

# ROADWAY<sup>®</sup> *Express*

## THE MARKET

The motor carrier industry moves more than 75 percent of the nation's economic product and employs more than 7 million people. Total industry revenue approaches \$30 billion.

Roadway Express, Inc. is a leader in the less-than-truckload (LTL) segment of the trucking industry. LTL carriers pick up shipments from multiple customers, sort them by destination, and load them onto trailers for transport to terminals within their distribution networks for delivery.

Roadway specializes in two-day and beyond deliveries throughout North America. The carrier transports industrial, commercial, and retail goods in the two- to five-day regional and long-haul markets. Seamless freight services are provided between all 50 states, Canada, Mexico, and Puerto Rico, with import and export services for 140 countries. Under the Roadway umbrella are subsidiaries Reimer Express Lines Ltd., providing domestic and cross-border Canadian freight services; Roadway Express S.A. de C.V., offering domestic and cross-border services for Mexican markets; and Roadway Reverse Logistics, Inc., a provider of returns management solutions.

## ACHIEVEMENTS

For a customer-centric company like Roadway, recognition from customers is the highest level of achievement. For the 13th consecutive year, Roadway was honored as the 2002 LTL nationwide carrier of the year by the National Small Shipments Traffic Conference. Roadway was also recognized as one of the top carriers for 2002 in *Logistics Management* magazine's annual Quest for Quality survey — the 18th consecutive year Roadway has received this honor. More than



3,000 readers responded to the Quest for Quality survey, which is the largest customer satisfaction study in the transportation/logistics field. In addition, Roadway received the Military Traffic Management Command Quality Award and the United States Postal Service Quality Supplier Award in 2001, and also receives numerous awards for superior service from customers in the private sector every year.

Roadway is recognized as an industry leader in information technology as well. For the third consecutive year, *ComputerWorld* magazine named Roadway among the 100 best places to work in information technology in 2002. For demonstrating integrated technologies and procedures to improve products, services, and relationships with partners and customers, *CIO* magazine ranked Roadway among the top 100 companies in information technology in 2002. For the third straight year, *InformationWeek* magazine in 2002 named Roadway as one of the 500 most innovative users of information technology.

Treating the nation's highways as a public trust that must be shared responsibly, safety is at the forefront of Roadway operations. This concern includes programs for the benefit of Roadway's employees and the motoring public. Roadway has also implemented innovative programs to conserve resources. The company's proactive efforts include employee training, recycling, fuel-efficient engines, and use of alternative fuels and advanced leak detection devices on underground storage tanks.

Roadway employees are among the safest in the industry. Over 18 percent of Roadway's active drivers have logged more than 1 million consecutive miles without a preventable accident. The average motorist would take 83 years to drive 1 million miles safely.

## HISTORY

Roadway dates back to 1930 when Akron was on its way to becoming a major center for tire production. Former high school teacher Carroll Roush noticed the lack of a transportation service to bring tires to assembly plants in other cities. To fill that void, he established a new company, which moved its first shipment — a load of tires — from Akron to St. Louis, on February 22, 1930. A month later, Carroll's older brother Galen, an attorney, joined the company. By the end of the year, the brothers were working with a crew of 10 owner-operators servicing Chicago, Detroit, and Kansas City.

The brothers soon incorporated, and their company became Roadway Express, Inc. Within months, the fledgling company opened terminals in Atlanta, Baltimore, Birmingham, Charlotte, Chicago, Indianapolis, Knoxville, Memphis, Nashville, New York, and Philadelphia.

In 1945, the company began using its own trucks instead of owner-operators. By 1956, the company had fully converted to a fleet of modern, reliable, company-owned and -operated vehicles.



That same year Carroll Roush opted to sell his shares in the company, and Roadway became a publicly traded company.

Early on, the company emphasized information technology as a tool for improving operational efficiencies and providing value-added services to customers. In 1982, Roadway introduced QUIKTRAK®, a computerized shipment-tracking system. In 1983, Roadway launched E•Z RATE®, the industry's first simplified ZIP code-based shipment rating system.

Throughout the 1990s, Roadway continued to invest in technology to give customers better service and real-time shipment information. Roadway's time-critical transportation product, which was introduced in the mid-1990s, relies on information technologies to meet precise pickup and delivery requirements. Customers order pickups, track shipments, obtain delivery receipts, and conduct other shipping transactions through *my.roadway.com*, a secure Web site featuring a personalized browser interface launched in 1999.

As shippers continued to speed their supply chains, Roadway reduced transit times, expanded time-definite services, and improved Web-based offerings. In 2000, Roadway became the first national LTL carrier to have its freight network and management systems certified to the ISO international quality standards for shipping goods from pickup to delivery.



