UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 27, 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 000-11917

DAVEY

THE DAVEY TREE EXPERT COMPANY
(Exact name of registrant as specified in its charter)

Ohio	**34-0176110**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1500 North Mantua Street
P.O. Box 5193
Kent, Ohio 44240
(Address of principal executive offices) (Zip code)

(330) 673-9511
(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, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

(Check one):	☐ Large Accelerated Filer	☒ Accelerated Filer
	☐ Non-Accelerated Filer	☐ Smaller Reporting Company

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

There were 14,965,303 Common Shares, $1.00 par value, outstanding (after stock split) as of October 31, 2008.

The Davey Tree Expert Company
Quarterly Report on Form 10-Q
September 27, 2008

INDEX

We," "Us," "Our," "Davey" and "Davey Tree," unless the context otherwise requires, means The Davey Tree Expert Company and its subsidiaries.

THE DAVEY TREE EXPERT COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS *(Unaudited)*

(In thousands, except per share data dollar amounts)

	September 27, 2008	December 31, 2007
Assets		
Current assets:		
Cash	$ 681	$ 1,819
Accounts receivable, net	106,860	72,011
Operating supplies	5,800	3,688
Other current assets	17,213	14,365
Total current assets	130,554	91,883
Property and equipment	384,818	340,032
Less accumulated depreciation	246,163	231,793
	138,655	108,239
Other assets	21,260	19,797
Identified intangible assets and goodwill, net	31,630	11,730
	$ 322,099	$ 231,649
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 28,293	$ 20,419
Accrued expenses	31,137	26,311
Other current liabilities	29,718	24,710
Total current liabilities	89,148	71,440
Long-term debt	70,838	32,099
Self-insurance accruals	42,358	28,710
Other noncurrent liabilities	4,396	5,018
	206,740	137,267
Common shareholders' equity:*		
Common shares, $1.00 par value, per share; 24,000 shares authorized; 21,457 shares issued	21,457	21,457
Additional paid-in capital	3,138	-
Common shares subscribed, unissued	6,447	7,571
Retained earnings	150,266	134,356
Accumulated other comprehensive income (loss)	(472)	400
	180,836	163,784
Less: Cost of Common shares held in treasury; 6,203 shares at September 27, 2008 and 6,926 shares at December 31, 2007	64,442	67,310
Common shares subscription receivable	1,035	2,092
	115,359	94,382
	$ 322,099	$ 231,649

***** Adjusted for two-for-one stock split

See notes to condensed consolidated financial statements.

THE DAVEY TREE EXPERT COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS *(Unaudited)*

(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 27, 2008	**September 29, 2007**	**September 27, 2008**	**September 29, 2007**
Revenues	$ 173,559	$ 134,300	$ 447,984	$ 381,521
Costs and expenses:				
Operating	110,437	85,532	290,573	245,108
Selling	27,409	22,094	68,826	60,942
General and administrative	12,930	9,946	34,007	29,224
Depreciation and amortization	10,124	7,565	26,023	21,421
Gain on sale of assets, net	(113)	(414)	(442)	(417)
	160,787	124,723	418,987	356,278
Income from operations	12,772	9,577	28,997	25,243
Other income (expense):				
Interest expense	(980)	(947)	(2,599)	(2,875)
Interest income	60	115	206	334
Other, net	(878)	(147)	(1,996)	(491)
Income before income taxes	10,974	8,598	24,608	22,211
Income tax	4,080	2,948	9,425	8,189
Net income	$ 6,894	$ 5,650	$ 15,183	$ 14,022
Net income per share:*				
Basic	$ .44	$ .38	$ .98	$ .89
Diluted	$ .42	$ .35	$ .92	$ .84
Weighted average shares outstanding:*				
Basic	15,525	14,931	15,558	15,766
Diluted	16,603	15,972	16,531	16,625
Dividends declared per share*	$ .043	$ .040	$ .128	$ .120

*Adjusted for two-for-one stock split

See notes to condensed consolidated financial statements.

THE DAVEY TREE EXPERT COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS *(Unaudited)*

(In thousands)

	Nine Months Ended	
	September 27, 2008	**September 29, 2007**
Operating activities		
Net income	$ 15,183	$ 14,022
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	26,023	21,421
Other	794	(1,656)
Changes in operating assets and liabilities:		
Accounts receivable	(26,483)	(16,086)
Operating liabilities	7,217	12,987
Other assets, net	(5,146)	619
	2,405	17,285
Net cash provided by operating activities	17,588	31,307
Investing activities		
Capital expenditures:		
Equipment	(28,549)	(27,822)
Land and buildings	(751)	(4,741)
Purchases of businesses	(15,718)	(2,441)
Other	713	(713)
Net cash used in investing activities	(44,305)	(35,717)
Financing activities		
Revolving credit facility proceeds, net	34,150	13,500
Purchase of common shares for treasury	(12,135)	(14,269)
Sale of common shares from treasury	5,230	7,415
Dividends	(2,050)	(1,903)
Other	384	(1,460)
Net cash provided by financing activities	25,579	3,283
Decrease in cash	(1,138)	(1,127)
Cash, beginning of period	1,819	2,101
Cash, end of period	**$ 681**	**$ 974**
Supplemental cash flow information follows:		
Interest paid	$ 2,362	$ 2,739
Income taxes paid	9,829	10,639
Noncash transactions:		
Common shares, two-for-one split	$ 10,728	$ -
Debt issued for purchases of businesses	5,639	1,785
Common shares issued for purchase of business	14,692	-
Detail of acquisitions:		
Assets acquired:		
Cash	$ 55	$ -
Receivables	8,366	-
Operating supplies	1,090	-
Prepaid expense	339	-
Equipment	27,062	798
Deposits and other	742	-
Intangibles	21,098	3,744
Liabilities assumed	(22,648)	(316)
Debt issued for purchases of businesses	(5,639)	(1,785)
Common shares issued for purchase of business	(14,692)	-
Cash paid	$ 15,773	$ 2,441

See notes to condensed consolidated financial statements.

The Davey Tree Expert Company
Notes to Condensed Consolidated Financial Statements (Unaudited)
September 27, 2008
(Amounts in thousands, except share data)

A. Basis of Financial Statement Preparation

The condensed consolidated financial statements present the financial position, results of operations and cash flows of The Davey Tree Expert Company and its subsidiaries. “We,” “us,” “our,” “Davey,” “Davey Tree” and the “Company” means The Davey Tree Expert Company and its subsidiaries, unless the context indicates otherwise.

We have prepared the accompanying unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) and with the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial information. The consolidated financial statements include all adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. All such adjustments are of a normal, recurring nature. All significant intercompany accounts and transactions have been eliminated.

Certain information and disclosures required by U.S. GAAP for complete financial statements have been omitted in accordance with the rules and regulations of the SEC. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements included in our annual report on Form 10-K for the year ended December 31, 2007 (the “2007 Annual Report”).

***Per Common Share Information*--**All common share and per share data have been retroactively adjusted to recognize a two-for-one forward stock split of our common shares effective October 1, 2008.

***Use of Estimates in Financial Statement Preparation*--**The preparation of financial statements in accordance with U.S. GAAP requires the use of estimates and assumptions that affect reported amounts. Our consolidated financial statements include amounts that are based on management’s best estimates and judgments. Estimates are used for, but not limited to, accounts receivable valuation, self-insurance accruals, income taxes and revenue recognition. Actual results could differ from those estimates.

***Interim Results of Operations*--**Interim results may not be indicative of calendar year performance because of seasonal and short-term variations.

***New Accounting Pronouncement Adopted*--**In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement No. 157, “Fair Value Measurements” (“FAS 157”), which establishes a framework for measuring fair value and requires expanded presentations regarding fair value measurements. In February 2008, the FASB issued FASB Staff Position No. FAS 157-2, “Effective Date of FASB Statement No. 157” (“FSP FAS 157-2”), which allows for the deferral of the adoption date of FAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or presented at fair value in the financial statements on a recurring basis. We have elected to defer the adoption of FAS 157 for the assets and liabilities within the scope of FSP FAS 157-2. The effective provisions of FAS 157, adopted January 1, 2008, are included in Note G, “Fair Value Measurements.” The adoption of FAS 157 for those assets and liabilities within the scope of FSP FAS 157-2 is not expected to have a material impact on our financial position, results of operations or cash flows.

