

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 10, 2009

EXPRESS-1 EXPEDITED SOLUTIONS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

001-32172

(Commission File Number)

03-0450326

(I.R.S. Employer
Identification No.)

3399 Lakeshore Drive, Suite 505, Saint Joseph, Michigan, 49085
(Address of principal executive offices — zip code)

(269) 429-9761

(Registrant's telephone number, including area code)

Not applicable

(former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 10, 2009, Express-1 Expedited Solutions, Inc., issued a press release reporting its financial results for the quarter ended December 31, 2008. A copy of the release is furnished as Exhibit 99.1.

The information furnished herein, including Exhibit 99.1, is not deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This information will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates them by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Press Release dated February 10, 2009.

SIGNATURE

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

Dated February 10, 2009

Express-1 Expedited Solutions, Inc.

By: /s/ Mike Welch
Mike Welch
Chief Executive Officer

Contact:

Express-1 Expedited Solutions, Inc.

Mark Patterson

269-429-9761

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**EXPRESS-1 EXPEDITED SOLUTIONS (AMEX:XPO) REPORTS STRONG Q4
RESULTS: REVENUE INCREASES 95%, OPERATING INCOME RISES 84%**

SAINT JOSEPH, Mich. — February 10, 2009 — Express-1 Expedited Solutions, Inc. today reported its earnings for the fourth quarter, ended December 31, 2008.

Express-1 Expedited Solutions, through its three operating companies (Express-1, Concert Group Logistics and Bounce Logistics), provides the following premium transportation services: same-day delivery, time—sensitive shipping and premium freight brokerage throughout North America, as well as domestic and international freight forwarding.

Express-1 Expedited Solutions reported a 95% increase in revenue from continuing operations during the fourth quarter of 2008 to \$25.0 million, compared to \$12.8 million for the same period in the prior year. The acquisition of Concert Group Logistics, which had a transaction date of January 1, 2008, contributed \$11.8 million to revenues for the period. For the fourth quarter, the Company's Express-1 operations experienced a decline in revenues of \$2.1 million or 16.7% over the same three-month period during 2007. Bounce Logistics continued to show traction and contributed \$2.8 million to the overall increase in revenues.

During the same period, operating income from continuing operations increased by 84% to \$1,044,000 versus \$569,000 during the same period of 2007. Income from continuing operations improved 39% to \$514,000 or \$0.02 per fully diluted share for the fourth quarter of 2008 compared to \$369,000 or \$0.01 per diluted share for the same period in 2007.

During the fourth quarter of 2008, the Company discontinued its Express-1 Dedicated Operations, in anticipation of a cessation of this business activity during the first quarter of 2009. The Company's management does not anticipate the incurrence of material charges related to this shutdown activity. Income from discontinued operations was \$73,000, net of tax during the fourth quarter of 2008, versus income of \$88,000, net of tax on these same operations during the fourth quarter of 2007.

“Throughout 2008, we have shared with our investors the significant impact the Company has experienced from our Concert Group Logistics and Bounce Logistics operations. Each of these businesses is profitable and has contributed to the overall business mix within our platform. In periods of weakness within the various freight economies, it is important to have this diversity within our Company. With the widely publicized downturn in the domestic and international economies, the strength of our non-asset based operating model came through. While we're

never totally pleased with our results, we are proud that we can maintain growth and profitability in the face of such an extremely weak freight market,” stated Michael Welch, the Company’s Chief Executive Officer.

Welch added, “I am pleased with the results we achieved from our two newer business units, Concert Group Logistics and Bounce Logistics. Each of these operations performed well in our weak economy. We’re cautiously optimistic that each of these units will continue to grow throughout 2009, as our team develops new business and business relationships. Considering the overall weaknesses within the domestic expedite market, we are also pleased with the operating results from our Express-1 business unit during the quarter. We’re focused on growth and business development initiatives. We completed some of the groundwork during the fourth quarter for what we anticipate will be an increase in business consolidation activities throughout 2009. During just the first few weeks of 2009, we have already completed one small acquisition of an important piece of expedite business volume. Our non-asset based business model is sound and we believe the financial strength of our Company can allow us to expand, even in this weakened economy.”

Chief Financial Officer Mark Patterson said, “Once again, our Company continued to demonstrate significant operating leverage during the fourth quarter. The rate of growth within our Selling, General and Administrative (SG&A) expenses was approximately one fourth the rate of growth of our revenues. The result of this leverage is that we have been able to continuously increase our operating income from continuing operations, even in periods of rate compression and weakness within the overall transportation market. During the fourth quarter of 2008, we took some significant steps aimed at controlling SG&A costs. These included headcount reductions; reductions in executive and managerial bonus awards; limitations on travel and entertainment; and limitations on hiring and wage increases. Our entire organization is focused upon efforts that will enhance and support our profitability, even in the face of the current recession. We are very proud of how our entire team has responded thus far.”

