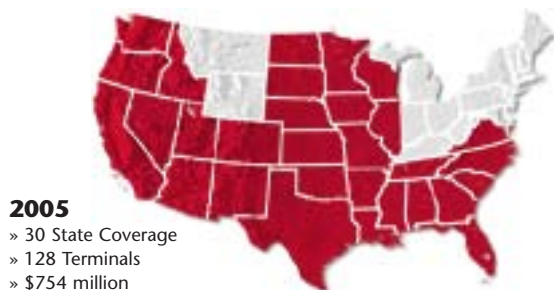
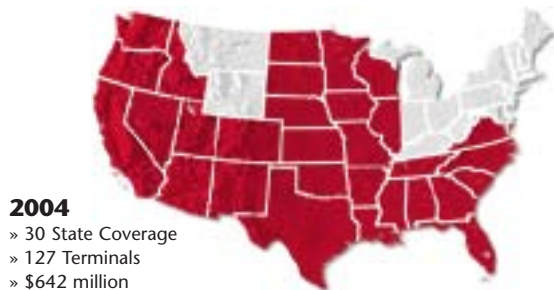
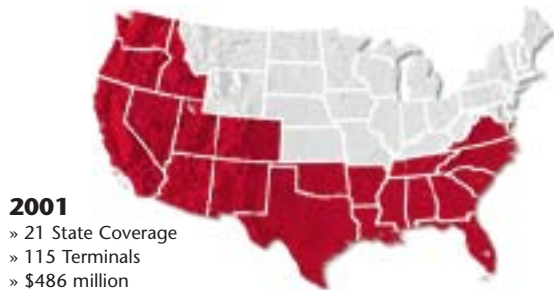
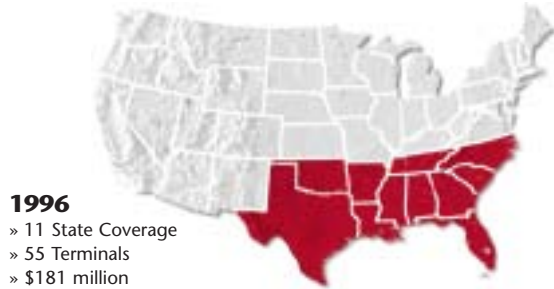
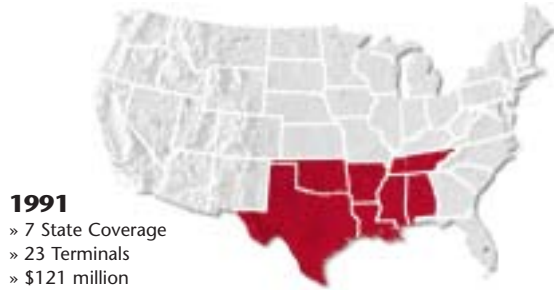


# directions

**SPECIAL ISSUE: Saia's Journey to "BEST IN CLASS"**

A monthly newsletter for Saia employees Special issue

## How We got Here, Where We're Going



Looking back at Saia only fifteen years ago would show a very different company. In 1991, Saia had 23 terminals in seven states with revenue of \$121 million. Five years later, the company had grown to 55 terminals in 11 states and revenue of \$181 million. By the end of 2001, the company had 115 terminals in 21 states and revenue of \$486 million.

In 2001, Saia led a successful integration with Action and WestEx and, three years later, acquired Clark Brothers, giving the company 127 terminals in 30 states and revenue of \$642 million. Last year, Saia tallied up nearly \$800 million in revenue.

As the company grew, so did the number of employees. In 2001, Saia had more than 5,400 employees and that number remained steady the next several years, fluctuating slightly based on business levels. By the middle of 2004, the number of Saia employees had reached more than 6,200 and early last year had climbed to nearly 6,700 employees.

Today, Saia has more than 7,100 employees in terminals and offices across the country.

Just as revenue and personnel grew, so did the investment the company made in equipment and facilities. In 2002, capital expenditures topped \$13 million and had grown to over \$40 million in 2004. Last year, the company spent upwards of \$45 million on capital expenditures and plans to spend nearly \$80 million this year. (See Capital Expenditures chart on Page 3)

Along the way, the company has improved operations programs and marketing strategies, has introduced new services and products, has dealt with economic downturns and profited from industry surges and has sought to improve efficiency and safety through training and educational programs.

Had the company founders looked forward 80 years, there is no question that they would have been amazed at the course the company has taken and the levels we have reached.