A. Basis of Financial Statement Preparation (continued)

New Accounting Pronouncements Requiring Adoption**--**In March 2008, the FASB issued FAS 161, "Disclosures about Derivative Instruments and Hedging Activities-an amendment of FASB Statement 133" ("FAS 161"). FAS 161 requires entities to provide enhanced disclosures relating to: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedge items are accounted for under FAS 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133") and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. FAS 161 must be applied prospectively to all derivative instruments and nonderivative instruments that are designated and qualify as hedging instruments and related hedged items accounted for under FAS 133 for all financial statements issued for fiscal years and interim periods beginning after November 15, 2008, which for us begins with our 2009 calendar year, with early application encouraged. The adoption of FAS 161 will not have a material effect on our financial position, results of operation or cash flows.

In December 2007, the FASB issued Statement No. 141 (revised 2007), "Business Combinations" ("FAS 141R"), which replaces FAS 141, "Business Combinations." FAS 141R retains the underlying concepts of FAS 141 in that all business combinations are still required to be accounted for at fair value under the acquisition method of accounting but FAS 141R changes the method of applying the acquisition method in a number of significant aspects. Early adoption is not permitted. We are required to adopt FAS 141R prospectively for any acquisitions on or after January 1, 2009.

In April 2008, the FASB issued FASB Staff Position No. 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP FAS 142-3"), which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FAS 142, "Goodwill and Other Intangible Assets." Early adoption is not permitted. We are required to adopt FSP FAS 142-3 prospectively for any intangibles acquired on or after January 1, 2009. The adoption of FSP FAS 142-3 will not have a material effect on our financial position, results of operation or cash flows.

B. Seasonality of Business

Due to the seasonality of our business, our operating results for the nine months ended September 27, 2008 are not indicative of results that may be expected for any other interim period or for the year ending December 31, 2008. Business seasonality is the result of traditionally higher revenues during the second and third quarters as compared with the first and fourth quarters of the year, while the methods of accounting for fixed costs, such as depreciation expense, amortization, rent and interest expense, are not significantly impacted by business seasonality.

C. Business Combinations

We made investments in six businesses during the nine months ended September 27, 2008 for an aggregate purchase price of $36,104, including cash payment of $15,773, common shares of $14,692 and debt issued of $5,639. Additional consideration for these acquisitions is contingent upon continued employment, which is expensed as compensation over the employment period and not included in the purchase price.

(Amounts in thousands, except share data)

C. Business Combinations (continued)

The allocation of the purchase price of our latest acquisition, effective June 27, 2008, was based on historical cost of net assets acquired with the excess of the purchase price being included in goodwill.

Acquired amortizable intangibles totaled $3,271 and have estimated useful lives of between three and seven years. The excess of purchase price over the fair value of the net assets acquired was $17,827 of goodwill and is classified in our consolidated balances sheets with identified intangible assets and goodwill, net.

The purchase price allocation for each acquisition is preliminary and subject to revision, and any change to the fair value of net assets acquired will lead to a corresponding change to the purchase price allocable to goodwill. The results of operations of the acquired businesses have been included in our consolidated results of operations from each acquisition-date forward. The effect of these acquisitions on consolidated revenues and the results of operations for the nine months ended September 27, 2008 was not significant.

D. Accounts Receivable, Net

Our accounts receivable, net, consisted of the following:

	September 27, 2008	December 31, 2007
Accounts receivable	$ 93,061	$ 69,326
Receivables under contractual arrangements	15,846	5,426
	108,907	74,752
Less allowances for doubtful accounts	2,047	2,741
	$ 106,860	$ 72,011

Receivables under contractual arrangements consist of work-in-process in accordance with the terms of contracts, primarily with utility services customers.

(Amounts in thousands, except share data)

E. Identified Intangible Assets and Goodwill, Net

The carrying amount of the identified intangibles and goodwill acquired in connection with our investments in businesses were as follows:

	September 27, 2008		December 31, 2007	
Identified Intangible Assets and Goodwill, Net	**Carrying Amount**	**Accumulated Amortization**	**Carrying Amount**	**Accumulated Amortization**
Amortized intangible assets:				
Customer lists/relationships	$ 9,459	$ 7,441	$ 8,435	$ 6,509
Employment-related	4,840	2,871	2,847	2,235
Tradenames	2,647	1,211	1,489	866
Amortized intangible assets	$ 16,946	$ 11,523	$ 12,771	$ 9,610
Less accumulated amortization	11,523		9,610	
Identified intangibles, net	5,423		3,161	
Unamortized intangible assets:				
Goodwill and other — Not amortized	26,207		8,569	
	$ 31,630		$ 11,730	

F. Long-Term Debt

Our long-term debt consisted of the following:

	September 27, 2008	December 31, 2007
Revolving credit facility		
Prime rate borrowings	$ 3,700	$ 7,800
LIBOR borrowings	56,000	17,000
Term loan	6,250	7,000
	65,950	31,800
Term loans	12,496	4,142
	78,446	35,942
Less current portion	7,608	3,843
	$ 70,838	$ 32,099

Revolving Credit Facility--We have a $159,000 revolving credit facility with a group of banks, which will expire in December 2011 and permits borrowings, as defined, up to $159,000 (increased in May 2008 from $147,000) with a letter of credit sublimit of $100,000. The revolving credit facility contains certain affirmative and negative covenants customary for this type of facility and includes financial covenant ratios, as defined, with respect to funded debt to EBITDA (earnings before interest, taxes, depreciation and amortization), and funded debt to capitalization. Included in the credit facility is a $7,000 seven-year term loan entered into in November 2007 that requires quarterly principal installments of $250, plus interest.

(Amounts in thousands, except share data)

F. Long-Term Debt (continued)

As of September 27, 2008, we had unused commitments under the facility approximating $34,164, with $124,836 committed, consisting of borrowings of $65,950 (including the $6,250 term loan) and issued letters of credit of $58,886. Borrowings outstanding bear interest, at Davey Tree's option, at the agent bank's prime rate or LIBOR plus a margin adjustment ranging from .65% to 1.45%, based on a ratio of funded debt to EBITDA. A commitment fee ranging from .11% to .19% is also required based on the average daily unborrowed commitment.

G. Fair Value Measurements

On January 1, 2008, we adopted Financial Accounting Standards Board ("FASB") Statement No. 157, "Fair Value Measurements" ("FAS 157") for our financial assets and financial liabilities, which had no effect on our financial position, results of operations or cash flows. FAS 157 establishes a common definition for fair value to be applied to U.S. GAAP requiring use of fair value, establishes a framework for measuring fair value, and expands presentations about such fair value measurements. FAS 157 indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. FAS 157 defines fair value based upon an exit price model.

Valuation Hierarchy--FAS 157 establishes a valuation hierarchy for presentation of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on our own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

As of September 27, 2008, we held interest rate contracts—cash-flow hedges—to effectively convert a portion of our variable-rate revolving credit borrowings to a fixed rate, thus reducing the impact of interest-rate changes on future interest expense. The cash-flow hedges are classified as assets or liabilities in the consolidated balance sheets, with changes in their fair value included in other comprehensive income.

Our assets and liabilities measured at fair value on a recurring basis subject to the presentation requirements of FAS 157 at September 27, 2008, were as follows:

		Fair Value Measurements at September 27, 2008 Using:		
Description	**Total Carrying Value at September 27, 2008**	**Quoted prices in active markets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets:	$ -	$ -	$ -	$ -
Liabilities:				
Interest rate contracts, classified as accrued expenses	$ 462	$ -	$ 462	$ -

(Amounts in thousands, except share data)

H. Stock-Based Compensation

The Davey Tree Expert Company 2004 Omnibus Stock Plan (the "Stock Plan") was approved by our shareholders at our annual shareholders' meeting in May 2004. The Stock Plan is administered by the Compensation Committee of the Board of Directors, with the maximum number of common shares that may be granted to or purchased by all employees and directors under the Stock Plan being 10,000,000. In addition to the maintenance of the Employee Stock Purchase Plan, the Stock Plan provides for the grant of stock options, restricted stock, stock appreciation rights, stock purchase rights, stock equivalent units, cash awards, and other stock or performance-based incentives. These awards are payable in cash or common shares, or any combination thereof, as established by the Compensation Committee.

