
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 28, 2016

YRC Worldwide Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-12255
(Commission
File Number)

48-0948788
(IRS Employer
Identification No.)

10990 Roe Avenue
Overland Park, Kansas 66211
(Address of principal executive office)(Zip Code)

(913) 696-6100
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

On April 28, 2016, YRC Worldwide Inc. announced its results of operations and financial condition for the three months ended March 31, 2016. A copy of the press release announcing the results of operations and financial condition is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

Presentation slides to be referenced during the April 28, 2016 earnings call are attached hereto as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|----------------------------------------------------------|
| 99.1 | Press Release dated April 28, 2016 |
| 99.2 | Presentation Slides for the April 28, 2016 Earnings Call |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

YRC WORLDWIDE INC.

By: /s/ Stephanie D. Fisher
Stephanie D. Fisher
Vice President and Controller

Date: April 28, 2016



YRC Worldwide Reports First Quarter 2016 Results

Operating Income increased to \$13.4 million compared to \$3.7 million for First Quarter 2015

Adjusted EBITDA increased to \$62.9 million, a 7% improvement compared to First Quarter 2015

OVERLAND PARK, Kan., April 28, 2016 – YRC Worldwide Inc. (NASDAQ: YRCW) reported consolidated operating revenue for first quarter 2016 of \$1.120 billion and consolidated operating income of \$13.4 million, which included a \$0.3 million gain on property disposals. As a comparison, the company reported consolidated operating revenue of \$1.186 billion for the first quarter 2015 and consolidated operating income of \$3.7 million, which included a \$1.3 million loss on property disposals.

Financial Highlights

- On a non-GAAP basis, the company generated Adjusted EBITDA of \$62.9 million in first quarter 2016 for a consolidated Adjusted EBITDA margin of 5.6%, and a \$4.1 million increase compared to the \$58.8 million of Adjusted EBITDA reported in the prior year comparable quarter (as detailed in the reconciliation below).
- Last twelve month (LTM) Adjusted EBITDA increased to \$337.4 million for a consolidated Adjusted EBITDA margin of 7.1%, and an improvement of \$57.0 million from the \$280.4 million of LTM Adjusted EBITDA in the first quarter of 2015.
- The total debt-to-Adjusted EBITDA ratio improved from 3.90 times in the first quarter 2015 to 3.20 times in first quarter 2016.
- Reinvestment in the business continued during first quarter 2016 with \$19.8 million in capital expenditures and new operating leases for revenue equipment with a capital value equivalent of \$33.4 million, for a total of \$53.2 million which is equal to 4.75% of operating revenue for the quarter. This total is in line with the \$56.4 million of reinvestment in first quarter 2015. The vast majority of the investment was in tractors, trailers and technology.
- Cash, cash equivalents and Managed Accessibility (as defined in the company's most recently filed periodic reports on Forms 10-K and 10-Q) under the company's ABL facility increased by \$46.5 million at the end of the first quarter 2016, compared to a year ago.

Operational Highlights

- YRC Freight recently added its new Accelerated service which allows customers' non-guaranteed shipments to reach their destinations one to two days faster than standard transit times.
- Improved yield from continued pricing discipline contributed to an operating ratio of 98.8 on a consolidated basis, which was a year-over-year improvement of 90 basis points. This included a 60 basis points improvement at YRC Freight with a reported operating ratio of 99.4 and a 190 basis points improvement at the Regional segment to 97.1.

- First quarter 2016 tonnage per day decreased 6.7% at YRC Freight and 3.8% at the Regional segment compared to the first quarter 2015.
- At YRC Freight, excluding fuel surcharge, first quarter 2016 revenue per shipment increased 1.8% and revenue per hundredweight increased by 3.7% when compared to the same period in 2015. Including fuel surcharge, revenue per shipment decreased 2.3% and revenue per hundredweight decreased 0.5%.
- At the Regional segment, excluding fuel surcharge, first quarter 2016 revenue per shipment increased 0.8% and revenue per hundredweight increased by 2.4% compared to the first quarter 2015. Including fuel surcharge, revenue per shipment decreased 3.1% and revenue per hundredweight decreased 1.6%.

