SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2002

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission File Number: 0-19582

OLD DOMINION FREIGHT LINE, INC.

(Exact name of registrant as specified in its charter)

VIRGINIA	**56-0751714**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

500 Old Dominion Way
Thomasville, NC 27360
(Address of principal executive offices)

(336) 889-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

As of November 12, 2002, there were 10,296,864 shares of the registrant's Common Stock ($.10 par value) outstanding.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

OLD DOMINION FREIGHT LINE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2002	Sept. 30, 2001	Sept. 30, 2002	Sept. 30, 2001
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(In thousands, except share and per share data)			
Revenue from operations	**$ 149,931**	$ 128,960	**$ 416,747**	$ 377,835
Operating expenses:				
Salaries, wages and benefits	**88,488**	77,408	**251,079**	229,432
Purchased transportation	**5,397**	4,746	**14,237**	14,307
Operating supplies and expenses	**14,869**	12,256	**40,428**	38,518
Depreciation and amortization	**7,735**	7,517	**22,930**	22,326
Building and office equipment rents	**1,894**	1,806	**5,613**	5,621
Operating taxes and licenses	**5,724**	5,200	**16,878**	15,637
Insurance and claims	**4,446**	3,536	**12,664**	9,842
Communications and utilities	**2,481**	2,334	**7,591**	7,211
General supplies and expenses	**5,133**	4,748	**15,146**	13,507
Miscellaneous expenses, net	**1,659**	1,728	**4,318**	4,511
Total operating expenses	**137,826**	121,279	**390,884**	360,912
Operating income	**12,105**	7,681	**25,863**	16,923
Other deductions:				
Interest expense, net	**1,499**	1,415	**4,279**	4,441
Other expense (income), net	**122**	267	**275**	(235)
Total other deductions	**1,621**	1,682	**4,554**	4,206
Income before income taxes	**10,484**	5,999	**21,309**	12,717
Provision for income taxes	**4,088**	2,340	**8,310**	4,960
Net income	**$ 6,396**	$ 3,659	**$ 12,999**	$ 7,757
Basic and diluted earnings per share:	**$ 0.77**	$ 0.44	**$ 1.56**	$ .93
Weighted average shares outstanding:				
Basic	**8,317,549**	8,312,840	**8,315,785**	8,312,840
Diluted	**8,322,467**	8,314,922	**8,320,556**	8,313,751

The accompanying notes are an integral part of these financial statements.

OLD DOMINION FREIGHT LINE, INC.
CONSOLIDATED BALANCE SHEETS

	September 30, 2002	December 31, 2001
	(Unaudited)	(Audited)
	(In thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 829**	$ 761
Customer receivables, less allowances of $7,511 and $6,816 respectively	**67,432**	51,061
Other receivables	**731**	1,097
Tires on equipment	**8,119**	7,346
Prepaid expenses	**6,417**	12,728
Deferred income taxes	**873**	873
Total current assets	**84,401**	73,866
Property and equipment:		
Revenue equipment	**230,004**	204,416
Land and structures	**129,619**	117,570
Other equipment	**53,865**	42,851
Leasehold improvements	**4,737**	4,679
Total property and equipment	**418,225**	369,516
Less accumulated depreciation and amortization	**(169,934)**	(151,333)
Net property and equipment	**248,291**	218,183
Other assets	**19,306**	18,791
Total assets	**$ 351,998**	$ 310,840

The accompanying notes are an integral part of these financial statements.

OLD DOMINION FREIGHT LINE, INC.
CONSOLIDATED BALANCE SHEETS
(CONTINUED)

	September 30, 2002	December 31, 2001
	(Unaudited)	(Audited)
	(In thousands, except share data)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 19,231**	$ 13,799
Compensation and benefits	**16,532**	9,942
Claims and insurance accruals	**18,034**	14,958
Other accrued liabilities	**4,065**	3,034
Income taxes payable	**1,000**	425
Current maturities of long-term debt	**24,009**	8,408
Total current liabilities	**82,871**	50,566
Long-term debt	**83,815**	90,014
Other non-current liabilities	**14,842**	12,840
Deferred income taxes	**20,781**	20,781
Total long-term liabilities	**119,438**	123,635
Stockholders' equity:		
Common stock—$.10 par value, 25,000,000 shares authorized, 8,317,940 outstanding	**832**	831
Capital in excess of par value	**23,957**	23,907
Retained earnings	**124,900**	111,901
Total stockholders' equity	**149,689**	136,639
Commitments and contingencies	**—**	—
Total liabilities and stockholders' equity	**$ 351,998**	$ 310,840

The accompanying notes are an integral part of these financial statements.

OLD DOMINION FREIGHT LINE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended Sept. 30, 2002 (Unaudited)	Nine Months Ended Sept. 30, 2001 (Unaudited)
	(In thousands)	
Cash flows from operating activities:		
Net income	**$ 12,999**	$ 7,757
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**22,930**	22,326
Loss on sale of property and equipment	**238**	137
Changes in assets and liabilities:		
Customer and other receivables, net	**(16,005)**	(6,291)
Tires on equipment	**(773)**	(375)
Prepaid expenses and other assets	**5,791**	5,713
Accounts payable	**5,432**	(4,287)
Compensation, benefits and other accrued liabilities	**7,621**	2,534
Claims and insurance accruals	**4,895**	1,548
Income taxes payable	**575**	998
Other liabilities	**183**	98
Net cash provided by operating activities	**43,886**	30,158
Cash flows from investing activities:		
Acquisition of business assets, net	**—**	(9,387)
Purchase of property and equipment	**(53,836)**	(21,474)
Proceeds from sale of property and equipment	**565**	739
Net cash used in investing activities	**(53,271)**	(30,122)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	**16,764**	52,563
Principal payments under long-term debt agreements	**(5,864)**	(7,917)
Net payments on revolving line of credit	**(1,498)**	(39,250)
Proceeds from the conversion of stock options	**51**	—
Net cash provided by financing activities	**9,453**	5,396
Increase in cash and cash equivalents	**68**	5,432
Cash and cash equivalents at beginning of period	**761**	585
Cash and cash equivalents at end of period	**$ 829**	$ 6,017

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

The accompanying unaudited consolidated interim financial statements reflect, in the opinion of management, all adjustments (consisting of normal recurring items) necessary for a fair presentation, in all material respects, of the financial position and results of operations for the periods presented. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions. Such estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The results of operations for the interim periods are not necessarily indicative of the results for the entire year.

There have been no significant changes in the accounting policies of the Company or significant changes in the Company's commitments and contingencies as previously described in the 2001 Annual Report to Stockholders and related annual report to the Securities and Exchange Commission on Form 10-K.

Recent Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, *Business Combinations* ("SFAS No. 141"), and No. 142, *Goodwill and Other Intangible Assets* ("SFAS No. 142"). SFAS No. 141 requires that the purchase method of accounting be used for all business combinations subsequent to June 30, 2001 and specifies criteria for recognizing intangible assets acquired in a business combination. SFAS No. 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually. Intangible assets with definite useful lives will continue to be amortized over their respective estimated useful lives.

We adopted SFAS No. 142 effective January 1, 2002, the measurement date, and we have completed the required analysis of the fair value of our single reporting unit compared to the carrying value as of that date. Based upon that analysis, we concluded that there was no impairment of the $10,663,000 of intangible assets included in "Other Assets" on the measurement date. We plan to complete a similar analysis in the fourth quarter of 2002.