Stock-based compensation expense under all share-based payment plans -- our Employee Stock Purchase Plan, stock option plans, and performance-based restricted stock units -- included in the results of operations follows:

	Three Months Ended		Nine Months Ended	
	September 27, 2008	September 29, 2007	September 27, 2008	September 29, 2007
Compensation expense, all share-based payment plans	$ 252	$ 412	$ 927	$ 1,123

Stock-based compensation consisted of the following:

Employee Stock Purchase Plan--Under the Employee Stock Purchase Plan, all full-time employees with one year of service are eligible to purchase, through payroll deduction, common shares. Employee purchases under the Employee Stock Purchase Plan are at 85% of the fair market value of the common shares--a 15% discount. We recognize compensation costs as payroll deductions are made. The 15% discount of total shares purchased under the plan resulted in compensation cost of $236 being recognized for the nine months ended September 27, 2008 and $192 for the nine months ended September 29, 2007.

Stock Option Plans--Since adopting FASB Statement No. 123 (revised), "Share-Based Payment" ("FAS 123R") on January 1, 2006 and through the end of the third quarter, September 27, 2008, we have granted 524,000 stock option awards. The stock option awards were granted at an exercise price equal to the fair market value of our common shares at the dates of grant. The stock options were awarded under a graded vesting schedule and the stock options have a term of ten years. Compensation costs for stock options are recognized over the requisite service period on the straight-line recognition method. Compensation expense for stock options was $244 for the nine months ended September 27, 2008 and $252 for the nine months ended September 29, 2007.

(Amounts in thousands, except share data)

H. Stock-Based Compensation (continued)

Performance-Based Restricted Stock Units--During February 2008, the Compensation Committee of the Board of Directors awarded 31,070 Performance-Based Restricted Stock Units to certain management employees. The Compensation Committee made similar awards in prior periods. The awards vest over specified periods. The following table summarizes Performance-Based Restricted Stock Units as of September 27, 2008.

Unvested Performance-Based Restricted Stock Units	Number of Stock Units	Weighted-Average Grant Date Value	Weighted-Average Remaining Contractual Life	Unrecognized Compensation Cost	Aggregate Intrinsic Value
Unvested, January 1, 2008	285,682				
Granted	31,070				
Forfeited	-				
Vested	(192,772)				
Unvested, September 27, 2008	123,980	$ 11.96	3.0 years	$ 897	$ 2,033

The fair value of the restricted stock units for awards made prior to January 1, 2006 is based on the market price of our common shares on the date of award and is recognized as compensation cost on the straight-line recognition method over the vesting period. Under the provisions of FAS 123R, compensation cost for awards made after December 31, 2005 is determined using a fair-value method and amortized over the requisite service period. Compensation expense on restricted stock awards totaled $447 for the nine months ended September 27, 2008 and $679 for the nine months ended September 29, 2007.

For stock-based awards issued on or after January 1, 2006, we estimated the fair value of each award on the date of grant using a binomial option-pricing model. The binomial model considers a range of assumptions related to volatility, risk-free interest rate and employee exercise behavior. Expected volatilities utilized in the binomial model are based on historical volatility of our stock prices and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The binomial model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of the stock-based awards is derived from the output of the binomial model and represents the period of time that awards granted are expected to be outstanding.

(Amounts in thousands, except share data)

H. Stock-Based Compensation (continued)

General Stock Option Information--The following table summarizes activity under the stock option plans for the nine months ended September 27, 2008.

	Number of Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Unrecognized Compensation Cost	Aggregate Instrinic Value
Outstanding, January 1, 2008	1,421,916	$ 8.35			
Granted	40,000	16.04			
Exercised	(65,866)	6.84			
Forfeited	(22,000)	10.86			
Outstanding, September 27, 2008	1,374,050	8.60	5.9 years	$ 11,818	$ 10,718
Exercisable, September 27, 2008	861,050	7.92	5.6 years		$ 7,302

"Intrinsic value" is defined as the amount by which the market price of a common share exceeds the exercise price of an option. Information regarding the stock options outstanding at September 27, 2008 is summarized below:

Exercise Price	Number Outstanding	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
Employee options:					
$6.75	838,650	5.2 years	$6.75	633,650	$6.75
11.25	447,400	7.7 years	11.25	171,400	11.25
	1,286,050	6.1 years	8.32	805,050	7.71
Director options:					
$6.00 to $16.40	88,000	4.2 years	12.79	56,000	10.90
	1,374,050	5.9 years	8.60	861,050	7.92

Common shares are issued from treasury upon the exercise of stock options, restricted stock units or purchases under the Employee Stock Purchase Plan.

(Amounts in thousands, except share data)

I. Net Periodic Benefit Cost--Defined Benefit Pension Plans

Substantially all of our domestic employees are covered by noncontributory defined benefit pension plans. The results of operations included the following net periodic benefit cost recognized related to our defined-benefit pension plans.

	Three Months Ended		Nine Months Ended	
	September 27, 2008	September 29, 2007	September 27, 2008	September 29, 2007
Components of pension cost				
Service costs--increase in benefit obligation earned	$ 452	$ 396	$ 1,355	$ 1,187
Interest cost on projected benefit obligation	415	397	1,245	1,191
Expected return on plan assets	(561)	(537)	(1,684)	(1,610)
Amortization of net actuarial loss	10	64	30	192
Amortization of prior service cost	8	8	23	24
Amortization of transition asset	(18)	(18)	(52)	(54)
Net pension cost of defined-benefit pension plans	$ 306	$ 310	$ 917	$ 930

Employer Contributions--Contributions of $368 were made to our defined-benefit pension plans during the nine months ended September 27, 2008. We do not expect, as of September 27, 2008, to make additional defined-benefit plan contributions before December 31, 2008.

J. Income Taxes

Our tax provision for interim periods is determined using an estimate of our annual effective tax rate adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter we update our estimate of the annual effective tax rate and if our estimated annual tax rate changes we make a cumulative adjustment. The 2008 annual effective tax rate is estimated to be 38.3%. We estimated 36.9% as the annual effective tax rate in reporting the results of operations for the first nine months of 2007.

We adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," an interpretation of FASB Statement No. 109, "Accounting for Income Taxes" ("FIN 48") effective January 1, 2007. At December 31, 2007, we had $918 of unrecognized tax benefits, substantially all which would affect our effective tax rate if recognized, and accrued interest expense related to the unrecognized tax benefits of $202. At September 27, 2008, there were no significant changes in the unrecognized tax benefits, including the amount that would affect our effective tax rate if recognized, or the accrued interest expense related to the unrecognized tax benefits.

We do not anticipate that total unrecognized tax benefits will change significantly in the next 12 months, based on tax years open to examination.

