



Yellow Corporation Reports Third Quarter Financial Results; Reformatted Tables for Saia and Jevic

OVERLAND PARK, Kan., Oct. 18 /PRNewswire/ -- Yellow Corporation (Nasdaq: YELL) today announced that third quarter 2001 net income was \$6.5 million, or \$.26 per share, compared with net income of \$19.6 million, or \$.80 per share in the 2000 third quarter. Excluding unusual items, earnings per share were \$.24 this quarter and \$.79 in last year's third quarter.

Consolidated operating revenue for the third quarter was \$835 million, down 9.6 percent on a per day basis, from \$919 million in the 2000 third quarter. Consolidated operating income was \$19.2 million, down 56 percent from \$43.4 million in the 2000 third quarter.

"The key to our profitability for the quarter was our continued success in managing our variable expenses," said Bill Zollars, Yellow Corporation Chairman, President and CEO. "However, we did not get the help we anticipated from seasonal shipping trends in offsetting the weak economy. And, while pricing yields were up modestly compared with a year ago, we're encouraged that pricing has remained reasonably stable in the current business environment."

Consolidated operating revenue for the first nine months of 2001 was \$2.49 billion, compared with \$2.71 billion a year earlier. Operating income for the nine-month period, excluding unusual items, was \$56.6 million, down 43.0 percent from \$99.3 million a year earlier. Net income, excluding unusual items, was \$18.3 million, or \$.75 per share, compared with \$44.1 million, or \$1.76 per share on the same basis for the first nine months of 2000.

Global Transportation Services

Yellow Freight System, the company's largest subsidiary, reported third quarter revenue of \$636 million, down 11 percent from \$715 million in the 2000 third quarter. Third quarter total tonnage was down 11.1 percent from the year earlier period, with LTL tonnage down 12.2 percent. Revenue per shipment was up 2.6 percent from last year's third quarter. In the 2000 third quarter, revenue per shipment increased by 9.8 percent over the year earlier period. Operating income, before unusual items, was \$16.6 million, down from \$40 million in the 2000 third quarter. The third quarter operating ratio at Yellow Freight was 97.4, compared with 94.4 a year earlier.

Average days in transit system-wide has been reduced to an all-time record of 2.9 days, with on-time service also at record levels. In addition, premium services Exact Express and Definite Delivery continued to see growth in shipments during the quarter, reflecting demand for our time-definite, expedited transportation services.

"Although business conditions over the near-term appear to be uncertain at best," Zollars said. "Our game plan is focused on providing a broad portfolio of best-in-class transportation services supported by the technology necessary to meet any customer demand. Yellow Freight service is at record levels of efficiency, which is clear evidence that we're meeting those customer demands."

Regional Carrier Group

At Saia, third quarter revenue was \$125 million and operating income was \$5.1 million. In the 2000 third quarter, revenue was \$122 million, and operating income was \$3.6 million. Revenue per day in the current quarter was up 2.5 percent over the 2000 third quarter. The third quarter operating ratio was 95.9, compared with 97.1 in the year-earlier quarter. All financial results reflect contributions from the western companies, which were integrated with Saia in the first quarter of 2001.

"Saia has been affected by the weak economy but posted a solid quarter due to a continued focus on the fundamentals of providing excellent service combined with strong cost management," Zollars said.

Jevic reported third quarter revenue of \$70.1 million and operating income of \$1.1 million, compared with 2000 third quarter revenue of \$74.9 million and operating income of \$3.1 million. Revenue per day in the current quarter was down 7.9 percent compared with revenue in the 2000 third quarter. The third quarter operating ratio for Jevic was 98.5, compared with 95.9 in the 2000 third quarter.

"Jevic is continuing to battle the combined effects of volume declines and increased competition," Zollars said. "Like Saia, they have kept their focus where it belongs, on strong variable expense controls and excellent service performance."

Logistics Services

Third quarter revenue at Transportation.com was \$7.9 million, and third quarter results reflect an after-tax loss of \$1.4 million or \$.05 per share pertaining to ongoing business development expenses for Transportation.com.

During the third quarter, Yellow Corporation acquired the balance of ownership in Transportation.com from its venture capital partners.

"Transportation.com is increasingly at the center of our strategic effort to build non-asset-based operations that complement our asset-based operations," Zollars said.

"They have transformed from a dot-com company to a full-service global logistics company providing supply chain and inventory management solutions with state-of-the-art technology," Zollars added. "As a wholly owned subsidiary, Transportation.com will deliver value to our shareholders."

