



Yellow Corporation Earnings Increase 81%

OVERLAND PARK, Kan., July 18 /PRNewswire/ -- Yellow Corporation (Nasdaq: YELL) announced today that net income for the second quarter ended June 30, 2000 was \$23.5 million, or \$.92 per share, compared with net income of \$13.0 million, or \$.52 per share in the 1999 second quarter. Net income grew 81 percent and earnings per share were up 77 percent over the 1999 second quarter.

Consolidated operating revenue was \$904.2 million, up 19.6 percent from \$756.1 million in the 1999 second quarter. Consolidated operating income was \$46.0 million, up 89 percent from \$24.3 million in the prior year period. Second quarter 1999 results do not include contributions from Jevic, which was acquired in July 1999.

The second quarter 2000 results include a nonrecurring after-tax net gain at Yellow Freight System of \$8.7 million or \$.34 per share primarily resulting from the sale of real estate property in Manhattan, New York. Second quarter results also include an after-tax loss of \$1.5 million or \$.06 share pertaining to business development expenses for Transportation.com, an Internet-based transportation venture.

"Business was very strong at Yellow Freight System throughout the second quarter, keeping us on track for a very good financial performance in 2000," said Bill Zollars, Yellow Corporation Chairman, President and CEO. "Performance at our regional carrier group was below expectations, though business levels and operating performance improved significantly in June. Transportation.com's on time, successful launch and subsequent customer response continues to support our enthusiasm for the potential of this business."

National Transportation Services

Yellow Freight System, the company's largest subsidiary, reported second quarter operating income of \$43.3 million. Excluding a \$14.2 million nonrecurring pretax net gain, Yellow Freight recorded operating income of \$29.1 million, up 29 percent from \$22.6 million in the 1999 second quarter.

Revenue for the second quarter was \$696.7 million, up 9.1 percent from \$638.8 million in the prior year's period. Excluding the nonrecurring net gain, the 2000 second quarter operating ratio was 95.8, compared with 96.5 a year earlier.

Second quarter less-than-truckload (LTL) tonnage increased by 4.6 percent and LTL weight per shipment increased 1.9 percent over the 1999 quarter. The number of LTL shipments increased 2.6 percent and LTL revenue per shipment improved by 7.2 percent over the 1999 second quarter.

"Yellow Freight continues to make solid progress on both the top and bottom lines," Zollars said, "thanks to a very focused business strategy designed to raise levels of customer satisfaction, improve the depth and quality of services, improve yield and aggressively manage cost."

Yellow Freight's nonrecurring gain was the net result of a \$20.7 million pretax gain on the sale of a real estate property in Manhattan, New York, purchased in 1976 and closed in 1997, and a \$6.5 million pretax loss on the write-off of an obsolete computer aided dispatch/mobile data terminal technology application.

Regional Carrier Group

During the 2000 second quarter, the four carriers comprising the Yellow Corporation Regional Carrier Group -- Saia Motor Freight Line, Jevic Transportation, WestEx and Action Express -- reported combined operating income of \$6.4 million, up 104 percent from \$3.1 million in the 1999 second quarter. Revenue for the regional group was \$198.9 million, up 77.7 percent from \$111.9 million in the 1999 second quarter. The second quarter 1999 results do not include contributions from Jevic, which was acquired July 9, 1999.

At Saia, second quarter 2000 revenue was \$92.2 million and operating income was \$3.5 million, compared with revenue of \$85.1 million and operating income of \$2.8 million in the 1999 second quarter. The 2000 second quarter operating ratio was 96.2, compared with 96.7 in the year-earlier quarter.

"Saia experienced some softness in business levels early in the quarter and took aggressive steps to reduce costs," Zollars said. "These actions began to show up in June results and Saia is on track to return to stronger operating performance during

the remainder of this year."

Jevic reported second quarter 2000 revenue of \$76.7 million and operating income of \$2.7 million. As a stand-alone company in the second quarter of 1999, Jevic reported revenue of \$67.1 million and operating income of \$5.3 million. The 2000 second quarter operating ratio for Jevic was 96.4, compared with 92.2 in the 1999 second quarter. Current quarter operating income includes \$520,000 in acquisition goodwill amortization that was not applicable to the 1999 second quarter results.