Liquidity Update

- At March 31, 2016, the company had cash, cash equivalents and Managed Accessibility under its ABL facility totaling \$222.1 million. For comparison, as of March 31, 2015, cash and cash equivalents and Managed Accessibility totaled \$175.6 million.
- For the three months ended March 31, 2016, cash used in operating activities was \$11.1 million as compared to cash used in operating activities of \$25.8 million for the three months ended March 31, 2015, an improvement of \$14.7 million.

“In the first quarter of 2016, our consolidated Adjusted EBITDA improved by 7% compared to a year ago and improved 20% on an LTM basis,” said James Welch, chief executive officer at YRC Worldwide. “These results were driven by consistent and improved customer service, base rate increases, tightly managed costs and productivity gains. Additionally, our ongoing focus to improve price, freight mix and profitability has contributed to higher year-over-year revenue per hundredweight, excluding fuel surcharge, for 8 consecutive quarters at YRC Freight and 20 consecutive quarters at the Regional segment,” stated Welch.

“While we have made significant strides, we must balance the volume equation with our strategy to get the right freight at the right price running through our networks,” Welch continued. “Our intent is to remain disciplined and true to this strategy. We believe that reinvesting in our people, technology and equipment, combined with projected capacity constraints from regulations and eventually a stronger economic environment will bode well for us over the long term. Despite near-term headwinds from decreasing fuel surcharge revenue and an inconsistent industrial economy, we believe LTL pricing remains rational.

“We take pride in partnering with our customers and their feedback was the driving force behind the addition of YRC Freight’s new Accelerated service. The company’s existing dual speed network made the addition of this service possible. I’m extremely proud of our employees for implementing this new offering while enhancing our flexible supply chain solutions and most importantly, meeting our customers’ needs,” concluded Welch.

Key Segment Information – first quarter 2016 compared to first quarter 2015

| YRC Freight | 2016 | 2015 | Percent Change |
|----------------------------------------|-------------|-------------|-----------------------|
| Workdays | 63.5 | 62.5 | |
| Operating revenue (in millions) | \$695.7 | \$737.6 | (5.7)% |
| Operating income (in millions) | \$ 4.1 | \$ 0.2 | NM(a) |
| Operating ratio | 99.4 | 100.0 | (0.6)pp |
| Total tonnage per day (in thousands) | 23.38 | 25.05 | (6.7)% |
| Total shipments per day (in thousands) | 39.58 | 41.66 | (5.0)% |
| Revenue per hundredweight incl FSC | \$23.42 | \$23.55 | (0.5)% |
| Revenue per hundredweight excl FSC | \$21.42 | \$20.66 | 3.7% |
| Revenue per shipment incl FSC | \$ 277 | \$ 283 | (2.3)% |
| Revenue per shipment excl FSC | \$ 253 | \$ 249 | 1.8% |
| Total weight/shipment (in pounds) | 1,181 | 1,203 | (1.8)% |

(a) Not Meaningful

| Regional Transportation | 2016 | 2015 | Percent Change |
|----------------------------------------|-------------|-------------|-----------------------|
| Workdays | 64.5 | 64.5 | |
| Operating revenue (in millions) | \$424.8 | \$448.8 | (5.3)% |
| Operating income (in millions) | \$ 12.4 | \$ 4.6 | 169.6% |
| Operating ratio | 97.1 | 99.0 | (1.9)pp |
| Total tonnage per day (in thousands) | 29.46 | 30.64 | (3.8)% |
| Total shipments per day (in thousands) | 39.65 | 40.58 | (2.3)% |
| Revenue per hundredweight incl FSC | \$11.19 | \$11.36 | (1.6)% |
| Revenue per hundredweight excl FSC | \$10.27 | \$10.03 | 2.4% |
| Revenue per shipment incl FSC | \$ 166 | \$ 172 | (3.1)% |
| Revenue per shipment excl FSC | \$ 153 | \$ 151 | 0.8% |
| Total weight/shipment (in pounds) | 1,486 | 1,510 | (1.6)% |

Review of Financial Results

YRC Worldwide Inc. will host a conference call with the investment community today, Thursday, April 28, 2016, beginning at 4:30 p.m. ET, 3:30 p.m. CT.

