

ARKANSAS BEST NDQ-ABFS

RECENT PRICE **23.34** P/E RATIO **40.9** (Trailing: NMF; Median: NMF) RELATIVE P/E RATIO **2.38** DIV'D YLD **0.5%** **VALUE LINE**

TIMELINESS 2 Raised 5/17/13	High: 32.2	34.7	46.7	45.7	50.7	45.0	45.1	34.6	33.5	28.5	22.8	24.0	Target Price Range 2016 2017 2018		
SAFETY 3 Raised 3/16/01	Low: 17.8	22.0	25.2	30.3	35.7	21.5	17.9	15.8	18.8	14.2	6.4	9.5			
TECHNICAL 1 Raised 8/23/13	LEGENDS — 6.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded areas indicate recessions														
BETA 1.20 (1.00 = Market)															

2016-18 PROJECTIONS			
Price	Gain	Ann'l Total	
High 40	(+70%)	16%	
Low 25	(+5%)	3%	
Insider Decisions			
	O	N	D
to Buy	0	0	0
Options	0	0	0
to Sell	0	0	0
Institutional Decisions			
	3Q2012	4Q2012	1Q2013
to Buy	58	58	54
to Sell	73	59	55
Hlds(000)	20140	20083	20047
	Percent	shares	traded
	75	50	25

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
83.88	84.21	87.16	91.25	62.34	57.09	61.01	67.89	73.30	74.85	73.86	73.25	58.75	65.64	75.04	80.65	86.55	90.75	Revenues per sh	107.70
3.56	3.54	4.89	6.23	3.63	3.44	3.81	5.16	6.18	6.04	5.42	4.24	.56	1.54	3.14	2.96	3.25	4.05	"Cash Flow" per sh	5.75
.84	1.10	2.14	3.05	1.48	1.43	1.71	2.94	3.69	3.40	2.29	1.15	d2.46	d1.30	.23	d.39	.20	1.00	Earnings per sh ^A	2.50
--	--	--	--	--	--	.32	.48	.54	.60	.60	.60	.60	.12	.12	.12	.12	.16	Div'ds Decl'd per sh ^B	.36
.59	3.10	2.54	4.64	3.05	2.23	2.72	3.15	3.67	5.93	3.89	2.35	1.92	.45	2.09	1.46	1.15	2.25	Cap'l Spending per sh	2.70
3.64	4.90	7.25	10.64	13.80	14.27	16.01	18.53	21.83	23.31	25.43	24.97	19.98	18.99	18.32	17.92	17.70	18.85	Book Value per sh ^C	23.45
19.60	19.61	19.75	20.16	24.48	24.91	25.04	25.27	25.38	24.85	24.87	25.02	25.07	25.26	25.42	25.62	26.00	26.00	Common Shs Outst'g ^D	26.00
9.8	7.8	4.8	4.5	15.0	18.3	16.2	11.4	10.0	12.5	15.2	27.7	--	--	NMF	--	Bold figures are Value Line estimates	--	Avg Ann'l P/E Ratio	13.0
.56	.41	.27	.29	.77	1.00	.92	.60	.53	.67	.81	1.67	--	--	NMF	--	--	--	Relative P/E Ratio	.85
--	--	--	--	--	--	1.2%	1.4%	1.5%	1.4%	1.7%	1.9%	2.3%	.5%	.9%	.9%	--	--	Avg Ann'l Div'd Yield	1.1%

CAPITAL STRUCTURE as of 6/30/13			
Total Debt \$133.9 mill	Due in 5 Yrs \$133.9 mill.		
LT Debt \$96.9 mill.	LT Interest \$3.0 mill.		
Includes \$13.8 mill. of capital leases (Interest not covered) (17% of Cap'l)			
Leases, Uncapitalized Annual rentals \$14.2 mill.			
Pension Assets-6/13 \$192.1 mill. Oblig. \$218.8 mill.			
Pfd Stock None.			
Common Stock 25,730,114 shs. as of 8/2/13			
MARKET CAP: \$600 million (Small Cap)			
CURRENT POSITION (SMILL)			
Cash Assets	227.9	129.4	118.5
Receivables	149.7	180.7	206.2
Other	67.5	76.0	80.6
Current Assets	445.1	386.1	405.3
Accts Payable	66.5	84.3	85.0
Debt Due	45.1	56.7	37.0
Other	152.1	158.7	167.9
Current Liab.	263.7	299.7	289.9