"Although revenue continues to grow rapidly, Jevic was hurt by a combination of higher costs and increased competitive conditions," Zollars said. "We expect Jevic's second half to be significantly more profitable."

WestEx reported second quarter revenue of \$18.8 million, up 7.8 percent from \$17.5 million in the 1999 second quarter. WestEx had a second quarter 2000 operating ratio of 101.7. Action Express reported second quarter revenue of \$11.1 million, up 18.5 percent from \$9.4 million in the 1999 second quarter. Action Express had a second quarter operating ratio of 94.8.

Transportation.com

On June 30, Transportation.com™ successfully introduced the first of a broad suite of web-based services designed to serve both shippers and carriers over the Internet. The first online services include: shipment management offering shippers pre-negotiated rates; load matching featuring automated postings when shipments are matched with equipment; auctions for a range of used transportation equipment and parts; logistics consulting services aimed at small to medium-sized businesses; and a business center providing a range of information important to the transportation industry.

Transportation.com is an Internet transportation services company funded by Yellow Corporation and the venture capital firms, TL Ventures and EnerTech Capital Partners.

Corporate and Other

On June 23, the company announced implementation of a new \$25 million stock buyback program. The program will be funded through reductions in the 2000 capital expenditure plan that was originally projected at \$177 million and which is now projected at \$145 million. During the last week of June, the company purchased 260,000 shares for \$3.8 million or \$14.60 per share. Between December 1997 and April 1999, the company acquired 3.8 million shares in prior stock buyback programs.

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, competitor pricing activity, expense volatility and a downturn in general economic activity.

Yellow Corporation is a holding company with wholly owned operating subsidiaries specializing in the national, regional and international transportation of goods and materials. Transportation.com is a jointly owned subsidiary providing an Internet transportation marketplace for information- rich products and services targeted to shippers, carriers and private fleet operators. Headquartered in Overland Park, Kansas, Yellow employs approximately 32,000 people.

STATEMENTS OF CONSOLIDATED OPERATIONS
Yellow Corporation and Subsidiaries
For the Quarter and Six Months Ended June 30, 2000 and 1999
(Amounts in thousands except per share data)
(Unaudited)

	Second Quarter		Six Months	
	2000	1999	2000	1999
OPERATING REVENUE	\$904,166	\$756,056	\$1,786,252	\$1,483,554
OPERATING EXPENSES:				
Salaries, wages and benefits	562,311	485,104	1,110,214	958,660
Operating expenses and supplies	130,078	114,669	277,070	227,940
Operating taxes				

and licenses	28,258	23,417	56,451	46,526
Claims and insurance	19,629	17,418	40,596	33,495
Depreciation and amortization	31,657	24,900	63,117	49,558
Purchased transportation	86,230	66,270	167,514	131,345
Total operating expenses	858,163	731,778	1,714,962	1,447,524
INCOME FROM OPERATIONS	46,003	24,278	71,290	36,030
NONOPERATING (INCOME) EXPENSES:				
Interest expense	5,060	2,898	9,945	5,751
Other, net	1,258	(699)	2,907	(33)
Nonoperating expenses, net	6,318	2,199	12,852	5,718
INCOME BEFORE INCOME TAXES	39,685	22,079	58,438	30,312
INCOME TAX PROVISION	16,174	9,121	24,450	12,579
NET INCOME	\$23,511	\$12,958	\$33,988	\$17,733
AVERAGE SHARES OUTSTANDING-BASIC	25,271	24,854	25,212	25,131
AVERAGE SHARES OUTSTANDING-DILUTED	25,429	25,013	25,364	25,313
BASIC EARNINGS PER SHARE:	\$.93	\$.52	\$1.35	\$.71
DILUTED EARNINGS PER SHARE:	\$.92	\$.52	\$1.34	\$.70

SOURCE Yellow Corporation

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