A live audio webcast of the conference call and presentation slides will be available on YRC Worldwide Inc.'s website yrcw.com. A replay of the webcast will also be available at yrcw.com.

Non-GAAP Financial Measures

EBITDA is a non-GAAP measure that reflects the company's earnings before interest, taxes, depreciation, and amortization expense. Adjusted EBITDA (defined in our credit facilities as Consolidated EBITDA) is a non-GAAP measure that reflects the company's earnings before interest, taxes, depreciation, and amortization expense, and further adjusted for letter of credit fees, equity-based compensation expense, net gains or losses on property disposals, restructuring professional fees, nonrecurring consulting fees, expenses associated with certain lump sum payments to our IBT employees and results of permitted dispositions and discontinued operations among other items as defined in the company's credit facilities. EBITDA and Adjusted EBITDA are used for internal management purposes as a financial measure that reflects the company's core operating performance. In addition, management uses Adjusted EBITDA to measure compliance with financial covenants in the company's credit facilities and to pay certain executive bonus compensation. However, these financial measures should not be construed as better measurements than net income or earnings per share, as defined by generally accepted accounting principles (GAAP).

EBITDA and Adjusted EBITDA have the following limitations:

- EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or fund principal payments on our outstanding debt;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to fund restructuring professional fees, nonrecurring consulting fees, letter of credit fees, service interest or principal payments on our outstanding debt or fund our lump sum payments to our IBT employees required under the ratified MOU;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements;
- Equity-based compensation is an element of our long-term incentive compensation program, although Adjusted EBITDA excludes certain employee equity-based compensation expense when presenting our ongoing operating performance for a particular period;
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA as secondary measures. The company has provided reconciliations of its non-GAAP measures, EBITDA and Adjusted EBITDA, to GAAP net income (loss) and operating income (loss) within the supplemental financial information in this release.

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Forward-Looking Statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Words such as “will,” “expect,” “intend,” “anticipate,” “believe,” “could,” “may,” “project,” “forecast,” “propose,” “plan,” “designed,” “enable,” and similar expressions which speak only as of the date the statement was made are intended to identify forward-looking statements. Forward-looking statements are inherently uncertain, are based upon current beliefs, assumptions and expectations of Company management and current market conditions, and are subject to significant business, economic, competitive, regulatory and other risks, uncertainties and contingencies, known and unknown, many of which are beyond our control. Our future financial condition and results could differ materially from those predicted in such forward-looking statements because of a number of factors, including (without limitation) our ability to generate sufficient cash flows and liquidity to fund operations and satisfy our cash needs and future cash commitments, including (without limitation) our obligations related to our indebtedness and lease and pension funding requirements; the success of our management team in continuing with its strategic plan and operational and productivity improvements, including (without limitation) our continued ability to meet quality delivery performance standards, and our ability to increase volume and yield and the impact of those improvements to meet our future liquidity and profitability; the uncertainty in the overall economy; our ability to finance the maintenance, acquisition and replacement of revenue equipment and other necessary capital expenditures; our dependence on our information technology systems in our network operations and the production of accurate information, as well as the risk of system failure, inadequacy or security breach; changes in equity and debt markets; inclement weather; price of fuel; sudden changes in the cost of fuel or the index upon which we base our fuel surcharge and the effectiveness of our fuel surcharge program in protecting us against fuel price volatility; competition and competitive pressure on pricing; expense volatility, including (without limitation) volatility due to changes in purchased transportation service or pricing for purchased transportation; our ability to comply and the cost of compliance with federal, state, local and foreign laws and regulations, including (without limitation) laws and regulations for the protection of employee safety and health and the environment, as well as state and federal labor laws; terrorist attack; labor relations, including (without limitation) our ability to attract and retain qualified drivers, the continued support of our union employees with respect to our strategic plan, the impact of work rules, work stoppages, strikes or other disruptions, our obligations to multi-employer health, welfare and pension plans, wage requirements and employee satisfaction; the impact of claims and litigation to which we are or may become exposed; and other risks and contingencies, including (without limitation) the risk factors that are included in our reports filed with the SEC, including those described under “Risk Factors” in our annual report on Form 10-K and quarterly reports on Form 10-Q.