(Amounts in thousands, except share data)

K. Comprehensive Income (Loss)

Comprehensive income (or loss) is comprised of net income (or net loss) and other components, including currency translation adjustments, changes in the fair value of interest rate contracts qualifying as cash flow hedges, and adjustments to defined-benefit pension plans. The components of comprehensive income (loss) follow:

	Three Months Ended		Nine Months Ended	
	September 27, 2008	September 29, 2007	September 27, 2008	September 29, 2007
Comprehensive Income				
Net income	$ 6,894	$ 5,650	$ 15,183	$ 14,022
Other comprehensive income (loss)				
Currency translation adjustments	(410)	831	(939)	1,921
Interest rate contracts, change in fair value	(29)	(329)	108	(234)
Other comprehensive income (loss), before income taxes	(439)	502	(831)	1,687
Income tax benefit (expense), related to items of other comprehensive income	11	125	(41)	89
Other comprehensive income (loss)	(428)	627	(872)	1,776
Comprehensive income	$ 6,466	$ 6,277	$ 14,311	$ 15,798

L. Per Share Amounts and Common Shares Outstanding

We calculate our basic earnings per share by dividing net income or net loss by the weighted average number of common shares outstanding during the period. Diluted earnings per share are calculated in a similar manner, but include the effect of dilutive securities. To the extent these securities are antidilutive, they are excluded from the calculation of earnings per share. The per share amounts were computed as follows (adjusted for the two-for-one stock split of our common shares effective October 1, 2008)
:

	Three Months Ended		Nine Months Ended	
	September 27, 2008	September 29, 2007	September 27, 2008	September 29, 2007
Income available to common shareholders:				
Net income	$ 6,894	$ 5,650	$ 15,183	$ 14,022
Weighted-average shares:				
Basic:				
Outstanding	15,254,261	14,607,200	14,750,984	14,804,790
Partially-paid share subscriptions	270,846	323,864	806,650	961,030
Basic weighted-average shares	15,525,107	14,931,064	15,557,634	15,765,820
Diluted:				
Basic from above	15,525,107	14,931,064	15,557,634	15,765,820
Incremental shares from assumed:				
Exercise of stock subscription purchase rights	335,925	318,732	311,070	279,928
Exercise of stock options	742,440	721,850	662,514	579,360
Diluted weighted-average shares	16,603,472	15,971,646	16,531,218	16,625,108
Net income per share				
Basic	$ .44	$ .38	$ .98	$ .89
Diluted	$ .42	$ .35	$ .92	$ .84

(Amounts in thousands, except share data)

L. Per Share Amounts and Common Shares Outstanding (continued)

Common Shares Outstanding--A summary of the activity of the common shares outstanding for the nine months ended September 27, 2008 follows:

Shares outstanding at December 31, 2007	14,531,780
Shares purchased	(763,344)
Shares sold	302,112
Shares issued for purchase of business	929,890
Stock subscription offering – cash purchases	187,342
Options exercised	66,266
	722,266
Shares outstanding at September 27, 2008	15,254,046

On September 27, 2008, we had 15,254,046 common shares outstanding, options exercisable to purchase 861,050 common shares, partially-paid subscriptions for 1,074,552 common shares and purchase rights outstanding for 495,864 common shares.

The partially-paid subscriptions relate to common shares purchased at $6.00 per share (after two-for-one stock split), in connection with the stock subscription offering completed in August 2002, whereby some employees opted to finance their subscription with a down-payment of at least 10% of their total purchase price and a seven- year promissory note for the balance due, with interest at 4.75% per year. Promissory note payments, of both principal and interest, are made either by payroll deduction or annual lump-sum payment. The promissory notes are collateralized with the common shares subscribed and the common shares are only issued when the related promissory note is paid-in-full. Dividends are paid on all unissued subscribed shares.

The purchase rights outstanding were granted to employees (excluding directors, officers and certain operations management) to purchase one additional common share at the price of $6.00 per share for every two common shares purchased in connection with the stock subscription offering completed in August 2002. Each right may be exercised at the rate of one-seventh per year and will expire seven years after the date that the right was granted. Employees may not exercise a right should they cease to be employed by Davey Tree.

M. Operations by Business Segment

Our operating results are reported in two segments: Residential and Commercial Services, and Utility Services.

Residential and Commercial Services provides for the treatment, preservation, maintenance, cultivation, planting and removal of trees, shrubs and other plant life; its services also include the practice of landscaping, tree surgery, tree feeding, and tree spraying, as well as the application of fertilizer, herbicides and insecticides. Utility Services is principally engaged in the practice of line clearing for investor-owned and municipal utilities, including the clearing of tree growth from power lines, clearance of rights-of-way and chemical brush control. Davey Resource Group, which provides services related to natural resource management and consulting, forestry research and development, and environmental planning and also maintains research, technical support and laboratory diagnostic facilities, is a nonreportable segment and, along with other operating activities, are included in “All Other.”

(Amounts in thousands, except share data)

M. Operations by Business Segment (continued)

***Measurement of Segment Profit and Loss and Segment Assets*--**We evaluate performance and allocate resources based primarily on operating income and also actively manage business unit operating assets. Segment information, including reconciling adjustments, is presented consistently with the basis described in the 2007 Annual Report.

Segment information reconciled to consolidated external reporting information follows:

	Utility Services	Residential Commercial Services	All Other	Reconciling Adjustments	Consolidated
Three Months Ended September 27, 2008					
Revenues	$ 86,913	$ 77,368	$ 9,278	$ -	$ 173,559
Income (loss) from operations	6,572	6,842	394	(1,036)	12,772
Interest expense				(980)	(980)
Interest income				60	60
Other income (expense), net				(878)	(878)
Income before income taxes					$ 10,974
Segment assets, total	138,032	116,833	67,234	-	322,099
Three Months Ended September 29, 2007					
Revenues	$ 63,480	$ 61,810	$ 9,010	$ -	$ 134,300
Income (loss) from operations	3,550	6,873	175	(1,021)	9,577
Interest expense				(947)	(947)
Interest income				115	115
Other income (expense), net				(147)	(147)
Income before income taxes					$ 8,598
Segment assets, total	102,076	80,258	61,884	-	244,218
Nine Months Ended September 27, 2008					
Revenues	$ 229,585	$ 188,994	$ 29,405	$ -	$ 447,984
Income (loss) from operations	16,002	14,659	589	(2,253)	28,997
Interest expense				(2,599)	(2,599)
Interest income				206	206
Other income (expense), net				(1,996)	(1,996)
Income before income taxes					$ 24,608
Segment assets, total	138,032	116,833	67,234	-	322,099
Nine Months Ended September 29, 2007					
Revenues	$ 182,607	$ 170,900	$ 28,014	$ -	$ 381,521
Income (loss) from operations	11,884	16,585	(439)	(2,787)	25,243
Interest expense				(2,875)	(2,875)
Interest income				334	334
Other income (expense), net				(491)	(491)
Income before income taxes					$ 22,211
Segment assets, total	102,076	80,258	61,884	-	244,218

N. Event Subsequent to September 27, 2008: Two-for-One Stock Split

On September 12, 2008, our Board of Directors adopted a resolution effecting a two-for-one forward stock split of the Company's common shares, paid as a stock dividend to shareholders of record as of September 27, 2008. The effective time of the forward stock split was the open of business on October 1, 2008. The par value of each common share remains at $1.00. Accordingly, $10,728 was reclassified to the common shares account from additional paid-in capital and shareholders received an additional common share for each common share held.

All common share and per share data have been adjusted to give retroactive effect to the two-for-one stock split for all periods presented. Also, the number of common shares issuable upon exercise of outstanding stock options and other stock-based awards and the number of stock-based awards vested and reserved for issuance under the various benefit plans, including the Employee Stock Purchase Plan, were proportionately increased in accordance with the respective plans.

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations.*

(Amounts in thousands, except share data)

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided as a supplement to the accompanying condensed consolidated financial statements and notes to help provide an understanding of our financial condition, cash flows and results of operations.

We provide a wide range of horticultural services to residential, commercial, utility and institutional customers throughout the United States and Canada.

Our Business**--**Our operating results are reported in two segments: Residential and Commercial Services, and Utility Services for operations in the United States and Canada. Residential and Commercial Services provides for the treatment, preservation, maintenance, cultivation, planting and removal of trees, shrubs and other plant life; its services also include the practice of landscaping, tree surgery, tree feeding and tree spraying, as well as the application of fertilizer, herbicides and insecticides. Utility Services is principally engaged in the practice of line clearing for investor-owned and municipal utilities, including the clearing of tree growth from power lines, clearance of rights-of-way and chemical brush control.

Davey Resource Group, which provides services related to natural resource management and consulting, forestry research and development, and environmental planning and also maintains research, technical support and laboratory diagnostic facilities, is a nonreportable segment and, along with other operating activities, are included in "All Other."

