

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table illustrates our gross profit margins by services and products:

For the years ended December 31,	2008	2007	2006
Transportation	17.0%	18.4%	17.8%
Sourcing	8.0	7.7	7.9
Information Services	100.0	100.0	100.0
Total	16.0%	17.0%	16.5%

The following table summarizes our gross profits by service line:

For the years ended December 31 (Dollars in thousands)	2008	2007	Change	2006	Change
Gross profits:					
Transportation					
Truck	\$ 1,030,070	\$ 949,277	8.5%	\$ 822,954	15.3%
Intermodal	43,618	38,670	12.8	36,176	6.9
Ocean	62,094	43,530	42.6	37,150	17.2
Air	35,390	31,315	13.0	21,533	45.4
Miscellaneous	41,407	35,240	17.5	28,152	25.2
Total Transportation	1,212,579	1,098,032	10.4	945,965	16.1
Sourcing	111,634	100,220	11.4	94,229	6.4
Information Services	50,750	45,526	11.5	42,350	7.5
Total	\$ 1,374,963	\$ 1,243,778	10.5%	\$ 1,082,544	14.9%

The following table represents certain statements of operations data, shown as percentages of our gross profits:

For the years ended December 31,	2008	2007	2006
Gross profits	100.0%	100.0%	100.0%
Selling, general, and administrative expenses:			
Personnel expenses	43.8	45.7	47.7
Other selling, general, and administrative expenses	14.6	13.4	13.7
Total selling, general, and administrative expenses	58.4	59.1	61.4
Income from operations	41.6	40.9	38.6
Investment and other income	0.5	1.2	1.1
Income before provision for income taxes	42.1	42.1	39.7
Provision for income taxes	16.0	16.0	15.0
Net income	26.1%	26.1%	24.7%

OVERVIEW

Our company. We are a global provider of multimodal transportation services and logistics solutions, operating through a network of branch offices in North America, Europe, Asia, South America, and the Middle East. We are a non-asset based transportation provider, meaning we do not own the transportation equipment that is used to transport our customers' freight. We work with approximately 50,000 transportation companies worldwide, and through those relationships we select and hire the appropriate transportation providers to meet our customers' needs. As an integral part of our transportation services, we provide a wide range of value added logistics services, such as supply chain analysis, freight consolidation, core carrier program management, and information reporting.