Outlook

“Looking towards 2009, we continue to be focused on business development efforts and maintaining an acceptable level of profitability, until the economic climate improves. Jeff Curry at Express-1, Gerry Post at Concert Group Logistics and Tim Hinds at Bounce Logistics each lead a team of professionals that are committed to preserving the positive momentum we’ve developed over the past three and a half years,” Welch said. “Potential acquisitions, new business development and stringent cost controls are critical to achieving the results we desire in 2009. Our non-asset based business model has proven itself over many years and in all types of economic climates. By remaining focused on our goals, we should be able to weather the current economic recession better than many of our peers within the transportation community.”

Conference Call/Webcast Information

Management will conduct a conference call Wednesday February 11, 2009 at 9:00 a.m. Eastern to discuss the Company’s fourth quarter financial results. Those interested in accessing a live or archived Webcast of the call should visit the Company’s Website at www.express-1.com. Those wishing to take part in the live teleconference call can dial 877-407-9210, with international participants dialing 201-689-8049. A playback will be available until midnight on February 18,

2009. To listen to the playback, please call 877-660-6853. Use account number 286 and conference ID number 311564.

About Express-1 Expedited Solutions, Inc.

Express-1 Expedited Solutions, Inc. is a non-asset based services organization focused on premium transportation through its business segments, Express-1, Inc. (Buchanan, Michigan), Concert Group Logistics, Inc. (Downers Grove, Illinois), and Bounce Logistics, Inc. (South Bend, Indiana). These segments are focused on premium services that include: same-day, time—sensitive and dedicated transportation as well as domestic and international freight forwarding. Serving more than 2,000 customers, the Company’s premium transportation offerings are provided through one of four operations centers; Buchanan, Michigan; Rochester Hills, Michigan; South Bend, Indiana and Downers Grove, Illinois. The Company services customers throughout the lower 48 states, portions of Canada and Mexico and internationally through its Concert Group Logistics network. The Company’s operating model can be described as non-asset or asset light, with independent contractors fulfilling the trucking services for most of its shipments, and independently owned stations managing the services of its freight-forwarding network. Express-1 Expedited Solutions, Inc. is publicly traded on the American Stock Exchange under the symbol XPO. For more information about the Company, visit www.express-1.com.

Forward-Looking Statements

This press release contains forward-looking statements that may be subject to various risks and uncertainties. Such forward-looking statements are made pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 and are made based on management’s current expectations or beliefs, as well as assumptions made by and information currently available to management. These forward-looking statements, which may include statements regarding our future financial performance or results of operations, including expected revenue growth, cash flow growth, future expenses, future operating margins and other future or expected performance are subject to risks. These risks include: that our recent reorganization fails to result in projected operating efficiencies; the acquisition of businesses or the launch of new lines of business, which could increase operating expenses and dilute operating margins; increased competition, which could lead to negative pressure on our pricing and the need for increased marketing; the inability to maintain, establish or renew relationships with customers, whether due to competition or other factors; the inability to comply with regulatory requirements governing our business operations; and to the general risks associated with our businesses.

In addition to the risks and uncertainties discussed above, you can find additional information concerning risks and uncertainties that would cause actual results to differ materially from those projected or suggested in the forward-looking statements in the reports that we have filed with the Securities and Exchange Commission. The forward-looking statements contained in this press release represent our judgment as of the date of this release and you should not unduly rely on such statements. Unless otherwise required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this press release. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in the filing may not occur, and actual results could differ materially from those anticipated or implied in the forward-looking statements.

