus to the company, Old Dominion, we, us, and our refer to Old Dominion Freight Line, Inc. Leasing and the selling shareholder mean Old Dominion Truck Leasing, Inc.

Our Company

We are a leading less-than-truckload multi-regional motor carrier providing timely one to four day service among five regions in the United States and next-day and second-day service within these regions. Through our non-union workforce and 117 strategically located service centers, we provide direct service to 38 states within the Southeast, South Central, Northeast, Midwest and West regions of the country, including 24 states in which we provide full-state coverage. In addition, through marketing and carrier relationships, we provide service to and from the remaining 12 states, as well as Canada, Mexico and Puerto Rico. Our infrastructure and operating strategy enable us to provide our customers a combination of the rapid transit times of a regional carrier and the geographic coverage of an inter-regional carrier.

We have grown substantially over the last several years through strategic acquisitions and internal growth. Prior to 1995, we provided inter-regional service to major metropolitan areas from, and regional service within, the Southeast region of the United States. Since 1995, we have expanded our infrastructure to provide next-day and second-day service within four additional regions as well as expanded inter-regional service among those regions. During this period, we increased our number of service centers from 53 to 117 and our states directly served from 21 to 38. We believe that our present infrastructure will enable us to increase the volume of freight moving through our network, or our density, and thereby grow our profits.

We are committed to providing our customers with high quality service products. We are continually upgrading our technological capabilities to improve our customer service, reduce our transit times and minimize our operating costs. In addition to our core less-than-truckload, or LTL, services, we provide premium expedited services, including guaranteed on-time delivery, time-specific delivery and next-day air delivery. We also provide assembly and distribution services in which we either consolidate LTL shipments for full truckload transport by a truckload carrier or break down full truckload shipments from a truckload carrier into LTL shipments for our delivery. In September 2002, we introduced our newest service, OD Air Express, which provides linehaul service among 51 airport locations nationwide.

For the trailing twelve month period ended September 30, 2002, our revenue and operating income were $541.2 million and $33.7 million, respectively, reflecting a ratio of total operating expenses to total revenues for the period, or operating ratio, of 93.8%. Our revenue and operating income for the nine months ended September 30, 2002 improved by 10.3% and 52.8%, respectively, over the nine months ended September 30, 2001.

Our Industry

The trucking industry is comprised principally of two types of motor carriers: truckload and LTL. Truckload carriers dedicate an entire trailer to one customer from origin to destination. LTL carriers pick up multiple

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shipments from multiple customers on a single truck and then route the goods through terminals, or service centers, where freight may be transferred to other trucks with similar destinations for delivery.

In contrast to truckload carriers, LTL carriers require expansive networks of local pickup and delivery service centers, as well as larger hub facilities. Significant capital is required of LTL motor carriers to create and maintain a network of service centers and a fleet of tractors and trailers. The substantial infrastructure spending needed for LTL carriers makes it difficult for new start-up or small operations to effectively compete with established companies.

In 2001, the trucking industry accounted for 87.3% of total domestic freight revenue, or $610 billion, of which the LTL sector accounted for 10.3%, or $63 billion. Trucks provide transportation services to virtually every industry operating in the United States and generally offer higher levels of reliability and faster transit times than other surface transportation options.

The LTL trucking industry is highly competitive on the basis of service and price. We believe that the recent bankruptcy of Consolidated Freightways Corporation, a national LTL carrier, will improve capacity utilization in the industry, resulting in a more favorable pricing environment for LTL carriers.

Competitive Strengths

One-Stop Inter-Regional and Regional Service. We combine the rapid transit times of a regional carrier with the geographic coverage of an inter-regional carrier. We believe our transit times are generally faster than those of our principal national competitors, in part because of our more efficient service center network, use of team drivers and industry leading technology. In addition, our direct service to 38 states and five regions provides greater geographic coverage than most of our regional competitors. We believe our diversified mix and scope of regional and inter-regional services enable us to provide customers a single source to meet their LTL shipping needs.

Integrated Organizational Structure. We provide consistent customer service from a single organization offering our customers information and pricing from one point of contact and under one brand name. Most of our multi-regional competitors that offer inter-regional service do so through independent companies with separate points of contact, which can result in inconsistent service and pricing, as well as poor shipment visibility. Our integrated structure allows us to offer our customers consistent and continuous service across regions.

