



Yellow Corporation Reports Solid First Quarter EPS of \$.19

-- Yellow Transportation posts revenue growth of 17 percent over first quarter 2002 -- Meridian IQ increases revenue by 43 percent over first quarter 2002 and expands customer base

-- Exact Express, an expedited service, grows revenue by 60 percent over first quarter 2002

OVERLAND PARK, Kan., Apr 21, 2003 -- Yellow Corporation (Nasdaq: YELL) today reported first quarter 2003 income of \$5.6 million, or \$.19 per share, up substantially from about breakeven performance in the first quarter of 2002.

Yellow Corporation reported the following consolidated results for the first quarter of 2003:

- Operating revenue of \$681 million, a 17.7% increase over \$579 million in first quarter 2002
- Operating income of \$11.8 million compared to \$2.7 million in first quarter 2002

"Yellow Transportation and Meridian IQ are performing very solidly," said Bill Zollars, Chairman, President and CEO of Yellow Corporation. "The first quarter of 2003 included weather-related expenses of approximately \$5.0 million, costs of about \$4.0 million for an industry conference we host every other year and a benefit of about a million dollars from an insurance recovery. Even with the net impact of these first quarter items, we were able to generate substantial revenue and earnings growth. During the first quarter, underlying economic conditions remained steady."

"The growth in Exact Express highlights the effectiveness of our one-stop shopping strategy," Zollars continued. "When it comes to big shipments for business, our customers can rely on Yellow to manage their transportation needs whatever the mode, speed or destination."

Yellow Transportation

Yellow Transportation reported first quarter 2003 results as follows:

- Revenue of \$660 million, up 16.9% from \$565 million in first quarter 2002
- Operating income of \$19.5 million, up from \$6.7 million in first quarter 2002
- Operating ratio of 97.0% compared to 98.8% in first quarter 2002

"Yellow Transportation continues to excel at pricing discipline, cost management and service quality," said Zollars. "Maintaining the right balance between business volumes and pricing resulted in significant profit improvement."

Less-than-truckload (LTL) revenue per day was up 17.0% over the first quarter of 2002, primarily reflecting a 9.2% increase in LTL tonnage per day and a 7.1% improvement in LTL revenue per hundred weight. First quarter 2003 business volumes benefited primarily from the September 2002 closure of a significant competitor and the continued penetration of premium services.

Meridian IQ

Meridian IQ, entering its second year of operations, reported the following first quarter 2003 results:

- Operating revenue of \$22 million, up 43% over \$15 million in first quarter 2002
- Operating loss of \$.9 million compared to a \$1.5 million loss in first quarter 2002

"Meridian IQ continues to show significant growth in a challenging economic environment," said Zollars. "Signing 12 new contracts during the first quarter, which brings our total contractual customers to over 160, demonstrates the value of our transportation management solutions."

Outlook

"As a result of the strong performance of Yellow Transportation and Meridian IQ, we remain comfortable with our full year 2003 guidance of \$2.25 to \$2.35 per share, and expect the second quarter to be between \$.50 and \$.60 per share," Zollars stated. "We are assuming that current economic activity continues throughout 2003. However, due to our significant operating

leverage, we are well positioned to take advantage of improved economic conditions when they occur."

Review of Financial Results

A teleconference review of Yellow Corporation first quarter 2003 financial results has been scheduled for Tuesday, April 22, 2003, beginning at 9:30 a.m. Eastern, 8:30 a.m. Central. Hosting the conference call will be: Bill Zollars, Chairman, President and CEO of Yellow Corporation; Don Barger, CFO of Yellow Corporation; James Welch, President of Yellow Transportation; and Jim Ritchie, President of Meridian IQ.

To participate, please dial 1-888-609-3912 and allow five to ten minutes prior to the start of the call. The conference call will be webcast live via StreetEvents at www.streetevents.com and via the Yellow Corporation Internet site www.yellowcorp.com. An audio playback will be available until April 30, 2003 by calling 1-800-642-1687 then dialing the access code 9321653. In addition, an audio playback will be available for 30 days via the StreetEvents and Yellow Corporation web sites.

This news release (and oral statements made regarding the subjects of this release, including on the conference call announced herein) contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words "expect," "believe," "intend," and similar expressions are intended to identify forward-looking statements. It is important to note that the company's actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including (without limitation), labor relations, inclement weather, price and availability of fuel, competitor pricing activity, expense volatility, changes in and customer acceptance of new technology and a downturn in general or regional economic activity.