RESULTS OF OPERATIONS

The following tables set forth our consolidated results of operations as a percentage of revenues and the percentage change in dollar amounts of the results of operations for the periods presented.

	Three Months Ended			Nine Months Ended		
	September 27, 2008	September 29, 2007	Percentage Change	September 27, 2008	September 29, 2007	Percentage Change
Revenues	100.0%	100.0%	29.2%	100.0%	100.0%	17.4%
Costs and expenses:						
Operating	63.7	63.7	29.1	64.8	64.2	18.5
Selling	15.8	16.5	24.1	15.4	16.0	12.9
General and administrative	7.4	7.4	30.0	7.6	7.7	16.4
Depreciation and amortization	5.8	5.6	33.8	5.8	5.6	21.5
Gain on sale of assets, net	(.1)	(.3)	nm	(.1)	(.1)	6.0
Income from operations	7.4	7.1	33.4	6.5	6.6	14.9
Other income (expense):						
Interest expense	(.6)	(.7)	3.5	(.6)	(.8)	(9.6)
Interest income	-	.1	nm	-	.1	nm
Other, net	(.5)	(.1)	nm	(.4)	(.1)	nm
Income before income taxes	6.3	6.4	27.6	5.5	5.8	10.8
Income taxes	2.3	2.2	38.4	2.1	2.1	15.1
Net income	4.0%	4.2%	22.0%	3.4%	3.7%	8.3%

nm–not meaningful

Third Quarter--Three Months Ended September 27, 2008 Compared to Three Months Ended September 29, 2007

Our results of operations for the three months ended September 27, 2008 compared to the three months ended September 29, 2007 follows:

	Three Months Ended			
	September 27, 2008	September 29, 2007	Change	% Change
Revenues	$ 173,559	$134,300	$ 39,259	29.2%
Costs and expenses:				
Operating	110,437	85,532	24,905	29.1
Selling	27,409	22,094	5,315	24.1
General and administrative	12,930	9,946	2,984	30.0
Depreciation and amortization	10,124	7,565	2,559	33.8
Gain on sale of assets, net	(113)	(414)	301	nm
	160,787	124,723	36,064	28.9
Income from operations	12,772	9,577	3,195	33.4
Other income (expense):				
Interest expense	(980)	(947)	(33)	3.5
Interest income	60	115	(55)	nm
Other, net	(878)	(147)	(731)	nm
Income before income taxes	10,974	8,598	2,376	27.6
Income tax	4,080	2,948	1,132	38.4
Net income	$ 6,894	$ 5,650	$ 1,244	22.0%

nm–not meaningful

Revenues**--**Consolidated revenues of $173,559 increased $39,259 compared with $134,300 in the third quarter of 2007. The increase of $39,259 includes revenues related to acquisitions approximating $25,555. Utility Services increased $23,507 or 37.0% compared with the third quarter 2007. Storm-damage work arising from hurricane damage (primarily hurricanes Gustav and Ike) in the southern United States, as well as new business from an acquisition, new contracts and increases in existing contracts accounted for the increase. Residential and Commercial Services increased $15,558 to $77,368 from the third quarter 2007, with new business from acquisitions and expanded operations accounting for the increase. Total consolidated revenue of $173,559 includes production incentive revenue, recognized under the completed-performance method, of $1,173 during third quarter 2008 compared with $68 during the third quarter 2007.

Operating Expenses**--**Consolidated operating expenses of $110,437 increased $24,905 compared with the third quarter of 2007 and, as a percentage of revenues, remained at 63.7%. The increase of $24,905 includes operating expense related to acquisitions approximating $15,343. Utility Services increased $16,452 or 34.2% compared with the third quarter of 2007. Increases in labor, equipment, crew travel and subcontractor expense associated with the storm damage work and increase in revenue in all utility operations account for the increase. Residential and Commercial Services increased $8,391 or 26.3% compared with the third quarter 2007. Increases in labor, equipment, material and subcontractor expense were partially offset by reductions in rented equipment.

The increase in fuel prices impacted operating expenses within all segments. During the third quarter 2008, fuel expense of $9,796 increased $3,098, or 46.2%, more than the fuel expense of $6,698 for the third quarter 2007. Approximately $300 of the 2008 increase related to usage.

Selling Expenses**--**Consolidated selling expenses of $27,409 increased $5,315 over the third quarter of 2007 and as a percentage of revenues decreased .7% to 15.8%. Utility Services experienced an increase of $2,015 or 34.9% over the third quarter of 2007. Increases in field management wages and incentive expense, vehicle expense, communication and employee development expenses account for the increase. Residential and Commercial Services experienced an increase of $3,088 or 19.0% over the third quarter 2007. Increases in field management wages and incentive expense, vehicle expense, auto expense and rent expense were partially offset by a reduction in marketing expenses.

General and Administrative Expenses**--** General and administrative expenses of $12,930 increased $2,984 from $9,946 in the third quarter of 2007. The increase of $2,984 includes general and administrative expenses of the acquired businesses of $2,479 in addition to normal increases in salary and incentive expense, office supplies and computer expenses, which were partially offset by a reduction in relocation expense and stock-based compensation expense.

Depreciation and Amortization Expense**--**Depreciation and amortization expense of $10,124 increased $2,559 from $7,565 in the third quarter of 2007 and, as a percentage of revenues, increased .2% to 5.8%. The increase is attributable to additional capital expenditures for buildings, purchases of businesses and equipment necessary to support the increase in business levels.

Gain on the Sale of Assets, Net**--**Gain on the sale of assets of $113 decreased $301 from $414 in the third quarter of 2007. The decrease is attributable to a reduction in the number of units disposed of in the third quarter of 2008 as compared to the third quarter of 2007.

Interest Expense**--**Interest expense of $980 increased $33 from the $947 incurred in the third quarter of 2007. The increase is the result of higher average levels of bank borrowings as compared to the third quarter of 2007 and was partially offset by reductions in interest rates.

Other, Net--Other, net, was $878 of expense for the third quarter of 2008, as compared with $147 of expense for the comparable period of 2007, and consisted of nonoperating income and expense. The fluctuation was primarily due to foreign currency gains and losses on the intercompany account balances of our Canadian subsidiary being $216 of losses for the third quarter 2008 compared to $337 of gains for the comparable period of 2007.

Income Taxes--Income tax for the third quarter was $4,080, as compared to $2,948 for the third quarter of 2007. Our income tax provisions for interim periods are determined using an estimate of our annual effective tax rate. The 2008 annual effective tax rate is estimated to be 38.3% that resulted in a tax rate of 37.2% for the third quarter 2008. The tax rate for the third quarter 2007 was 34.3% based on an estimate of the annual tax rate at the end of the third quarter 2007 of 36.9%.

Net Income--Net income for the third quarter of $6,894 was $1,244 more than the $5,650 experienced in the third quarter of 2007.

Nine Months Ended September 27, 2008 Compared to Nine Months Ended September 29, 2007

Our results of operation for the nine months ended September 27, 2008 compared to the nine months ended September 29, 2007 follows:

	Nine Months Ended			
	September 27, 2008	**September 29, 2007**	**Change**	**% Change**
Revenues	$ 447,984	$ 381,521	$ 66,463	17.4%
Costs and expenses:				
Operating	290,573	245,108	45,465	18.5
Selling	68,826	60,942	7,884	12.9
General and administrative	34,007	29,224	4,783	16.4
Depreciation and amortization	26,023	21,421	4,602	21.5
Gain on sale of assets, net	(442)	(417)	(25)	6.0
	418,987	356,278	62,709	17.6
Income from operations	28,997	25,243	3,754	14.9
Other income (expense):				
Interest expense	(2,599)	(2,875)	276	(9.6)
Interest income	206	334	(128)	nm
Other, net	(1,996)	(491)	(1,505)	nm
Income before income taxes	24,608	22,211	2,397	10.8
Income tax	9,425	8,189	1,236	15.1
Net income	$ 15,183	$ 14,022	$ 1,161	8.3%

nm–not meaningful

Revenues--Consolidated revenues of $447,984 increased $66,463 compared with $381,521 in the first nine months of 2007. The increase of $66,463 includes revenues related to acquisitions approximating $37,095. Utility Services increased $47,052 or 25.8% compared with the first nine months of 2007. Storm-damage work arising from hurricane damage (primarily hurricanes Gustav and Ike) in the southern United States, as well as business from an acquisition, new contracts and increases in existing contracts account for the increase. Residential and Commercial Services increased $18,094 or 10.6% from the first nine months of 2007. New business from acquisitions and expanded operations account for the increase. Total consolidated revenue of $447,984 includes production incentive revenue, recognized under the completed-performance method, of $4,795 during the first nine months of 2008 compared with $1,048 during the first nine months of 2007.