Flexible Non-Union Workforce. We believe our non-union workforce gives us a significant advantage over the unionized LTL carriers. Advantages of our workforce include flexible hours and the ability of our employees to perform multiple tasks, which we believe result in greater productivity, customer service, efficiency and cost savings. Management s focus on communication and the continued education, development and motivation of our employees ensures that our relationship with our employees remains excellent.

Significant Geographic and Customer Diversity. We derive our revenues from many customers and locations across the United States and North America. We currently serve over 55,000 customers with direct service to 38 states, including 24 with 100% full state coverage. In addition, through marketing and carrier relationships, we provide service to the remaining 12 states, as well as Canada, Mexico and Puerto Rico. For the year ended December 31, 2001, our largest 20, 10 and five customers accounted for approximately 18.5%, 12.7% and 7.7% of our revenue, respectively. We believe the diversity of our revenue base helps protect our business from adverse developments in a single geographic region and the reduction or loss of business from a single customer.

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Highly Experienced and Motivated Executive Management Team. Our executive management team has over 147 years of combined industry experience, including 136 combined years at Old Dominion. Our Chairman and Chief Executive Officer, Earl E. Congdon, and our President and Chief Operating Officer, David S. Congdon, have served Old Dominion for 53 and 29 years, respectively. In addition, following this offering, our executive management team and their families will beneficially own approximately 44.3% of Old Dominion s common stock.

Business Strategy

Build Market Share in Key Inter-Regional and Regional Lanes. We intend to continue to build market share by enlarging our sales organization and sharpening its focus on high potential lanes, as well as by strengthening the quality and consistency of our customer service, improving our transit times, enhancing our technology and product offering and making strategic acquisitions. Since 1995, we have expanded our geographic presence and increased our service center capacity, which has enabled us to build our market share. In 2001 and the six months ended June 30, 2002, despite a lagging economy, we were able to increase total shipments by 5.6% and 7.6%, respectively, and LTL revenue per LTL hundredweight by 2.0% and 1.6%, respectively. We believe that our ability to increase market share while maintaining price discipline in a challenging economic environment is evidence of our growing ability to differentiate Old Dominion in the LTL market.

Continue to Drive Operating Efficiencies by Increasing Density. We seek to reduce unit operating costs and improve service by building density in our existing markets. Increasing density reduces handling, resulting in faster transit times, reduced cargo claims and more efficient asset utilization. Since 1995, we have improved our revenue per service center, despite increasing our number of service centers from 53 to 117.

Capitalize on Trend Toward Use of Core Carriers. We intend to continue to build our significant inter-regional and multi-regional infrastructure and augment the variety of services we offer to position us to take advantage of the ongoing trend toward the use of core carriers. In recent years, customers have attempted to simplify their shipping requirements by reducing the number of motor carriers they use through the establishment of service-based, long-term relationships with a small group of preferred or core carriers. We believe this trend has created an opportunity for us to increase our lane and service center density.

Pursue Selective Expansion. Significant growth opportunities exist through enlarging existing service centers and opening new service centers, both in regions where we currently provide direct service and in the states in which we currently do not provide direct service. In the near term, we plan to focus on expanding our presence in existing markets, which creates greater operating efficiencies by increasing lane density in these regions. By expanding our presence in existing markets, we intend to increase the number of states in which we provide full state coverage in our network. We also intend to opportunistically expand into areas in which we do not currently offer direct service.

Continue to Focus on Technology Improvements. We continually upgrade our technological capabilities to improve our customer service, reduce our transit times and minimize our operating costs. We provide our customers access to our information systems through customer service representatives and through a variety of technology-based solutions, including internet access, automated voice recognition systems and electronic data interchange. We believe these services offer our customers significant flexibility and access to necessary information. In addition, we are currently in the process of enhancing our existing freight handling system to track freight from the moment a customer requests pickup to final delivery through the use of radio frequency tags, driver handheld computers and freight management software. We expect this system to decrease transit times by optimizing delivery logistics and to decrease miles driven by determining the most efficient route for each driver.

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Recent Developments

On October 17, 2002, we announced our results of operations for the three months and nine months ended September 30, 2002. Our revenue from operations for the three months ended September 30, 2002, increased 16.3% to $149,931,000 from $128,960,000 for the three months ended September 30, 2001. Net income for the third quarter was $6,396,000, up 74.8% from $3,659,000 for the third quarter of 2001. Earnings per diluted share rose 75.0% for the third quarter to $0.77 from $0.44 for the third quarter last year, while our operating ratio improved to 91.9% from 94.0%.