## "On the Road to 'Best In Class'"

By Rick O'Dell - President & CEO

Looking back over our 80-plus year history, it is easy to see that Saia is on a successful road to becoming a "Best In Class" carrier and while we may not have fully achieved our goal, we can see our accomplishments behind us and our opportunities ahead.

Saia began as a local freight company over eight decades ago in Louisiana and built a solid customer base along the Gulf Coast, providing individualized service and timely performance. In the early 1990's, Saia began to rapidly expand and by the 21st century, the company had grown to its current coverage area.

But the story does not end there.

We could easily rest on our successes and enjoy what we have accomplished but that is not what "Best In Class" carriers do. We must constantly strive to grow and improve. We do this by servicing our current customers, adding new customers

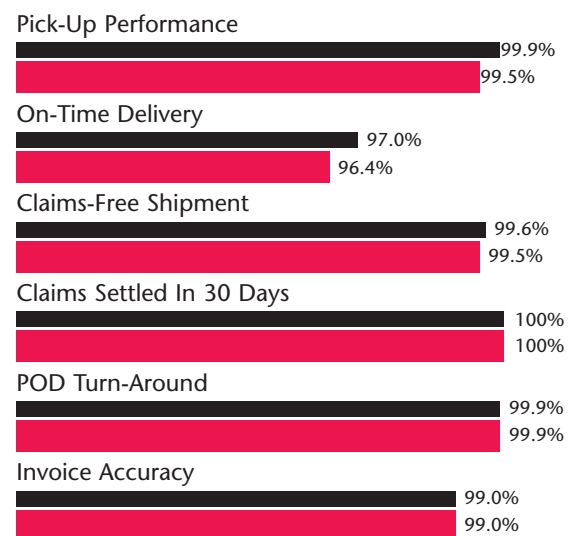
*continued on page 4 »*

## CSIs Guide Us to "Best In Class"

The CSIs continue to be Saia's guiding principle and what our customers tell us are important to their success. They are central to the company's Mission Statement and provide a measure of how we are performing and how we are moving closer to our "Best In Class" goals.

The CSI goals for 2006 remain the same as we continue to improve to exceed them.

### 2005 Year-End Customer Service Indicators



■ Goal  
 ■ Actual

## Company Goals for 2006

### Revenue & Profit

- » \$843 million in revenue
- » \$222 million revenue from Saia 5700 tariff
- » \$65 million in synergy revenue from former Clark territory (CGO & KCY regions)

### Facilities & Equipment

- » \$80.3 million in capital expenditures
- » \$60 million in equipment additions
- » 12.7% return on capital

### Operations & Productivity

- » 8% increase in LTL tonnage
- » Yield growth of 3.5% and 3% gain in productivity
- » New terminal construction in DEN, HST and SAC
- » Cargo claims reduced to 1.41% of revenue

### Safety

- » 5% improvement in frequency and severity of accidents
- » 5% improvement in lost time injuries
- » Continued commitment to Smith System training



## Human Resources

By Reuben Gegenheimer – Vice President, Human Resources

Great companies just don't happen; they are made: born of an idea, a dream and goals, forethought, risks and sacrifices, hard work, leadership and a dedicated workforce. Fortunately, Saia possesses all of these characteristics and more.

Our employees and families are pivotal to our success in our journey to become a "Best in Class" carrier. Saia now has over 7,100 employees who enjoy industry-leading benefits. The health plan covers approximately 5,400 employees and over 14,000 dependents in 30 States and we are always growing. Of particular note is the fact that Saia's health plan is self-insured, meaning the company pays for all outstanding covered health plan expenses.

Developing a benefits package that provides an extra measure of security for our employees, while controlling cost is a formidable task. Our benefits package, when compared to other industry peers, is competitive, and affordable.

