



## Yellow Corporation Posts Record 2000 Revenue and Earnings

OVERLAND PARK, Kan., Jan. 26 /PRNewswire/ -- Yellow Corporation (Nasdaq: YELL) today announced record full year earnings per share of \$2.49 in 2000, up 23 percent from earnings per share of \$2.03 in 1999, all before unusual and discontinued items.

Operating revenue for the year was a record at \$3.6 billion, compared with \$3.2 billion in 1999. Consolidated operating income for 2000, before unusual items, was a record \$140.4 million, up 30 percent from \$107.8 million in 1999.

In the fourth quarter ended December 31, 2000, Yellow Corporation had earnings per share of \$.74, up from \$.71 per share in the 1999 fourth quarter. Revenue was \$883 million, compared with \$882 million in the 1999 fourth quarter. Operating income was \$41.1 million, compared with \$38.6 million in the 1999 fourth quarter. All results are before unusual and discontinued items.

"The first year of the new millennium was the best year in our history," said Bill Zollars, Yellow Corporation Chairman, President and CEO. "We achieved record financial results because we focused on delivering the portfolio of services with the flawless execution that customers demand. The fact that we turned in these results during a period of rising fuel prices, a late-year economic slowdown and severe winter weather in the fourth quarter shows that we are succeeding in transforming Yellow into a transportation services company that can better manage the risks that our industry has struggled with in the past."

Unusual items for the fourth quarter included \$2.7 million for the previously announced integration of WestEx and Action Express with Saia. In addition, a charge for a discontinued business of \$1.3 million, after-tax, was incurred to settle pending liabilities associated with the 1999 bankruptcy of Preston Trucking Company. Unusual items for the year 2000 included an after-tax net gain of \$8.7 million, or \$.35 per share, primarily resulting from the sale of real estate property in Manhattan, New York. Including all unusual items, fourth quarter earnings per share were \$.61 and 2000 earnings per share were \$2.74.

### National Transportation Services

Yellow Freight System, the company's largest subsidiary, reported fourth quarter operating income before unusual items of \$37.6 million, up 36 percent from \$27.6 million in the 1999 fourth quarter. Revenue for the fourth quarter was \$685.6 million, versus \$684.6 million in the 1999 fourth quarter. On a per-day basis, fourth quarter 2000 revenue was up 1.8 percent over the prior year period. The 2000 fourth quarter operating ratio was 94.5, compared with 96.0 a year earlier.

For the full year, Yellow Freight reported operating income of \$128.3 million before unusual items, up 50.3 percent from \$85.4 million in 1999. Revenue for the year was \$2.8 billion, up 6.4 percent from 1999 revenue of \$2.6 billion. The full year operating ratio, excluding unusual items, was 95.4 compared with 96.7 in 1999. Including unusual items, primarily a \$14.2 million pretax net gain from the second quarter sale of terminal property in New York, full-year operating income was \$141.8 million.

During 2000, Yellow Freight began a network re-engineering process that enabled the company to dramatically increase its two- and three-day regional service in the Upper Midwest and Northeastern U.S. and Eastern half of Canada. The new Yellow Standard Ground Regional Advantage service was created from a network re-engineering effort that began in 2000 in the Cleveland, Ohio and Buffalo, N.Y. areas. Yellow Freight has improved shipment pickup and delivery and handling processes and added hundreds more metro-to-metro schedules that cut delivery times by one to two days. Yellow Freight has improved the speed that shipments move through its network and its nationwide on-time delivery performance. Several more strategic metros will be added to the Regional Advantage network in 2001.

Yellow Freight recently received ISO 9001 certification for meeting recognized worldwide quality standards for management systems and processes at all terminals throughout North America. Yellow Freight is the first transportation services company to receive company-wide certification under the new ISO 9001 standards. The certification is becoming a prerequisite for doing business with a growing number of major manufacturers.

"Yellow Freight System has the total package," Zollars said. "They focused on delivering quality service and a broader range of service choices and the result was their best overall operating performance since 1986. Yellow Freight has consistently improved profitability by offering a complete portfolio of services and by attacking the service issues that matter most to customers. The ISO certification demonstrates that they are relentless in staying on the leading edge among all transportation services providers."

## Regional Carrier Group

At Saia Motor Freight Line, fourth quarter 2000 revenue was \$90.8 million and operating income was \$4.5 million, compared with revenue of \$88.8 million and operating income of \$4.3 million in the 1999 fourth quarter. The 2000 fourth quarter operating ratio was 95.1, the same as in the year-earlier quarter.

For the full year, Saia had revenue of \$366.8 million and operating income of \$16.5 million, compared with 1999 revenue of \$349.3 million and operating income of \$16.8 million. The operating ratio for 2000 was 95.5, versus 95.2 in 1999.