Our revenue from operations for the first nine months of 2002 increased 10.3% to $416,747,000 from $377,835,000 for the first nine months of 2001. Net income for the latest nine-month period rose 67.6% to $12,999,000 from $7,757,000 for the same period in 2001, and earnings per diluted share increased 67.7% to $1.56 from $0.93. Our operating ratio improved to 93.8% for the first nine months of 2002 from 95.5% for the first nine months of 2001.

Revenue growth in the three months and nine months ended September 30, 2002 was primarily due to a 14.6% and 10.0% increase, respectively, in the number of LTL shipments handled, a 13.8% and 8.7% increase, respectively, in LTL tonnage, a 4.0% and 2.5% increase, respectively, in LTL revenue per LTL hundredweight and a 3.5% and 1.3% increase, respectively, in revenue per LTL shipment when compared to the same period in the prior year. The tonnage increases within our existing infrastructure enabled us to obtain certain economies of scale and efficiency, which led to the reduction in our operating ratio.

Other Information

We were organized in 1934 and incorporated in Virginia in 1950. Our executive offices are located at 500 Old Dominion Way, Thomasville, North Carolina 27360, and our telephone number is (336) 889-5000.

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The Offering

Common stock offered by us	1,949,124 shares
Common stock offered by the selling shareholder	1,095,876 shares
Common stock to be outstanding after this offering	10,296,864 shares
Use of proceeds	We expect to use our net proceeds from this offering to reduce short-term indebtedness and to purchase additional service centers, tractors and trailers.
Nasdaq National Market symbol	ODFL

The number of shares to be outstanding after this offering does not include:

- 68,400 shares of Common Stock issuable upon the exercise of outstanding options granted under our 1991 Employee Stock Option Plan with a weighted average exercise price of $17.352 per share, all of which are currently exercisable; and

- 455,000 shares that the underwriters may purchase pursuant to their over-allotment option.

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Summary Consolidated Financial and Operating Information

The following table sets forth our summary consolidated financial and operating data as of the dates and for the periods indicated. You should read this data together with Management s Discussion and Analysis of Financial Condition and Results of Operations and our Consolidated Financial Statements, including the Notes thereto, appearing elsewhere in this prospectus. The summary consolidated financial data as of and for each of the five years in the period ended December 31, 2001 have been derived from our audited Consolidated Financial Statements. The summary consolidated financial data as of and for the six months ended June 30, 2002 and 2001 have been derived from our unaudited Consolidated Financial Statements which, in our opinion, reflect all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the information contained therein. Data for the six months ended June 30, 2002 is not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2002.