Outlook

"As for the fourth quarter, if current economic trends continue and normal seasonality applies, we anticipate fourth quarter results will be less than those reported in the third quarter," Zollars stated.

A teleconference review of Yellow Corporation third quarter 2001 financial results has been scheduled for Friday, October 19, 2001, 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 Freight System; Bert Trucksess, President - Regional Carrier Group; and Stephen Bruffett, Treasurer - Yellow Corporation.

To participate, please dial 1-888-857-6932 and then the access code, 529762. 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 and via the Yellow Corporation Internet site www.yellowcorp.com. An audio playback will be available for seven days after October 19 by calling 1-888-203-1112 and then dialing the access code, 529762. 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 is a holding company with wholly owned operating subsidiaries specializing in the national, regional and international transportation of industrial, commercial and retail goods. Its largest subsidiary, Yellow Freight System, is a national carrier offering a range of services for transportation and related movement of goods and materials. The Yellow Regional Carrier Group includes: Saia, providing overnight and second-day trucking service in 21 Southern and Western states; and Jevic Transportation, providing a multi-regional less-than-truckload and truckload services. Transportation.com www.transportation.com is a non-asset-based global logistics company utilizing the Internet to provide broad-based transportation services for shippers and carriers. Headquartered in Overland Park, Kansas, Yellow employs approximately 30,000 people.

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

	September 30, 2001	December 31, 2000
ASSETS		
CURRENT ASSETS:		
Cash	\$22,255	\$25,799
Accounts receivable	231,706	222,926
Prepaid expenses and other	41,578	64,680

Total current assets	295,539	313,405
PROPERTY AND EQUIPMENT:		
Cost	2,141,095	2,128,937
Less - Accumulated depreciation	1,258,477	1,240,359
Net property and equipment	882,618	888,578
GOODWILL AND OTHER ASSETS	120,758	106,494
	\$1,298,915	\$1,308,477
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and checks outstanding	\$103,280	\$140,882
Wages and employees' benefits	141,135	173,332
Other current liabilities	114,267	119,194
Current maturities of long-term debt	1,749	68,792
Total current liabilities	360,431	502,200
OTHER LIABILITIES:		
Long-term debt	232,465	136,645
Deferred income taxes	96,457	92,413
Claims, insurance and other	122,419	117,443
Total other liabilities	451,341	346,501
SHAREHOLDERS' EQUITY:		
Common stock, \$1 par value	30,878	29,959
Capital surplus	38,893	23,304
Retained earnings	536,612	522,195
Accumulated other comprehensive income	(6,268)	(2,710)
Treasury stock	(112,972)	(112,972)
Total shareholders' equity	487,143	459,776
	\$1,298,915	\$1,308,477

STATEMENTS OF CONSOLIDATED OPERATIONS
Yellow Corporation and Subsidiaries
For the Quarter and Nine Months Ended September 30, 2001
and 2000
(Amounts in thousands except per share data)
(Unaudited)

	Third Quarter		Nine Months	
	2001	2000	2001	2000
OPERATING REVENUE	\$834,614	\$918,898	\$2,491,361	\$2,705,150
OPERATING EXPENSES:				
Salaries, wages and benefits	528,324	564,569	1,574,786	1,674,782

Operating expenses and supplies	135,807	143,933	416,436	436,097
Operating taxes and licenses	26,563	27,513	81,221	83,965
Claims and insurance	19,624	20,332	57,226	60,928
Depreciation and amortization	31,100	32,062	94,530	95,179
Purchased transportation	74,933	87,425	210,587	254,939
Unusual Items (a)	(974)	(297)	7,260	(15,391)
Total operating expenses	815,377	875,537	2,442,046	2,590,499
INCOME FROM OPERATIONS	19,237	43,361	49,315	114,651
NONOPERATING (INCOME)				
EXPENSES:				
Interest expense	4,302	5,127	12,461	15,071
Loss on Transportation.com	1,344	-	5,741	-
Other, net	1,294	3,720	5,599	6,627
Nonoperating expenses, net	6,940	8,847	23,801	21,698
INCOME BEFORE INCOME TAXES	12,297	34,514	25,514	92,953
INCOME TAX PROVISION	5,819	14,961	11,634	39,412
NET INCOME	\$6,478	\$19,553	\$13,880	\$53,541
AVERAGE SHARES OUTSTANDING-BASIC	24,497	24,427	24,234	24,949
AVERAGE SHARES OUTSTANDING-DILUTED	24,854	24,503	24,533	25,075
BASIC EARNINGS PER SHARE	\$0.26	\$0.80	\$0.57	\$2.15
DILUTED EARNINGS PER SHARE	\$0.26	\$0.80	\$0.57	\$2.14

Note:

(a) Unusual items include integration costs and property gains and losses.