The following table adjusts the reported net income for the three and nine months ended September 30, 2001 and the earnings per share to exclude amortization of goodwill:

	Three Months Ended September 30, 2001	Nine Months Ended September 30, 2001
	(in thousands, except per share data)	
Reported net income	$ 3,659	$ 7,757
Amortization of goodwill (net of tax effect)	101	273
Adjusted net income	$ 3,760	$ 8,030
Reported earnings per basic and diluted share	$ 0.44	$ 0.93
Amortization of goodwill (net of tax effect)	0.01	0.03
Adjusted earnings per basic and diluted share	$ 0.45	$ 0.96

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* ("SFAS No. 144"). This Statement establishes a single accounting model for the impairment or disposal of long-lived assets. As required by SFAS No. 144, we adopted this new accounting standard on January 1, 2002. We have no indicators of impairment on our long-lived assets and therefore believe the adoption of SFAS No. 144 will not have any material effect on our financial statements.

In July 2002, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 146, *Obligations Associated with Disposal Activities* ("SFAS 146"), which is effective for disposal activities initiated after December 31, 2002. SFAS 146 requires that a liability for a disposal obligation should be recognized and measured at its fair value when it is incurred. We have not determined what the effect of SFAS 146 will be the on our earnings and financial position, but we do not believe it will be material.

Related Party Transactions

Greensboro Service Center Purchase

On October 15, 2002, we purchased a 116 door service center facility and shop located in Greensboro, N.C. for $6,000,000 from an irrevocable trust created for the benefit of the families of Earl E. Congdon, our Chief Executive Officer and Chairman of our Board of Directors, and John R. Congdon, Vice Chairman of our Board of Directors. Prior to October 15, 2002, the property was leased to us on a month-to-month basis for $31,705 per month.

We had originally planned to enter into an arrangement to complete an expansion of this service center and enter into a long-term lease. However, we determined that it was in our best interest to purchase this facility because the cost of the expansion to 229 doors on additional acreage made continued leasing undesirable and because we generally prefer ownership to leasing our service centers when conditions warrant.

In determining the purchase price of the service center, we considered the value of the land and buildings as they existed prior to improvements and compared this to the cost of building a comparable service center and shop on the same acreage. We then applied a method of depreciation to arrive at a fair purchase price. In doing so, we used the same method of analysis as we have used to determine the value of other service centers we have purchased from unaffiliated parties. In addition, we obtained an appraisal of the facility by a nationally recognized real estate broker specializing in the trucking industry. The appraisal was based on the depreciated construction cost of a similar facility and the value of a similar parcel of land.

The Audit Committee of our Board of Directors reviewed and approved the transaction.

Transactions with Old Dominion Truck Leasing, Inc.

Old Dominion Truck Leasing, Inc. a North Carolina corporation whose voting stock is owned by the Earl E. Congdon Intangibles Trust, David S. Congdon, Trustee, John R. Congdon Revocable Trust and members of Earl E. Congdon's and John R. Congdon's families, is engaged in the business of purchasing and leasing tractors, trailers and other vehicles. John R. Congdon is Chairman of the Board and Earl E. Congdon is Vice Chairman of the Board of Leasing. Since 1986, we and Leasing have combined our requirements for the purchase of tractors, trailers, equipment, parts, tires and fuel. We believe that, by combining our requirements, we are often able to obtain pricing discounts because of the increased level of purchasing. While this is beneficial to us, our management believes that the termination of this relationship would not have a material adverse impact on our financial results.

In 2001 and the nine months ended September 30, 2002, we charged Leasing $10,586 and $4,666, respectively, for vehicle repair, maintenance and other services, which we provide to Leasing at cost. In addition, we charged Leasing $12,000 and $9,000 in 2001 and the nine months ended September 30, 2002, respectively, for rental of a vehicle maintenance and service center facility located in Chesapeake, Virginia.

We purchased $286,838 and $226,018 of maintenance and other services from Leasing in 2001 and the nine months ended September 30, 2002, respectively. We believe that the prices we pay for such services are lower than would be charged by unaffiliated third parties for the same quality of work, and we intend to continue to purchase maintenance and other services from Leasing, provided that Leasing's prices continue to be favorable to us. In addition, Leasing has a right of first refusal for our future tractor and trailer leases, exercisable on the same terms offered to us by third parties. In 2001, we paid Leasing $8,363 for short-term tractor rentals. In the first nine months of 2002, we have had no short-term or long-term equipment leases with Leasing.

On January 4, 2002, we purchased 91 1997 model pickup and delivery trailers from Leasing for an aggregate purchase price of $773,500.

The Audit Committee of our Board of Directors reviewed and approved these transactions.

Transactions with E & J Enterprises

On July 29, 2002, our Board of Directors approved the purchase of 163 trailers for $1,200 each, or a total of $195,600, from E & J Enterprises, a Virginia general partnership of which Earl E. Congdon, our Chief Executive Officer and Chairman of our Board of Directors, and John R. Congdon, Vice Chairman of our Board of Directors, are each 50% owners. These trailers, which are approximately 20 years old, had been leased to us by E & J Enterprises since 1988 pursuant to a term lease, which converted to a month-to-month lease in 1999. We will continue to lease these trailers under the provisions of the month-to-month lease until we close this purchase. Currently, the lease payment for each trailer is $205 per month or a total of $400,980 per year for all 163 trailers.

Our Board of Directors also approved the leasing from E & J of 150 pickup and delivery trailers on a month-to-month basis for $204 per month for each trailer or a total of $367,200 per year.

Earnings Per Share

Net income per share of common stock is based on the weighted average number of shares outstanding during each period.

Subsequent Events

On November 12, 2002, we issued and sold in an underwritten public offering 1,949,124 shares of common stock in exchange for net proceeds of approximately $40.5 million. We used $13,783,000 of these proceeds to repay all indebtedness outstanding under our committed credit facility. We will use $3,000,000 to repay a maturing senior note issued in 1996, which bears a 7.3% interest rate and matures on December 15, 2002. The balance of the proceeds will be used to fund the scheduled replacement cycle of 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. The underwriters have a 30-day option to purchase up to an additional 455,000 shares from us, which could result in additional net proceeds of approximately $9.5 million if executed.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations for the Three Months and Nine Months Ended September 30, 2002, Compared to the Three Months and Nine Months Ended September 30, 2001

Expenses as a Percentage of Revenue from Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	**2001**	**2002**	**2001**
Revenue from operations	**100.0%**	100.0%	**100.0%**	100.0%
Operating expenses:				
Salaries, wages and benefits	**59.0**	60.0	**60.3**	60.7
Purchased transportation	**3.6**	3.7	**3.4**	3.8
Operating supplies and expenses	**9.9**	9.5	**9.7**	10.2
Depreciation and amortization	**5.2**	5.8	**5.5**	5.9
Building and office equipment rents	**1.3**	1.4	**1.4**	1.5
Operating taxes and licenses	**3.8**	4.0	**4.1**	4.1
Insurance and claims	**3.0**	2.7	**3.0**	2.6
Communications and utilities	**1.6**	1.8	**1.8**	1.9
General supplies and expenses	**3.4**	3.7	**3.6**	3.6
Miscellaneous expenses, net	**1.1**	1.4	**1.0**	1.2
Total operating expenses	**91.9**	94.0	**93.8**	95.5
Operating income	**8.1**	6.0	**6.2**	4.5
Interest expense, net	**1.0**	1.1	**1.0**	1.2
Other expense (income), net	**.1**	.2	**.1**	(.1)
Income before income taxes	**7.0**	4.7	**5.1**	3.4
Provision for income taxes	**2.7**	1.9	**2.0**	1.3
Net income	**4.3%**	2.8%	**3.1%**	2.1%

Results of Operations

During the third quarter and throughout the first nine months of 2002, we continued to achieve revenue growth, improve operating efficiencies and increase profitability, even while the U.S. economy remained sluggish. Revenue for the third quarter of 2002 was $149,931,000 compared to $128,960,000 for the prior-year quarter, an increase of 16.3%. For the first nine months of 2002, revenue grew 10.3% to $416,747,000, compared to $377,835,000 for the same period in 2001.

