



## Yellow Corporation Solidly Profitable in Challenging First Quarter

- **Successful equity offering provides funds for growth strategy and debt reduction**
- **Premium services and cost management enhance Yellow Transportation results**
- **Meridian IQ formally launched in March, and has early successes**
- **Spin-off of SCS Transportation on track for third quarter 2002**

OVERLAND PARK, Kan., Apr 18, 2002 -- Yellow Corporation (Nasdaq: YELL) today reported first quarter 2002 income, before unusual items and the cumulative effect of a change in accounting principle, of \$2.7 million, or \$.11 per share. On a comparable basis, income for the first quarter of 2001 was \$5.4 million, or \$.22 per share. Including unusual items, income before the cumulative effect of a change in accounting principle was \$2.1 million, or \$.08 per share, compared to \$1.7 million, or \$.07 per share, in the first quarter of last year.

Consolidated operating revenue for the first quarter was \$762 million, down 8.4 percent, from \$832 million last year. Consolidated operating income, before unusual items, was \$9.1 million this quarter, compared to \$18.4 million in the first quarter of last year. Including unusual items, consolidated operating income was \$8.1 million compared to \$12.4 million last year.

"We have added to our momentum by successfully completing an equity offering, by advancing the spin-off of SCS Transportation, and through the continued solid performance of our operating and technology companies in a difficult environment," said Bill Zollars, Yellow Corporation Chairman, President and CEO. "In addition, proceeds from the equity offering, which include the 15 percent over-allotment option, provide additional financial flexibility to accelerate our growth strategies in the asset-based and non-asset-based areas of our business. We are well positioned for the future and to benefit from economic recovery."

The first quarter of 2002 included a previously announced non-cash charge of \$75.2 million, or \$2.97 per share, for the impairment of goodwill associated with Jevic Transportation. The charge was recorded as a cumulative effect of change in accounting principle.

### Yellow Transportation

Yellow Transportation reported first quarter revenue of \$565 million, down 9.8 percent on a per-day basis from \$636 million in the 2001 first quarter. First quarter total tonnage was down 7.4 percent on a per-day basis from the first quarter of 2001, with LTL tonnage down 7.2 percent. LTL revenue per hundred weight, excluding fuel surcharge, was up .1 percent from the first quarter of last year, a quarter in which yields improved nearly 8 percent on a comparable basis.

Operating income, before unusual items, was \$7.2 million, down from \$14.2 million in the 2001 first quarter. The first quarter operating ratio, excluding unusual items, was 98.7 compared with 97.8 a year earlier.

"Yellow Transportation has maintained excellent cost controls while preserving service quality," Zollars said. "In addition, our ongoing focus on offering value-added premium services continues to enhance our results. Even with the growth we have experienced to date, further opportunities exist to grow these value-added services. The fact that revenues for both Exact Express and Definite Delivery are up nearly 15 percent in this challenging environment is evidence of that potential."

### Meridian IQ

Meridian IQ was formed earlier this year, and formally launched in March, as the Yellow platform for non-asset-based transportation services. These capabilities include international and domestic freight forwarding services, multi-modal brokerage services, and transportation management solutions.

"Meridian IQ has enjoyed some early successes by leveraging its unique business model to deliver higher ROI to their customers," Zollars said. "Offering customers fast and easy-to-implement solutions to their transportation needs, without all the upfront costs, gives us a competitive advantage."

Operating revenue was \$15 million for the first quarter of 2002, and operating losses excluding unusual items were \$1.4 million, consistent with our expectations for this newly formed entity.

## SCS Transportation

Consolidated operating revenue for SCS Transportation was \$184 million for the first quarter of 2002, down 4.3 percent on a per-day basis from \$196 million a year ago. Operating income, before unusual items, was \$5.1 million, down only about 5 percent from \$5.4 million last year.

"Our operating performance speaks not only to our ability to manage costs," said Bert Trucksess, President and CEO of SCS Transportation, "but also to the response of the market to our consistently high quality of service."

At Saia, first quarter revenue was \$115 million, down 1.9 percent on a per-day basis from \$119 million in the first quarter of last year. Operating income, excluding unusual items, was \$3.8 million up from \$3.1 million in the first quarter of 2001. The first quarter operating ratio, excluding unusual items, was 96.7 compared with 97.4 the prior year.

