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HEARTLAND EXPRESS INC
Form 8-K
July 18, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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):
July 18, 2006

HEARTLAND EXPRESS, INC.
(Exact name of registrant as specified in its charter)

Commission File Number - 0-15087

NEVADA
(State of other Jurisdiction
of Incorporation)

93-0926999
(IRS Employer ID No.)

2777 HEARTLAND DRIVE, CORALVILLE, IOWA
(Address of Principal Executive Offices)

52241
(Zip Code)

Registrant's Telephone Number (including area code): 319-545-2728

Item 9.01. Financial Statements and Exhibits

Exhibit 99.1 - Heartland Express, Inc. press release dated July 18,
2006 with respect to the Company's financial results for the quarter ended June
30, 2006.

Item 2.02. Results of Operations and Financial Condition.

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On July 18, 2006, Heartland Express, Inc. announced its financial results for the quarter ended June 30, 2006. The press release is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

SIGNATURE

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

HEARTLAND EXPRESS, INC.

Date: July 18, 2006

BY:/s/ John P. Cosaert

JOHN P. COSAERT
Vice-President
Finance and Treasurer

Exhibit No. 99.1

Tuesday, July 18, 2006, For Immediate Release

Press Release

Heartland Express, Inc. Reports Revenues and Earnings for the Second Quarter of 2006.

CORALVILLE, IOWA - July 18, 2006 - Heartland Express, Inc. (Nasdaq: HTLD) announced today financial results for the quarter ended June 30, 2006. Operating revenues for the quarter increased 11.0% to \$143.1 million from \$128.9 million in the second quarter of 2005. Net income increased 40.5% to \$24.8 million from \$17.6 million in the 2005 period. Earnings per share were \$0.25 compared to \$0.18 for the second quarter of 2005.

For the six months ended June 30, 2006, operating revenues increased 12.3% to

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\$278.1 from \$247.5 during the same period in 2005. Net income increased 36.0% to \$44.5 million from \$32.7 million in the 2005 period. Earnings per share were \$0.45 compared with \$0.33 for the 2005 period.

For the quarter, Heartland Express, Inc. posted an operating ratio (operating expenses as a percentage of operating revenues) of 75.2% and a 17.3% net margin. The Company reported an operating ratio of 77.1% and a 16.0% net margin for the six months ended June 30, 2006. The Company ended the second quarter with cash, cash equivalents, and short-term investments of \$321.3 million, a \$33.7 million increase from the \$287.6 million reported on December 31, 2005. The Company's balance sheet continues to be debt-free.

Operating results for the six month period are favorably impacted by gains primarily from the trade of revenue equipment. Effective July 1, 2005 gains from the trade of revenue equipment are being recognized in operating income in compliance with Statement of Financial Accounting Standards No. 153, "Accounting for Non-monetary Transactions". Prior to July 1, 2005 gains from the trade-in of revenue equipment were deferred and presented as a reduction of the depreciable basis of new revenue equipment. Operating income for the three month and six month periods ended June 30, 2006 were favorably impacted by \$8.7 million and \$11.3 million, respectively, from gains on the trade-in of revenue equipment, net of the associated increase in depreciation expense as a result of the higher depreciable basis of traded revenue equipment acquired since July 1, 2005. As a result of these gains earnings per share was positively impacted \$0.06 per share for the quarter ended June 30, 2006 and \$0.07 for the six months ended June 30, 2006.

The Company has continued to upgrade its tractor and trailer fleet during the quarter. The Company took delivery of 354 new International tractors and 914 new Wabash trailers during the period. The average age of the Company's tractor fleet was 1.4 years at June 30, 2006, with 85% of the fleet comprised of 2005 or newer model year Internationals. The tractor fleet replacement will continue throughout the year and is scheduled to be completed by December 31, 2006. The Company will complete the upgrade of its trailer fleet in the third quarter. The average age of the Company's trailer fleet was 2.8 years at June 30, 2006.

During the quarter, Heartland Express declared a regular quarterly cash dividend. The quarterly dividend of approximately \$2.0 million at the rate of \$0.02 per share was paid on July 3, 2006 to shareholders of record at the close of business on June 22, 2006. The Company has now paid twelve consecutive quarterly cash dividends. In addition, the Company declared a 4-for-3 stock split, paid as a 33% stock dividend in the second quarter of 2006.

This stock split increased the Company's outstanding common stock from 73.8 million to 98.4 million shares. This was the Company's ninth stock split since going public in 1986. The Company's annual cash dividend will increase approximately \$2.0 million per year, a 33% increase, as a result of the recent stock split. All per share data presented have been adjusted retroactively to reflect the effect of the stock split.