Operating expenses for the third quarter 2002 were 91.9% of revenue compared to 94.0% for the third quarter 2001 and were 93.8% for the first nine months of 2002 compared to 95.5% for the same period in 2001. The combination of revenue growth and improved operating efficiency produced net income for the third quarter of $6,396,000 compared to $3,659,000 for the third quarter of 2001, an increase of 74.8%. For the first nine months of 2002, net income increased by 67.6% to $12,999,000 compared to $7,757,000 in 2001.

Revenue

Our revenue growth in the third quarter and throughout 2002 resulted primarily from significant increases in the number of shipments we transported. For the third quarter and for the nine-month period ending September 30, 2002, shipments increased 14.6% and 10.0%, respectively, from the prior-year periods. Shipments weighing less than 10,000 pounds, or LTL shipments, accounted for approximately 97.8% of the total shipments we transported in the third quarter and first nine months of 2002, which is approximately the same as the prior-year comparable periods.

On July 8, 2002, we implemented a general increase on our public tariffs, which comprise approximately 45% or our net revenue. Pricing on the remaining revenue base consisting of private contracts is generally renegotiated as those contracts near expiration. We generally modify the pricing of our public tariffs in the third quarter of each year; however, market conditions in 2002 allowed earlier adoption and implementation, which had a positive impact on the quarter and nine-month comparisons. LTL revenue per LTL shipment increased to $143.57 for the third quarter from $138.70 for the third quarter of 2001, an increase of 3.5%. This increase was due to a 4.0% improvement in our LTL revenue per hundredweight, a measurement of pricing, offset slightly by a .6% decrease in LTL weight per shipment. For the first nine months, LTL revenue per shipment increased to $139.43 from $137.64, an improvement of 1.3%, which was caused by a 2.5% improvement in LTL revenue per hundredweight offset by a 1.2% decrease in LTL weight per shipment.

On September 3, 2002, Consolidated Freightways Corporation, a major national LTL carrier with revenues of $2.3 billion in 2001 and one of our competitors, declared bankruptcy and ceased operations. This resulted in increased freight volumes during the last four weeks of the third quarter, and volumes continue to be strong in the early part of the fourth quarter. We believe this will provide an additional opportunity for us to expand our customer base and increase our revenue and will provide for a more favorable pricing environment for all LTL carriers.

We also benefited from a full nine months of revenue in 2002 generated by our expansion of service centers and markets on February 10, 2001, resulting from the acquisition of certain assets of Carter & Sons Freightways, Inc. of Carrollton, Texas, which operated a regional less-than-truckload network of 23 service centers, primarily in Texas and surrounding states. We anticipate that these markets will continue to mature and be a source of revenue growth.

We are on track to meet our targeted revenue growth for 2002 of between 10% and 15% based on the results for the first nine months of 2002 and our early fourth quarter indicators.

Operating Costs and Other Expenses

Increases in density, which we define as concentrations of shipments and tonnage moving through our service center network, have enabled us to obtain certain economies of scale in the third quarter and first nine months of 2002. Our operating ratio, a measure of profitability calculated by dividing operating expenses by revenue, was 91.9% for the third quarter 2002 compared to 94.0% for the prior-year period. For the first nine months of 2002, the operating ratio was 93.8% compared to 95.5%. As density increases within our existing capacity of facilities and equipment, we anticipate further reductions in unit operating costs and in our operating ratio.

Salaries, wages and employee benefit expenses, the largest component of our cost structure, were 59.0% of revenue in the third quarter compared to 60.0% for the third quarter of 2001. Most of these costs were incurred as variable driver and platform labor directly associated with the movement of shipments through our network. Our driver and platform wages, excluding benefit expenses, were 32.1% of revenue in the third quarter of 2002 compared to 32.6% for the same period in 2001. For the first nine months of 2002, salaries, wages and benefits were 60.3% of revenue compared to 60.7% for the same period in 2001. Driver and platform wages were 32.6% of revenue for the first nine months compared to 33.0% for the prior-year period.

Approximately 30% of the total cost of employee benefits and employer paid taxes are incurred to provide group health benefits to our employees and their families. In 2001, we experienced an increase of 24.5% in these costs and expected a similar increase in 2002. In January 2002, we implemented cost savings opportunities in our plan, and through the first nine months of 2002, we reduced our group health costs to 3.9% of revenue compared to 4.3% for the same period in 2001.

We purchase transportation services for our linehaul and local pickup and delivery operations from other motor carriers and rail providers when there are capacity restraints within our fleet or when it is economically beneficial. Purchased transportation decreased to 3.6% of revenue for the third quarter and 3.4% for the first nine months compared to 3.7% and 3.8% for the prior-year periods, respectively. As we have built density in our pickup and delivery operations, we have been able to economically serve more points directly with our employees and equipment, rather than outsource this activity to cartage agents. Cartage expense was reduced to 1.8% of revenue in the third quarter of 2002 from 2.1% in the third quarter of 2001 and to 1.6% of revenue in the first nine months of 2002 from 2.0% in the same period in 2001.

Operating supplies increased to 9.9% of revenue in the third quarter from 9.5% in the prior-year quarter due to increases in tire expense and repair costs. For the first nine months of 2002, operating supplies decreased to 9.7% of revenue from 10.2% for the same period in 2001 primarily due to a decrease in the price of diesel fuel, which dropped to 4.3% of revenue from 5.4% excluding fuel taxes. Our general tariffs and contracts generally include provisions for a fuel surcharge, recorded in net revenue, which have effectively offset significant diesel fuel price fluctuations. These surcharges decrease or are eliminated as fuel prices approach certain floor levels.

The adoption of SFAS No. 142 on January 1, 2002 resulted in a decrease in amortization expenses of $184,000 per quarter or $552,000 for the first nine months in 2002. In addition, we also increased our asset utilization as more tonnage moved through our service center network. As a result, depreciation and amortization expense dropped to 5.2% of revenue in the third quarter from 5.8% and to 5.5% through the first nine months of 2002 from 5.9% for the prior-year period.

The tonnage and shipment increases have also driven down other relatively fixed costs such as building and office equipment rents, communications and utilities, and miscellaneous expenses, which as a group decreased to 4.0% of revenue for the third quarter and 4.2% for the first nine months, compared to 4.6% for both comparable periods in 2001.

Insurance and claims expense increased to 3.0% in the third quarter from 2.7% for the third quarter 2001. On April 1, 2002, we renewed many of our major insurance policies at significantly higher renewal rates, even after substantially increasing our self-insured retention levels. These higher rates are due to overall increases in insurance markets, which affect the entire transportation industry, rather than our specific loss experience. For the first nine months of 2002, insurance and claims expense was 3.0% of revenue compared to 2.6% for the prior-year comparable period. We anticipate insurance and claims expense to remain at higher levels for the remainder of the year.

Long-term debt including current maturities was $107,824,000 at September 30, 2002 compared to $88,938,000 on September 30, 2001, an increase of 21.2%. While debt levels were higher throughout 2002, particularly in the third quarter, our weighted average interest rate on outstanding debt was lower in the current year. As a result of increased debt, net interest expense increased to $1,499,000 for the third quarter 2002 from $1,415,000 for the prior-year comparable quarter. For the first nine months, net interest expense decreased to $4,279,000 compared to $4,441,000 for the same period in 2001 due to the lower average interest rate in the current year.

The effective tax rate for both 2002 and 2001 was 39.0%.

Liquidity and Capital Resources

Expansion in both the size and number of service center facilities, the planned tractor and trailer replacement cycle and revenue growth have required continued investment in real estate and equipment. In order to support these requirements, we have incurred net capital expenditures of $53,271,000 during the first nine months of 2002. Throughout the year, we have funded our capital expenditures and other cash requirements through cash flows from operations, supplemented with additional borrowings. At September 30, 2002, long-term debt including current maturities increased to $107,824,000 from $98,422,000 at December 31, 2001.