BUSINESS: Arkansas Best Corp. is a freight transportation services and solutions provider. Through its subsidiaries, it offers a wide variety of logistics solutions including: domestic and global transportation of less-than-truckload (LTL) and full load shipments, expedited ground and time-definite delivery, freight forwarding, freight brokerage, oversight of roadside assistance and equipment services for commercial vehicles, and household goods moving for consumers, corporations, and the military. Employs 9,900. Chairman. Robert A. Young III owns 4.6% of stock; other officers/directors, .9%. Five fin'l insts., 30.6% (4/13 Proxy). Pres. & CEO: Judy McReynolds. Inc.: DE. Addr.: 3801 Old Greenwood Rd., Fort Smith, AR 72903. Tel.: 479-785-6000. Internet: www.arkbest.com.

ANNUAL RATES			
Past 10 Yrs	Past 5 Yrs	Est'd '10-'12	'16-'18
of change (per sh)			
Revenues	-.5%	--	6.5%
"Cash Flow"	-5.5%	-15.5%	14.5%
Earnings	--	--	NMF
Dividends	--	-27.0%	20.0%
Book Value	3.5%	-5.0%	4.0%

QUARTERLY REVENUES (\$ mill.)					
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	359.9	411.4	445.5	441.1	1657.9
2011	434.9	498.6	510.9	463.2	1907.6
2012	440.9	510.5	577.5	537.1	2066.0
2013	520.7	576.9	600	552.4	2250
2014	545	595	630	590	2360

EARNINGS PER SHARE ^A					
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2010	d.85	d.30	d.03	d.12	d1.30
2011	d.51	.20	.46	.08	.23
2012	d.50	.18	.24	d.31	d.39
2013	d.52	.18	.40	.14	.20
2014	d.15	.35	.55	.25	1.00

QUARTERLY DIVIDENDS PAID ^B					
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.15	.15	.15	.15	.60
2010	.03	.03	.03	.03	.12
2011	.03	.03	.03	.03	.12
2012	.03	.03	.03	.03	.12
2013	.03	.03	.03	.03	.12

(A) Diluted earnings. Excl. net nonrec. gains/(losses): '98, 11¢; '00, 12¢; '01, 19¢; '02, 19¢; '03, 10¢; '05, 37¢; '06, (24¢); '07, (3¢); '09, (\$2.66); '12, 8¢. Excl. extraordinary losses: '02, 95¢. Excl. disc. ops.: '97, (28¢); '99, (3¢); '06, 14¢. Next egs. report due late October. (B) Dividends paid late Feb., May, Aug., and Nov. (C) Incl. intangibles. In 2012: \$152.8 mill. (D) In millions.

Arkansas Best's high labor costs have caused it to struggle over the past few years. Through the recession and even today, competitors with lower labor cost structures have been reducing freight rates to gain market share. But, due to the company's burdensome contract with its Teamsters, these competitive actions have left the company at a disadvantage. Thus, Ark Best has been in talks with the Teamsters to give it more flexibility, and in late June, the company announced that a new five-year deal is likely to get done. Indeed, while the bulk of the new contract is agreed upon, there are still some supplemental provisions that need to be approved. Once ratified, Ark Best expects the combined effect of immediate cost reductions, lower expense increases throughout the contract, and higher flexibility in labor work rules to bring its labor cost structure more in line with its competitors, and to raise profitability. Investor optimism of a new deal has caused the stock price to rally about 150% so far this year. **Earnings in 2013 continue to be held back by high costs.** Although first-half revenues increased over 15% year over

year, due to improved tonnage levels, Ark Best's share loss widened, owing to its current cost structure. This should improve once the new labor contract is finalized. **Emerging, nonasset-based businesses continue to grow.** These segments are showing solid revenue, operating profit, and cash flow-gains, and now make up about 23% of the top line. With trailing four-quarter sales of roughly \$500 million and strong potential, the company believes these businesses can double to \$1 billion by 2015. **We think earnings will rise sharply in 2014.** With improving metrics in the freight business and strong momentum in the other segments, we think a top-line gain of 5% is reasonable. Moreover, a new labor deal ought to be in place, which should drastically improve the company's profitability, leading us to target earnings per share of \$1.00. **After the recent momentum, these timely shares are best suited for short-term accounts.** At the current quotation, this stock has slightly below-average long-term recovery potential. *Andrew J. Cueter August 30, 2013*

Company's Financial Strength	B+
Stock's Price Stability	20
Price Growth Persistence	15
Earnings Predictability	10

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