Operating Expenses--Consolidated operating expenses of $290,573 increased $45,465 compared with the first nine months of 2007 and, as a percentage of revenues, increased .6% to 64.8%. The increase of $45,465 includes operating expense related to acquisitions approximating $24,664. Utility Services increased $34,912 or 25.8% compared with the first nine months of 2007. Increases in labor, equipment, crew travel and subcontractor expense associated with the storm damage work and increase in revenue in all utility operations account for the increase. Residential and Commercial Services increased $10,251 or 11.3% compared with the first nine months of 2007. Increases in labor, equipment, materials and subcontractor expense were partially offset by a reduction in tool expense.

The increase in fuel prices impacted operating expenses within all segments. During the first nine months of 2008, fuel expense of $23,553 increased $7,647 or 48.1%, more than the fuel expense of $15,906 for the first nine months of 2007. Approximately $1,200 of the 2008 increase related to usage.

Selling Expenses--Consolidated selling expenses of $68,826 increased $7,884 over the first nine months of 2007 but, as a percentage of revenues, decreased .6% to 15.4%. Utility Services experienced an increase of $3,210 or 18.9% over the first nine months of 2007. Field management wages and incentive expense, auto and travel expense and employee development expense account for the increase. Residential and Commercial Services experienced an increase of $4,465 or 10.3% over the first nine months of 2007. Increases in field management wages, auto and travel expense, and employee development and marketing expense account were partially offset by a reduction in incentive expense.

General and Administrative Expenses-- General and administrative expenses of $34,007 increased $4,783 from $29,224 in the first nine months of 2007 and, as a percentage of revenues, decreased .1% to 7.6%. The increase of $4,783 includes general and administrative expenses of the acquired businesses of $2,916 in addition to normal increases in salary and incentive expense, travel expense and office supplies, branch office expenses and computer expenses.

Depreciation and Amortization Expense--Depreciation and amortization expense of $26,023 increased $4,602 from $21,421 in the first nine months of 2007 and, as a percentage of revenues, increased .2% to 5.8%. The increase is attributable to additional capital expenditures for buildings, purchases of businesses and equipment necessary to support the increase in business levels.

Gain on the Sale of Assets, Net--Gain on the sale of assets of $442 increased $25 from the $417 experienced in the first nine months of 2007. The increase is the result of an increase in amounts received for on fewer units disposed of in the first nine months of 2008 as compared to the first nine months of 2007.

Interest Expense--Interest expense of $2,599 decreased $276 from the $2,875 incurred in the first nine months of 2007. Increases in our average bank borrowings were offset by significantly lower interest rates charged on those bank borrowings as compared to the first nine months of 2007.

Other, Net--Other, net, was $1,996 of expense for the first nine months of 2008, as compared to $491 of expense for the comparable period of 2007, and consisted of nonoperating income and expense. The fluctuation was primarily due to foreign currency gains and losses on the intercompany account balances of our Canadian subsidiary being $385 of losses for the first nine months of 2008 compared to $882 of gains for the comparable period of 2007.

Income Taxes--Income tax was $9,425, as compared to $8,189 for the first nine months of 2007. Our income tax provisions for interim periods are determined using an estimate of our annual effective tax rate. We estimated that our effective tax rate was 38.3% for the first nine months of 2008, as compared to 36.9% for first nine months of 2007.

Net Income--Net income of $15,183 was $1,161 more than the $14,022 experienced in the first nine months of 2007.

LIQUIDITY AND CAPITAL RESOURCES

Our principal financial requirements are for capital spending, working capital and business acquisitions.

Cash Flow Summary

Our cash flows from operating, investing and financing activities, as reflected in the Condensed Consolidated Statements of Cash Flows for the nine months ended September 27, 2008 and September 29, 2007, are summarized as follows:

	2008	2007
Cash provided by (used in):		
Operating activities	$ 17,588	$ 31,307
Investing activities	(44,305)	(35,717)
Financing activities	25,579	3,283
Decrease in cash	$ (1,138)	$ (1,127)

Cash Provided by Operating Activities--Cash provided by operating activities for the first nine months of 2008 was $13,719 less than the $31,307 provided in the first nine months of 2007. The decrease was primarily attributable to $21,932 more cash used from changes in operating assets and liabilities offset by a $4,602 increase in depreciation and amortization.

Overall, accounts receivable dollars increased $26,483 during the first nine months of 2008, as compared to the $16,086 increase experienced in the first nine months of 2007. With respect to the change in accounts receivable arising from business levels, the "days-sales-outstanding" in accounts receivable ("DSO") at the end of the first nine months of 2008 decreased three days to 56 days, as compared to the end of the first nine months of 2007. The decrease is primarily the result of additional businesses acquired during the first nine months of 2008. Excluding 2008 acquisitions, the DSO for the first nine months of 2008 would have been 58 days.

Operating liabilities increased $7,217 in the first nine months of 2008, $5,770 less than the $12,987 increase in the first nine months of 2007. Accounts payable and accrued expenses decreased $514 during the first nine months of 2008 as compared with an increase of $3,867 for the first nine months of 2007. Decreases in employee compensation, trade payables, 401KSOP liabilities and customer deposits were partially offset by increases in tax liabilities, compensated-absence accruals and self-insured medical claims. Self-insurance accruals increased $7,731 in the first nine months of 2008, which was $1,389 less than the increase of $9,120 experienced in the first nine months of 2007. The increase occurred in all classifications -- workers' compensation, general liability and vehicle liability--and resulted primarily from an overall increase in deductible amounts under commercial insurance or the self-insured risk retention.

Other assets, net increased $5,146 in the first nine months of 2008, $5,765 more than the $619 decrease for the first nine months of 2007. The increase is attributable to increases in operating supplies, prepaid expenses related to insurance coverage and tax deposits.

Cash Used In Investing Activities--Cash used in investing activities for the first nine months of 2008 was $44,305 or $8,588 more than the $35,717 used during the first nine months of 2007. The use of cash for the 2008 period includes purchases of businesses totaling $15,718, offset by a $3,263 decrease in capital expenditures for equipment and land and building as compared with the first nine months of 2007. Capital expenditures for the 2008 period were $29,300.

Cash Provided by Financing Activities--Cash provided by financing activities increased by $22,296 during the first nine months of 2008 as compared with the first nine months of 2007. Our revolving credit facility provided $20,650 more in the first nine months of 2008 compared with the first nine months of 2007. We use the credit facility primarily for capital expenditures and payments of notes payable, primarily related to acquisitions. Included in the revolving credit facility borrowings for the first nine months of 2008 was $15,718 related to our investment in six businesses. Treasury share transactions (purchases and sales) used $51 more than the $6,854 used in the first nine months of 2007. Dividends paid increased to $2,050, as compared with $1,903 paid in the first nine months of 2007.

Debt Issued in Connection with Our Investments in Businesses--Debt issued in connection with our investments in six businesses during the first nine months of 2008 totaled $5,639. During first nine months of 2007, we issued $1,785 of debt in connection with our investments in businesses.

Revolving Credit Facility--We have a $159,000 revolving credit facility with a group of banks, which will expire in December 2011 and permits borrowings, as defined, up to $159,000 (increased in May 2008 from $147,000) with a letter of credit sublimit of $100,000. The revolving credit facility contains certain affirmative and negative covenants customary for this type of facility and includes financial covenant ratios, as defined, with respect to funded debt to EBITDA (earnings before interest, taxes, depreciation and amortization), and funded debt to capitalization.