We estimate net capital expenditures to be approximately $60,000,000 to $65,000,000 for the year ending December 31, 2002. Of that, approximately $32,000,000 is allocated for the purchase of tractors and trailers, $19,000,000 is allocated for the purchase or construction of larger replacement service centers or expansion of existing service centers and the balance is allocated for investments in technology and other assets. To date, we have funded these expenditures primarily through cash flows from operations supplemented by additional borrowings. We are also in the process of pursuing the purchase of up to six service centers. If these transactions are consummated, net capital expenditures for 2002 may increase by up to an additional $20,000,000.

The table below sets forth our capital expenditures for the years ended December 31, 1999, 2000, and 2001 and the nine months ended September 30, 2002, excluding assets acquired as part of business acquisitions:

	Year Ended December 31,			Nine Months Ended
	1999	2000	2001	Sept. 30, 2002
Land and structures	$17,015	$21,189	$30,245	$ 12,375
Tractors	7,886	21,546	4,151	21,159
Trailers	4,360	9,291	1,284	7,795
Technology	2,745	4,138	4,806	7,242
Other	3,986	6,919	3,128	5,265
Total	$35,992	$63,083	$43,614	$ 53,836

On May 31, 2000, we entered into an uncollateralized committed credit facility with Wachovia Bank, National Association (formerly First Union National Bank), which, as amended, consists of a $20,000,000 line of credit and a $20,000,000 line to support standby letters of credit. This facility has a term of three years that expires on May 31, 2003. We have begun discussions for the renewal of this facility. Interest on the line of credit is charged at rates that vary based upon our fixed charge coverage ratio. The applicable interest rate for the first nine months of 2002 under this agreement was based upon LIBOR plus .70% to .85%. A fee ranging from .20% to .25% was charged on the unused portion of the line of credit, and fees ranging between .70% to .75% were charged on outstanding standby letters of credit. Standby letters of credit are primarily issued as collateral for self-insured retention reserves for bodily injury, property damage and workers' compensation claims. At September 30, 2002, there was $10,762,000 outstanding on the line of credit and $14,035,000 outstanding on the standby letter of credit facility.

On July 10, 2002, we entered into a $16,000,000 term loan agreement with First Union Commercial Corporation to refinance our revolving debt, which was incurred to fund the purchase of new tractors and trailers. Under this agreement, we may enter into one or more promissory notes not to exceed the maximum aggregate amount of the loan. The applicable interest rate and payment schedules for any notes will be determined at the time of issuance. This agreement's provisions for issuance of promissory notes expires when the maximum amount has been borrowed or December 31, 2002, whichever occurs first. On July 1, 2002, pending the closing of our new term loan agreement, we temporarily increased our $20,000,000 line of credit to $25,000,000 to fund the purchase of new tractors. On July 19, 2002, we executed a $14,165,000 promissory note under the term loan agreement carrying an interest rate of 4.39% and a maturity date of July 1, 2006. Upon application of the proceeds from this promissory note, we reduced the line of credit to its previous $20,000,000 limit on July 19, 2002. On August 9, 2002, we executed a $1,835,000 promissory note under the term loan agreement carrying an interest rate of 4.39% and a maturity date of August 1, 2006.

We have five individual senior note agreements outstanding that totaled $79,929,000 at September 30, 2002. These notes call for periodic principal and interest payments with maturities ranging from 2002 through 2008, of which $9,107,000 is due within the next 12 months. Interest rates on these notes are fixed and range from 6.35% to 7.59%. Under the provisions of one of these notes, we may issue up to $15,000,000 of additional senior notes. The applicable interest rate and payment schedules for any new notes will be determined and mutually agreed upon at the time of issuance.

With the exception of the line of credit, interest rates are fixed on all of our debt instruments. Therefore, short-term exposure to fluctuations in interest rates is limited to the outstanding balance of our line of credit facility, which was $10,762,000 at September 30, 2002. We do not currently use interest rate derivative instruments to manage exposure to interest rate changes. Also, we do not use fuel hedging instruments, as our tariff provisions generally allow for fuel surcharges to be implemented in the event that fuel prices exceed stipulated levels.

On November 12, 2002, we issued and sold in an underwritten public offering 1,949,124 shares of common stock in exchange for net proceeds of approximately $40.5 million. We used $13,783,000 of these proceeds to repay all indebtedness outstanding under our committed credit facility. We will use $3,000,000 to repay a maturing senior note issued in 1996, which bears a 7.3% interest rate and matures on December 15, 2002. The balance of the proceeds will be used to fund the scheduled replacement cycle of 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. The underwriters have a 30-day option to purchase up to an additional 455,000 shares from us, which could result in additional net proceeds of approximately $9.5 million if executed.

A significant decrease in demand for our services could limit our ability to generate cash flow and affect profitability. Most of our debt agreements have covenants that require stated levels of financial performance, which if not achieved could cause acceleration of the payment schedules. We do not anticipate a significant decline in business levels or financial performance, and we believe the combination of our existing credit facilities along with our additional borrowing capacity are sufficient to meet seasonal and long-term capital needs.

The following table summarizes our significant contractual obligations and commercial commitments as of September 30, 2002:

Contractual Obligations (1)	Total	Payments Due by Period (In Thousands) Less than 12 months	13 - 36 months	37 - 60 months	Over 60 months
Long-Term Debt	$106,070	$ 23,144	$45,819	$25,607	$11,500
Capital Lease Obligations	1,754	865	889	—	—
Operating Leases	19,503	8,695	8,699	1,879	230

Other Commercial Commitments (2)	Total Amounts Committed	Amount of Commitment Expiration Per Period (In Thousands) Less than 12 months	13 - 36 months	37 - 60 months	Over 60 months
Standby Letters of Credit	$ 14,035	$ 14,035	—	—	—

(1) Contractual obligations include long-term debt consisting primarily of senior notes totaling $79,929,000 and an outstanding line of credit of $10,792,000; capital lease obligations for tractors, trailers and computer equipment; and off-balance sheet operating leases primarily consisting of real estate leases.

(2) Other commercial commitments consist of standby letters of credit used as collateral for self-insured retention of insurance claims.

Critical Accounting Policies

In preparing our consolidated financial statements, we apply the following critical accounting policies that affect judgments and estimates of amounts recorded in certain assets, liabilities, revenue and expenses:

Revenue and Expense Recognition—Operating revenue is recognized on a percentage of completion method based on average transit time. Expenses associated with operating revenue are recognized when incurred.

Allowance for Uncollectible Accounts—We maintain an allowance for uncollectible accounts for estimated losses resulting from the inability of our customers to make required payments. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Claims and Insurance Accruals—Claims and insurance accruals reflect the estimated ultimate total cost of claims, including amounts for claims incurred but not reported, for cargo loss and damage, bodily injury and property damage, workers' compensation, long-term disability and group health not covered by insurance. These costs are charged to insurance and claims expense except for workers' compensation, long-term disability and group health, which are charged to employee benefits expense.

From April 1, 2001 through March 31, 2002, we were self-insured for bodily injury and property damage claims up to $250,000 per occurrence. Cargo claims were self-insured up to $100,000; however, after the first two losses exceeded $100,000 in the policy year, the retention under our excess insurance policy was reduced to $50,000 per occurrence. We were also self-insured for workers' compensation in certain states and had first dollar or high deductible plans in the remaining states.

Due to recent losses incurred by the insurance industry, rates offered by insurers for many types of coverage have significantly increased over the prior-year renewal rates. As a result, we determined that additional risk in the form of higher retention levels was warranted, and, effective April 1, 2002, self-insured retention for bodily injury and property damage increased to $1,750,000 per claim while the self-insured retention for cargo claims increased to $100,000 per claim. These increases in retention levels had no impact on our financial results in the first quarter 2002 but are projected to increase our overall insurance costs in 2002 by approximately $2,400,000. This estimate is based upon increased premiums for insurance coverage and projected losses under the new retention levels.