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About YRC Worldwide

YRC Worldwide Inc., headquartered in Overland Park, Kan., is the holding company for a portfolio of less-than-truckload (LTL) companies including [YRC Freight](#), [YRC Reimer](#), [Holland](#), [Reddaway](#), and [New Penn](#). Collectively, YRC Worldwide companies have one of the largest, most comprehensive LTL networks in North America with local, regional, national and international capabilities. Through their teams of experienced service professionals, YRC Worldwide companies offer industry-leading expertise in heavyweight shipments and flexible supply chain solutions, ensuring customers can ship industrial, commercial and retail goods with confidence.

Please visit our website at www.yrcw.com for more information.

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SOURCE: YRC Worldwide

CONSOLIDATED BALANCE SHEETS
YRC Worldwide Inc. and Subsidiaries
(Amounts in millions except share and per share data)

| | March 31, 2016 | December 31, 2015 |
|----------------------------------------------|-------------------|----------------------|
| | (Unaudited) | |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 184.9 | \$ 173.8 |
| Restricted amounts held in escrow | 20.5 | 58.8 |
| Accounts receivable, net | 463.5 | 427.4 |
| Prepaid expenses and other | 84.3 | 74.4 |
| Total current assets | <u>753.2</u> | <u>734.4</u> |
| PROPERTY AND EQUIPMENT: | | |
| Cost | 2,824.1 | 2,822.8 |
| Less - accumulated depreciation | (1,907.3) | (1,885.5) |
| Net property and equipment | <u>916.8</u> | <u>937.3</u> |
| Intangibles, net | 36.5 | 40.4 |
| Restricted amounts held in escrow | 74.5 | 63.4 |
| Deferred income taxes, net | 23.0 | 23.0 |
| Other assets | 59.8 | 80.9 |
| Total assets | <u>\$ 1,863.8</u> | <u>\$ 1,879.4</u> |
| LIABILITIES AND SHAREHOLDERS' DEFICIT | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 164.7 | \$ 161.1 |
| Wages, vacations, and employee benefits | 188.3 | 195.1 |
| Deferred income taxes, net | 23.0 | 23.0 |
| Other current and accrued liabilities | 183.1 | 178.4 |
| Current maturities of long-term debt | 16.0 | 15.9 |
| Total current liabilities | <u>575.1</u> | <u>573.5</u> |
| OTHER LIABILITIES: | | |
| Long-term debt, less current portion | 1,044.2 | 1,046.5 |
| Deferred income taxes, net | 3.8 | 3.7 |
| Pension and postretirement | 341.2 | 339.9 |
| Claims and other liabilities | 292.2 | 295.2 |
| Commitments and contingencies | | |
| SHAREHOLDERS' DEFICIT: | | |
| Preferred stock, \$1 par value per share | — | — |
| Common stock, \$0.01 par value per share | 0.3 | 0.3 |
| Capital surplus | 2,313.9 | 2,312.6 |
| Accumulated deficit | (2,251.3) | (2,239.3) |
| Accumulated other comprehensive loss | (362.9) | (360.3) |
| Treasury stock, at cost (410 shares) | (92.7) | (92.7) |
| Total shareholders' deficit | <u>(392.7)</u> | <u>(379.4)</u> |
| Total liabilities and shareholders' deficit | <u>\$ 1,863.8</u> | <u>\$ 1,879.4</u> |