Express-1 Expedited Solutions, Inc.
Consolidated Balance Sheet

	December 31, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,107,000	\$ 800,000
Accounts receivable, net of allowances of \$133,000 and \$77,000, respectively	12,202,000	5,663,000
Prepaid expenses	372,000	492,000
Other current assets	650,000	149,000
Deferred tax asset, current	493,000	1,549,000
Total current assets	<u>14,824,000</u>	<u>8,653,000</u>
Property and equipment, net of \$2,220,000 and \$1,734,000 in accumulated depreciation, respectively	3,141,000	2,312,000
Goodwill	14,915,000	7,737,000
Identified intangible assets, net of \$1,683,000 and \$1,279,000 in accumulated amortization, respectively	7,631,000	3,950,000
Loans and advances	63,000	104,000
Deferred tax asset, long term	—	377,000
Other long term assets	1,108,000	591,000
	<u>\$41,682,000</u>	<u>\$23,724,000</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 6,578,000	\$ 892,000
Accrued salaries and wages	691,000	660,000
Accrued acquisition earnouts	—	2,210,000
Accrued expenses, other	862,000	861,000
Current maturities of long term debt	1,235,000	50,000
Other current liabilities	1,030,000	199,000
Total current liabilities	<u>10,396,000</u>	<u>4,872,000</u>
Line of credit	2,320,000	—
Notes payable and capital leases, net of current maturities	1,400,000	34,000
Deferred tax liability, long term	583,000	—
Other long-term liabilities	456,000	616,000
Total long-term liabilities	<u>4,759,000</u>	<u>650,000</u>
Stockholders' equity:		
Preferred stock, \$.001 par value; 10,000,000 shares no shares issued or outstanding	—	—
Common stock, \$.001 par value; 100,000,000 shares authorized; 32,215,218 and 27,008,768 shares issued and 32,035,218 and 26,516,037 shares outstanding	32,000	27,000
Additional paid-in capital	26,316,000	21,152,000
Retained earnings (deficit)	286,000	(2,870,000)
Treasury stock, at cost, 180,000 shares held	(107,000)	(107,000)
Total stockholders' equity	<u>26,527,000</u>	<u>18,202,000</u>
	<u>\$41,682,000</u>	<u>\$23,724,000</u>

Express-1 Expedited Solutions, Inc.
Consolidated Statements of Operations

	Three Months Ended		Twelve Months Ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Revenues				
Operating revenue	\$24,954,000	\$ 12,811,000	\$ 109,462,000	\$ 47,713,000
Expenses				
Direct expenses	20,933,000	9,813,000	91,628,000	35,951,000
Gross margin	4,021,000	2,998,000	17,834,000	11,762,000
Sales, general and administrative expense	2,977,000	2,429,000	12,664,000	8,803,000
Operating income from continuing operations	1,044,000	569,000	5,170,000	2,959,000
Other expense (income)	69,000	(3,000)	105,000	14,000
Interest expense (income)	81,000	(6,000)	354,000	65,000
Income from continuing operations, before income tax	894,000	578,000	4,711,000	2,880,000
Income tax provision	380,000	209,000	1,894,000	1,067,000
Income from continuing operations	514,000	369,000	2,817,000	1,813,000
Income from discontinued operations, net of tax of \$54,000 and \$250,000, respectively	73,000	88,000	339,000	358,000
Net Income	\$ 587,000	\$ 457,000	\$ 3,156,000	\$ 2,171,000
Basic income per share				
Income from continuing operations	0.02	0.01	0.09	0.07
Income from discontinued operations	0.00	0.00	0.01	0.01
Net income	0.02	0.02	0.10	0.08
Diluted income per share				
Income from continuing operations	0.02	0.01	0.09	0.07
Income from discontinued operations	0.00	0.00	0.01	0.01
Net income	0.02	0.02	0.10	0.08
Weighted average common shares outstanding				
Basic weighted average common shares outstanding	32,035,247	26,758,362	31,453,765	26,690,382
Diluted weighted average common shares outstanding	32,212,725	27,180,814	31,757,164	27,326,729

Express-1 Expedited Solutions, Inc.
Summary Financial Table
For the Three Months Ended December 31, 2008 and 2007

	Quarter to Date		Quarter to Quarter Change		Percent of Revenue	
	2008	2007	In Dollars	In Percentage	2008	2007
Revenues						
Express-1	\$10,675,000	\$12,811,000	\$ (2,136,000)	-16.7%	42.8%	100.0%
Concert Group Logistics	11,832,000	—	11,832,000	—	47.4%	—
Bounce Logistics	2,770,000	—	2,770,000	—	11.1%	—
Intercompany Eliminations	(323,000)	—	(323,000)	—	-1.3%	—
Total Revenues	24,954,000	12,811,000	12,143,000	94.8%	100.0%	100.0%
Direct Expenses						
Express-1	8,263,000	9,813,000	(1,550,000)	-15.8%	33.1%	76.6%
Concert Group Logistics	10,735,000	—	10,735,000	—	43.0%	—
Bounce Logistics	2,258,000	—	2,258,000	—	9.0%	—
Intercompany Eliminations	(323,000)	—	(323,000)	—	-1.2%	—
Total Direct Expenses	20,933,000	9,813,000	11,120,000	113.3%	83.9%	76.6%
Gross Margin						
Express-1	2,412,000	2,998,000	(586,000)	-19.5%	9.7%	23.4%
Concert Group Logistics	1,097,000	—	1,097,000	—	4.4%	—
Bounce Logistics	512,000	—	512,000	—	2.0%	—
Total Gross Margin	4,021,000	2,998,000	1,023,000	34.1%	16.1%	23.4%
Selling, General & Administrative						
Express-1	1,728,000	1,988,000	(260,000)	-13.1%	6.9%	15.5%
Concert Group Logistics	525,000	—	525,000	—	2.1%	—
Bounce Logistics	355,000	—	355,000	—	1.4%	—
Corporate	369,000	441,000	(72,000)	-16.3%	1.5%	3.4%
Total Selling, General & Administrative	2,977,000	2,429,000	548,000	22.6%	11.9%	19.0%
Operating Income from Continuing Operations						
Express-1	684,000	1,010,000	(326,000)	-32.3%	2.7%	7.9%
Concert Group Logistics	572,000	—	572,000	—	2.3%	—
Bounce Logistics	157,000	—	157,000	—	0.6%	—
Corporate	(369,000)	(441,000)	72,000	16.3%	-1.4%	-3.4%
Operating Income from Continuing Operations	1,044,000	569,000	475,000	83.5%	4.2%	4.4%
Interest Expense	81,000	(6,000)	87,000	-1450.0%	0.3%	—
Other Expense	69,000	(3,000)	72,000	2400.0%	0.3%	—
Income from Continuing Operations Before Tax	894,000	578,000	316,000	54.7%	3.6%	4.5%
Tax Provision	380,000	209,000	171,000	81.8%	1.5%	1.6%
Income from Continuing Operations	514,000	369,000	145,000	39.3%	2.1%	2.9%
Income from Discontinued Operations, Net of Tax						
	73,000	88,000	(15,000)	-17.0%	0.3%	0.7%
Net Income	\$ 587,000	\$ 457,000	\$ 130,000	28.4%	2.4%	3.6%