WestEx and Action Express, whose operations are being integrated with Saia, reported combined fourth quarter revenue of \$29.1 million and an operating loss of \$3.5 million. Combined 2000 revenue was \$115.2 million and the operating loss was \$4.7 million.

"Due to strong variable expense controls, Saia has been able to both improve customer service and offset increased fuel prices, casualty claims and higher wage and benefit rates," Zollars said. "With completion of the integration of WestEx and Action Express in March, Saia will offer seamless overnight and second-day service coverage in some of the fastest growing commercial centers in the country. Saia is now well positioned to see sustained profitable revenue growth in 2001 and beyond."

Jevic reported fourth quarter 2000 revenue of \$77.0 million and operating income of \$4.5 million, compared with 1999 revenue of \$74.5 million and operating income of \$5.6 million. Jevic, which was acquired July 1999, reported full year revenue of \$307 million and operating income of \$14.3 million, compared with full year 1999 revenue of \$277 million and operating income of \$20.7 million. The 2000 fourth quarter operating ratio for Jevic was 94.2, compared with 92.5 in the 1999 fourth quarter. The full-year operating ratio for Jevic was 95.3, compared with 92.5 in 1999.

"Jevic continues to prove that there is a high level of demand for its unique service offering," Zollars said. "We have a solid management team at Jevic that pulled off a good performance in face of high fuel prices, a late-year economic slowdown, unusually severe winter weather and intense competitive pressures."

## Transportation.com

Since its launch in June 2000, Transportation.com™ has continued its successful rollout of a broad suite of web-based services designed to serve small to medium sized shippers and carriers over the world wide web.

Transportation.com ended 2000 with more than 6,000 customers and a significant volume of business in its sales pipeline, including increased demand for contractual logistics services. In addition, prudent cost management brought expenses for the year in well below expected levels.

"Transportation.com has become a non-asset-based global network logistics company that delivers services through best-in-class Internet technology," said Zollars. "With the consolidation that is occurring rapidly, Transportation.com has become the service leader in this very specialized and exciting market segment."

## Corporate and Other

The fourth quarter results reflect an after-tax loss of \$1.1 million or \$.05 per share pertaining to ongoing business development expenses for Transportation.com, which is an unconsolidated joint venture of Yellow Corporation. For the year, after tax development expenses at Transportation.com were \$4.2 million, or \$.17 per share.

Statements contained in this release that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the company's expectations, hopes, beliefs and intentions on strategies regarding the future. 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 but not limited to inflation, 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 with wholly owned operating subsidiaries specializing in the national, regional and international transportation of industrial, commercial and retail goods. Transportation.com www.transportation.com is a non-asset-based global network logistics company utilizing the world wide web to provide broad-based products, services and information to small- to medium-sized shippers and carriers. Transportation.com is funded by Yellow Corporation and several venture capital firms. Headquartered in Overland Park, Kansas, Yellow employs approximately 32,000 people.

(Unaudited)

	December 31, 2000	December 31, 1999
ASSETS		
CURRENT ASSETS:		
Cash	\$25,799	\$22,581
Accounts receivable	222,926	265,302
Prepaid expenses and other	64,680	64,009
Total current assets	313,405	351,892
PROPERTY AND EQUIPMENT:		
Cost	2,128,937	2,093,470
Less - Accumulated depreciation	1,240,359	1,226,698
Net property and equipment	888,578	866,772
GOODWILL AND OTHER ASSETS	106,494	106,919
	\$1,308,477	\$1,325,583
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and checks outstanding	\$140,882	\$135,177
Wages and employees' benefits	173,332	172,471
Other current liabilities	119,194	124,769
Current maturities of long-term debt	68,792	2,392
Total current liabilities	502,200	434,809
OTHER LIABILITIES:		
Long-term debt	136,645	274,015
Deferred income taxes	92,413	79,005
Claims, insurance and other	117,443	128,374
Total other liabilities	346,501	481,394
SHAREHOLDERS' EQUITY:		
Common stock, \$1 par value	29,959	29,437
Capital surplus	23,304	16,063
Retained earnings	522,195	454,177
Accumulated other comprehensive income	(2,710)	(2,322)
Treasury stock	(112,972)	(87,975)
Total shareholders' equity	459,776	409,380
	\$1,308,477	\$1,325,583