As of September 27, 2008, our unused commitments under the facility approximated $34,164, with $124,836 committed, consisting of borrowings of $65,950 and issued letters of credit of $58,886. Borrowings outstanding bear interest, at our option, at the agent bank's prime rate or LIBOR plus a margin adjustment ranging from .65% to 1.45%, based on a ratio of funded debt to EBITDA. A commitment fee ranging from .11% to .19% is also required based on the average daily unborrowed commitment.

Off-Balance Sheet Arrangements

There are no "off-balance sheet arrangements" as that term is defined in Securities and Exchange Commission ("SEC") Regulation S-K, Item 303(a)(4)(ii).

Contractual Obligations Summary

The following summarizes our long-term contractual obligations, as at September 27, 2008, to make future payments for the periods indicated.

Description	Total	Three Months Ending December 31, 2008	Year Ending December 31, 2009	2010	2011	2012	Thereafter
Revolving credit facility	$ 65,950	$ 250	$ 1,000	$ 1,000	$ 60,700	$ 1,000	$ 2,000
Term loans	12,496	1,509	6,560	2,371	2,056	-	-
Capital lease obligations	1,223	211	816	196	-	-	-
Operating lease obligations	13,008	1,280	4,117	2,897	1,876	955	1,883
Self-insurance accruals	63,939	5,766	17,793	12,092	7,102	3,382	17,804
Purchase obligations	4,271	736	3,535	-	-	-	-
Other liabilities	4,021	1,917	443	255	413	485	508
	$ 164,908	$ 11,669	$ 34,264	$ 18,811	$ 72,147	$ 5,822	$ 22,195

The self-insurance accruals in the summary above reflect the total of the undiscounted amount accrued, for which amounts estimated to be due each year may differ from actual payments required to fund claims. Purchase obligations in the summary above represent open purchase-order amounts we anticipate will become payable within the next six months for goods and services we have negotiated for delivery as of September 27, 2008. Other liabilities include estimates of future expected funding requirements related to retirement plans and other sundry items. Because their future cash outflows are uncertain, accrued income tax liabilities for uncertain tax positions, as of September 27, 2008, have not been included in the summary above. Noncurrent deferred taxes and payments related to defined benefit pension plans are also not included in the summary.

As of September 27, 2008, we were contingently liable for letters of credit in the amount of $61,141, of which $58,886 is committed under the revolving credit facility. Substantially all of these letters of credit, which expire within a year, are planned for renewal as necessary.

Also, as is common in our industry, we have performance obligations that are supported by surety bonds, which expire during 2008 through 2010. We intend to renew the surety bonds where appropriate and as necessary.

Capital Resources

Cash, generated from operations, and our revolving credit facility are our primary sources of capital.

Business seasonality results in higher revenues during the second and third quarters as compared with the first and fourth quarters of the year, while our methods of accounting for fixed costs, such as depreciation expense, are not significantly impacted by business seasonality. Capital resources during these periods are equally affected. We satisfy seasonal working capital needs and other financing requirements with the revolving credit facility and two other short-term lines of credit. We are continually reviewing our existing sources of financing and evaluating alternatives. At September 27, 2008, we had working capital of $41,406, short-term lines of credit approximating $9,029 and $34,164 available under our revolving credit facility.

We believe our sources of capital, at this time, provide us with the financial flexibility to meet our capital-spending plans, borrowing needs and to complete business acquisitions for the foreseeable future.

NEW ACCOUNTING PRONOUNCEMENTS

New Accounting Pronouncement Adopted--In September 2006, the Financial Accounting Standards Board (“FASB”) issued FAS No. 157, which establishes a framework for measuring fair value and requires expanded presentations regarding fair value measurements (“FAS 157”). In February 2008, the FASB issued FASB Staff Position No. FAS 157-2, “Effective Date of FASB Statement No. 157” (“FSP FAS 157-2”), which allows for the deferral of the adoption date of FAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or presented at fair value in the financial statements on a recurring basis. We have elected to defer the adoption of FAS 157 for the assets and liabilities within the scope of FSP FAS 157-2. The effective provisions of FAS 157 are included in Note G, “Fair Value Measurements,” to the condensed consolidated financial statements included in this Form 10-Q. The adoption of FAS 157 for those assets and liabilities within the scope of FSP FAS 157-2 is not expected to have a material impact on our financial position, results of operations or cash flows.

New Accounting Pronouncements Requiring Adoption**--**In March 2008, the FASB issued FAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities–an amendment of FASB Statement No. 133” (“FAS 161”). FAS 161, requires entities to provide enhanced disclosures relating to: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedge items are accounted for under FAS No. 133, “Accounting for Derivative Instruments and Hedging Activities” (“FAS 133”), and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity’s financial position, financial performance, and cash flows. FAS 161 must be applied prospectively to all derivative instruments and nonderivative instruments that are designated and qualify as hedging instruments and related hedged items accounted for under FAS 133 for all financial statements issued for fiscal years and interim periods beginning after November 15, 2008, which for us begins with our 2009 calendar year, with early application encouraged. The adoption of FAS 161 will not have a material effect on our financial position, results of operation or cash flows.

In December 2007, the FASB issued Statement No. 141 (revised 2007), “Business Combinations” (“FAS 141R”), which replaces FAS No. 141, “Business Combinations.” FAS 141R retains the underlying concepts of FAS 141 in that all business combinations are still required to be accounted for at fair value under the acquisition method of accounting, but FAS 141R changed the method of applying the acquisition method in a number of significant aspects. Early adoption is not permitted. We are required to adopt FAS 141R prospectively for any acquisitions on or after January 1, 2009.

In April 2008, the FASB issued FASB Staff Position No. 142-3, “Determination of the Useful Life of Intangible Assets” (“FSP FAS 142-3”), which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FAS 142, “Goodwill and Other Intangible Assets.” Early adoption is not permitted. We are required to adopt FSP FAS 142-3 prospectively for any intangibles acquired on or after January 1, 2009. The adoption of FSP FAS 142-3 will not have a material effect on our financial position, results of operation or cash flows.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented.

As discussed in our annual report on Form 10-K for the year ended December 31, 2007, we believe that our policies related to revenue recognition, the allowance for doubtful accounts and self-insurance accruals are our “critical accounting policies and estimates”—those most important to the financial presentations and those that require the most difficult, subjective or complex judgments.

On an ongoing basis, we evaluate our estimates and assumptions, including those related to accounts receivable, specifically those receivables under contractual arrangements primarily arising from Utility Services customers; allowance for doubtful accounts; and self-insurance accruals. We base our estimates on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

MARKET RISK INFORMATION

In the normal course of business, we are exposed to market risk related to changes in interest rates and changes in foreign currency exchange rates. We do not hold or issue derivative financial instruments for trading or speculative purposes.

Interest Rate Risk

We are exposed to market risk related to changes in interest rates on long-term debt obligations. The interest rates on substantially all of our long-term debt outstanding are variable. We have entered into interest rate contracts -- derivative financial instruments with the objective of altering interest rate exposures related to variable debt.

The following table provides information, as of September 27, 2008, about our debt obligations and interest rate contracts. For debt obligations, the table presents principal cash flows, weighted-average interest rates by expected maturity dates and fair values. For interest rate contracts, the table presents the underlying face (notional) amount, weighted-average interest rate by contractual maturity dates and the fair value to settle the contracts at September 27, 2008. Weighted-average interest rates used for variable rate obligations are based on rates as derived from published spot rates, in effect as at September 27, 2008.