	Year Ended December 31,					Six Months Ended June 30,	
	1997	1998	1999	2000	2001	2001	2002
						(Unaudited)	
	(In thousands, except per share amounts)						
Operating Data:							
Revenue from operations	$ 328,844	$ 383,078	$ 426,385	$ 475,803	$ 502,239	$ 248,875	$ 266,816
Operating expenses:							
Salaries, wages and benefits	193,523	229,188	258,900	283,121	306,361	152,024	162,591
Purchased transportation	15,494	15,696	14,504	19,547	18,553	9,561	8,840
Operating supplies and expenses	30,311	31,485	36,749	50,074	50,788	26,262	25,559
Depreciation and amortization	17,173	21,887	25,295	27,037	29,888	14,809	15,195
Building and office equipment rents	6,921	7,285	7,330	7,196	7,499	3,815	3,719
Operating taxes and licenses	13,968	16,791	17,699	18,789	20,525	10,437	11,154
Insurance and claims	10,033	12,277	10,200	12,465	13,229	6,306	8,218
Communications and utilities	6,152	7,011	7,532	8,488	9,623	4,877	5,110
General supplies and expenses	11,976	15,000	15,852	18,527	17,510	8,759	10,013
Miscellaneous expenses, net	3,282	3,881	4,268	3,806	3,538	2,783	2,659
Total operating expenses	308,833	360,501	398,329	449,050	477,514	239,633	253,058
Operating income	20,011	22,577	28,056	26,753	24,725	9,242	13,758
Interest expense, net	3,547	4,331	4,077	4,397	5,899	3,026	2,780
Other (income) expense, net	273	311	522	(97)	(691)	(502)	153
Income before income taxes	16,191	17,935	23,457	22,453	19,517	6,718	10,825
Provision for income taxes	6,153	6,815	9,056	8,757	7,612	2,620	4,222
Net income	$ 10,038	$ 11,120	$ 14,401	$ 13,696	$ 11,905	$ 4,098	$ 6,603
Earnings per share, basic and diluted	$ 1.21	$ 1.34	$ 1.73	$ 1.65	$ 1.43	$ 0.49	$ 0.79
Weighted average shares outstanding:							
Basic	8,312	8,312	8,312	8,313	8,313	8,313	8,315
Diluted	8,322	8,323	8,316	8,314	8,314	8,313	8,320
Other Financial Data:							
EBITDA	$ 36,911	$ 44,153	$ 52,829	$ 53,887	$ 55,304	$ 24,553	$ 28,800
Capital expenditures	34,223	45,079	35,992	63,083	43,614	13,505	33,261
Balance Sheet Data (at period end):							
Cash and cash equivalents	$ 674	$ 659	$ 781	$ 585	$ 761	$ 2,896	$ 1,075
Total assets	191,061	241,799	257,579	296,591	310,840	305,949	334,966
Total debt	47,301	70,589	64,870	83,542	98,422	90,941	98,523
Shareholders equity	85,501	96,637	111,038	124,734	136,639	128,832	143,282

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The following table sets forth certain unaudited operating statistics of Old Dominion for the periods indicated:

	Year Ended December 31,					Six Months Ended June 30,	
	1997	1998	1999	2000	2001	2001	2002
Operating Statistics (Unaudited):							
Operating ratio	93.9%	94.1%	93.4%	94.4%	95.1%	96.3%	94.8%
LTL revenue per LTL hundredweight	$ 11.37	$ 11.28	$ 11.82	$ 12.83	$ 13.09	$ 12.91	$ 13.12
Revenue per intercity mile	$ 2.99	$ 3.09	$ 3.26	$ 3.43	$ 3.37	$ 3.33	$ 3.44
Intercity miles (in thousands)	110,120	123,816	130,648	138,848	149,100	74,756	77,526
Total tonnage (in thousands)	2,050	2,349	2,461	2,493	2,484	1,250	1,330
LTL tonnage (in thousands)	1,334	1,527	1,644	1,697	1,788	899	953
Total shipments (in thousands)	2,607	2,980	3,140	3,278	3,463	1,731	1,863
LTL shipments (in thousands)	2,534	2,898	3,056	3,195	3,387	1,693	1,823
LTL weight per LTL shipment (pounds)	1,053	1,054	1,076	1,063	1,056	1,062	1,045
Average length of haul (miles)	869	853	844	869	877	864	903

As used in the foregoing tables:

EBITDA represents net income before interest expense, income taxes, depreciation and amortization. EBITDA for 2001 includes a net gain of $2,114,000 included in miscellaneous expenses, net and a net gain of $772,000 included in other (income) expense, net for the sale and disposal of operating and non-operating assets. We have included data with respect to EBITDA because it is commonly used as a measurement of financial performance by investors to analyze and compare companies on the basis of operating performance. EBITDA is not a measurement of financial performance under generally accepted accounting principles and should not be considered an alternative to operating income, as determined in accordance with generally accepted accounting principles, as an indicator of our operating performance, or to cash flows from operating activities, as determined in accordance with generally accepted accounting principles, as a measurement of our liquidity. EBITDA is not necessarily comparable with similarly titled measures for other companies.

Operating ratio is total operating expense divided by total revenue for the period indicated.

LTL revenue per LTL hundredweight is the price obtained for transporting 100 pounds of freight from point to point, calculated by dividing the revenue for an LTL shipment by the hundredweight (weight in pounds divided by 100) of a shipment.

Revenue per intercity mile is calculated by dividing revenue by intercity miles.

Intercity miles are the actual miles driven between the origin and destination service centers. The mileage required to pickup and deliver the freight locally is excluded from this measurement.

Tonnage is computed by dividing total pounds transported by 2,000.

A shipment is a single movement of goods from a point of origin to its final destination as described on a bill of lading contract.