Jevic reported first quarter revenue of \$69 million, down 8.0 percent on a per-day basis from \$77 million a year ago. Operating income, before unusual items, was \$1.0 million in the first quarter of 2001 compared to \$2.3 million in the same period last year. The operating ratio, before unusual items, was 98.5 in the 2002 first quarter and 97.0 last year.

"We are moving ahead to complete the remaining steps required to spin-off SCS Transportation," stated Zollars. "Subject to market conditions and final board of directors approval, we anticipate completing the spin-off in the third quarter of this year."

## Outlook

"We have experienced modest improvement in our business volumes, with each month of the first quarter improving over the prior month," Zollars stated. "Assuming that economic trend continues throughout the second quarter and the pricing environment shows modest improvement, our expectations for earnings per share are currently in the range of \$.15 to \$.20."

## Review of Financial Results

A teleconference review of Yellow Corporation first quarter 2002 financial results has been scheduled for Friday, April 19, 2002, beginning at 9:30 (EDT), 8:30 (CDT). Hosting the teleconference will be: Bill Zollars, Chairman, President and CEO, Yellow Corporation; Don Barger, Chief Financial Officer, Yellow Corporation; James Welch, President, Yellow Transportation; Jim Ritchie, President, Meridian IQ; and Bert Trucksess, President, SCS Transportation.

To participate, please dial 1-888-609-3912. Callers should dial in 5 to 10 minutes prior to the start of the call. The conference call will be webcast live via StreetEvents at [www.streetevents.com](http://www.streetevents.com) and via the Yellow Corporation Internet site [www.yellowcorp.com](http://www.yellowcorp.com). An audio playback will be available until April 29 by calling 1-800-642-1687 and then dialing the access code 3691363. An audio playback also will be available for 30 days after the call via the StreetEvents, and Yellow Corporation web sites.

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, a Fortune 500 Company, is a holding company with wholly owned operating subsidiaries. Its largest subsidiary, Yellow Transportation, Inc., offers a full range of national, regional and international services for the movement of industrial, commercial and retail goods. SCS Transportation provides overnight and second-day LTL and selected TL services to a broad range of industries. Meridian IQ is a non-asset based company using web-based technology to provide customers a single source for transportation management solutions and global shipment management. Headquartered in Overland Park, Kansas, Yellow Corporation employs approximately 28,000 people.

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

March 31, December 31,  
2002                      2001

ASSETS

CURRENT ASSETS:		
Cash	\$18,817	\$20,694
Accounts receivable	203,286	208,267
Prepaid expenses and other	67,811	83,449
Total current assets	289,914	312,410
PROPERTY AND EQUIPMENT:		
Cost	2,133,528	2,133,406
Less - Accumulated depreciation	1,272,729	1,267,834
Net property and equipment	860,799	865,572
GOODWILL AND OTHER ASSETS	32,449	107,795
	\$1,183,162	\$1,285,777

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable and checks outstanding	\$98,455	\$128,343
Wages and employees' benefits	138,310	130,806
Other current liabilities	117,006	103,778
Current maturities of long-term debt	5,929	6,281
Total current liabilities	359,700	369,208
OTHER LIABILITIES:		
Long-term debt	188,679	213,745
Deferred income taxes	91,606	92,817
Claims, insurance and other	121,516	119,018
Total other liabilities	401,801	425,580
SHAREHOLDERS' EQUITY:		
Common stock, \$1 par value	31,144	31,028
Capital surplus	43,867	41,689
Retained earnings	464,460	537,496
Accumulated other comprehensive income	(4,838)	(6,252)
Treasury stock	(112,972)	(112,972)
Total shareholders' equity	421,661	490,989
	\$1,183,162	\$1,285,777

STATEMENTS OF CONSOLIDATED OPERATIONS  
Yellow Corporation and Subsidiaries  
For the Three Months ended March 31, 2002 and 2001  
(Amounts in thousands except per share data)  
(Unaudited)

	2002	2001
OPERATING REVENUE	\$762,340	\$831,978
OPERATING EXPENSES:		
Salaries, wages and benefits	496,341	523,344
Operating expenses and supplies	110,895	143,930
Operating taxes and licenses	26,047	28,237
Claims and insurance	18,885	18,491
Depreciation and amortization	30,181	31,865
Purchased transportation	70,919	67,677
Unusual Items(A)	968	5,991
Total operating expenses	754,236	819,535
INCOME FROM OPERATIONS	8,104	12,443