	Expected Maturity Date							Fair Value September 27,
	2009	2010	2011	2012	2013	Thereafter	Total	2008
Liabilities								
Long-term debt:								
Fixed rate	$ 4,041	$ 1,441	$ 54	$ 13	$ -	$ -	$ 5,549	$ 5,637
Average interest rate	4.9%	7.1%	7.8%	7.8%				
Variable rate	$ 3,567	$ 3,319	$62,682	$ 1,079	$ 1,000	$ 1,250	$72,897	$ 72,897
Average interest rate	2.6%	3.4%	4.7%	5.1%	5.3%	5.6%		
Interest rate derivative instrument								
Interest rate contracts:								
Pay fixed, notional amount	$10,000	$ 1,490	$ -	$20,000	$ -	$ -	$31,490	$ 462
Average pay rate	4.96%	4.94%		4.29%				
Average receive rate	2.83%	5.75%		2.84%				

Interest rates, as of September 27, 2008, on the variable-rate debt ranged from 3.3% to 5.0%.

The interest rate contracts each have an underlying face (notional) amount of $10,000, which is used to calculate the cash flow to be exchanged and does not represent the exposure to credit loss. If we were to have settled the contracts at September 27, 2008 (fair value), we would have paid $462.

Foreign Currency Rate Risk

We are exposed to market risk related to foreign currency exchange rate risk resulting from our operations in Canada, where we provide a comprehensive range of horticultural services.

Our financial results could be affected by factors such as changes in the foreign currency exchange rate or differing economic conditions in the Canadian markets as compared with the markets for our services in the United States. Our earnings are affected by translation exposures from currency fluctuations in the value of the U.S. dollar as compared to the Canadian dollar. Similarly, the Canadian dollar-denominated assets and liabilities may result in financial exposure as to the timing of transactions and the net asset / liability position of our Canadian operations.

For the nine-months ended September 27, 2008, the result of a hypothetical 10% uniform change in the value of the U.S. dollar as compared with the Canadian dollar would not have a material effect on our results of operations or our financial position. Our sensitivity analysis of the effects of changes in foreign currency exchange rates does not factor in a potential change in sales levels or local currency prices.

Note Regarding Forward-Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, forward-looking statements may be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to differ materially from what is expressed or implied in these forward-looking statements. Some important factors that could cause actual results to differ materially from those in the forward-looking statements include:

- Our business, other than tree services to utility customers, is highly seasonal and weather-dependent.
- Significant customers, particularly utilities, may experience financial difficulties, resulting in payment delays or delinquencies.
- The seasonal nature of our business and changes in general and local economic conditions, among other factors, may cause our quarterly results to fluctuate, and our prior performance is not necessarily indicative of future results.
- Significant increases in fuel prices for extended periods of time will increase our operating expenses.
- We have significant contracts with our utility, commercial and government customers that include liability risk exposure as part of those contracts. Consequently, we have substantial insurance, and increases in the cost of obtaining adequate insurance, or the inadequacy of our self-insurance accruals or insurance coverages, could negatively impact our liquidity.
- Because no public market exists for our common shares, the ability of shareholders to sell their common shares is limited.
- We are subject to intense competition.
- Our failure to comply with environmental laws could result in significant liabilities, fines and/or penalties.
- We may encounter difficulties obtaining surety bonds or letters of credit necessary to support our operations.
- We are dependent, in part, on our reputation of quality, integrity and performance. If our reputation is damaged, we may be adversely affected.
- We may be unable to attract and retain a sufficient number of qualified employees for our field operations, and we may be unable to attract and retain qualified management personnel.
- Our facilities could be damaged or our operations could be disrupted, or our customers or vendors may be adversely affected, by events such as natural disasters, pandemics, terrorist attacks or other external events.
- We may become subject to claims and litigation that may have an adverse effect on us.
- We may misjudge a competitive bid and be contractually bound to an unprofitable contract.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this quarterly report on Form 10-Q to conform these statements to actual future results.

The factors described above, as well as other factors that may adversely impact our actual results, are discussed in our annual report on Form 10-K for the year ended December 31, 2007 in “Item 1A. Risk Factors.”

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk.***

The information set forth in “Market Risk Information” under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in Part 1 – Item 2 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 4. ***Controls and Procedures.***

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 27, 2008 in ensuring that information required to be included in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

During the quarter ended September 27, 2008, there were no changes in our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Part II. Other Information

Items 1, 3, 4 and 5 are not applicable.

Item 1A. ***Risk Factors.***

Information regarding risk factors appears in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Note Regarding Forward-Looking Statements" in Part I – Item 2 of this Form 10-Q and in Part I – Item 1A of our annual report on Form 10-K for the year ended December 31, 2007. There have been no material changes from the risk factors described previously in our annual report on Form 10-K.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds.***

The following table provides information on purchases of our common shares outstanding made by us during the first nine months of 2008, adjusted to recognize the two-for-one stock split of our common shares effective October 1, 2008.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
Fiscal 2008				
January 1 to January 26	-	-	n/a	n/a
January 27 to February 23	-	-	n/a	n/a
February 24 to March 29	77,816	$ 15.80	n/a	n/a
Total First Quarter	77,816	15.80		
March 30 to April 26	277,358	15.80	n/a	n/a
April 27 to May 24	148,898	15.80	n/a	n/a
May 25 to June 28	127,546	15.80	n/a	n/a
Total Second Quarter	553,802	15.80		
June 29 to July 26	-	16.40	n/a	n/a
July 27 to August 23	42,198	16.40	n/a	n/a
August 24 to September 27	89,528	16.40	n/a	n/a
Total Third Quarter	131,726	16.40		
Total Year-to-Date	763,344	15.90		

n/a--Not applicable. There are no publicly announced plans or programs of the Company to purchase our common shares.

Our common shares are not listed or traded on an established public trading market and market prices are, therefore, not available. Semiannually, for purposes of our 401KSOP, the fair market value of our common shares is determined by an independent stock valuation firm, based upon our performance and financial condition, using a peer group of comparable companies selected by that firm. The peer group currently consists of ABM Industries Incorporated, Comfort Systems USA, Inc., Dycom Industries, Inc., FirstService Corporation, Quanta Services, Inc., Rollins, Inc., and Scotts Miracle-Gro Company. The semiannual valuations are effective for a period of six months and the per share price established by those valuations is the price at which our Board of Directors has determined our common shares will be bought and sold during that six-month period in transactions involving the Company or one of our employee benefit or stock purchase plans. Since 1979, we have provided a ready market for all shareholders through our direct purchase of their common shares, although we are under no obligation to do so. The purchases made of our common shares were added to our treasury stock.

Item 6. ***Exhibits.***

See Exhibit Index page, below.

Signatures

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

THE DAVEY TREE EXPERT COMPANY

	By:	/s/ David E. Adante
Date: November 5, 2008		David E. Adante Executive Vice President, Chief Financial Officer and Secretary (Principal Financial Officer)
Date: November 5, 2008	By:	/s/ Nicholas R. Sucic Nicholas R. Sucic Vice President and Controller (Principal Accounting Officer)

Exhibit Index

Exhibit No.	Description	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed Herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed Herewith
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.	Furnished Herewith
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.	Furnished Herewith

Exhibit 31.1

Certification

Certification of Chief Executive Officer

I, Karl J. Warnke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Davey Tree Expert Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 5, 2008

/s/ Karl J. Warnke
Karl J. Warnke
President and Chief Executive Officer

Exhibit 31.2

Certification

Certification of Chief Financial Officer

I, David E. Adante, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Davey Tree Expert Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 5, 2008

/s/ David E. Adante
David E. Adante
Executive Vice President, Chief Financial Officer and Secretary

Exhibit 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Certification of Chief Executive Officer

I, Karl J. Warnke, President and Chief Executive Officer of The Davey Tree Expert Company (the "Company"), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1.) The Quarterly Report on Form 10-Q of the Company for the period ended September 27, 2008 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2.) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2008

/s/ Karl J. Warnke
Karl J. Warnke
President and Chief Executive Officer

Exhibit 32.2

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Certification of Chief Financial Officer

I, David E. Adante, Executive Vice President, Chief Financial Officer and Secretary of The Davey Tree Expert Company (the "Company"), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1.) The Quarterly Report on Form 10-Q of the Company for the period ended September 27, 2008 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2.) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2008

/s/ David E. Adante
David E. Adante
Executive Vice President, Chief Financial Officer and Secretary