LTL weight per LTL shipment is calculated by dividing total LTL pounds transported by the total number of shipments.

Average length of haul, the average distance in miles for all shipments transported, is computed by dividing the sum of the mileage between the origin and destination points for all shipments by the total number of shipments.

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RISK FACTORS

You should carefully consider the following risk factors and all other information contained in or incorporated by reference into this prospectus before purchasing our common stock. Investing in our common stock involves a significant degree of risk.

Risks Related to Our Business in General

We operate in a highly competitive industry, and our business will suffer if we are unable to adequately address potential downward pricing pressures and other factors that may adversely affect our operations and profitability.

Numerous competitive factors could impair our ability to maintain our current profitability. These factors include the following:

- we compete with many other transportation service providers of varying sizes, some of which have more equipment, a broader coverage network, a wider range of services and greater capital resources than we do or have other competitive advantages;
- some of our competitors periodically reduce their prices to gain business, especially during times of reduced growth rates in the economy, which may limit our ability to maintain or increase prices or maintain significant growth in our business;
- many customers reduce the number of carriers they use by selecting so-called core carriers as approved transportation service providers, and in some instances we may not be selected;
- many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress prices or result in the loss of some business to competitors;
- the trend towards consolidation in the ground transportation industry may create other large carriers with greater financial resources than us and other competitive advantages relating to their size;
- advances in technology require increased investments to remain competitive, and our customers may not be willing to accept higher prices to cover the cost of these investments; and
- competition from non-asset-based logistics and freight brokerage companies may adversely affect our customer relationships and prices.

If our employees were to unionize, our operating costs would increase.

None of our employees are currently represented by a collective bargaining agreement. However, from time to time there have been efforts to organize our employees at various service centers. We have no assurance that our employees will not unionize in the future, which could increase our operating costs and force us to alter our operating methods. This could in turn have a material adverse effect on our operating results.

Difficulty in attracting drivers could affect our profitability.

Competition for drivers is intense within the trucking industry, and we periodically experience difficulties in attracting and retaining qualified drivers. Our operations may be affected by a shortage of qualified drivers in the future which could cause us to temporarily under-utilize our truck fleet, face difficulty in meeting shipper demands and increase our compensation levels for drivers. If we encounter difficulty in attracting or retaining qualified drivers, our ability to grow our business could be adversely affected.

Insurance and claims expenses could significantly reduce our profitability.

We are exposed to claims related to cargo loss and damage, property damage, personal injury and workers compensation. We carry significant insurance with third party insurance carriers. The cost of such insurance has risen significantly. To offset, in part, the significant increases we have experienced, we have elected to increase our self-insured retention levels from $250,000 to $1,750,000 for personal injury and property damage. If the number or severity of claims for which we are self-insured increases, our operating results would be adversely affected. Insurance companies require us to obtain letters of credit to collateralize our self-insured retention. If these requirements increase, our borrowing capacity could be adversely affected.

Our business is subject to general economic factors that are largely out of our control.

Economic conditions may adversely affect our customers business levels, the amount of transportation services they need and their ability to pay for our services. Customers encountering adverse economic conditions represent a greater potential for loss, and we may be required to increase our reserve for bad-debt losses.

Recent disruptions of port activity on the West Coast have moderately reduced our shipping volume in that region. If these disruptions recur, our results of operations may be adversely affected.

We have significant ongoing cash requirements that could limit our growth and affect our profitability if we are unable to obtain sufficient financing.

Our business is highly capital intensive. Our capital expenditures in 2001 and the six months ended June 30, 2002 were $44 million and $33 million, respectively. We expect our capital expenditures for 2002 to be approximately $60 to $65 million. We are also currently pursuing the purchase of up to six service centers. If consummated, these purchases may increase our capital expenditures for 2002 by up to $20 million. We expect our capital expenditures for 2003 to be comparable to our capital expenditures for 2002. We depend on operating leases, lines of credit, secured equipment financing and cash flow from operations to finance the purchase of tractors, trailers and service centers. If we are unable in the future to raise sufficient capital or borrow sufficient funds to make these purchases, we will be forced to limit our growth and operate our trucks for longer periods of time, which could have a material adverse effect on our operating results.