STATEMENTS OF CONSOLIDATED CASH FLOWS
Yellow Corporation and Subsidiaries
For the Nine Months Ended September 30, 2001 and 2000
(Amounts in thousands)
(Unaudited)

	2001	2000
OPERATING ACTIVITIES:		
Net cash from operating activities	\$63,137	\$151,993
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(96,501)	(141,489)
Proceeds from disposal of property and equipment	7,812	29,899
Other	(20,678)	(1,343)
Net cash used in investing activities	(109,367)	(112,933)
FINANCING ACTIVITIES:		
Treasury stock purchases	-	(21,868)
Proceeds from stock options and other, net	13,983	5,951
Increase (decrease) in long-term debt	28,703	(16,830)

Net cash provided by (used		
in) financing activities	42,686	(32,747)
NET (DECREASE) INCREASE IN CASH	(3,544)	6,313
CASH, BEGINNING OF PERIOD	25,799	22,581
CASH, END OF PERIOD	\$22,255	\$28,894

Yellow Corporation
Supplemental Consolidated Financial Information
For the Three and Nine Months Ended September 30
(Amounts in thousands except per share data)
(Unaudited)

	Third Quarter			Year-to-date		
	2001	2000	%	2001	2000	%
OPERATING INCOME:						
Operating income _ as reported	\$19,237	\$43,361	(55.6%)	\$49,315	\$114,651	(57.0%)
Unusual (gains) / losses	(974)	(297)		7,260	(15,391)	
Operating income _ as adjusted	\$18,263	\$43,064	(57.6%)	\$56,575	\$99,260	(43.0%)
OPERATING RATIO:						
Operating ratio _ as reported	97.7%	95.3%		98.0%	95.8%	
Operating ratio _ as adjusted	97.8%	95.3%		97.7%	96.3%	
NET INCOME:						
Net income _ as reported	\$6,478	\$19,553	(66.9%)	\$13,880	\$53,541	(74.1%)
Unusual (gains) / losses	(598)	(182)		4,458	(9,450)	
Net income _ as adjusted	\$5,880	\$19,371	(69.6%)	\$18,338	\$44,091	(58.4%)
EARNINGS PER SHARE:						
Earnings per share _ as reported	\$0.26	\$0.80	(67.5%)	\$0.57	\$2.14	(73.4%)
Unusual (gains) / losses	(0.02)	(0.01)		0.18	(0.38)	
Earnings per share _ as adjusted	\$0.24	\$0.79	(70.2%)	\$0.75	\$1.76	(57.4%)

Yellow Freight System, Inc.
Financial Information
For the Quarter and Nine Months Ended September 30
(Amounts in thousands)

	Third Quarter			Nine Months		
	2001	2000	%	2001	2000	%
Operating revenue	636,153	715,138	(11.0)	1,900,299	2,092,165	(9.2)

Operating income	17,307	39,450		45,318	104,434
Operating ratio	97.3	94.5		97.6	95.0
Total assets at September 30				703,432	785,879

		Third Quarter			Third Quarter Amount/Workday		
		2001	2000	%	2001	2000	%
Workdays					63	63	
Financial							
statement	LTL	582,464	656,101	(11.2)	9,245.5	10,414.3	(11.2)
revenue	TL	50,237	54,842	(8.4)	797.4	870.5	(8.4)
	Other	3,452	4,194	(17.7)	54.8	66.6	(17.7)
	Total	636,153	715,137	(11.0)	10,097.7	11,351.4	(11.0)
Revenue							
excluding	LTL	582,464	656,101	(11.2)	9,245.5	10,414.3	(11.2)
revenue	TL	50,237	54,905	(8.4)	797.4	870.5	(8.4)
recognition	Other	(1)	(1)	NM	0.0	0.0	NM
adjustment	Total	632,700	710,942	(11.0)	10,042.9	11,284.8	(11.0)
Tonnage	LTL	1,539	1,752	(12.2)	24.43	27.82	(12.2)
	TL	327	346	(5.6)	5.18	5.49	(5.6)
	Total	1,866	2,098	(11.1)	29.61	33.31	(11.1)
Shipments	LTL	3,046	3,514	(13.3)	48.35	55.78	(13.3)
	TL	44	47	(6.6)	0.70	0.75	(6.6)
	Total	3,090	3,561	(13.2)	49.05	56.53	(13.2)
Revenue/cwt.	LTL	18.93	18.72	1.1			
	TL	7.69	7.93	(3.0)			
	Total	16.96	16.94	0.1			
Revenue/ shipment	LTL	191.21	186.72	2.4			
	TL	1,135.45	1,157.49	(1.9)			
	Total	204.73	199.63	2.6			

Note: Statistical tables for Saia and Jevic will be reformatted and this release will be reissued.