Inflation

Most of our expenses are affected by inflation, which generally results in increased operating costs. In response to fluctuations in the cost of petroleum products, particularly diesel fuel, we have implemented a fuel surcharge in our tariffs and contractual agreements. The fuel surcharge is designed to offset the cost of fuel above a base price and increases as fuel prices escalate over the base. For the third quarter and the first nine months of 2002, the net effect of inflation on our results of operations was minimal.

Seasonality

Our tonnage levels and revenue mix are subject to seasonal trends common in the motor carrier industry. Financial results in the first and fourth quarters are normally lower due to reduced shipments during the winter months. Harsh winter weather can also adversely impact our performance by reducing demand and increasing operating expenses. The second and third quarters reflect increased demand for services during the spring and summer months, which generally result in improved operating margins.

Environmental

We are subject to various federal, state and local environmental laws and regulations that focus on, 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. We do not believe that the cost of future compliance with environmental laws or regulations will have a material adverse effect on our operations or financial condition.

Related Party Transactions

Greensboro Service Center Purchase

On October 15, 2002, we purchased a 116 door service center facility and shop located in Greensboro, N.C. for $6,000,000 from an irrevocable trust created for the benefit of the families of Earl E. Congdon, our Chief Executive Officer and Chairman of our Board of Directors, and John R. Congdon, Vice Chairman of our Board of Directors. Prior to October 15, 2002, the property was leased to us on a month-to-month basis for $31,705 per month.

We had originally planned to enter into an arrangement to complete an expansion of this service center and enter into a long-term lease. However, we determined that it was in our best interest to purchase this facility because the cost of the expansion to 229 doors on additional acreage made continued leasing undesirable and because we generally prefer ownership to leasing our service centers when conditions warrant.

In determining the purchase price of the service center, we considered the value of the land and buildings as they existed prior to improvements and compared this to the cost of building a comparable service center and shop on the same acreage. We then applied a method of depreciation to arrive at a fair purchase price. In doing so, we used the same method of analysis as we have used to determine the value of other service centers we have purchased from unaffiliated parties. In addition, we obtained an appraisal of the facility by a nationally recognized real estate broker specializing in the trucking industry. The appraisal was based on the depreciated construction cost of a similar facility and the value of a similar parcel of land.

The Audit Committee of our Board of Directors reviewed and approved the transaction.

Transactions with Old Dominion Truck Leasing, Inc.

Old Dominion Truck Leasing, Inc. a North Carolina corporation whose voting stock is owned by the Earl E. Congdon Intangibles Trust, David S. Congdon, Trustee, John R. Congdon Revocable Trust and members of Earl E. Congdon's and John R. Congdon's families, is engaged in the business of purchasing and leasing tractors, trailers and other vehicles. John R. Congdon is Chairman of the Board and Earl E. Congdon is Vice Chairman of the Board of Leasing. Since 1986, we and Leasing have combined our requirements for the purchase of tractors, trailers, equipment, parts, tires and fuel. We believe that, by combining our requirements, we are often able to obtain pricing discounts because of the increased level of purchasing. While this is beneficial to us, our management believes that the termination of this relationship would not have a material adverse impact on our financial results.

In 2001 and the nine months ended September 30, 2002, we charged Leasing $10,586 and $4,666, respectively, for vehicle repair, maintenance and other services, which we provide to Leasing at cost. In addition, we charged Leasing $12,000 and $9,000 in 2001 and the nine months ended September 30, 2002, respectively, for rental of a vehicle maintenance and service center facility located in Chesapeake, Virginia.

We purchased $286,838 and $226,018 of maintenance and other services from Leasing in 2001 and the nine months ended September 30, 2002, respectively. We believe that the prices we pay for such services are lower than would be charged by unaffiliated third parties for the same quality of work, and we intend to continue to purchase maintenance and other services from Leasing, provided that Leasing's prices continue to be favorable to us. In addition, Leasing has a right of first refusal for our future tractor and trailer leases, exercisable on the same terms offered to us by third parties. In 2001, we paid Leasing $8,363 for short-term tractor rentals. In the first nine months of 2002, we have had no short-term or long-term equipment leases with Leasing.

On January 4, 2002, we purchased 91 1997 model pickup and delivery trailers from Leasing for an aggregate purchase price of $773,500. We believe that the purchase price for these trailers was competitive with prices that an unaffiliated third party would charge.

The Audit Committee of our Board of Directors reviewed and approved these transactions.

Transactions with E & J Enterprises

On July 29, 2002, our Board of Directors approved the purchase of 163 trailers for $1,200 each, or a total of $195,600, from E & J Enterprises, a Virginia general partnership of which Earl E. Congdon, our Chief Executive Officer and Chairman of our Board of Directors, and John R. Congdon, Vice Chairman of our Board of Directors, are each 50% owners. These trailers, which are approximately 20 years old, had been leased to us by E & J Enterprises since 1988 pursuant to a term lease, which converted to a month-to-month lease in 1999. We will continue to lease these trailers under the provisions of the month-to-month lease until we close this purchase, which is scheduled for December 2002. Currently, the lease payment for each trailer is $205 per month or a total of $400,980 per year for all 163 trailers. We expect to utilize these trailers in our pickup and delivery fleet for the remainder of their useful lives, which we estimate to be approximately two years. This purchase will enable us to realize a cost savings compared to the cost of leasing for such period. Our Board of Directors considered published prices of comparable trailers in authorizing the purchase.

Our Board of Directors also approved the leasing from E & J of 150 pickup and delivery trailers on a month-to-month basis for $204 per month for each trailer or a total of $367,200 per year. We determined to lease these trailers, which are 1995 models, because recent increases in tonnage and shipments require us to increase capacity, and leasing trailers provides greater flexibility than purchasing to respond to fluctuations in tonnage and shipments. As of September 30, 2002, we had taken delivery and begun lease payments on 42 of the total 150 trailers covered in the lease agreement. In determining the lease values, our Board of Directors considered published lease prices by national leasing companies.

Forward-Looking Information

Forward-looking statements in this report, including, without limitation, statements relating to future events or our future financial performance, appear in the preceding Management's Discussion and Analysis of Financial Condition and Results of Operations and in other written and oral statements made by or on behalf of us, including, without limitation, statements relating to our goals, strategies, expectations, competitive environment, regulation and availability of resources. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual events and results to be materially different from those expressed or implied herein, including, but not limited to, the following: (1) changes in our goals, strategies and expectations, which are subject to change at any time at our discretion; (2) our ability to maintain a nonunion, qualified work force; (3) the competitive environment with respect to industry capacity and pricing; (4) the availability and cost of fuel, additional revenue equipment and other significant resources; (5) the ability to impose and maintain fuel surcharges to offset increases in fuel prices; (6) the impact of regulatory bodies; (7) various economic factors such as insurance costs, liability claims, interest rate fluctuations, the availability of qualified drivers or owner-operators, fluctuations in the resale value of revenue equipment, increases in fuel or energy taxes, economic recessions and downturns in customers' business cycles and shipping requirements; (8) our ability to raise capital or borrow funds on satisfactory terms, which could limit growth and require us to operate our revenue equipment for longer periods of time; (9) our ability to purchase, build or lease facilities suitable for our operations; and (10) other risks and uncertainties indicated from time to time in our filings with the Securities and Exchange Commission.

Item 3. Quantitative and Qualitative Disclosure of Market Risk

The information called for by this item is provided under the caption "Liquidity and Capital Resources" under Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 4. Controls and Procedures

a) Evaluation of disclosure controls and procedures.

Within 90 days prior to the date of this report, our Chief Executive Officer and our Chief Financial Officer evaluated the effectiveness of our disclosure controls and procedures in accordance with Rule 13a-14 under the Exchange Act. Based on their evaluation, our Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures enable us to record, process, summarize and report in a timely manner the information that we are required to disclose in our Exchange Act reports.

b) Changes in internal controls.