In addition, our business has significant operating cash requirements. If our cash requirements are high or our cash flow from operations is low during particular periods, we may need to seek additional financing, which may be costly or difficult to obtain. Our credit line expires in May 2003; we have begun discussions for its renewal but can provide no assurances that it will be renewed on comparable terms. See Capitalization and Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

We may not realize additional revenues or profits from our infrastructure investments in a timely manner or at all.

We have invested, and expect to continue to invest, substantial amounts in building, expanding and upgrading service center facilities. If we are unsuccessful in our strategy for increasing our market share of LTL shipments, we may not realize additional revenues or profits from our infrastructure investments in a timely manner or at all.

We may be adversely impacted by fluctuations in the price and availability of fuel.

Fuel is a significant operating expense. We do not hedge against the risk of fuel price increases. Any increase in fuel taxes or fuel prices or any change in federal or state regulations that results in such an increase, to the extent not offset by freight rate increases or fuel surcharges to customers, or any interruption in the supply of fuel, could have a material adverse effect on our operating results. Historically, we have been able to offset significant increases in fuel prices through fuel surcharges to our customers, but we cannot be certain that we will be able to do so in the future. From time to time, we experience shortages in the availability of fuel at certain locations and have been forced to incur additional expense to ensure adequate supply on a timely basis.

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Limited supply and increased prices for new equipment may adversely affect our earnings and cash flow.

Investment in new equipment is a significant part of our annual capital expenditures. We may face difficulty in purchasing new equipment due to decreased supply. In addition, some manufacturers have communicated their intention to raise the prices of new equipment. The price of our equipment may also be adversely affected in the future by regulations on newly-manufactured tractors and diesel engines. See We are subject to various environmental laws and regulations, and costs of compliance with, liabilities under, or violations of, existing or future environmental laws or regulations could adversely affect our business.

We operate in a highly regulated industry, and increased costs of compliance with, or liability for violation of, existing or future regulations could have a material adverse effect on our business.

We are regulated by the Surface Transportation Board, an independent agency within the United States Department of Transportation, and by various state agencies. These regulatory authorities have broad powers, generally governing matters such as authority to engage in motor carrier operations, hours of service, certain mergers, consolidations and acquisitions, and periodic financial reporting. The trucking industry is subject to regulatory and legislative changes, such as increasingly stringent environmental and occupational safety and health regulations or limits on vehicle weight and size, ergonomics and hours of service. These changes may affect the economics of the industry by requiring changes in operating practices or by influencing the demand for, and the costs of providing services to, shippers.

We are subject to various environmental laws and regulations, and costs of compliance with, liabilities under, or violations of, existing or future environmental laws or regulations could adversely affect our business.

We are subject to various federal, state and local environmental laws and regulations regulating, among other things, the emission and discharge of hazardous materials into the environment from our properties and vehicles, fuel storage tanks and the discharge or retention of storm water. Under specific environmental laws, we could also be held responsible for any costs relating to contamination at our past or present facilities and at third-party waste disposal sites. Environmental laws have become and are expected to become increasingly more stringent over time, and there can be no assurance that our costs of complying with current or future environmental laws or liabilities arising under such laws will not have a material adverse effect on our business, operations or financial condition.

The Environmental Protection Agency has issued regulations that require progressive reductions in exhaust emissions from diesel engines through 2007. Beginning in October 2002, new diesel engines must meet these new emission limits. Some of the regulations require subsequent reductions in the sulfur content of diesel fuel beginning in June 2006 and the introduction of emissions after-treatment devices on newly-manufactured engines and vehicles beginning with model year 2007. These regulations, particularly those coming into effect this year, could result in higher prices for tractors and diesel engines and increased fuel and maintenance costs. These adverse effects combined with the uncertainty as to the reliability of the vehicles equipped with the newly-designed diesel engines and the residual values that will be realized from the disposition of these vehicles could increase our costs or otherwise adversely affect our business or operations.

Our results of operations may be affected by seasonal factors and harsh weather conditions.

Our operations are subject to seasonal trends common in the trucking industry. Our operating results in the first and fourth quarters are normally lower due to reduced demand during the winter months. Harsh weather can also adversely affect our performance by reducing demand and our ability to transport freight and increasing operating expenses.

If we are unable to retain our key employees, our business, financial condition and results of operations could be harmed.

The success of our business will continue to depend upon our executive officers, and we do not have employment agreements with any of them. The loss of the services of any of our key personnel could have a material adverse effect on us.

