

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) April 17, 2003

LANDSTAR SYSTEM, INC.

(Exact name of registrant as specified in its charter)

Delaware	021238	06-1313069
(State or other	(Commission	(I.R.S. Employer
jurisdiction	File Number)	Identification No.)
of incorporation)		

13410 Sutton Park Drive South, Jacksonville, Florida
(Address of principal executive offices)

32224
(Zip Code)

Registrant's telephone number, including area code (904) 398-9400

N/A

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

Item 7. Financial Statement and Exhibits

(c) Exhibits

99.1 Press Release, dated April 17, 2003.

Item 9. Regulation FD Disclosure

The information included in this section is being furnished under this "Item 9" and "Item 12. Disclosure of Results of Operations and Financial Condition" in accordance with SEC Release No. 33-8216.

On April 17, 2003, Landstar System, Inc. issued a press release announcing results for the first quarter of fiscal 2003. A copy of the press release is attached hereto as exhibit 99.1.

The information furnished under Item 9 and Item 12 of this Current Report on Form 8-K, including Exhibit 99.1 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

EXHIBIT INDEX

Exhibit	Description of Exhibit
99.1	Press Release, dated April 17, 2003

PRESS RELEASE,
dated April 17, 2003

EXHIBIT 99.1

For Immediate Release

Contact: Henry H. Gerken
Landstar System, Inc.
www.landstar.com
904-398-9400

April 17, 2003

LANDSTAR SYSTEM REPORTS RECORD FIRST QUARTER REVENUE, NET INCOME AND EARNINGS
PER DILUTED SHARE OF \$.62

Jacksonville, Florida - Landstar System, Inc. (NASDAQ: LSTR) reported 2003 record first quarter net income of \$10.2 million, or \$.62 per diluted share, compared with net income of \$8.5 million, or \$.51 per diluted share, in the 2002 first quarter. Revenue was a record \$366 million for the thirteen-week period ended March 29, 2003, compared with revenue of \$336 million in the comparable 2002 period. Operating margin was 4.7 percent in the 2003 first quarter compared with 4.5 percent in the 2002 first quarter.

Landstar's carrier group of companies generated \$290 million of revenue in the 2003 first quarter compared with revenue of \$270 million in the 2002 first quarter. In the 2003 and 2002 first quarters, the carrier group invoiced customers \$8.6 million and \$.8 million, respectively, of fuel surcharges that were passed on 100 percent to business capacity owners and excluded from revenue. Landstar's multimodal services group of companies generated \$69 million of revenue in the 2003 first quarter compared with \$59 million of revenue in the 2002 first quarter.

"I am very pleased with Landstar's 2003 first quarter performance," said Landstar Chairman and CEO Jeff Crowe. "Earnings per diluted share increased 22 percent quarter over quarter. Consolidated revenue increased by nearly 9 percent to the highest first quarter revenue in Landstar history. Compared to the 2002 first quarter,

revenue generated through other third party truck capacity providers (brokerage) increased more than 37 percent, revenue generated through rail and air carriers increased nearly 18 percent and revenue hauled by Landstar BCOs increased more than 2 percent. In addition, revenue from the U.S. Government increased approximately \$21 million compared to the 2002 first quarter. In the 2003 first quarter, we continued to increase revenue by providing our customers with the most efficient form of safe capacity available while improving our operating margin", Crowe said.

"Trailing twelve-month return on average equity remained high at 36 percent and return on invested capital, net income divided by the sum of average equity plus average debt, was 23 percent. During the 2003 first quarter, we purchased 159,851 shares of common stock at a total cost of \$8,467,000 and reduced debt by more than \$15 million. Shareholder's equity represented 72 percent of total capitalization, up from 66 percent at the end of 2002," Crowe said. "The company has the ability to purchase an additional 285,270 shares of its common stock under its authorized share repurchase program."

"As reported by FIRST CALL, the current range of analysts' earnings estimates for the second quarter of 2003 is \$.78 to \$.88 per diluted share. Currently, I anticipate results to be within that range. The current range of analysts' earnings estimates for the 2003 fiscal year is \$3.15 to \$3.45. I am currently more comfortable with the middle of that range," said Crowe.

Landstar will provide a live webcast of its quarterly earnings conference call this afternoon at 2 pm ET. To access the webcast, visit the Company's website at www.landstar.com. Click on Investors and then the webcast icon.

The following is a "safe harbor" statement under the Private Securities Litigation Reform Act of 1995. Statements contained in this press release that are not based on historical facts are "forward-looking statements." This press release contains forward-looking statements, such as statements which relate to Landstar's business objectives, plans,

strategies and expectations. Terms such as "anticipates," "believes," "estimates," "plans," "predicts," "may," "should," "will," the negative thereof and similar expressions, including any such expressions with respect to our level of comfort with analyst estimates, are intended to identify forward-looking statements. Such statements are by nature subject to uncertainties and risks, including but not limited to: an increase in the frequency or severity of accidents or workers' compensation claims; unfavorable development of existing accident claims; dependence on independent sales agents; dependence on third party capacity providers; disruptions or failures in our computer systems; a downturn in domestic economic growth or growth in the transportation sector; and substantial industry competition. These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated. Investors should not place undue reliance on such forward-looking statements, and Landstar undertakes no obligation to publicly update or revise any forward-looking statements.

Landstar System, Inc. is headquartered in Jacksonville, Florida. The Landstar carrier group comprised of Landstar Gemini, Inc., Landstar Inway, Inc., Landstar Ligon, Inc. and Landstar Ranger, Inc. delivers excellence in safe and complete over-the-road transportation services. The Landstar multimodal group comprised of Landstar Express America, Inc. and Landstar Logistics, Inc. delivers excellence in safe, expedited, contract logistics and intermodal transportation services. All Landstar operating companies are certified to ISO 9001:2000 quality management system standards.