STATEMENTS OF CONSOLIDATED OPERATIONS  
Yellow Corporation and Subsidiaries

For the Quarter and Twelve Months Ended December 31, 2000 and 1999

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

	Fourth Quarter		Twelve Months	
	2000	1999	2000	1999
OPERATING REVENUE	\$882,990	\$882,310	\$3,588,140	\$3,226,847
OPERATING EXPENSES:				
Salaries, wages and benefits	535,723	541,502	2,210,505	2,041,590
Operating expenses and supplies	147,497	135,400	583,594	490,447
Operating taxes and licenses	28,365	27,701	112,329	100,602
Claims and insurance	19,691	17,622	80,619	70,227
Depreciation and amortization	31,704	31,069	126,883	110,310
Purchased transportation	78,906	90,456	333,846	305,840
Unusual items (a)	3,226	977	(12,165)	325
Total operating expenses (b)	845,112	844,727	3,435,611	3,119,341
INCOME FROM OPERATIONS	37,878	37,583	152,529	107,506
NONOPERATING (INCOME) EXPENSES:				
Interest expense	4,420	5,008	19,491	15,303
Loss in Transportation.com	1,769	-	3,329	-
Other, net	2,954	1,294	8,021	2,924
Nonoperating expenses, net	9,143	6,302	30,841	18,227
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	28,735	31,281	121,688	89,279
INCOME TAX PROVISION	12,974	14,010	52,386	38,364
INCOME FROM CONTINUING OPERATIONS	15,761	17,271	69,302	50,915
LOSS FROM DISCONTINUED OPERATIONS	1,284	-	1,284	-
NET INCOME	\$14,477	\$17,271	\$68,018	\$50,915
AVERAGE SHARES OUTSTANDING-BASIC	23,746	24,888	24,649	25,003
AVERAGE SHARES OUTSTANDING-DILUTED	23,919	25,041	24,787	25,168
BASIC EARNINGS PER SHARE:				
Income from continuing operations	\$.66	\$.69	\$2.81	\$2.04
Loss from discontinued operations	\$(.05)	\$ -	\$(.05)	\$ -
Net income	\$.61	\$.69	\$2.76	\$2.04
DILUTED EARNINGS PER SHARE:				
Income from continuing				

operations	\$ .66	\$ .69	\$2.79	\$2.02
Loss from discontinued operations				
operations	\$ (.05)	\$ -	\$ (.05)	\$ -
Net income	\$ .61	\$ .69	\$2.74	\$2.02

Notes:

- (a) Unusual items include integration costs and property gains and losses.
- (b) Included in YTD operating expense is \$3.5 million of charges related to investment in Transportation.com.

STATEMENTS OF CONSOLIDATED CASH FLOWS  
Yellow Corporation and Subsidiaries  
For the Twelve Months Ended December 31, 2000 and 1999  
(Amounts in thousands)  
(Unaudited)

	2000	1999
OPERATING ACTIVITIES:		
Net cash from operating activities	\$ 227,113	\$ 250,036
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(164,803)	(159,275)
Acquisition of Jevic, net of cash acquired	-	(164,507)
Proceeds from disposal of property and equipment	35,081	10,090
Other	(5,115)	-
Net cash used in investing activities	(134,837)	(313,692)
FINANCING ACTIVITIES:		
Treasury stock purchases	(24,998)	(14,824)
Proceeds from stock options and other, net	6,985	1,103
Increase (decrease) in long-term debt	(71,045)	74,436
Net cash provided by (used in) financing activities	(89,058)	60,715
NET INCREASE (DECREASE) IN CASH	3,218	(2,941)
CASH, BEGINNING OF PERIOD	22,581	25,522
CASH, END OF PERIOD	\$25,799	\$22,581

Yellow Freight System, Inc.  
Financial Information  
For the Quarter Ended December 31  
(Amounts in thousands)

	Fourth Quarter			Twelve Months		
	2000	1999	%	2000	1999	%
Operating revenue	685,608	684,565	0.2	2,777,772	2,611,580	6.4
Operating						

income	37,395	27,302	141,829	85,412
Operating ratio	94.5	96.0	94.9	96.7
Total assets at December 31			722,808	743,681