NONOPERATING (INCOME) EXPENSES:		
Interest expense	3,903	4,065
Loss in Transportation.com	-	2,536
Other, net	581	2,725
Nonoperating expenses, net	4,484	9,326
INCOME BEFORE INCOME TAXES	3,620	3,117
INCOME TAX PROVISION	1,481	1,371
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	2,139	1,746
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING FOR GOODWILL	(75,175)	-
NET INCOME (LOSS)	\$(73,036)	\$1,746
AVERAGE SHARES OUTSTANDING-BASIC	24,934	24,036
AVERAGE SHARES OUTSTANDING-DILUTED	25,259	24,399
BASIC EARNINGS (LOSS) PER SHARE:		
Income before cumulative effect of accounting change	\$0.09	\$0.07
Cumulative effect of change in accounting for goodwill	(3.02)	-
Net income	\$(2.93)	\$0.07
DILUTED EARNINGS (LOSS) PER SHARE:(B)		
Income before cumulative effect of accounting change	\$0.08	\$0.07
Cumulative effect of change in accounting for goodwill	(2.97)	-
Net income	\$(2.89)	\$0.07

Notes:

- (A) Unusual items include integration and business reorganization costs and property gains and losses.
- (B) Diluted EPS before accounting change and unusual items was \$.11 per share for the first quarter 2002 and \$.22 for the first quarter 2001. The attached supplemental financial information schedule provides the reconciliation between these EPS amounts and the GAAP EPS amounts.

STATEMENTS OF CONSOLIDATED CASH FLOWS  
Yellow Corporation and Subsidiaries  
For the Three Months Ended March 31, 2002 and 2001  
(Amounts in thousands)  
(Unaudited)

	2002	2001
OPERATING ACTIVITIES:		
Net cash from operating activities	\$48,737	\$46,873
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(28,419)	(48,263)
Proceeds from disposal of property and equipment	1,184	975
Other	-	(2,500)
Net cash used in investing activities	(27,235)	(49,788)
FINANCING ACTIVITIES:		
Proceeds from stock options and other, net	2,039	5,168
Increase (decrease) in long-term debt	(25,418)	13,574
Net cash provided by (used in) financing activities	(23,379)	18,742



		2002	2001	%	2002	2001	%
Workdays					63	64	
Financial							
statement	LTL	526,659	589,056	(10.6)	8,359.7	9,204.0	(9.2)
revenue	TL	40,469	47,120	(14.1)	642.4	736.3	(12.8)
	Other	(2,485)	(211)	n/m	(39.4)	(3.3)	n/m
	Total	564,643	635,965	(11.2)	8,962.7	9,937.0	(9.8)
Revenue							
excluding	LTL	526,659	589,056	(10.6)	8,359.7	9,204.0	(9.2)
revenue							
recognition	TL	40,469	47,120	(14.1)	642.4	736.2	(12.8)
adjustment	Other	(5)	414	n/m	(0.1)	6.5	n/m
	Total	567,123	636,590	(10.9)	9,002.0	9,946.7	(9.5)
Tonnage	LTL	1,401	1,533	(8.6)	22.23	23.96	(7.2)
	TL	267	297	(9.9)	4.24	4.63	(8.5)
	Total	1,668	1,830	(8.9)	26.47	28.59	(7.4)
Shipments	LTL	2,814	3,099	(9.2)	44.66	48.43	(7.8)
	TL	37	41	(9.5)	0.59	0.64	(8.0)
	Total	2,851	3,140	(9.2)	45.25	49.07	(7.8)
Revenue/cwt.	LTL	18.80	19.21	(2.1)			
	TL	7.57	7.94	(4.7)			
	Total	17.00	17.38	(2.2)			
Revenue/cwt.							
(excluding							
fuel							
surcharge)	LTL	18.66	18.64	0.1			
Revenue/shipment	LTL	187.18	190.07	(1.5)			
	TL	1,098.85	1,158.20	(5.1)			
	Total	198.96	202.61	(1.8)			

Saia Motor Freight Line, Inc.  
Financial Information  
For the Three Months Ended March 31  
(Amounts in thousands)

		First Quarter		%
		2002	2001	
Operating revenue		115,028	119,118	(3.4)
Operating income - before unusual items		3,840	3,050	
Operating income - as reported		3,641	(2,302)*	
Operating ratio - before unusual items		96.7	97.4	
Operating ratio - as reported		96.8	101.9	
Total assets at March 31		278,778	296,866	