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LANDSTAR SYSTEM, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended	
	March 29, 2003	March 30, 2002
Revenue	\$ 365,718	\$ 335,693
Investment income	324	563
Costs and expenses:		
Purchased transportation	271,462	247,188
Commissions to agents	28,084	26,088
Other operating costs	9,231	8,106
Insurance and claims	10,628	10,907
Selling, general and administrative	26,381	26,048
Depreciation and amortization	3,166	2,879
Total costs and expenses	348,952	321,216
Operating income	17,090	15,040
Interest and debt expense	770	1,308
Income before income taxes	16,320	13,732
Income taxes	6,161	5,218
Net income	\$ 10,159	\$ 8,514
Earnings per common share (1)	\$ 0.64	\$ 0.53
Diluted earnings per share (1)	\$ 0.62	\$ 0.51
Average number of shares outstanding:		
Earnings per common share (1)	15,774,000	16,193,000

	=====	=====
Diluted earnings per share (1)	16,426,000	16,727,000
	=====	=====

(1) 2002 earnings per share amounts and average number of shares outstanding have been restated to give retroactive effect to a two-for-one stock split effected in the form of a 100% stock dividend declared July 17, 2002.

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LANDSTAR SYSTEM, INC.
 SELECTED SEGMENT INFORMATION
 (Dollars in thousands)
 (Unaudited)

	Thirteen Weeks Ended	
	March 29, 2003	March 30, 2002
	-----	-----
External Revenue		

Carrier segment	\$ 290,045	\$ 269,963
Multimodal segment	68,709	58,719
Insurance segment	6,964	7,011
	-----	-----
External revenue	\$ 365,718	\$ 335,693
	=====	=====
Operating Income		

Carrier segment	\$ 18,496	\$ 16,856
Multimodal segment	1,924	1,140
Insurance segment	5,435	5,322
Other	(8,765)	(8,278)
	-----	-----

Operating income

\$ 17,090
=====

\$ 15,040
=====

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LANDSTAR SYSTEM, INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share amounts)
(Unaudited)

	March 29, 2003 -----	Dec. 28, 2002 -----
ASSETS		
Current assets:		
Cash	\$ 68,136	\$ 65,447
Short-term investments	2,724	3,130
Trade accounts receivable, less allowance of \$3,932 and \$3,953	182,746	190,052
Other receivables, including advances to independent contractors, less allowance of \$5,469 and \$5,331	21,347	12,640
Prepaid expenses and other current assets	3,227	3,338
	-----	-----

Total current assets	278,180	274,607
Operating property, less accumulated depreciation and amortization of \$55,226 and \$52,841	74,198	76,774
Goodwill	31,134	31,134
Other assets	15,247	18,233
Total assets	\$ 398,759	\$ 400,748
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Cash overdraft	\$ 18,410	\$ 16,545
Accounts payable	61,248	60,297
Current maturities of long-term debt	11,434	12,123
Insurance claims	25,859	24,419
Other current liabilities	40,699	40,593
Total current liabilities	157,650	153,977
Long-term debt, excluding current maturities	50,569	65,237
Insurance claims	27,342	25,276
Deferred income taxes	7,524	7,165
Shareholders' equity:		
Common stock, \$.01 par value, authorized 20,000,000 shares, issued 16,540,507 and 16,337,506 shares	165	163
Additional paid-in capital	7,248	2,609
Retained earnings	183,976	173,817
Cost of 714,730 and 554,879 shares of common stock in treasury	(34,773)	(26,306)
Notes receivable arising from exercise of stock options	(942)	(1,190)
Total shareholders' equity	155,674	149,093
Total liabilities and shareholders' equity	\$ 398,759	\$ 400,748

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LANDSTAR SYSTEM, INC.
SUPPLEMENTAL INFORMATION
March 29, 2003
(Unaudited)

	March 29, 2003	March 30, 2002
	-----	-----
Carrier Segment		
External revenue generated through (in thousands):		
Business Capacity Owners (1)	\$ 249,524	\$ 241,704
Other third party truck capacity providers	40,521	28,259
	-----	-----
	\$ 290,045	\$ 269,963

	-----	-----
Revenue per revenue mile	\$ 1.74	\$ 1.68
	-----	-----
Revenue per load	\$ 1,199	\$ 1,125
	-----	-----
Average length of haul (miles)	690	671
	-----	-----
Number of loads	241,999	240,013
	-----	-----
Multimodal Segment		
External revenue generated through (in thousands):		
Business Capacity Owners (1)	\$ 10,758 (2)	\$ 12,888 (2)
Other third party truck capacity providers	36,949	27,998
Rail and Air Carriers	21,002	17,833
	-----	-----
	\$ 68,709	\$ 58,719
	-----	-----
Revenue per load	\$ 1,250	\$ 1,058
	-----	-----
Number of loads	54,982	55,503
	-----	-----
	As of	As of
	March 29,	Dec. 28,
	2003	2002
	-----	-----
Capacity		
Business Capacity Owners (1)	7,272 (3)	7,365 (3)
	-----	-----
Other third party truck capacity providers:		
Approved and active (4)	8,669	8,610
Approved	5,840	5,310
	-----	-----
	14,509	13,920
	-----	-----
Total available truck capacity providers	21,781	21,285
	=====	=====

- (1) Business Capacity Owners are independent contractors who provide truck capacity to the Company under exclusive lease arrangements.
- (2) Includes revenue generated through Carrier Segment Business Capacity Owners.
- (3) Trucks provided by business capacity owners were 8,267 and 8,402, respectively.
- (4) Active refers to other third party truck capacity providers who have moved at least one load in the past 180 days.