Yellow Corporation is a holding company that through wholly owned operating subsidiaries offers its customers a wide range of asset and non-asset based transportation services integrated by technology. Its largest subsidiary, Yellow Transportation, offers a full range of regional, national and international services for the movement of industrial, commercial and retail goods. Meridian IQ is a non-asset global transportation management company that plans and coordinates the movement of goods worldwide. Yellow Technologies provides innovative technology solutions and services exclusively for Yellow Corporation companies. Headquartered in Overland Park, Kansas, Yellow Corporation employs approximately 23,000 people.

CONSOLIDATED BALANCE SHEETS
Yellow Corporation and Subsidiaries
(Amounts in thousands except per share data)
(Unaudited)

	March 31, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$23,336	\$28,714
Accounts receivable	324,900	327,913
Prepaid expenses and other	52,921	68,726
Total current assets	401,157	425,353
Property and equipment, net of accumulated depreciation of \$1,122,794 and \$1,114,120	570,336	564,976
Goodwill and other assets	54,156	52,656
Total assets	\$1,025,649	\$1,042,985
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$77,913	\$114,989
Wages, vacations, and employees' benefits	166,449	159,998
Other current and accrued liabilities	102,469	101,111
ABS borrowings	50,000	50,000
Current maturities of long-term debt	35,260	24,261
Total current liabilities	432,091	450,359
OTHER LIABILITIES:		

Long-term debt, less current portion	39,004	50,024
Claims and other liabilities	187,913	182,644
Total other liabilities	226,917	232,668
SHAREHOLDERS' EQUITY:		
Common stock, \$1 par value per share	31,828	31,825
Capital surplus	80,654	80,610
Retained earnings	331,100	325,474
Accumulated other comprehensive loss	(34,707)	(35,596)
Unamortized restricted stock awards	(932)	(1,053)
Treasury stock, at cost (2,244 shares)	(41,302)	(41,302)
Total shareholders' equity	366,641	359,958
Total liabilities and shareholders' equity	\$1,025,649	\$1,042,985

STATEMENTS OF CONSOLIDATED OPERATIONS
Yellow Corporation and Subsidiaries
For the Three Months Ended March 31
(Amounts in thousands except per share data)
(Unaudited)

	2003	2002
OPERATING REVENUE	\$681,093	\$578,802
OPERATING EXPENSES:		
Salaries, wages and benefits	438,748	390,239
Operating expenses and supplies	109,943	81,068
Operating taxes and licenses	19,767	18,379
Claims and insurance	12,724	13,580
Depreciation and amortization	20,268	18,929
Purchased transportation	67,873	53,246
Losses on property disposals, net	11	468
Spin-off and reorganization charges	-	236
Total operating expenses	669,334	576,145
OPERATING INCOME	11,759	2,657
NONOPERATING (INCOME) EXPENSES:		
Interest expense	2,646	2,310
ABS facility charges	-	754
Other, net	(93)	(158)
Nonoperating expenses, net	2,553	2,906
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE		
INCOME TAXES	9,206	(249)
INCOME TAX PROVISION (BENEFIT)	3,580	(102)
INCOME (LOSS) FROM CONTINUING OPERATIONS	5,626	(147)
Loss from discontinued operations, net	-	(72,889)
NET INCOME (LOSS)	\$5,626	\$(73,036)
AVERAGE SHARES OUTSTANDING-BASIC	29,583	24,934
AVERAGE SHARES OUTSTANDING-DILUTED	29,818	25,259
BASIC EARNINGS (LOSS) PER SHARE:		
Income (loss) from continuing operations	\$0.19	\$(0.01)

Loss from discontinued operations	-	(2.92)
Net income (loss)	\$0.19	\$(2.93)

DILUTED EARNINGS (LOSS) PER SHARE:

Income (loss) from continuing operations	\$0.19	\$(0.01)
Loss from discontinued operations	-	(2.88)
Net income (loss)	\$0.19	\$(2.89)

STATEMENTS OF CONSOLIDATED CASH FLOWS
Yellow Corporation and Subsidiaries
For the Three Months Ended March 31
(Amounts in thousands)
(Unaudited)