STATEMENTS OF CONSOLIDATED COMPREHENSIVE LOSS
YRC Worldwide Inc. and Subsidiaries
For the Three Months Ended March 31
(Amounts in millions except per share data, shares in thousands)
(Unaudited)

| | Three Months | |
|-------------------------------------------------------|------------------|------------------|
| | 2016 | 2015 |
| OPERATING REVENUE | \$ 1,120.3 | \$ 1,186.4 |
| OPERATING EXPENSES: | | |
| Salaries, wages and employee benefits | 698.1 | 707.3 |
| Operating expenses and supplies | 190.2 | 228.2 |
| Purchased transportation | 115.5 | 133.4 |
| Depreciation and amortization | 40.7 | 41.6 |
| Other operating expenses | 62.7 | 70.9 |
| (Gains) losses on property disposals, net | (0.3) | 1.3 |
| Total operating expenses | <u>1,106.9</u> | <u>1,182.7</u> |
| OPERATING INCOME | <u>13.4</u> | <u>3.7</u> |
| NONOPERATING EXPENSES: | | |
| Interest expense | 26.1 | 27.6 |
| Other, net | 1.1 | (3.7) |
| Nonoperating expenses, net | <u>27.2</u> | <u>23.9</u> |
| LOSS BEFORE INCOME TAXES | (13.8) | (20.2) |
| INCOME TAX (BENEFIT) EXPENSE | (1.8) | 1.4 |
| NET LOSS | <u>(12.0)</u> | <u>(21.6)</u> |
| OTHER COMPREHENSIVE LOSS, NET OF TAX | (2.6) | (0.6) |
| COMPREHENSIVE LOSS ATTRIBUTABLE TO YRC WORLDWIDE INC. | <u>\$ (14.6)</u> | <u>\$ (22.2)</u> |
| AVERAGE COMMON SHARES OUTSTANDING - BASIC | 32,264 | 30,799 |
| AVERAGE COMMON SHARES OUTSTANDING - DILUTED | 32,264 | 30,799 |
| LOSS PER SHARE - BASIC | \$ (0.37) | \$ (0.70) |
| LOSS PER SHARE - DILUTED | \$ (0.37) | \$ (0.70) |

STATEMENTS OF CONSOLIDATED CASH FLOWS
YRC Worldwide Inc. and Subsidiaries
For the Three Months Ended March 31
(Amounts in millions)
(Unaudited)

| | <u>2016</u> | <u>2015</u> |
|-----------------------------------------------------------------|----------------|----------------|
| OPERATING ACTIVITIES: | | |
| Net loss | \$ (12.0) | \$ (21.6) |
| Noncash items included in net loss: | | |
| Depreciation and amortization | 40.7 | 41.6 |
| Noncash equity based compensation and employee benefits expense | 5.2 | 4.5 |
| (Gains) losses on property disposals, net | (0.3) | 1.3 |
| Gain on disposal of equity method investment | (2.3) | — |
| Other noncash items, net | 4.4 | 1.7 |
| Changes in assets and liabilities, net: | | |
| Accounts receivable | (35.2) | (46.4) |
| Accounts payable | (0.8) | 25.6 |
| Other operating assets | (6.9) | (7.1) |
| Other operating liabilities | (3.9) | (25.4) |
| Net cash used in operating activities | <u>(11.1)</u> | <u>(25.8)</u> |
| INVESTING ACTIVITIES: | | |
| Acquisition of property and equipment | (19.8) | (21.3) |
| Proceeds from disposal of property and equipment | 4.4 | 5.5 |
| Restricted escrow receipts | 27.2 | 21.0 |
| Restricted escrow deposits | — | (10.0) |
| Proceeds from disposal of equity method investment, net | 14.6 | — |
| Other, net | — | 0.4 |
| Net cash provided by (used in) investing activities | <u>26.4</u> | <u>(4.4)</u> |
| FINANCING ACTIVITIES: | | |
| Repayment of long-term debt | (4.2) | (4.5) |
| Net cash used in financing activities | <u>(4.2)</u> | <u>(4.5)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 11.1 | (34.7) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD | <u>173.8</u> | <u>171.1</u> |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | <u>\$184.9</u> | <u>\$136.4</u> |
| SUPPLEMENTAL CASH FLOW INFORMATION | | |
| Interest paid | \$ (19.8) | \$ (25.6) |
| Income tax refund (payment), net | (1.4) | 2.2 |
| Debt redeemed for equity consideration | — | 17.9 |