There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation referred to in (a) above.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits:

Exhibit No.	Description
10.9.3	E & J Enterprises Trailer Lease Agreement dated August 1, 2002
99.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

b) Reports on Form 8-K: No reports on Form 8-K were filed during the quarter ended September 30, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OLD DOMINION FREIGHT LINE, INC.

DATE: November 12, 2002

/s/ J. WES FRYE

J. Wes Frye
Senior Vice President—Finance
(Principal Financial Officer)

DATE: November 12, 2002

/s/ JOHN P. BOOKER III

John P. Booker III
Vice President—Controller
(Principal Accounting Officer)

CERTIFICATION

I, Earl E. Congdon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Old Dominion Freight Line, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 12, 2002

/s/ EARL E. CONGDON

Chairman & Chief Executive Officer

CERTIFICATION

I, J. Wes Frye, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Old Dominion Freight Line, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 12, 2002

/s/ J. WES FRYE

Senior VP—Chief Financial Officer

Exhibit 10.9.3

E & J ENTERPRISES
Truck Lease Agreement

Dated this 1st day of August, 2002

THIS AGREEMENT is made between E & J ENTERPRISES, whose address is 7511 Whitepine Road, Richmond, Virginia 23237, hereinafter called the OWNER, and OLD DOMINION FREIGHT LINE INC., whose address is 500 Old Dominion Way, Thomasville, North Carolina 27360, hereinafter called the LESSEE.

1. PROPERTY COVERED AND TERM:

A. OWNER does hereby lease to LESSEE and LESSEE leases from OWNER the vehicle(s) described in “Schedule A” attached hereto and made a part hereof. The Lease Agreement shall become effective with respect to each vehicle on the “delivery date” for that specific vehicle as set forth in “Schedule A”, and shall continue with respect to each said vehicle until terminated as hereinafter provided.

B. Upon expiration of the term of lease as specified on “Schedule A”, this Lease shall automatically be extended on a month-to-month basis until terminated by either party with sixty (60) days written notice.

C. It is expressly understood and agreed that this is a contract of leasing ONLY and that LESSEE has by these presents acquired no right, title, or interest in or to the property described in this Lease Agreement.

2. LESSEE AGREES:

A. To lease the vehicle(s) described in this Lease Agreement and to pay OWNER all rental and other charges provided herein within seven (7) days of mailing of invoice for the same to LESSEE. Past due accounts shall be subject to interest charges at two percent (2%) per month. Payments shall be mailed to:

E & J Enterprises
P.O. Box 730
Chesterfield, Virginia 23832

B. LESSEE, at its own expense, shall furnish all maintenance and repairs required to keep the leased vehicle(s) in good operating condition, including but not limited to, oil and oil change, lubrication, replacement parts, required inspections, antifreeze and washing. LESSEE, at its own expense, shall maintain and, when necessary, replace tires on the vehicle(s). Any replacement tires shall become the property of OWNER immediately upon their attachment to the vehicle(s). Upon termination or cancellation, LESSEE shall return each leased vehicle to OWNER with tires having no less than 50% tread and brakes having no less than 50% lining.

C. LESSEE shall not (except as required by Section 2 hereof) make any substantial changes in or improvement to the leased vehicle(s) without the advance written consent of the OWNER. Any improvements or additions applied to the vehicle(s) shall at once become and remain the property of the OWNER, at no cost to OWNER. LESSEE shall notify OWNER promptly of any major repairs that appear necessary and LESSEE shall proceed, at its own cost, in accordance with OWNER'S instructions pertaining to such major repairs.

D. LESSEE shall, at all times, be responsible for all damages to the leased vehicle(s).

E. If, in the opinion of OWNER, LESSEE shall fail to perform any of the repairs, maintenance or replacements required by the foregoing subparagraphs, OWNER may (without prejudice to any of its rights or remedies under this Lease Agreement) give LESSEE written notice to perform such repairs, maintenance or replacements and should LESSEE fail, within ten days from the date of such notice, to comply with the requirements therein set forth, OWNER may cause such leased vehicle(s) to be restored to the required good working order and condition. LESSEE hereby agrees promptly to reimburse OWNER for all expense incurred by OWNER under this subparagraph E.

3. LIABILITY INSURANCE:

A. LESSEE, at it's cost, shall maintain at all times standard public liability and property damage insurance (hereafter "Liability Insurance") on the Vehicles, written by a company satisfactory to OWNER, covering both OWNER and LESSEE as insured for the ownership, maintenance, use and operation of the Vehicles, in the following limits: Bodily Injury and Property Damage, $1,000,000.00 Combined Single Limit. Such policy shall provide that coverage cannot be cancelled or materially altered without thirty (30) days prior written notice to OWNER. The LESSEE shall furnish to the OWNER**,** prior to delivery of a Vehicle to LESSEE, certificates to evidence compliance with this subparagraph (A), and certificates evidencing renewal at least ten (10) days prior to an expiration date.

B. If LESSEE fails to procure and maintain liability insurance, or fails to furnish OWNER the required evidence of insurance, OWNER, without prejudice to any other remedy it may have, is authorized, but not obligated, to procure such liability insurance, and LESSEE shall pay OWNER, as additional rental, the amount of all premiums paid by OWNER.

C. To the extent not covered by insurance, LESSEE hereby releases OWNER from, and will indemnify, defend and hold OWNER harmless from and against, any claims or causes of action for death or injury to persons or loss of or damage to property arising out of or caused by the ownership, maintenance, use, or operation of any Vehicle.

D. LESSEE hereby releases, and will indemnify, defend and hold OWNER harmless, from all claims for death or injury to LESSEE, LESSEE'S employees, drivers, passengers or agents, or for damage to their property, arising out of the ownership, maintenance, use or operation of any Vehicle.

E. OWNER does not, by reason of being named as an additional insured under public liability and property damage insurance obtained by LESSEE, incur any liability or responsibility for or assume any dominion or control over the use and operation of Vehicles.

4. PHYSICAL DAMAGE INSURANCE:

The LESSEE shall pay for loss or damage to any Vehicle subject to the following:

A. LESSEE will pay OWNER for all loss or damage to any Vehicle, including damages from collision or upset, fire, theft, lightning, windstorm, hail earthquake or explosion, and related expenses arising from any cause.

B. In the event of the total loss or theft of a Vehicle, LESSEE shall pay to OWNER the depreciated Schedule A value of the Vehicle plus the unamortized portion of any licenses and/or taxes attributable to such Vehicle. In any event LESSEE shall continue to pay OWNER the fixed weekly/monthly charge until such time as OWNER receives payment for the lost or damaged vehicle.

C. LESSEE will furnish OWNER with a policy of insurance acceptable to OWNER, naming the OWNER as a named insured and loss payee, having a deductible amount not to exceed the amount specified on Schedule(s) A, and providing that it will not be cancelled or materially altered without thirty (30) days written notice to OWNER. LESSEE will furnish to OWNER a copy of such policy, or a certificate evidencing renewal at least ten (10) days before any expiration date. If LESSEE fails to provide such insurance OWNER may obtain such insurance and LESSEE will reimburse OWNER for the cost upon receipt of an invoice. As an option to purchasing physical damage insurance, LESSEE may self-insure.

D. LESSEE agrees to reimburse OWNER for any and all damages sustained by reason of the operation of the Vehicles, during periods of strike, riot or civil commotion, if such damage is not caused by employees of OWNER. LESSEE agrees that its employees, agents and servants will render all possible cooperation to assist OWNER in safeguarding the Vehicles and, at OWNER'S option, in collecting such damages from third parties.

E. LESSEE agrees to reimburse OWNER in full for all damages resulting from the loss of tools, extinguishers, and other equipment furnished by OWNER.

5. NOTICE OF ACCIDENT:

LESSEE agrees to notify OWNER immediately upon the happening of any accident, theft or other occurrence resulting in damage to or otherwise involving the use of a Vehicle by the speediest means of communication available and to cause the driver to make a detailed report in person at OWNER'S office as soon as practicable and to render all other assistance to OWNER and the insurer that is requested by either of them in investigation, defense or prosecution of claims or suits.