Express-1 Expedited Solutions, Inc.
Summary Financial Table
For the Twelve Months Ended December 31, 2008 and 2007

	Year to Date		Year to Year Change		Percent of Revenue	
	2008	2007	In Dollars	In Percentage	2008	2007
Revenues						
Express-1	\$ 52,639,000	\$47,713,000	\$ 4,926,000	10.3%	48.1%	100.0%
Concert Group Logistics	51,136,000	—	51,136,000	—	46.7%	—
Bounce Logistics	7,011,000	—	7,011,000	—	6.4%	—
Intercompany Eliminations	(1,324,000)	—	(1,324,000)	—	-1.2%	—
Total Revenues	109,462,000	47,713,000	61,749,000	129.4%	100.0%	100.0%
Direct Expenses						
Express-1	40,408,000	35,951,000	4,457,000	12.4%	36.9%	75.3%
Concert Group Logistics	46,578,000	—	46,578,000	—	42.6%	—
Bounce Logistics	5,966,000	—	5,966,000	—	5.5%	—
Intercompany Eliminations	(1,324,000)	—	(1,324,000)	—	-1.3%	—
Total Direct Expenses	91,628,000	35,951,000	55,677,000	154.9%	83.7%	75.3%
Gross Margin						
Express-1	12,231,000	11,762,000	469,000	4.0%	11.2%	24.7%
Concert Group Logistics	4,558,000	—	4,558,000	—	4.2%	—
Bounce Logistics	1,045,000	—	1,045,000	—	0.9%	—
Total Gross Margin	17,834,000	11,762,000	6,072,000	51.6%	16.3%	24.7%
Selling, General & Administrative						
Express-1	7,116,000	7,236,000	(120,000)	-1.7%	6.5%	15.2%
Concert Group Logistics	2,847,000	—	2,847,000	—	2.6%	—
Bounce Logistics	1,079,000	—	1,079,000	—	1.0%	—
Corporate	1,622,000	1,567,000	55,000	3.5%	1.5%	3.2%
Total Selling, General & Administrative	12,664,000	8,803,000	3,861,000	43.9%	11.6%	18.4%
Operating Income from Continuing Operations						
Express-1	5,115,000	4,526,000	589,000	13.0%	4.7%	9.5%
Concert Group Logistics	1,711,000	—	1,711,000	—	1.6%	—
Bounce Logistics	(34,000)	—	(34,000)	—	—	—
Corporate	(1,622,000)	(1,567,000)	(55,000)	-3.5%	-1.6%	-3.3%
Operating Income from Continuing Operations	5,170,000	2,959,000	2,211,000	74.7%	4.7%	6.2%
Interest Expense	354,000	65,000	289,000	444.6%	0.3%	0.1%
Other Expense	105,000	14,000	91,000	650.0%	0.1%	—
Income from Continuing Operations Before Tax	4,711,000	2,880,000	1,831,000	63.6%	4.3%	6.0%
Tax Provision	1,894,000	1,067,000	827,000	77.5%	1.7%	2.2%
Income from Continuing Operations	2,817,000	1,813,000	1,004,000	55.4%	2.6%	3.8%
Income from Discontinued Operations, Net of Tax						
	339,000	358,000	(19,000)	-5.3%	0.3%	0.8%
Net Income	\$ 3,156,000	\$ 2,171,000	\$ 985,000	45.4%	2.9%	4.6%