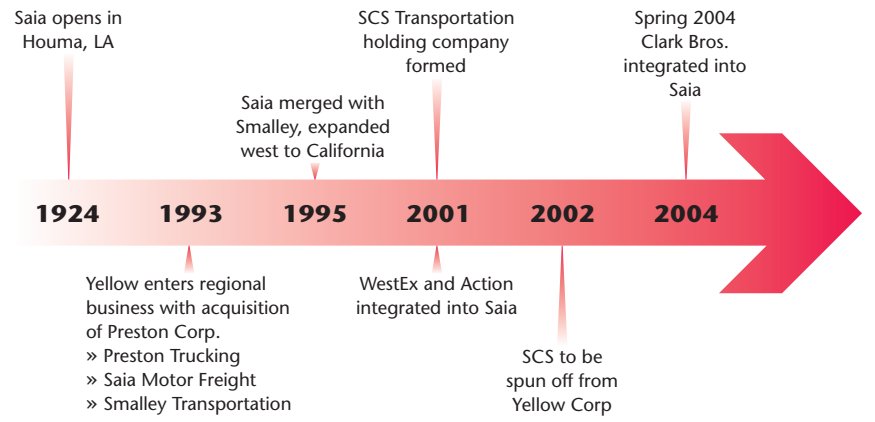
In our 82-year drive to be "Best in Class," we have continually benchmarked competitive benefit offerings. On the horizon, the company will consider such things as HSAs (Health Saving Accounts) and Wellness Initiatives.

Our journey also includes many first class Human Resources practices that have helped attract and retain "Best in Class" employees. These include our commitment to a competitive total compensation package, extensive employee communications avenues, management training programs, employee selection tools and attention to positive employee relations.

Saia's attention to the needs of its employees and its sterling reputation for doing the right thing fit well with our customer commitment and our continual quest for "Best in Class" in all we do.

*Saia Directors John Ferguson and Walter Schumacher contributed to this article.*

## Saia 1924 to 2006: "A Journey of Excellence"



### Examples of Saia's Best In Class Employee Benefits

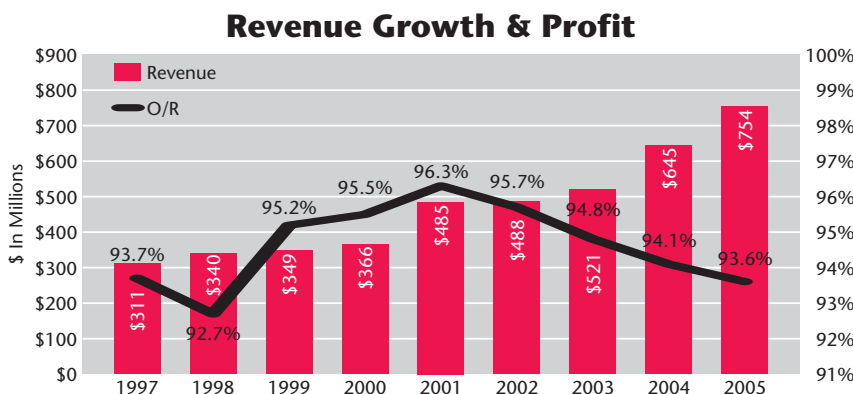
- » Comprehensive health insurance; company paid after 10 years
- » Company Matching 401k Plan
- » Employee stock purchase plan
- » Paid sick, personal, holiday, bereavement and vacation days
- » Employer-paid life insurance and short-term disability
- » Academic scholarship program
- » Credit Union

### Examples of Saia's Best In Class Human Resources Practices

- » Market-based competitive wages and benefits
- » Overtime pay practices
- » Saia AlertLine®
- » Open Door Policy
- » HR Managers in the field to resolve employee issues
- » Quarterly Employee Meetings
- » Employee Website

## On the Road to "Best In Class" Attainment

By Tony Albanese – Senior Vice Preside of Operations & Sales



As we move toward "Best In Class" status in sales, operations and safety, it is important that we look at our plans and processes to ensure that we are continuing to meet and exceed our goals.

### Sales

Saia has "Best In Class" attainment and status in the following sales processes:

#### Sales Training Process — Our sales training process encompasses the following:

- » Sales Orientation at Atlanta Corporate Office (5 days)
- » Open Lock Sales training – Provides excellent fundamental sales call processes
- » Acclivus Negotiations and Relationship – Provides an advanced negotiating process as well as an understanding of the infrastructure of a customer's business and the people

that influence and make transportation service buying decisions

- » Sales certification process

#### Sales Resources

- » Sales Initiative Process (SIP) is a "Best in Class" sales territory leadership process that allows for greater management and strategic planning with customers offering the greatest opportunity for growth and profitability
- » Sales Information System allows for sales territory leadership in providing the strategic information required to grow profitability and revenue growth within a defined sales territory
- » Our marketing material is industry-leading from territory promotions to system-wide rollouts

#### Sales Recognition Programs

- » Presidents Club
- » Best in Class, with promotion to Business Development Executive

### Operations

Our service and efficiency performance cannot be considered "Best In Class" at this time. However, we have processes that will lead us toward this attainment in performance if we as employees successfully execute them.

