

EXPEDITORS INTERNATIONAL OF WASHINGTON INC
Form 10-Q
May 09, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2008

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 0-13468

EXPEDITORS INTERNATIONAL OF WASHINGTON, INC.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of
incorporation or organization)

91-1069248
(IRS Employer Identification Number)

1015 Third Avenue, 12th Floor, Seattle, Washington

98104

Edgar Filing: EXPEDITORS INTERNATIONAL OF WASHINGTON INC - Form 10-Q

(Address of principal executive offices)

(Zip Code)

(206) 674-3400

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

At May 7, 2008, the number of shares outstanding of the issuer's Common Stock was 213,294,318.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

EXPEDITORS INTERNATIONAL OF WASHINGTON, INC.
AND SUBSIDIARIES

Condensed Consolidated Balance Sheets
(In thousands, except share data)

(Unaudited)

	March 31, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 740,966	\$ 574,599
Short-term investments	606	674
Accounts receivable, less allowance for doubtful accounts of \$14,465 at March 31, 2008 and \$14,830 at December 31, 2007	878,191	933,519
Deferred Federal and state income taxes	7,185	8,278
Other	19,117	17,627
Total current assets	1,646,065	1,534,697
Property and equipment, less accumulated depreciation and amortization of \$224,696 at March 31, 2008 and \$214,223 at December 31, 2007	500,845	497,892
Goodwill, net	7,927	7,927
Other intangibles, net	7,710	7,832
Other assets, net	21,156	20,717
	\$ 2,183,703	\$ 2,069,065
Liabilities and Shareholders Equity		
Current liabilities:		
Short-term debt	748	
Accounts payable	615,800	613,108
Accrued expenses, primarily salaries and related costs	145,598	129,669
Federal, state and foreign income taxes	36,812	26,976
Total current liabilities	798,958	769,753
Deferred Federal and state income taxes	67,566	55,533
Minority interest	17,367	17,208
Shareholders equity:		
Preferred stock, par value \$.01 per share.		
Authorized 2,000,000 shares; none issued		

Edgar Filing: EXPEDITORS INTERNATIONAL OF WASHINGTON INC - Form 10-Q

Common stock, par value \$.01 per share.

Authorized 320,000,000 shares; issued and outstanding 212,995,326 shares at March 31, 2008, and 212,996,776 shares at December 31, 2007

	2,130	2,130
Additional paid-in capital	48,788	50,006
Retained earnings	1,209,937	1,143,464
Accumulated other comprehensive income	38,957	30,971
Total shareholders' equity	1,299,812	1,226,571
Commitments and contingencies		
	\$ 2,183,703	\$ 2,069,065

See accompanying notes to condensed consolidated financial statements.

EXPEDITORS INTERNATIONAL OF WASHINGTON, INC.
AND SUBSIDIARIES

Condensed Consolidated Statements of Earnings
(In thousands, except share data)

(Unaudited)

	Three months ended March 31,	
	2008	2007
Revenues:		
Airfreight	\$ 599,763	\$ 517,205
Ocean freight and ocean services	446,792	375,202
Customs brokerage and other services	260,766	226,539
Total revenues	1,307,321	1,118,946
Operating expenses:		
Airfreight consolidation	461,099	389,644
Ocean freight consolidation	360,440	298,891
Customs brokerage and other services	111,454	96,275
Salaries and related costs	205,815	182,761
Rent and occupancy costs	19,435	16,667
Depreciation and amortization	9,772	9,575
Selling and promotion	9,504	9,096
Other	24,238	21,512
Total operating expenses	1,201,757	1,024,421
Operating income	105,564	94,525
Interest expense	(71)	(14)
Interest income	4,964	