6. CARGO INSURANCE:

LESSEE does hereby release, and covenants and agrees to indemnify, defend and hold harmless OWNER, from liability for loss or damage to any goods, cargo or other property of LESSEE or in its custody or control, in or carried on any Vehicle whether such loss or damage occurs in OWNER'S facility or elsewhere. LESSEE shall, at its sole expense, include OWNER as a named insured in any and all cargo or transportation or floater insurance policies covering LESSEE with respect to any loss or damage to such goods or property and will maintain on file with OWNER at all times a certificate showing that such insurance is in effect. LESSEE waives any legal right of recovery against OWNER for any such loss and damage.

7. IT IS MUTUALLY AGREED:

A. Taxes, licenses, and permits shall be filed for and paid by the party so designated on "Schedule A." Any taxes, licenses or permits not specifically provided for on "Schedule A" shall be filed and paid for by LESSEE.

B. Motor fuel tax returns will be prepared by LESSEE from its own records and those furnished by OWNER, unless designated otherwise on "Schedule A." IF prepared by OWNER, LESSEE will provide OWNER with all trip records, fuel tickets or invoices, and other records or documents relating to the use of the leased vehicle(s) as may be necessary for the preparation of the fuel tax returns. All taxes due will be paid by LESSEE. LESSEE will bear the responsibility for any additional charge, assessment, tax, penalty, or loss of credit as a result of untimely or improper furnishing of such documents or information by the LESSEE.

C. LESSEE assumes and agrees to pay when due all taxes and governmental charges not specified above made or assessed upon or with respect to the leased vehicle(s) including, but not limited to, fines, tolls, property taxes, license, excise, use or sales taxes, vehicle or motor carrier fees or taxes, and fees or taxes on account of or measured by the rentals payable hereunder, together with any interest or penalty charges related to any of the foregoing. Should OWNER be required itself to pay any taxes or charges of the nature above referred to, OWNER shall invoice LESSEE in such amount which LESSEE shall pay forthwith. In event of LESSEE'S failure to pay promptly such invoice, OWNER may exercise the same remedies as are provided for default in payment of rent under this Lease Agreement.

D. That the OWNER shall incur no liability to the LESSEE for failure to supply any vehicle, other item or service required by the terms of this Lease Agreement if prevented by war, riots, fires, labor disputes, accidents or other causes beyond it control.

E. That the number of pounds specified under manufacturer's recommended maximum GVW and/or GCW on "Schedule A" shall not be exceeded.

F. That the acceptance of a vehicle in service constitutes an acknowledgement that the Vehicle complies with LESSEE'S specifications; any structural alteration, special equipment, repainting or material alteration in painting, lettering or art work thereafter required by LESSEE shall be made at LESSEE'S expense. If subsequent to the date of execution of the Lease by OWNER any federal, state, or local law, ordinance, or regulation shall require the installation of any additional equipment, specifically including but not limited to anti-pollution or safety devices, OWNER will either install such items or arrange for their installation, and LESSEE agrees to pay OWNER the full cost thereof upon receipt of OWNER'S invoice.

G. This Lease Agreement shall be binding on the parties hereto, their successors, legal representatives and assigns. LESSEE shall promptly notify OWNER in writing prior to all substantial changes in ownership or any material disposition of the assets of LESSEE'S business. LESSEE shall not have the right to sub-lease the vehicle(s) leased hereunder nor to assign this Lease Agreement or any interest therein without the prior written consent of OWNER.

H. This Lease Agreement contains the entire agreement and understanding between the parties, and its terms shall not be construed as altered by any verbal agreement or informal writing nor by failure to insist upon performance or failure to exercise any right or privilege, but alteration or addition shall be accomplished only by written endorsement or amendment hereto duly executed by both parties.

I. Any notice required or permitted by this Lease Agreement shall be sent certified mail addressed to OWNER and LESSEE at the addresses set forth below or at such addresses as may hereafter be specified by written notice given in accordance herewith:

OWNER:	E & J ENTERPRISES
	7511 Whitepine Road
	Richmond, Virginia 23237
ATTENTION:	John R. Congdon
LESSEE:	OLD DOMINION FREIGHT LINE, INC.
	500 Old Dominion Way
	Thomasville, North Carolina 27360
ATTENTION:	David Congdon, President

J. LESSEE shall be liable to OWNER for all costs and expenses including reasonable attorney's fees incurred in collecting payments due or to become due from LESSEE or in enforcing any rights of OWNER pursuant to this Lease Agreement.

K. This Lease is declared to be a Virginia contract, and all of its terms shall be construed according to the laws of the Commonwealth of Virginia. The parties further agree that they will submit to the jurisdiction of the General District Court or the Circuit Court of Chesterfield County, Virginia to resolve any disputes or disagreements arising from this Agreement.

L. LESSEE shall furnish OWNER with an annual financial statement throughout the lease term.

8. CANCELLATION AND TERMINATION:

A. Either OWNER or LESSEE (LESSEE not being in default hereunder) may cancel this Lease Agreement at any time by giving to the other party sixty (60) days prior written notice of intent to do so. In such event, LESSEE (LESSEE not being in default) shall not be obligated to purchase the vehicles, but shall, unless purchased, return them to OWNER at such locations as may be designated by OWNER, de-identified and in good condition as per the terms of this Lease.

B. This Lease Agreement may also be canceled in part by either party by specifying certain vehicles to be eliminated under the same terms and conditions as outlined in paragraph 8A above, but in such event the Lease Agreement will continue in effect as to all other vehicles.

C. Upon expiration or termination of the Lease Agreement, LESSEE shall, unless purchase is required hereunder, promptly (1) return the leased vehicle(s) to the OWNER road worthy, complete, and in good order and condition, reasonable wear and tear alone excepted, and (2) pay all transportation charges to OWNER'S requested locations for Vehicle return, and (3) pay the cost to remove any decals and/or artwork from the vehicle(s). Should the leased vehicle(s) so returned not be in the required good order and condition, OWNER shall serve written notice on LESSEE to make the required repairs, and in the event LESSEE fails to do so within 15 days after such notice, OWNER may at its option cause such repairs to be made, in which event LESSEE agrees promptly to reimburse OWNER for all expense so incurred by OWNER.

D. Time is of the essence for this Lease Agreement and, in the event LESSEE breaches or is in default of any of its provisions, OWNER may immediately, without formal notice or demand, take possession of, retain and/or refuse to re-deliver the leased vehicle(s) to LESSEE until such breach or default is cured without any of such actions being deemed an act of cancellation and without prejudice to other remedies OWNER may have, and LESSEE shall continue to be liable for rent and other charges accruing during the period the leased vehicle(s) are retained by OWNER. If LESSEE'S breach or default shall continue for seven (7) days after written notice thereof shall have been mailed to LESSEE, OWNER may, at its election and irrespective of whether OWNER shall have elected to take possession of or retain the leased vehicle(s) as provided above, terminate this Lease Agreement immediately. In the event of such election to terminate, OWNER may, at its option, demand that LESSEE purchase the leased vehicle(s) and LESSEE shall promptly purchase the same for cash without prejudice to such other remedies as OWNER may have under this Lease Agreement or at law. The purchase price shall be the "Schedule A" value (i.e., the "Original Value" as specified on the "Schedule A" less a sum equal to the "Weekly Depreciation" as specified on the "Schedule A" multiplied by the number of weeks in service) plus any unexpired licenses and applicable taxes; however, the minimum purchase at any time shall not be less than twenty percent (20%) of the "Original Value" of each vehicle as set out in "Schedule A". In addition, LESSEE agrees to pay OWNER on each vehicle to be purchased, an amount equal to the difference between the interest actually paid by OWNER to the bank or other institution which has financed the leased equipment, and the amount of interest which would have been paid by OWNER to the date of purchase by LESSEE**,** had interest on the loan for the vehicle been prorated equally over the term of the lease. In the event OWNER finances all of or any part of the equipment purchases through its own resources, it shall be deemed a financial institution as hereinbefore provided. LESSEE shall have no obligation or right to purchase any Vehicle as to which the term on Schedule A has expired.

