

Subject Company: Yellow Corporation  
Commission File No.: 333-108081

Subject Company: Roadway Corporation  
Commission File No.: 000-32821

#### FORWARD-LOOKING STATEMENTS

Certain statements made 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,” “will,” “look forward to” and similar expressions are intended to identify forward-looking statements.

The expectations set forth in this filing regarding accretion, returns on invested capital, achievement of annual savings and synergies, achievement of strong cash flow, sufficiency of cash flow to fund capital expenditures and achievement of debt reduction targets are only the parties’ expectations regarding these matters. Actual results could differ materially from these expectations depending on factors such as the combined company’s cost of capital, the ability of the combined company to identify and implement cost savings, synergies and efficiencies in the time frame needed to achieve these expectations, prior contractual commitments of the combined companies and their ability to terminate these commitments or amend, renegotiate or settle the same, the combined company’s actual capital needs, the absence of any material incident of property damage or other hazard that could affect the need to effect capital expenditures, any unforeseen merger or acquisition opportunities that could affect capital needs, the costs incurred in implementing synergies and the factors that generally affect both Yellow’s and Roadway’s respective businesses as further outlined in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in each of the companies’ respective Annual Reports on Form 10-K for the year ended December 31, 2002 and the “Risk Factors” outlined in Yellow’s Current Report on Form 8-K filed on August 4, 2003 and its Registration Statement on Form S-4, as amended, filed on October 17, 2003. Yellow’s plans regarding the maintenance of the separate Yellow and Roadway brands and networks, the continuation of the Roadway headquarters as a major operational center, the focus on administrative and back office synergies and workforce rationalizations are only its current plans and intentions regarding these matters. Actual actions that the combined company may take may differ from time to time as the combined company may deem necessary or advisable in the best interest of the combined company and its shareholders to attempt to achieve the successful integration of the companies, the synergies needed to make the transaction a financial success and to react to the economy and the combined company’s market for its transportation services.

#### ADDITIONAL INFORMATION

On October 17, 2003, Yellow filed a joint proxy statement/prospectus and Yellow and Roadway will file other relevant documents concerning the proposed merger transaction with the Securities and Exchange Commission (“SEC”). Investors are urged to read the joint proxy statement/prospectus and any other relevant documents filed with the SEC when they become available because they will contain important information. You will be able to obtain the documents free of charge at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, you may obtain documents filed with the SEC by Yellow free of charge by requesting them in writing from Yellow or by telephone at (913) 696-6100. You may obtain documents filed with the SEC by Roadway free of charge by requesting them in writing from Roadway or by telephone at (330) 384-1717. Yellow and Roadway, and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies from the stockholders of Yellow and Roadway in connection with the merger. Information about the directors and executive officers of Yellow and their ownership of Yellow stock is set forth in the proxy statement for Yellow’s 2003 Annual Meeting of Stockholders and the joint proxy statement/prospectus related to the proposed merger. Information about the directors and executive officers of Roadway, their ownership of Roadway stock and their interests in the proposed merger transaction is set forth in the proxy statement for Roadway’s 2003 Annual Meeting of Stockholders and the joint proxy statement/prospectus related to the proposed merger.

The following document is filed herewith pursuant to Rule 425 under the Securities Act of 1933:

- Slideshow presentation to be used at Yellow Corporation’s meeting for investors and analysts to be held on December 10, 2003.
-

# Investor Meeting

December 10, 2003



Yellow Roadway Corporation

# Forward-looking Statements



- *This presentation, and oral statements made regarding the subjects of this presentation, contains 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," "will," "remain," "estimated," "anticipated" and similar expressions are intended to identify forward-looking statements. Our actual results could differ materially from those projected by these forward-looking statements due to a number of factors, including (without limitation), inflation, labor relations, inclement weather, price and availability of fuel, competitor pricing activity, expense volatility, changes in and customer acceptance of new technology, changes in equity and debt markets and a downturn in general or regional economic activity. The expectations set forth in this release regarding accretion, incremental margins, economic recovery, achievement of annual savings and synergies, achievement of strong cash flow, sufficiency of cash flow to fund capital expenditures and achievement of debt reduction targets are only the parties' expectations regarding these matters. Additionally, actual results could differ materially from these expectations depending on factors such as the combined company's cost of capital, the ability of the combined company to identify and implement cost savings, synergies and efficiencies in the time frame needed to achieve these expectations, prior contractual commitments of the combined companies and their ability to terminate these commitments or amend, renegotiate or settle the same, the combined company's actual capital needs, the absence of any material incident of property damage or other hazard that could affect the need to effect capital expenditures, any unforeseen merger or acquisition opportunities that could affect capital needs, the costs incurred in implementing synergies and the factors that generally effect both Yellow and Roadway businesses as further outlined in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in each of the companies respective Annual Reports on Form 10-K for the year ended December 31, 2002. Yellow plans regarding the maintenance of the separate Yellow and Roadway brands and networks, technology matters, service offerings, the focus on administrative and back office synergies and are only its current plans and intentions regarding these matters. Actual actions that the combined company may take may differ from time to time as the combined company may deem necessary or advisable in the best interest of the combined company and its shareholders to attempt to achieve the successful integration of the companies, the synergies needed to make the transaction a financial success and to react to the economy and the combined company's market for its transportation services.*