Our principal shareholders will continue to control a large portion of our outstanding common stock after this offering.

After this offering is completed, Earl E. Congdon and John R. Congdon and members of their families and their affiliates will beneficially own 44.0% of the outstanding shares of our common stock. As long as the Congdon family controls a large portion of our voting stock, they will be able to significantly influence the election of the entire Board of Directors and the outcome of all matters involving a shareholder vote. The Congdon family s interests may differ from yours.

We may not be able to continue to successfully execute our acquisition strategy, which could cause our business and future growth prospects to suffer.

Acquisitions have been and continue to be an important part of our growth strategy. However, suitable acquisition candidates may not be available on terms and conditions we find acceptable. In pursuing acquisitions, we compete with other companies, many of which have greater financial and other resources than we do to acquire attractive companies. Even if completed, the following are some of the risks associated with acquisitions that could have a material adverse effect on our business, financial condition and results of operations:

- some of the acquired businesses may not achieve anticipated revenues, earnings or cash flow;
- we may assume liabilities that were not disclosed to us or exceed our estimates;
- we may be unable to integrate acquired businesses successfully and realize anticipated economic, operational and other benefits in a timely manner, which could result in substantial costs and delays or other operational, technical or financial problems;
- acquisitions could disrupt our ongoing business, distract management, divert resources and make it difficult to maintain our current business standards, controls and procedures;
- we may finance future acquisitions by issuing common stock for some or all of the purchase price, which could dilute the ownership interests of our shareholders; and
- we may incur additional debt related to future acquisitions.

Our business may be harmed by anti-terrorism measures.

In the aftermath of the September 11, 2001 terrorist attacks on the United States, federal, state and municipal authorities have implemented and are continuing to implement various security measures, including checkpoints and travel restrictions on large trucks. If new security measures disrupt or impede the timing of our deliveries, we may fail to meet the needs of our customers or may incur increased expenses to do so. We cannot assure you that these measures will not have a material adverse effect on our operating results.

Risks Related to Our Common Stock and this Offering

Our stock price may be volatile and could decline substantially.

Our common stock has experienced price and volume fluctuations. Many factors may cause the market price for our common stock to decline following this offering, including some of the risks enumerated above. In

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addition, if our operating results fail to meet the expectations of securities analysts or investors in any quarter or securities analysts revise their estimates downward, our stock price could decline.

In the past, companies that have experienced volatility in the market price of their stock have been the subject of securities class action litigation. If we become involved in a securities class action litigation in the future, it could result in substantial costs and diversion of management attention and resources, harming our business.

The trading volume and liquidity of our common stock may remain low.

To date, the trading volume and liquidity of our common stock have been low. Low trading volume and liquidity may adversely affect the market value and price volatility of our common stock. We cannot assure you that a more active trading market for our common stock will develop or, if developed, continue following this offering.

Shares eligible for public sale after this offering could adversely affect our stock price.

The market price of our common stock could decline as a result of sales by our existing shareholders after this offering or the perception that these sales could occur. Following the offering, members of the Congdon family will beneficially own 44.0% of our common stock. These sales also might make it difficult for us to sell equity securities in the future at a time and price that we deem appropriate.

Proposed reforms of corporate governance standards for public companies will require changes in our Board of Directors.

If current corporate governance proposals of the Board of Directors of the Nasdaq Stock Market are approved and implemented, we will have to make changes to our Board of Directors and its committees to increase their independence. These changes may be distracting to existing management, and we cannot assure you that a reconstituted Board of Directors will provide the expertise and leadership necessary for our continued growth or success.

FORWARD LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The statements include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation and availability of resources. Words such as may, will, should, could, would, predicts, potential, continue, expects, anticipates, future, intends, plans, believes, estimates and similar expressions, as well as statements identify forward-looking statements.

These forward-looking statements are not guarantees of our future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements. These risks and uncertainties include the risks and uncertainties set forth above.

The effects of these risk factors are difficult to predict. New risk factors emerge from time to time, and we cannot assess the potential impact of any such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date of this prospectus. We do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of such statement or to reflect the occurrence of unanticipated events.

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USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $40.5 million from our sale of common stock in this offering, or $50.0 million if the underwriters exercise their over-allotment option in full, after deducting underwriting discounts and commissions and our share of estimated offering expenses.