SUPPLEMENTAL FINANCIAL INFORMATION
YRC Worldwide Inc. and Subsidiaries
For the Three Months Ended March 31
(Amounts in millions)
(Unaudited)

SEGMENT INFORMATION

| | Three Months | | |
|---------------------------------|----------------|----------------|-------|
| | 2016 | 2015 | % |
| Operating revenue: | | | |
| YRC Freight | \$ 695.7 | \$ 737.6 | (5.7) |
| Regional Transportation | 424.8 | 448.8 | (5.3) |
| Other, net of eliminations | (0.2) | — | |
| Consolidated | <u>1,120.3</u> | <u>1,186.4</u> | (5.6) |
| Operating income (loss): | | | |
| YRC Freight | 4.1 | 0.2 | |
| Regional Transportation | 12.4 | 4.6 | |
| Corporate and other | (3.1) | (1.1) | |
| Consolidated | <u>\$ 13.4</u> | <u>\$ 3.7</u> | |
| Operating ratio: | | | |
| YRC Freight | 99.4% | 100.0% | |
| Regional Transportation | 97.1% | 99.0% | |
| Consolidated | 98.8% | 99.7% | |

Operating ratio is calculated as (i) 100 percent (ii) minus the result of dividing operating income by operating revenue or (iii) plus the result of dividing operating loss by operating revenue, and expressed as a percentage.

SUPPLEMENTAL INFORMATION

| <u>As of March 31, 2016</u> | <u>Par Value</u> | <u>Discount</u> | <u>Debt Issue Costs</u> | <u>Book Value</u> |
|--------------------------------|------------------|-----------------|-------------------------|-------------------|
| Term Loan | \$ 684.3 | \$ (3.9) | \$ (11.7) | \$ 668.7 |
| ABL Facility (a) | — | — | — | — |
| Secured Second A&R CDA | 44.0 | — | (0.3) | 43.7 |
| Unsecured Second A&R CDA | 73.2 | — | (0.4) | 72.8 |
| Lease financing obligations | 276.6 | — | (1.6) | 275.0 |
| Total debt | <u>\$1,078.1</u> | <u>\$ (3.9)</u> | <u>\$ (14.0)</u> | <u>\$1,060.2</u> |
| | | | | |
| <u>As of December 31, 2015</u> | <u>Par Value</u> | <u>Discount</u> | <u>Debt Issue Costs</u> | <u>Book Value</u> |
| Term Loan | \$ 686.0 | \$ (4.3) | \$ (12.7) | \$ 669.0 |
| ABL Facility (b) | — | — | — | — |
| Secured Second A&R CDA | 44.7 | — | (0.3) | 44.4 |
| Unsecured Second A&R CDA | 73.2 | — | (0.5) | 72.7 |
| Lease financing obligations | 278.0 | — | (1.7) | 276.3 |
| Total debt | <u>\$1,081.9</u> | <u>\$ (4.3)</u> | <u>\$ (15.2)</u> | <u>\$1,062.4</u> |

Our total leverage ratio for the four consecutive fiscal quarters ended March 31, 2016 was 3.20 to 1.00.

- (a) ABL Facility capacity \$450.0M; borrowing base \$442.9M; maximum availability \$81.5M; Managed Accessibility \$37.2M. Managed Accessibility is defined as maximum availability less the lower of 10% of the borrowing base or 10% of the collateral line cap.
- (b) ABL Facility capacity \$450.0M; borrowing base \$441.7M; maximum availability \$79.7M; Managed Accessibility \$35.5M. Managed Accessibility is defined as maximum availability less the lower of 10% of the borrowing base or 10% of the collateral line cap.