Saia Motor Freight Line, Inc.
Financial Information
For the Quarter and Nine Months Ended September 30
(Amounts in thousands)

		Third Quarter			Nine Months		
		2001	2000	%	2001	2000	%
Operating revenue		125,072	121,993	2.5	367,179	362,105	1.4
Operating income***		5,077	3,584		13,282	10,843	

Operating ratio	95.9	96.9	96.6	97.0
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Total assets at September 30	288,635	298,399
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		Third Quarter			Amount/Workday		
		2001	2000	%	2001	2000	%
Workdays					63	63	
Financial statement							
revenue	LTL	115,093	111,065	3.6	1,826.9	1,762.9	3.6
	TL	9,979	10,928	(8.7)	158.4	173.5	(8.7)
	Total	125,072	121,993	2.5	1,985.3	1,936.4	2.5
Revenue excluding revenue recognition adjustment							
	LTL	115,083	11,254	3.4	1,826.7	1,765.9	3.4
	TL	9,978	10,947	(8.9)	158.4	173.8	(8.9)
	Total	125,061	122,201	2.3	1,985.3	1,939.7	2.3
Tonnage							
	LTL	574	588	(2.5)	9.10	9.34	(2.5)
	TL	136	167	(18.9)	2.16	2.66	(18.9)
	Total	710	755	(6.1)	11.26	12.00	(6.1)
Shipments							
	LTL	1,076	1,095	(1.7)	17.09	17.38	(1.7)
	TL	16	19	(17.0)	0.25	0.30	(17.0)
	Total	1,092	1,114	(2.0)	17.34	17.68	(2.0)
Revenue/cwt.							
	LTL	10.03	9.46	6.1			
	TL	3.67	3.27	12.3			
	Total	8.82	8.09	9.0			
Revenue/shipment							
	LTL	106.91	101.58	5.2			
	TL	636.64	580.07	9.8			
	Total	114.51	109.69	4.4			

**YTD - 2001 Operating income is before \$6,705,000 in one-time integration

costs due to the merger with Westex and Action.

***Restated for merger and reflects current and prior period amounts as if

the merger of WestEx and Action into Saia was effective at the earliest

period presented.

Jevic Transportation, Inc.
Financial Information
For the Quarter and Nine Months Ended September 30
(Amounts in thousands)

		Third Quarter			Nine Months		
		2001	2000	%	2001	2000	%
Operating revenue		70,080	74,866	(6.4)	219,585	230,008	(4.5)
Operating income		1,060	3,055		4,919	9,819	

Operating ratio	98.5	95.9	97.8	95.7
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Total assets at September 30	242,113	259,318
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				Third Quarter			
		2001	2000	%	Amount/Workday	%	
Workdays					63	62	
Financial statement	LTL	45,385	48,547	(6.5)	720.4	783.0	(8.0)
revenue	TL	24,695	26,319	(6.2)	392.0	424.5	(7.7)
	Total			70,080	74,866	(6.4)	1,112.4

1,207.5 (7.9)

Revenue excluding revenue recognition adjustment	LTL	45,516	48,634	(6.4)	722.5	784.4	(7.9)
	TL	24,765	26,361	(6.1)	393.1	425.2	(7.5)
	Total			70,281	74,995	(6.3)	1,115.6

1,209.6 (7.8)

Tonnage	LTL	245	259	(5.2)	3.89	4.17	(6.7)
	TL	315	336	(6.4)	5.00	5.43	(7.9)
	Total	560	595	(5.9)	8.89	9.60	(7.4)

Shipments	LTL	202	214	(5.8)	3.20	3.46	(7.3)
	TL	35	37	(5.0)	0.55	0.59	(6.6)
	Total	237	251	(5.7)	3.75	4.05	(7.2)

Revenue/cwt.	LTL	9.28	9.40	(1.3)
	TL	3.93	3.92	0.4
	Total	6.27	6.30	(0.5)

Revenue/shipment	LTL	225.53	226.91	(0.6)
	TL	711.86	719.52	(1.1)
	Total	297.03	298.83	(0.6)

MAKE YOUR OPINION COUNT - [Click Here](#)

SOURCE Yellow Corporation

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