Yellow Roadway Corporation

# **William D. Zollars**

**Chairman, President & CEO, Yellow Roadway Corporation**

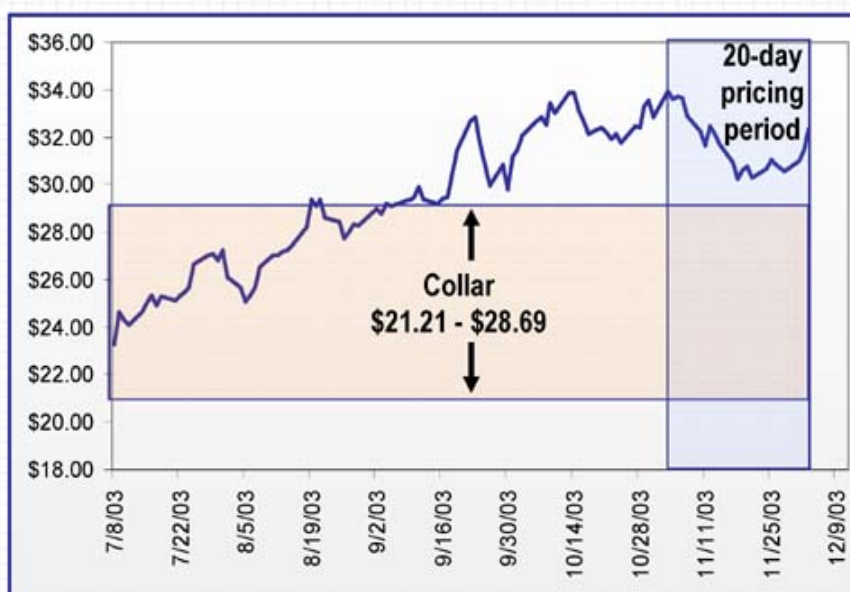
- **The right strategy**
  - Building a global transportation services leader
  - Enhances scale and market position
  - Brands marketed separately / Networks operated independently
- **The right time**
  - Economic recovery
  - Favorable financial markets
  - 5-year labor agreement
- **The right partner**
  - Roadway management team supportive of strategy
  - Strong financial performance and brand equity

- July announcement → December closing
  - Higher confidence on synergies available
  - Higher confidence on customer retention
  - Higher confidence in growth potential



- Overwhelming shareholder support for transaction
  - Roadway
    - 89% for transaction
  - Yellow
    - 99% for transaction
    - 98% for name change

# Transaction Update – Yellow Stock Price



Announcement Date  
July 8

Closing Date  
December 11

Yellow stock up  
34% since  
announcement

20-day trading  
average of  
\$31.51



# Transaction Update – New Shares Issued

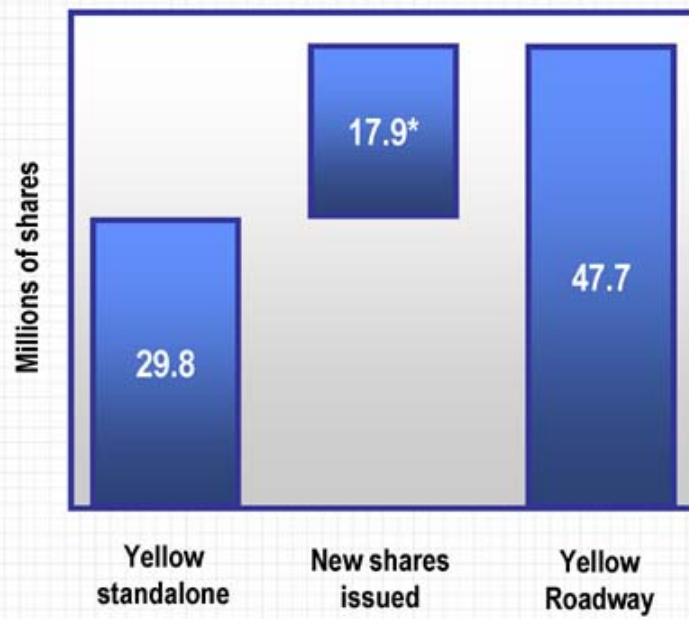


- Performance of Yellow stock price benefits all shareholders
  - Yellow issues fewer shares (less dilution)
  - Roadway shareholders receive more value per share