	2003	2002
OPERATING ACTIVITIES:		
Net income (loss)	\$5,626	\$(73,036)
Noncash items included in net income (loss):		
Depreciation and amortization	20,268	18,929
Loss from discontinued operations	-	72,889
Losses on property disposals, net	11	468
Changes in assets and liabilities, net:		
Accounts receivable	3,013	(19,212)
Accounts receivable securitizations	-	30,500
Accounts payable	(37,076)	(27,299)
Other working capital items	23,594	42,675
Claims and other	5,183	3,028
Other	(564)	2,188
Net change in operating activities of discontinued operations	-	(3,050)
Net cash from operating activities	20,055	48,080
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(26,141)	(25,380)
Proceeds from disposal of property and equipment	691	(580)
Net capital expenditures of discontinued operations	-	(1,275)
Net cash used in investing activities	(25,450)	(27,235)
FINANCING ACTIVITIES:		
Decrease in long-term debt	(21)	(25,418)
ABS borrowings, net	-	-
Proceeds from stock options and other, net	38	2,039
Net cash provided by (used in) financing activities	17	(23,379)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,378)	(2,534)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	28,714	19,214
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$23,336	\$16,680

SUPPLEMENTAL FINANCIAL INFORMATION
Yellow Corporation and Subsidiaries
For the Three Months Ended March 31

(Amounts in thousands except per share data)
(Unaudited)

	2003	2002	%
Operating revenue:			
Yellow Transportation	\$660,125	\$564,643	16.9
Meridian IQ	22,083	15,402	43.4
Corporate/Other	(1,115)	(1,243)	10.3
Consolidated	681,093	578,802	17.7
Operating income:			
Yellow Transportation	19,500	6,662	192.7
Meridian IQ	(893)	(1,515)	41.1
Corporate/Other	(6,848) (A)	(2,490)	(175.0)
Consolidated	11,759	2,657	342.6
Losses on property disposals and spin-off and reorganization charges:			
Yellow Transportation	12	571	
Meridian IQ	-	81	
Corporate/Other	(1)	52	
Consolidated	11	704	
Operating income excluding property disposals, spin-off and reorganization charges (B):			
Yellow Transportation	19,512	7,233	169.8
Meridian IQ	(893)	(1,434)	37.7
Corporate/Other	(6,849)	(2,438)	(180.9)
Consolidated	11,770	3,361	250.2
Operating ratio:			
Yellow Transportation	97.0%	98.8%	
Consolidated	98.3%	99.5%	
Operating ratio excluding property disposals, spin-off and reorganization charges:			
Yellow Transportation	97.0%	98.7%	
Consolidated	98.3%	99.4%	
Diluted EPS from continuing operations	\$0.19	\$(0.01)	
Diluted EPS from property disposals, spin-off and reorganization charges	-	0.02	
Diluted EPS from continuing operations excluding property disposals, spin-off and reorganization charges	0.19	0.01	
Pro forma stock option expense (after tax) (C)	549	360	
Pro forma stock option impact on diluted EPS from continuing operations	(0.02)	(0.01)	

(A) Includes approximately \$4 million for an industry conference that Yellow Corporation hosts every other year.

(B) Management does not consider these items a component of recurring operations and excludes them when evaluating operating income.

(C) The fair value in accordance with SFAS 123, Accounting for Stock-Based Compensation, not reflected in income.

STATISTICAL INFORMATION
Yellow Transportation, Inc.
For the Three Months Ended March 31
(Amounts in thousands except per unit data)

	Three Months			Amount/Workday		
	2003	2002	%	2003	2002	%
Workdays				63	63	
Revenue:						
LTL	616,006	526,654	17.0	9,777.9	8,359.6	17.0
TL	44,289	40,469	9.4	703.0	642.4	9.4
Subtotal - pickup basis	660,295	567,123	16.4	10,480.9	9,002.0	16.4
Revenue recognition adjustment	(170)	(2,480)	(93.1)	(2.7)	(39.4)	(93.1)
Total - as reported	660,125	564,643	16.9	10,478.2	8,962.6	16.9
Tonnage - pickup basis:						
LTL	1,529	1,401	9.2	24.27	22.23	9.2
TL	277	267	3.7	4.40	4.24	3.7
Total	1,806	1,668	8.3	28.67	26.47	8.3
Shipments - pickup basis:						
LTL	3,119	2,814	10.9	49.51	44.66	10.9
TL	38	37	3.2	0.60	0.59	3.1
Total	3,157	2,851	10.8	50.11	45.25	10.8
Revenue/cwt. - pickup basis:						
LTL	20.14	18.80	7.1			
TL	7.99	7.57	5.5			
Total	18.28	17.00	7.5			
Revenue/cwt. - pickup basis: (excluding fuel surcharge)						
LTL	19.35	18.66	3.7			
TL	7.72	7.53	2.5			
Total	17.57	16.88	4.1			
Revenue/shipment - pickup basis:						
LTL	197.50	187.17	5.5			
TL	1,165.47	1,098.84	6.1			
Total	209.15	198.95	5.1			

SOURCE Yellow Corporation

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