This press release may contain statements that might be considered as forward-looking statements or predictions of future operations. Such statements are based on management's belief or interpretation of information currently available. These statements and assumptions involve certain risks and uncertainties. Actual events may differ from these expectations as specified from time to time in filings with the Securities and Exchange Commission.

Contact: Heartland Express, Inc.
John Cosaert, Chief Financial Officer
Mike Gerdin, President

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319-545-2728

HEARTLAND EXPRESS, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three months ended June 30,		Six months ended June 30,	
	2006 ----	2005 ----	2006 ----	2005 ----
OPERATING REVENUE	\$143,058,628	\$128,851,347	\$ 278,057,927	\$247,5
OPERATING EXPENSES:				
Salaries, wages, benefits	\$ 46,040,770	\$ 43,447,096	\$ 92,411,352	\$ 86,1
Rent and purchased transportation	6,772,305	7,829,721	12,971,977	15,5
Fuel	37,789,391	28,498,868	70,750,409	54,0
Operations and maintenance	3,358,967	3,777,156	6,305,700	6,3
Operating taxes and licenses	2,203,726	2,180,646	4,270,893	4,2
Insurance and claims	4,835,933	3,969,432	8,922,782	6,8

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Communications and utilities	943,092	928,039	1,895,431	1,6
Depreciation	11,181,612	9,053,013	21,359,271	17,4
Other operating expenses	4,158,378	4,006,619	8,356,007	8,2
Gain on disposal of property & equipment	(9,724,303)	(120,299)	(12,783,540)	(3
	-----	-----	-----	-----
	107,559,871	103,570,291	214,460,282	200,1
	-----	-----	-----	-----
Operating income	35,498,757	25,281,056	63,597,645	47,3
Interest income	2,906,972	2,052,067	5,412,919	3,3
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Income before income taxes	38,405,729	27,333,123	69,010,564	50,7
Federal and state income taxes	13,634,068	9,703,258	24,498,752	18,0
	-----	-----	-----	-----
Net income	\$ 24,771,661	\$ 17,629,865	\$ 44,511,812	\$ 32,7
	=====	=====	=====	=====
Earnings per share	\$ 0.25	\$ 0.18	\$ 0.45	\$
	=====	=====	=====	=====
Weighted average shares outstanding	98,428,589	99,668,612	98,428,589	99,8
	=====	=====	=====	=====
Dividends declared per share	\$ 0.020	\$ 0.015	\$ 0.035	\$
	=====	=====	=====	=====

HEARTLAND EXPRESS, INC.
AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	June 30, 2006	December 31, 2005
	-----	-----
	(unaudited)	
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,773,300	\$ 5,366,929
Short-term investments	316,494,007	282,255,377
Trade receivables	44,029,867	42,860,411
Prepaid tires	4,994,120	3,998,430
Other prepaid expenses	4,748,165	304,667
Deferred income taxes	28,632,000	28,721,000
	-----	-----
Total current assets	\$ 403,671,459	\$ 363,506,814
	-----	-----
PROPERTY AND EQUIPMENT	\$ 301,688,322	\$ 281,710,956
Less accumulated depreciation	85,204,755	81,204,416
	-----	-----
	\$ 216,483,567	\$ 200,506,540
	-----	-----
OTHER ASSETS	\$ 9,431,586	\$ 9,494,571
	-----	-----
	\$ 629,586,612	\$ 573,507,925

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LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable & accrued liabilities	\$ 18,953,611	\$ 10,572,525
Compensation & benefits	13,952,389	12,629,831
Income taxes payable	9,152,164	8,064,947
Insurance accruals	55,218,404	53,631,471
Other accruals	7,376,127	7,345,499
	-----	-----
Total current liabilities	\$ 104,652,695	\$ 92,244,273
	-----	-----
DEFERRED INCOME TAXES	\$ 50,427,000	\$ 48,012,000
	-----	-----
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Capital stock: common, \$.01 par value; authorized 395,000,000 shares; issued and outstanding 98,428,589 in 2006 and 73,821,500 in 2005	\$ 984,286	\$ 738,215
Additional paid-in capital	188,454	--
Retained earnings	473,334,177	432,952,138
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	\$ 474,506,917	\$ 433,690,353
Less unearned compensation	--	(438,701)
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	\$ 474,506,917	\$ 433,251,652
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	\$ 629,586,612	\$ 573,507,925
	=====	=====