SUPPLEMENTAL FINANCIAL INFORMATION
YRC Worldwide Inc. and Subsidiaries
For the Three Months Ended March 31
(Amounts in millions)
(Unaudited)

| | Three Months | |
|-------------------------------------------------------|--------------|-----------|
| | 2016 | 2015 |
| Reconciliation of net loss to Adjusted EBITDA: | | |
| Net loss | \$ (12.0) | \$ (21.6) |
| Interest expense, net | 26.0 | 27.4 |
| Income tax expense (benefit) | (1.8) | 1.4 |
| Depreciation and amortization | 40.7 | 41.6 |
| EBITDA | 52.9 | 48.8 |
| Adjustments for Term Loan Agreement: | | |
| (Gains) losses on property disposals, net | (0.3) | 1.3 |
| Letter of credit expense | 2.2 | 2.2 |
| Nonrecurring consulting fees | — | 2.9 |
| Permitted dispositions and other | — | 0.2 |
| Equity based compensation expense | 1.8 | 0.5 |
| Amortization of ratification bonus | 4.6 | 5.2 |
| Loss on extinguishment of debt | — | 0.6 |
| Other, net ^(a) | 1.7 | (2.9) |
| Adjusted EBITDA | \$ 62.9 | \$ 58.8 |
| Operating revenue | \$1,120.3 | \$1,186.4 |
| Adjusted EBITDA margin | 5.6% | 5.0% |

(a) As required under our Term Loan Agreement, other, net, shown above consists of the impact of certain items to be included in Adjusted EBITDA.

| | Three Months | |
|------------------------------------|--------------|--------|
| | 2016 | 2015 |
| Adjusted EBITDA by segment: | | |
| YRC Freight | \$30.1 | \$32.1 |
| Regional Transportation | 33.4 | 26.2 |
| Corporate and other | (0.6) | 0.5 |
| Adjusted EBITDA | \$62.9 | \$58.8 |

SUPPLEMENTAL FINANCIAL INFORMATION
YRC Worldwide Inc. and Subsidiaries
For the Three Months Ended March 31
(Amounts in millions)
(Unaudited)

| | Three Months | |
|---------------------------------------------------------------|---------------|---------------|
| | 2016 | 2015 |
| YRC Freight segment | | |
| Reconciliation of operating income to Adjusted EBITDA: | | |
| Operating income | \$ 4.1 | \$ 0.2 |
| Depreciation and amortization | 22.7 | 23.9 |
| Gains on property disposals, net | (0.8) | (0.2) |
| Letter of credit expense | 1.4 | 1.5 |
| Nonrecurring consulting fees | — | 2.9 |
| Amortization of ratification bonus | 3.0 | 3.3 |
| Other, net (a) | (0.3) | 0.5 |
| Adjusted EBITDA | <u>\$30.1</u> | <u>\$32.1</u> |

(a) As required under our Term Loan Agreement, other, net, shown above consists of the impact of certain items to be included in Adjusted EBITDA.

| | Three Months | |
|---------------------------------------------------------------|---------------|---------------|
| | 2016 | 2015 |
| Regional Transportation segment | | |
| Reconciliation of operating income to Adjusted EBITDA: | | |
| Operating income | \$12.4 | \$ 4.6 |
| Depreciation and amortization | 18.0 | 17.7 |
| Losses on property disposals, net | 0.5 | 1.5 |
| Letter of credit expense | 0.7 | 0.5 |
| Amortization of ratification bonus | 1.6 | 1.9 |
| Other, net (a) | 0.2 | — |
| Adjusted EBITDA | <u>\$33.4</u> | <u>\$26.2</u> |

(a) As required under our Term Loan Agreement, other, net, shown above consists of the impact of certain items to be included in Adjusted EBITDA.

| | Three Months | |
|-------------------------------------------------------------|----------------|---------------|
| | 2016 | 2015 |
| Corporate and other | | |
| Reconciliation of operating loss to Adjusted EBITDA: | | |
| Operating loss | \$(3.1) | \$(1.1) |
| Letter of credit expense | 0.1 | 0.2 |
| Permitted dispositions and other | — | 0.2 |
| Equity based compensation expense | 1.8 | 0.5 |
| Other, net (a) | 0.6 | 0.7 |
| Adjusted EBITDA | <u>\$(0.6)</u> | <u>\$ 0.5</u> |

(a) As required under our Term Loan Agreement, other, net, shown above consists of the impact of certain items to be included in Adjusted EBITDA.