E. This Agreement shall terminate automatically at the election of OWNER and without notice to LESSEE if LESSEE shall (1) become insolvent, or (2) file a voluntary petition in bankruptcy, or (3) make an assignment for the benefit of creditors, or (4) be adjudicated a bankrupt, or (5) if a receiver be appointed for LESSEE'S business, or (6) make a material liquidation of assets. In the event of any such automatic termination, OWNER may, at its option, demand that LESSEE purchase the leased vehicle(s) leased hereunder and LESSEE shall promptly purchase the vehicle(s) for cash at the purchase price as computed in accordance with the provision of paragraph 8D hereof without prejudice to such other remedies as OWNER may have under this Lease Agreement or at law.

F. In the event OWNER demands that LESSEE purchase the leased vehicle(s) in accordance with the terms of paragraph 8A, 8B, 8D or 8E hereof and LESSEE shall fail to pay the purchase price as herein provided, OWNER may either sell the leased vehicle(s) at public or private sale without notice to LESSEE, whereupon LESSEE shall be liable to OWNER for the difference between the purchase price as provided in paragraph 8D and the net amount realized at such sale, or OWNER may pursue such other remedies as it may have under this Lease Agreement or at law.

IN WITNESS WHEREOF, OWNER and LESSEE have caused this Lease to be executed by its properly authorized officer(s), and witnessed, as of the day and year first above written.

E & J ENTERPRISES		OLD DOMINION FREIGHT LINE, INC.	
(OWNER)		(LESSEE)	
By:	/s/ John R. Congdon, Sr.	By:	/s/ David S. Congdon
Title:	Partner	Title:	President
Date:	September 3, 2002	Date:	September 3, 2002

TRUCK LEASE AGREEMENT—SCHEDULE A
 # F 02-1

Unit(s)	Date of Delivery	Term in Months	Vehicle Description Year, Make, Model, Serial Number	Original Value	Weekly Depreciation	Fixed Rate Per Month In Advance
481005	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300503	$6,900	$10.57	$204.00
481012	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300510	$6,900	$10.57	$204.00
481020	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300518	$6,900	$10.57	$204.00
481021	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300519	$6,900	$10.57	$204.00
481022	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300520	$6,900	$10.57	$204.00
481026	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300524	$6,900	$10.57	$204.00
481027	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300525	$6,900	$10.57	$204.00
481028	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300526	$6,900	$10.57	$204.00
481030	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300528	$6,900	$10.57	$204.00
481033	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300531	$6,900	$10.57	$204.00
481036	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300534	$6,900	$10.57	$204.00
481041	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300539	$6,900	$10.57	$204.00
481054	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300552	$6,900	$10.57	$204.00
481058	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300556	$6,900	$10.57	$204.00
481065	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300563	$6,900	$10.57	$204.00
481069	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300567	$6,900	$10.57	$204.00

Unit(s)	Date of Delivery	Term in Months	Vehicle Description Year, Make, Model, Serial Number	Original Value	Weekly Depreciation	Fixed Rate Per Month In Advance
481071	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300569	$6,900	$10.57	$204.00
481075	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300573	$6,900	$10.57	$204.00
481079	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300577	$6,900	$10.57	$204.00
481089	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300587	$6,900	$10.57	$204.00
481090	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300588	$6,900	$10.57	$204.00
481098	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300596	$6,900	$10.57	$204.00
481102	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300600	$6,900	$10.57	$204.00
481106	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300604	$6,900	$10.57	$204.00
481107	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300605	$6,900	$10.57	$204.00
481110	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300608	$6,900	$10.57	$204.00
481112	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300610	$6,900	$10.57	$204.00
481115	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300613	$6,900	$10.57	$204.00
481116	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300614	$6,900	$10.57	$204.00
481122	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300620	$6,900	$10.57	$204.00
481126	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300624	$6,900	$10.57	$204.00
481131	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300629	$6,900	$10.57	$204.00
481133	08/23/02	Monthly	1995 Wabash 48’ x 102” Dry Van 1JJV482YSL300631	$6,900	$10.57	$204.00

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481135	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300633	$6,900	$10.57	$204.00
481137	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300635	$6,900	$10.57	$204.00
481143	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300641	$6,900	$10.57	$204.00
481153	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300651	$6,900	$10.57	$204.00
481162	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL300660	$6,900	$10.57	$204.00
481173	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL3006671	$6,900	$10.57	$204.00
481175	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL3006673	$6,900	$10.57	$204.00
481178	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL3006676	$6,900	$10.57	$204.00
481181	08/23/02	Monthly	1995 Wabash 48' x 102" Dry Van 1JJV482YSL3006679	$6,900	$10.57	$204.00
		Monthly	1995 Wabash 48' x 102" Dry Van	$6,900	$10.57	$204.00
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DATE OF DELIVERY AND VEHICLE IDENTIFICATION NUMBERS WILL BE INSERTED AT THE TIME OF DELIVERY. BUT, FAILURE TO DO SO SHALL NOT INVALIDATE THIS LEASE.

1.	LESSEE'S US DOT Number 090849	County Vehicles(s) Domiciled		Various
2.	Manufactures Recommended Max. GCW/GVW	80,000	Licensed Wt.	80,000
3.	LESSEE'S Physical Damage Deductible	Self-Insured		

4.	Motor Fuel Tax Returns Will Be Prepared by	N/A
5.	Amount Allowed for Original Painting/Lettering	None
6.	Amount Allowed for Federal Highway Use Tax	N/A
7.	Amount Allowed for License/Registration	LESSEE To Pay
8.	Amount Allowed for Personal Property Tax	LESSEE To Pay
9.	Amount Allowed for Permits	N/A
10.	Amount Allowed for City/County License	LESSEE To Pay

EXECUTION OF THIS SCHEDULE CONSTITUTES AUTHORIZATION BY LESSEE TO OWNER TO ORDER AND/OR PURCHASE THE SCHEDULED VEHICLES(S) FOR LEASE TO LESSEE.

THIS SCHEDULE A IS HEREBY MADE A PART OF THE TRUCK LEASE AGREEMENT BETWEEN THE PARTIES DATED: **August 1, 2002**

E & J ENTERPRISES (OWNER)	OLD DOMINION FREIGHT LINE, INC. (LESSEE)
By: /s/ JOHN R. CONGDON, SR.	By: /s/ DAVID S. CONGDON
Title: Partner	Title: President
Date: September 3, 2002	Date: September 3, 2002

Exhibit 99.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Earl E. Congdon, state and attest that:

(1) I am the Chief Executive Officer of Old Dominion Freight Line, Inc.

(2) Accompanying this certification is the Quarterly Report on Form 10-Q for Old Dominion Freight Line, Inc., dated September 30, 2002, a periodic report filed by the issuer with the Securities Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”), which contains financial statements.

(3) I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The periodic report containing the financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, and

- The information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the issuer for the periods presented.

/s/ Earl. E. Congdon

Name: Earl E. Congdon
Date: November 12, 2002

Exhibit 99.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, J. Wes Frye, state and attest that:

(1) I am the Chief Financial Officer of Old Dominion Freight Line, Inc.

(2) Accompanying this certification is the Quarterly Report on Form 10-Q for Old Dominion Freight Line, Inc., dated September 30, 2002, a periodic report filed by the issuer with the Securities Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”), which contains financial statements.

(3) I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The periodic report containing the financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, and

- The information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the issuer for the periods presented.

/s/ J. Wes Frye

Name: J. Wes Frye
Date: November 12, 2002