		First Quarter		%	First Quarter		%
		2002	2001		Amount/Workday		
					2002	2001	
Workdays					63	64	
Financial	LTL	105,230	108,895	(3.4)	1,670.3	1,701.5	(1.8)

statement	TL	9,798	10,223	(4.2)	155.5	159.7	(2.6)
revenue	Total	115,028	119,118	(3.4)	1,825.8	1,861.2	(1.9)
Revenue							
excluding	LTL	105,378	109,190	(3.5)	1,672.7	1,706.1	(2.0)
revenue							
recognition	TL	9,812	10,251	(4.3)	155.7	160.2	(2.8)
adjustment	Total	115,190	119,441	(3.6)	1,828.4	1,866.3	(2.0)
Tonnage	LTL	545	548	(0.5)	8.65	8.56	1.1
	TL	134	154	(12.5)	2.13	2.40	(11.1)
	Total	679	702	(3.1)	10.78	10.96	(1.6)
Shipments	LTL	1,027	1,020	0.7	16.31	15.94	2.3
	TL	16	17	(5.6)	0.26	0.27	(4.1)
	Total	1,043	1,037	0.6	16.57	16.21	2.2
Revenue/cwt.	LTL	9.67	9.97	(3.0)			
	TL	3.65	3.33	9.4			
	Total	8.48	8.52	(0.4)			
Revenue/cwt.							
(excluding							
fuel							
surcharge)	LTL	9.56	9.64	(0.9)			
Revenue/							
shipment	LTL	102.58	107.04	(4.2)			
	TL	609.90	601.80	1.3			
	Total	110.40	115.17	(4.1)			

\* - Includes \$5,385,000 in one-time integration costs associated with the merger of WestEx and Action into Saia.

Jevic Transportation, Inc.  
Financial Information  
For the Three Months Ended March 31  
(Amounts in thousands)

	First Quarter		
	2002	2001	%
Operating revenue	68,510	76,858	(10.9)
Operating income - before unusual items	1,033	2,318	
Operating income - as reported	968	2,305	
Operating ratio - before unusual items	98.5	97.0	
Operating ratio - as reported	98.6	97.0	
Total assets at March 31	158,141	252,589	

	First Quarter			First Quarter			
	2002	2001	%	Amount/Workday	2001	%	
Workdays				62	64		
Financial							
statement	LTL	45,002	49,082	(8.3)	725.8	766.9	(5.4)
revenue	TL	22,495	26,268	(14.4)	362.8	410.4	(11.6)
	Other	1,013	1,508	(32.8)	16.3	23.6	(30.7)

	Total	68,510	76,858	(10.9)	1,104.9	1,200.9	(8.0)
Revenue							
excluding	LTL	45,049	49,245	(8.5)	726.6	769.5	(5.6)
revenue							
recognition	TL	22,521	26,356	(14.6)	363.2	411.8	(11.8)
adjustment	Other	1,013	1,508	(32.8)	16.3	23.6	(30.7)
	Total	68,583	77,109	(11.1)	1,106.1	1,204.9	(8.2)
Tonnage	LTL	249	262	(5.2)	4.02	4.10	(2.1)
	TL	295	330	(10.7)	4.76	5.16	(7.8)
	Total	544	592	(8.2)	8.78	9.26	(5.3)
Shipments	LTL	209	217	(4.0)	3.36	3.39	(0.9)
	TL	33	36	(8.4)	0.54	0.57	(5.4)
	Total	242	253	(4.6)	3.90	3.96	(1.5)
Revenue/cwt.	LTL	9.05	9.38	(3.6)			
	TL	3.81	3.99	(4.3)			
	Total	6.21	6.37	(2.6)			
Revenue/cwt.	LTL	8.98	9.08	(1.1)			
(excluding							
fuel							
surcharge)	TL	3.79	3.86	(1.9)			
Revenue/shipment	LTL	216.03	226.72	(4.7)			
	TL	673.07	721.79	(6.7)			
	Total	279.23	297.97	(6.3)			

**SOURCE Yellow Corporation**

CONTACT:           Analysts, Stephen Bruffett of Yellow Corporation,  
                      +1-913-696-6108, or [steve.bruffett@yellowcorp.com](mailto:steve.bruffett@yellowcorp.com), or Media, Suzanne Dawson of  
                      Linden Alschuler & Kaplan, +1-212-575-4545, or [sdawson@lakpr.com](mailto:sdawson@lakpr.com)  
                      (YELL)