#### Operations Template for "Best In Class" Service:

- » Daily review and planning conference calls between terminal and region management
- » Standard operating procedures focusing on specific objectives that are relative to meeting industry service standards, including:
  - P&D route cut time discipline and Outbound departure time
  - Bills delivered before noon
  - Load plan tools determining direct load opportunities and routing based on cut times versus destination terminal.
  - P&D wireless technology providing real time information for customer service and service planning
  - Management information tools that will provide us the statistical information to identify service opportunities, quickly and accurately

#### Operations Template for "Best In Class" Efficiency:

- » Manpower Planning Forecaster to determine manpower requirements well in advance of the need
- » Daily manpower planning tool to determine total hours required to meet efficiency standards
- » Customer analysis to determine opportunities to improve efficiencies at the customer's location

### Safety

Our safety performance cannot be considered "Best In Class" at this time. However, we have processes that will lead us toward this attainment in performance if we as employees successfully execute.

- » Commitment to the Smith System Training and Employee pre-shift meetings
- » Upgraded technology (Eaton Vorad Anti Collision) in our new equipment to potentially prevent violent accidents
- » Driver Trainer Process and New Hire Orientation Process
- » Continued commitment to increasing our resources for the safety department
- » Safety Department resources dedicated to working with line drivers at night in the Texas market
- » Recognition programs honoring outstanding safety accomplishments

## Employees Thoughts on Road to "Best In Class"

A "Best In Class" company looks to its employees for success. As vital members of our team, Saia employees are important in moving the company to "Best In Class." We recently asked employees to look at where Saia is going as a company and tell us what that means to them. We also asked how employees are contributing to Saia's success. Here's what you told us:

*"If you call, we haul. Drive with pride!"*

– Dolfey Jenkins, ATL City Dispatcher

*"Saia is like a family: someone who is looking out for your best interests."*

– Shelley Docanto, SDO Office

*"Saia is a steadfast entity in an ever-changing industry."*

– Mike Hagins, COL Dispatch

*"This is a stable company to have a career with."*

– Grant Ritchey, PHX Linehaul

*"I am proud to work for a company that respects me and our customers."*

– Roy Brown, GRN City Driver

*"Saia means a secure place to work."*

– Leo Agabo, HRL City Driver

*"Saia is my life. I love the company and truly feel that we are the best freight carrier in the industry. I am blessed to work with such a close-knit group of people."*

– Charlene Broussard, LKC OS&D

*"Saia means long-term job security and potential for personal advancement"*

– Hugo Ireland, BHM Dock

*"It means job support and support for my family. It means a lot. I feel secure with Saia and plan on this being my last job."*

– Bill Bice, KCY Outbound Clerk

*"Job security and exciting opportunities to prove we are the best carrier around!"*

– Billy Smith, BHM Supervisor

*"It's exciting to have been a part of Saia's growth since 1997."*

– Jim Dunn, CLT Sales

*"We have come a long way since I started here two years ago. It's a great company to work for and a great job to have."*

– Albert Mendez, DLS Dock

*"When you look at other trucks on the road, you know we work for a better company."*

– Lawrence Huff, FON Dock

*"It just feels like one big family here, all working together to get the job done."*

– Gail Bakonyi, FON Team Driver

*"Saia is strong by expanding coverage, updating terminals and hiring new employees."*

– Rickey Wright, MBL City Driver

*"Getting along well with my customers and being a 24-year safe driver."*

– Tim Rasmussen, SXF City Driver

*"By bringing on quality long-term accounts and showing them we are 'Best In Class.'"*

– George Miller, BHM Sales

*"We have great drivers, great support and an excellent performance record. This year is going to be a great year for Saia because of our efforts."*

– Jennifer Kluesner, DSM Office Clerk

*"Doing what is asked of me in a safe and timely manner."*

– Jens Mets, COL Linehaul

*"We are heading in the right direction: UP. Saia means stability, growth and the promise of even greater things to come."*

– Kenny Van Nostrand, EUG Dock Lead

*"Having worked for Saia for almost 39 years, I can appreciate the growth and development of the company. Saia has steadily grown over the years to improve relationships with employees and customers and with a desire and drive to be a trademark of excellence in the industry."*

– Russell Hanks, LKC TM

*continued on page 4 >>*

## Customer Service

Customer Service finds its success in providing customers with the information that they need, when they need. Customer Service continues to build on "Best In Class" service and growth.