We intend to use the net proceeds of this offering as follows:

To repay all indebtedness outstanding under our committed revolving credit facility, which stood at $15,818,000 on November 4, 2002. The debt currently bears interest at a rate of LIBOR plus .70% and matures May 31, 2003. We incurred this debt both for working capital purposes and to fund purchases of tractors, trailers and other assets, including our Greensboro service center facility, as described in Management s Discussion and Analysis of Financial Condition and Results of Operations Related Party Transactions.

$3,000,000 to repay a maturing note issued in 1996. The note bears interest at a rate of 7.3% and matures December 15, 2002.

The balance to replace our existing equipment, which consists primarily of tractors and trailers, and to fund our growth strategy, which includes the purchase and expansion of service centers. We anticipate our remaining capital expenditures in 2002 to be $6,000,000 to $10,000,000, excluding the purchase of up to six new service centers which we are currently pursuing and which if consummated may result in additional capital expenditures of up to $20,000,000 in 2002. We expect to fund any capital expenditures in 2002 that are not financed through proceeds from this offering with internally generated funds and additional borrowings.

We will not receive any proceeds from the sale of shares of common stock by the selling shareholder.

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PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock is traded on the Nasdaq National Market under the symbol ODFL. The following table sets forth for the calendar periods indicated the range of high and low intra-day sales prices for our common stock as reported on the Nasdaq National Market.

	High	Low
2000		
First Quarter	$ 13.000	$ 10.750
Second Quarter	12.500	8.875
Third Quarter	11.000	8.750
Fourth Quarter	10.500	8.500
2001		
First Quarter	$ 10.750	$ 9.250
Second Quarter	13.500	8.560
Third Quarter	14.950	9.780
Fourth Quarter	13.370	10.250
2002		
First Quarter	$ 15.650	$ 12.510
Second Quarter	16.490	13.500
Third Quarter	19.490	13.500
Fourth Quarter (through November 5, 2002)	24.400	18.250

We have never paid a cash dividend on our common stock. Our Board of Directors intends to retain earnings to finance the growth of our business. Future payments of cash dividends will depend upon our financial condition, results of operations, and capital requirements, as well as other factors that our Board of Directors deems relevant. Certain restrictive covenants in our debt agreements limit the amount of dividends we can pay.

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CAPITALIZATION

The following table sets forth our capitalization at June 30, 2002:

on an actual basis;

on a pro forma basis to reflect:

the incurrence and application of a $16,000,000 term loan entered into in July 2002 with First Union Commercial Corporation that consists of two notes, which are payable in equal monthly installments commencing August 1, 2002 and ending August 1, 2006. $9,907,000 of the proceeds from this term loan was used to refinance debt under our revolving credit facility that was outstanding at June 30, 2002 and was incurred to fund the purchase of new tractors. The remaining $6,093,000 of the term loan was used to purchase tractors; and

the incurrence of $6,000,000 under our revolving credit facility to fund the purchase of our Greensboro service center facility on October 15, 2002. See Management s Discussion and Analysis of Financial Condition and Results of Operations Related Party Transactions ; and

on a pro forma as adjusted basis to give effect to the sale of 1,949,124 shares of common stock offered by us at a public offering price of $22.00 per share and the application of the estimated net proceeds therefrom, after deducting underwriting discounts and commissions and estimated expenses of the offering payable by us, as described under Use of Proceeds.

The following table should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements, including the Notes thereto, appearing elsewhere in this prospectus.

	June 30, 2002		
	Actual	**Pro Forma**	**Pro Forma As Adjusted**
	(In thousands)		
Cash and cash equivalents	$ 1,075	$ 1,075	$ 25,181(1)
Debt:			
Credit facilities:			
Revolving credit facility (2)	17,288	13,381	
Term loan		16,000	16,000
Senior notes	79,929	79,929	76,929
Other long-term debt	1,306	1,306	1,306
Total debt	98,523	110,616	94,235
Shareholders equity:			
Common stock, $.10 par value, 25,000,000 shares authorized, 8,316,740 issued and outstanding actual and pro forma and 10,265,864 issued and outstanding pro forma as adjusted	832	832	1,027
Capital in excess of par value	23,946	23,946	64,238
Retained earnings	118,504	118,504	118,504
Total shareholders equity	143,282	143,282	