



Yellow Corporation Releases Tax Basis Information Regarding Spin-Off of SCS Transportation

OVERLAND PARK, Kan., Oct 2, 2002 -- The distribution of 100% of the outstanding shares of common stock of SCS Transportation, Inc. ("SCST") to Yellow shareholders (the "Spin-Off") was completed on September 30, 2002. The distribution ratio was one SCST share for every two Yellow shares held as of September 3, 2002.

Yellow received a ruling from the Internal Revenue Service (the "Ruling") that, for federal income tax purposes, no gain or loss will be recognized upon the receipt of SCST shares (except with respect to cash received in lieu of fractional shares as described below) and the basis of the Yellow shares held immediately prior to the Spin-Off will be allocated between the SCST shares received (including any SCST fractional share) and the Yellow shares held, on the basis of the relative fair market values of the stock of each company.

The tax basis in Yellow shares immediately prior to the Spin-Off is generally equal to the price paid for them, including commissions. If Yellow shares were acquired at different times and at different prices, a separate basis calculation will need to be made for each group of Yellow shares. Shareholders should consult with their tax advisors to determine the tax basis in the Yellow shares to be allocated.

While the Treasury Regulations do not specify a particular time for determining the relative fair market value of Yellow and SCST shares for the purpose of making the allocation of tax basis, Yellow believes that under a reasonable interpretation of the Treasury Regulations, the appropriate date is October 1, 2002, the first day on which Yellow shares traded separately from SCST shares. On that date, the average of the high and low sale prices of Yellow shares on The Nasdaq National Market was \$26.16 and the average of the high and low sale prices of SCST shares, adjusting for the one-for-two distribution, on The Nasdaq National Market was \$3.96 (\$7.93/2). Accordingly, the tax basis in the Yellow shares held by shareholders immediately prior to the Spin-Off should be allocated 86.8% to the Yellow shares and 13.2% to the SCST shares (including any fractional SCST share).

Under the terms of the Spin-Off, no fractional shares in SCST will be issued and any shareholder who would otherwise be entitled to receive a fractional share of SCST will receive cash in lieu thereof. The recipient shareholder will be required to recognize any gain or loss attributable to the sale of a fractional share.

Shareholders should review with their tax advisors the more detailed description of the U.S. federal tax consequences of the Spin-Off under the caption "Certain Federal Income Tax Consequences of the Distribution" contained on pages 25-27 of the Information Statement that was previously distributed.

Yellow Corporation is a holding company with wholly owned operating subsidiaries. Its largest subsidiary, Yellow Transportation, offers a full range of national, regional and international services for the movement of industrial, commercial and retail goods. Meridian IQ is a non-asset based company using Web-native technology to provide customers a single source for transportation management solutions and global shipment management. Headquartered in Overland Park, Kansas, Yellow Corporation employs approximately 25,000 people.

SOURCE Yellow Corporation

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