**2000:** Introduction of Customer Service performance level accountability

**2001:** BOI Centralized Customer Service Department added

**2004:** Customer Service surpassed 1 million inbound calls to center

**2005:** Enhanced 20-day training program to "Best In Class" level

## Marketing Milestones

By Sally Buchholz – Vice President of Marketing & Customer Service

The purpose of a Marketing Department is to support the company goals and our Mission Statement, build awareness, retain and attract new business.

By working as a team with our departments, we have seen a great deal of success in our marketing programs. From tag lines that captured the imagination of our customers and partners to the introduction of products, like the Xtreme Guarantee, our programs have helped make sure the shipping public understands the value of using Saia.

Important Marketing milestones:

**1997:** "Just Ask" tagline is introduced

**1998:** CSI Rollout

**1999:** GS Custom product rollout

**2001:** Launch of IGO Service

**2003:** West Coast Direct Mail campaign

**2003:** NexTex

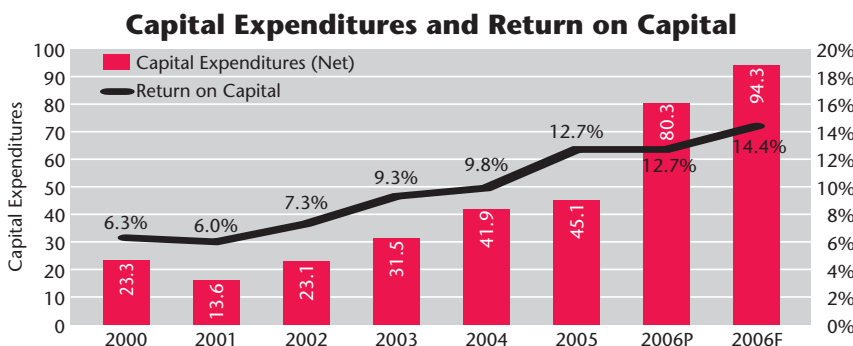
**2004:** CSI Investigation advertising campaign rolled out

**2004:** GSS products announced

**2005:** Xtreme Guarantee launch

## Equipment Milestones & Capital Expenditures

By Mike Burger – Vice President of Maintenance



A "Best In Class" company is judged in one way by its increasing numbers of equipment and spending on Capital Expenditures. As you can see, we are well equipped for our journey to "Best In Class" carrier status.

1998	2003	2006
20 Shops	27 Shops	28 Shops
133 Mechanics	220 Mechanics	275 Mechanics
	\$31.5 million in Capital Expenditures	\$80.3 million in Capital Expenditures
<b>2001</b>		
23 Shops		
179 Mechanics		
\$13.6 million in Capital Expenditures		

## Technology Milestones

By Mark Robinson – Chief Information Officer

Saia has long been a leader in the use of technology to improve our operations and customer offerings. Looking back, it is possible to see the level of commitment we have to developing and implementing useful technological tools. As we continue to work toward "Best In Class" status, we too will continue to enhance our technology products and programs.

**1999:** AS/400 conversion

**2000:** Infinium System conversion

**2001:** The new Saia.com and FileNet Imaging System

**2002:** Linehaul Outbound planning system

**2003:** Manpower planning system and OneTrack Partnership Model

**2004:** Wireless P&D system

**2005:** Automated yard & dock system

Director of Information Systems Corey Louviere contributed to this article.

## Employee Service Anniversaries, February 2006

### 25+ Years

ALX Lester Radford  
 AUS James Hrabina  
 HST Reginald Caldwell  
 Charles Debose  
 James Owens  
 Paul Roland  
 LAF Raymond Romero  
 Roland Stelly  
 NOL Gary Favorite  
 Shirley Glynn  
 Henry Harris  
 Noble Scott

### 20 Years

JKS William Prince  
 MPS William Stanley  
 TUP William Hogue  
 Tony Young

### 15 Years

PDX Debbie Trump  
 POC Steve Maestas

### 10 Years

CLT Dwight Corn  
 Neal Lingerfeldt  
 DLS Jesus Yevevino  
 FON Kevin Miller  
 GRL Cecil Chatmon  
 HST Clarence Speed  
 KNX Jerry Davis  
 LAF Curley Broussard  
 LAX Albert Hernandez  
 NSH Dodie Moses  
 ORL Christian Zamorano  
 PHX Terry Nackerud  
 TPA Bruce Matheson

### 5 Years

BAK Dennis Jennette  
 CGO Jeffrey Peterson  
 DEN Joel Hargis  
 DLS Donald Slade  
 HGO Christina Cenac  
 Crystal Collins  
 Chris Touchet  
 HST Roy Casas  
 Timothy Mear  
 Michael Schau  
 Chad Domingue  
 LAF Jesse Rizo  
 ODS Terry Hardeman  
 OKC Roberto Salinas  
 TWF Corey Brockman  
 WPB Todd Pomerence  
 YAK

**“On the Road to ‘Best In Class’”** >> continued from page 1

through organic growth and managed expansion, and improvements to our operational efficiencies.