In 2001, Roadway Corporation was formed. Roadway Corporation, also located in Akron, is a holding company dedicated to pursuing acquisition, merger, partnership, and other opportunities related to Roadway's core competencies in transportation and related e-business solutions. Roadway Express became a subsidiary of Roadway Corporation.

## THE PRODUCT

Over 70 years ago, Roadway cofounder Galen Roush understood that Roadway had only one product to sell: service. From the first deliveries in 1930, he realized that carriers that kept their commitments could attract and keep customers.

Today, Roadway is as keenly focused on service as ever. With a continental presence and broad service offerings, Roadway is a single source for freight transportation for businesses across North America. Manufacturers, retailers, and wholesalers depend on Roadway for timely and efficient freight transportation services.



Along with vast geographic coverage, businesses often require the highest levels of reliability and speed. Roadway's Time-Critical Services combine speed of transit with precise shipment pickup and delivery times throughout North America. Delivery is 100 percent guaranteed. Rounding out Roadway's full-service capabilities are freight services for truck-load shipments, tradeshow exhibits, cold-sensitive products, product returns, international freight services, and door-to-door heavyweight air freight.

Operating alongside Roadway's vast physical network is an advanced information network that supports freight operations and provides real-time shipment information to customers through a variety of channels, including the Internet.

## RECENT DEVELOPMENTS

Driven by the ever-changing demands of its customers' supply chains, Roadway continues to refine its network and operations. Faster transit times, expanded regional service, and delivery quality improvements were all achieved in 2002. Roadway is the first LTL carrier to implement a system that combines cellular and satellite technologies for gathering and transmitting data along pickup and delivery routes. This two-way messaging and vehicle-tracking system features in-cab computers that capture shipment data at pickup. Roadway is also adapting to the challenges of today's market environment through a progressive approach to organizational development. Cooperative programs designed to develop leadership skills among all employees at all levels of operations are improving performance.

## PROMOTION

Roadway's promotion strategy is built around employees who deliver exceptional customer service. Knowledgeable freight transportation professionals, supported by advanced information technologies, are based at Roadway facilities

throughout North America. By demonstrating Roadway's core values of engagement, pride, innovation, and customer focus, employees work to meet customer needs. External advertising in industry trade magazines and an award-winning Web site emphasize the focus on service, and the Roadway name in large logo-type on the side of trailers reinforces brand awareness.

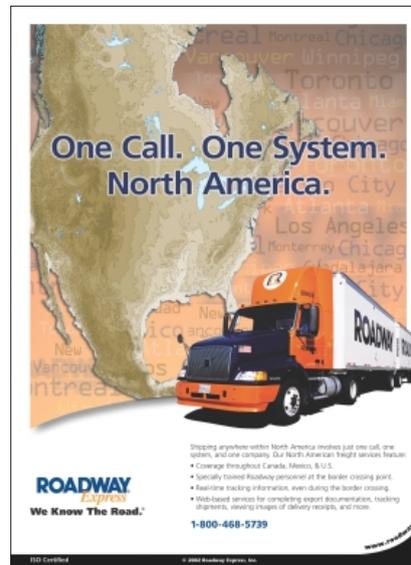
## BRAND VALUES

Roadway's core competencies are a group of skills, systems, and operations that establish capabilities and credibility for customers. These competencies are the foundation for achieving goals, a platform for the commitments made to customers, and the basis of Roadway's reputation.

This reputation, as externally measured in research efforts like *The Wall Street Journal Corporate Perceptions Industry Report*, is a key indicator of employees' success in building relationships with customers and delivering Roadway's service promise consistently. *The Wall Street Journal Corporate Perceptions Industry Report* is issued annually and charts the relative

reputations of 838 major companies in 60 industry classifications.

This report shows Roadway scoring first for Total Familiarity (for the fifth straight year), first in Quality of Management (up from second in 2001), first in Reputation of Company (up from second in 2001), and second in Investment Potential (up from sixth in 2001).



## THINGS YOU DIDN'T KNOW ABOUT ROADWAY EXPRESS

- Four Roadway trailers share the No-Zone safety message about truck blind spots with motorists in a public safety campaign sponsored by the U.S. Department of Transportation.
- Free transportation is provided for Christina's Smile, a charitable dental clinic that travels in two 48-foot trailers with the PGA/Senior PGA Tour. The program provides hundreds of disadvantaged children with free quality dental care each year.
- Roadway and the U.S. Department of Labor's Job Corps program partnered to develop a tractor-trailer driver training program. Job Corps recognized our commitment to this school-to-work program for economically disadvantaged youth with its Alpha Award in 2001.