	Fourth Quarter			Fourth Quarter		
	2000	1999	%	Amount/Workday	1999	%
Workdays				(62)	(63)	
Financial statement revenue						
LTL	625,703	627,825	(0.3)	10,092.0	9,965.5	1.3
TL	53,443	54,709	(2.3)	862.0	868.4	(0.7)
Other	6,462	2,031	NM	104.2	32.2	NM
Total	685,608	684,565	0.2	11,058.2	10,866.1	1.8
Revenue excluding revenue recognition adjustment						
LTL	625,703	627,825	(0.3)	10,092.0	9,965.5	1.3
TL	53,443	54,709	(2.3)	862.0	868.4	(0.7)
Other	3	(3)	NM	0.0	0.0	NM
Total	679,149	682,531	(0.5)	10,954.0	10,833.9	1.1
Tonnage						
LTL	1,619	1,777	(8.8)	26.12	28.20	(7.4)
TL	324	350	(7.4)	5.23	5.56	(5.9)
Total	1,943	2,127	(8.6)	31.35	33.76	(7.1)
Shipments						
LTL	3,238	3,557	(9.0)	52.23	56.46	(7.5)
TL	44	48	(8.3)	0.71	0.76	(6.9)
Total	3,282	3,605	(8.9)	52.94	57.22	(7.5)
Revenue/cwt.						
LTL	19.32	17.67	9.3			
TL	8.24	7.81	5.5			
Total	17.47	16.05	8.9			
Revenue/shipment						
LTL	193.21	176.51	9.5			
TL	1,210.82	1,136.09	6.6			
Total	206.90	189.33	9.3			

Saia Motor Freight Line, Inc.  
Financial Information  
For the Quarter Ended December 31  
(Amounts in thousands)

	Fourth Quarter			Twelve Months		
	2000	1999	%	2000	1999	%

Operating revenue	90,770	88,772	2.3	366,830	349,259	5.0
Operating income	4,476	4,312		16,544	16,824	
Operating ratio	95.1	95.1		95.5	95.2	
Total assets at December 31				231,376	228,564	

	Fourth Quarter			Fourth Quarter		
	2000	1999	%	Amount/Workday	2000	1999
Workdays				(61)	(61)	
Financial statement revenue						
LTL	82,604	80,052	3.2	1,354.2	1,312.3	3.2
TL	8,166	8,720	(6.4)	133.9	143.0	(6.4)
Total	90,770	88,772	2.3	1,488.1	1,455.3	2.3
Revenue excluding Revenue recognition Adjustment						
LTL	82,422	79,803	3.3	1,351.2	1,308.2	3.3
TL	8,148	8,693	(6.3)	133.6	142.5	(6.3)
Total	90,570	88,496	2.3	1,484.8	1,450.7	2.3
Tonnage						
LTL	432	436	(1.0)	7.08	7.15	(1.0)
TL	122	142	(14.2)	2.00	2.33	(14.2)
Total	554	578	(4.3)	9.08	9.48	(4.3)
Shipments						
LTL	755	784	(3.7)	12.38	12.85	(3.7)
TL	13	14	(9.0)	.21	.24	(9.0)
Total	768	798	(3.7)	12.59	13.09	(3.7)
Revenue/cwt.						
LTL	9.54	9.15	4.3			
TL	3.35	3.06	9.3			
Total	8.18	7.65	6.9			
Revenue/shipment						
LTL	109.17	101.84	7.2			
TL	623.94	605.62	3.0			
Total	117.92	110.90	6.3			

Jevic Transportation, Inc.  
Financial Information  
For the Quarter Ended December 31, 2000  
(Amounts in thousands)

	Fourth Quarter		%	Year Ended		%
	2000	1999		2000	1999	
Operating revenue	77,011	74,495	3.4	307,019	277,123	10.8
Goodwill amortization	500	501		2,061	956	
Operating income	4,489	5,606		14,308	20,729	
Operating ratio	94.2	92.5		95.3	92.5	
Total assets at December 31				257,451	257,099	
	Fourth Quarter		%	Fourth Quarter Amount/Workday		%
	2000	1999		2000	1999	
Workdays				(62)	(62)	
Financial statement revenue						
LTL	49,108	46,496	5.6	792.1	749.9	5.6
TL	27,903	27,999	(0.3)	450.0	451.6	(0.3)
Total	77,011	74,495	3.4	1,242.1	1,201.5	3.4
Revenue excluding revenue recognition adjustment						
LTL	48,846	46,292	5.5	787.8	746.6	5.5
TL	27,753	27,878	(0.4)	447.6	449.6	(0.4)
Total	76,599	74,170	3.3	1,235.4	1,196.2	3.3
Tonnage						
LTL	252	246	2.3	4.06	3.97	2.3
TL	342	369	(7.4)	5.51	5.95	(7.4)
Total	594	615	(3.5)	9.57	9.92	(3.5)
Shipments						
LTL	209	205	1.5	3.36	3.31	1.5
TL	37	38	(2.1)	0.60	0.61	(2.1)
Total	246	243	1.0	3.96	3.92	1.0
Revenue/cwt.						
LTL	9.71	9.41	3.1			
TL	4.06	3.78	7.5			
Total	6.46	6.03	7.1			
Revenue/shipment						
LTL	234.18	225.34	3.9			
TL	743.97	731.53	1.7			
Total	311.52	304.55	2.3			

SOURCE Yellow Corporation



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