What defines a “Best In Class” carrier? Is it size? Coverage area? The number of employees? Strong operations and safety performance? It is all of these things but also a drive and determination to be the best.

“Best In Class” is a benchmarking process designed to achieve performance excellence. Companies must earn the “Best In Class” title over time.

To achieve this status Saia must:

- » Manage continued growth in our current territory and beyond into new states

- » Operate efficiently at all levels — from the dock to the road, front office to operations
- » Improve our productivity levels, including operating ratio, revenue and expenditures
- » Make safety a priority and implement procedures to ensure safe work habits
- » Service customers beyond the levels of our competitors, as measured by our CSIs
- » Continue to enhance our service and product offerings to customers
- » Create a workplace for employees that fosters their personal growth and development

As we move into the future, you will see changes designed to move us closer to our goal.

Understand that while everything we do must move us forward, from time to time, things will happen that interfere with our course. Whether it be unexpected incidents like last year’s hurricanes and flooding, a decrease in safety or operations performance or the way we are financially valued in the market.

It is important to determine what is under our control and what is not. These things that are not under our control, we must understand that how we react to them. When we reach one goal, we can celebrate but can never rest on our accomplishments. The bar is always raised, the goals increase and the opportunities are endless.

**Employees Thoughts on Road to “Best In Class”** >> continued from page 3

*“We have come a long way in the six-and-a-half years I have been here and not just as a company but also as a team.”*

– Stephanie Eppinger, PHX Operations Clerk

*“Over the past 10-and-a-half years, I have gone from a coding clerk to Office Manager. Everyday I learn something new and that is what I love about our ‘Best In Class’ carrier.”*

– Carissa Atkinson, ATL Office Manager

*“We have an opportunity to continue to grow Saia into a \$1-billion-plus revenue company and more importantly to earn credibility as a ‘Best In Class’ company and be respected by customers and competitors alike.”*

– Tom Donohue, MPS Sales

*“Success!”*

– Rhonda Anderson, SXF Office

*“By having a GREAT attitude toward our customers and those in our company.”*

– Oracio Sanchez, SDO City Driver

*“By being a team member.”*

– Carlos Martinez, HRL OS&D

*“I keep the equipment maintained and safe for the road.”*

– Landon Meixueiro, KCY Mechanic

*“My contribution to making Saia a ‘Best In Class’ carrier is to focus on a safe working environment, provide on-time service to customers and manage operational efficiencies.”*

– Kerry Etchison, ATL Dock Supervisor

*“I always try to leave the customers with a satisfied smile because they are the reason we are here.”*

– Norm Woods, EUG City Driver

*“I always take pride in doing my best job.”*

– George Mendoza, DLS Dock

*“Working hard with the Smith System to make sure our drivers are safe everyday.”*

– Fred Pendley, BHM Driver

*“By learning something new each and every day, I contribute to Saia’s success.”*

– Robert Hackett, PHX Operations Manager

*“Giving my best everyday and always keeping the customers interests first.”*

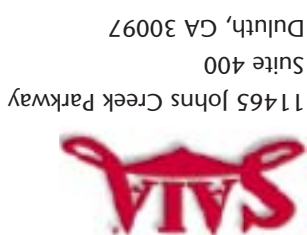
– Charleston Rainey, HMA City Driver

*“By holding myself accountable for exceeding standards for my assigned duties.”*

– Troy Bauder, SXF Dock Supervisor

*“By providing the customer with quality service and Saia with a quality employee.”*

– Ken Knox, CBS City Driver



A monthly newsletter for Saia employees Special Issue



Tell Us What You Think  
Share your input on the Saia Directions newsletter. What do you like? What would you change? What would you enjoy seeing more of? Send information to: Brian Suber, 11465 Johns Creek Parkway, Suite 400, Duluth, GA 30097 or Bsuber@saia.com.

“On the Road to ‘Best In Class’... continued  
Employees Thoughts on Road to ‘Best In Class’... continued

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