	Actual shares <u>issued*</u>	Shares issued if <u>inside collar</u>	
Roadway shares	20.4	20.4	<b>1.7 million fewer shares issued*</b>
Exchange ratio	x 1.752	x 1.924	
Stock portion	<u>x 50%</u>	<u>x 50%</u>	
New shares issued	17.9	19.6	

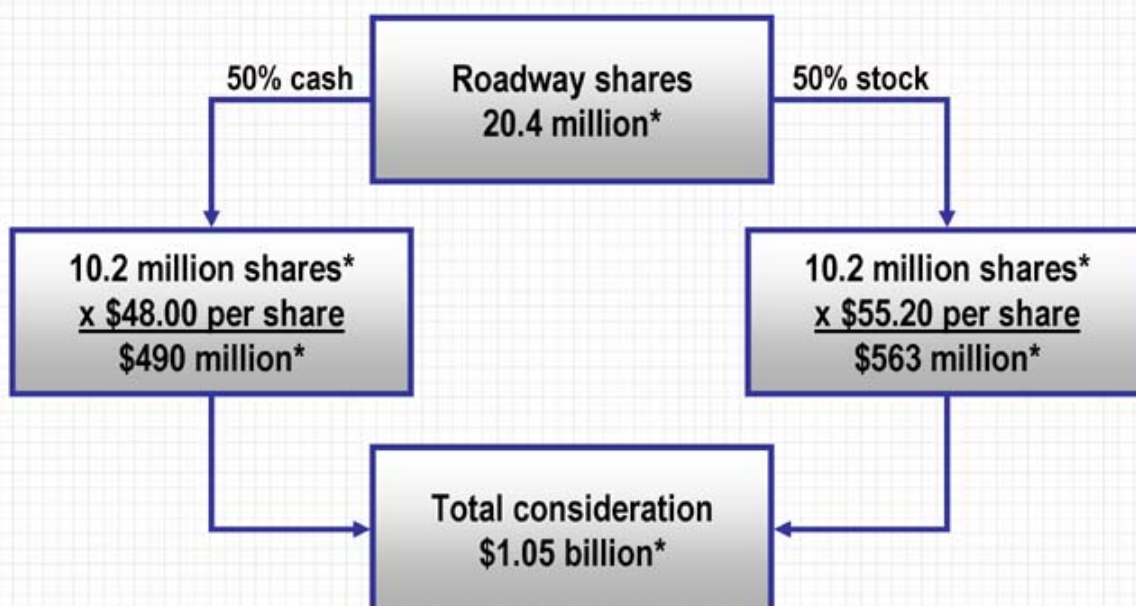
\* Subject to final allocation and proration adjustments

# Transaction Update - Shares Outstanding



\* Subject to final allocation and proration adjustments

## Transaction Update - Total Consideration



\* Subject to final determination of Roadway shares outstanding

# Yellow Roadway Management Team





- Consolidated results will include Roadway from December 12 to December 31
  - Standalone results for Yellow and Roadway will be reported, in summary form, as supplemental disclosures
- Earnings will be released on January 29, 2004 after the market close
- Conference call will be at 9:30 am EST on January 30, 2004



## ■ Yellow Roadway Corporation estimates

■ Earnings per share	\$3.00 (+/- 10%)
■ Consolidated revenue	\$6.5 billion
■ Interest expense	\$55 million
■ Tax rate	40%
■ Average shares outstanding	49 million
■ Capital expenditures	\$200 million

## ■ Segments reported

- Roadway Express
- New Penn
- Yellow Transportation
- Meridian IQ
- Corporate residual

## ■ Information provided

- Revenue
- Operating income
- Operating ratio
- Key operating statistics

- Going forward, Roadway results will be reported on a standard calendar quarter basis



Yellow Roadway Corporation

**James D. Staley**

President and CEO, Roadway

	<u>July 8</u> <u>Estimate</u>	<u>Dec 11</u> <u>Estimate</u>
Synergies required to be accretive	\$30m	\$15m

■ Improvement due to:

- Favorable capital structure and pricing - resulted in lower interest expense
- Yellow stock price above high end of collar - resulted in fewer shares outstanding

## Synergy Update – Run Rate



	<u>July 8 Estimate</u>	<u>Dec 11 Estimate</u>
■ Synergy run rate one year after closing	\$45-\$125m	\$80-\$100m
■ 2004 net synergies	--	\$30-\$50m

■ July 8 – wide range of possible synergies, moderate certainty
■ December 11 – tighter range of expected synergies, higher degree of certainty

- **Primary synergy areas**
  - Equipment & equipment maintenance
  - Purchased transportation
  - Cross-border & offshore operations
  - Technology infrastructure & development
  - Network engineering
  - Back office functions
    - Financial & legal services
    - Risk management
    - Etc.



- Internal tracking mechanisms are being developed
  - We will provide status updates in aggregate
  - Enhanced profitability is the ultimate scorecard
- 
- Longer-term synergies
    - Objective is 5% of costs, or approximately \$300 million

- Collaborative process utilized to identify strengths and opportunities
- Utilized at Roadway to drive improvement through large-scale work group involvement
- Basis for a Yellow Roadway summit in January 2004
  - Ensure total customer retention
  - Opportunities for intense cooperation and healthy competition
  - Bridge cultural differences



Yellow Roadway Corporation

## **Donald G. Barger, Jr.**

Senior Vice President and Chief Financial Officer, Yellow Roadway Corporation

## Yellow Roadway – Debt Structure



- All-in cost of debt is approximately 6.2%

	(millions)
ABS borrowings	\$90
Term loan	175
Roadway senior unsecured notes	252 <sup>(1)</sup>
Industrial development bonds	<u>14</u>
Secured debt	531
5.000% convertible notes	250
3.375% convertible notes	<u>150</u>
Unsecured debt	400
Total debt	<u>\$931</u> <sup>(2)</sup>

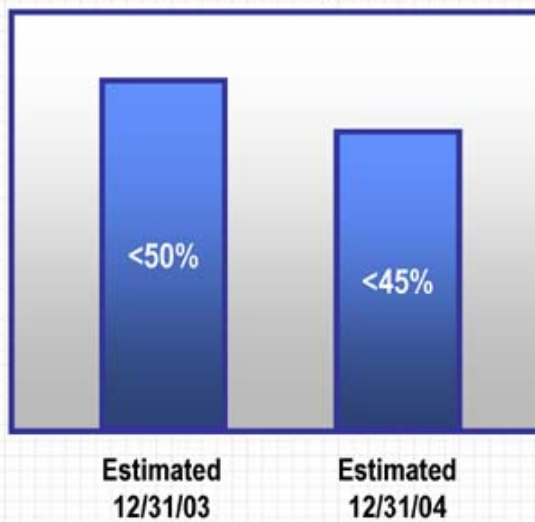
(1) - \$225 million of notes marked to fair value of \$252 million as part of purchase accounting

(2) - Actual amount of total debt at 12/31/03 may vary

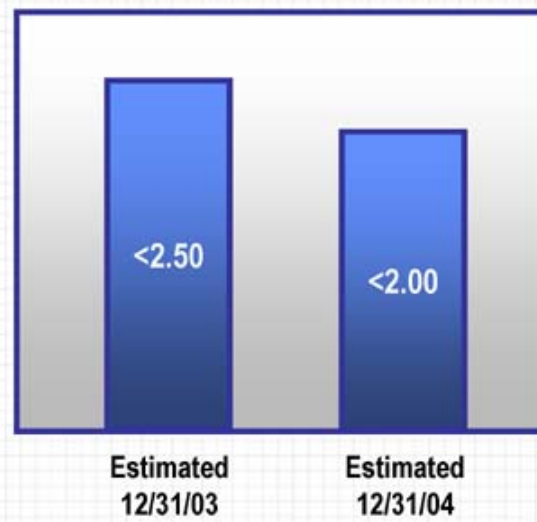
# Yellow Roadway – Key Debt Ratios



Debt to Capital



Debt to EBITDA



# Yellow Roadway – Credit Ratings



	<u>S&amp;P</u>	<u>Moody's</u>
■ Secured credit facility	BBB	Baa3
■ Corporate rating	BBB-	Ba1
■ Roadway notes	BBB	Ba1
■ Convertible notes	BB+	Ba2



- Strong free cash flows
- Return on capital
- Synergies
  - Short term
  - Longer term
- Ability to manage costs
- Momentum for 2004

# Questions & Answers



Yellow Roadway Corporation