SUPPLEMENTAL FINANCIAL INFORMATION
YRC Worldwide Inc. and Subsidiaries
For the Trailing Twelve Months Ended March 31
(Amounts in millions)
(Unaudited)

| | 2016 | 2015 |
|----------------------------------------------------------------|------------------|------------------|
| Reconciliation of net income (loss) to Adjusted EBITDA: | | |
| Net income (loss) | \$ 10.3 | \$ (19.1) |
| Interest expense, net | 105.7 | 118.7 |
| Income tax benefit | (8.3) | (10.6) |
| Depreciation and amortization | 162.8 | 164.2 |
| EBITDA | 270.5 | 253.2 |
| Adjustments for Term Loan Agreement: | | |
| (Gains) losses on property disposals, net | 0.3 | (10.8) |
| Letter of credit expense | 8.8 | 9.1 |
| Restructuring professional fees | 0.2 | 3.1 |
| Nonrecurring consulting fees | 2.2 | 2.9 |
| Permitted dispositions and other | 0.2 | 1.8 |
| Equity based compensation expense | 9.8 | 8.2 |
| Amortization of ratification bonus | 18.3 | 20.8 |
| Loss on extinguishment of debt | — | 0.6 |
| Non-union pension settlement charge | 28.7 | — |
| Other, net ^(a) | (1.6) | (8.5) |
| Adjusted EBITDA | <u>\$ 337.4</u> | <u>\$ 280.4</u> |
| Operating revenue | <u>\$4,766.3</u> | <u>\$5,044.3</u> |
| Adjusted EBITDA margin | 7.1% | 5.6% |

(a) As required under our Term Loan Agreement, other, net, shown above consists of the impact of certain items to be included in Adjusted EBITDA.

YRC Worldwide Inc.
Segment Statistics
Quarterly Comparison

| | YRC Freight | | | | Sequential % (b) |
|----------------------------------------------|-------------|---------|---------|--------------|---------------------|
| | 1Q16 | 1Q15 | 4Q15 | Y/Y % (b) | |
| Workdays | 63.5 | 62.5 | 61.5 | | |
| Total picked up revenue (in millions) (a) | \$695.6 | \$737.4 | \$719.5 | (5.7) | (3.3) |
| Total tonnage (in thousands) | 1,485 | 1,566 | 1,504 | (5.2) | (1.3) |
| Total tonnage per day (in thousands) | 23.38 | 25.05 | 24.46 | (6.7) | (4.4) |
| Total shipments (in thousands) | 2,514 | 2,604 | 2,517 | (3.5) | (0.1) |
| Total shipments per day (in thousands) | 39.58 | 41.66 | 40.92 | (5.0) | (3.3) |
| Total picked up revenue/cwt. | \$23.42 | \$23.55 | \$23.91 | (0.5) | (2.0) |
| Total picked up revenue/cwt. (excl. FSC) | \$21.42 | \$20.66 | \$21.48 | 3.7 | (0.3) |
| Total picked up revenue/shipment | \$ 277 | \$ 283 | \$ 286 | (2.3) | (3.2) |
| Total picked up revenue/shipment (excl. FSC) | \$ 253 | \$ 249 | \$ 257 | 1.8 | (1.4) |
| Total weight/shipment (in pounds) | 1,181 | 1,203 | 1,196 | (1.8) | (1.2) |

(a) Reconciliation of operating revenue to total picked up revenue (in millions):

| | | | | | |
|--------------------------------------|----------------|----------------|----------------|--|--|
| Operating revenue | \$695.7 | \$737.6 | \$733.7 | | |
| Change in revenue deferral and other | (0.1) | (0.2) | (14.2) | | |
| Total picked up revenue | <u>\$695.6</u> | <u>\$737.4</u> | <u>\$719.5</u> | | |

| | Regional Transportation | | | | Sequential % (b) |
|----------------------------------------------|-------------------------|---------|---------|--------------|---------------------|
| | 1Q16 | 1Q15 | 4Q15 | Y/Y % (b) | |
| Workdays | 64.5 | 64.5 | 59.5 | | |
| Total picked up revenue (in millions) (a) | \$425.1 | \$449.1 | \$409.4 | (5.3) | 3.8 |
| Total tonnage (in thousands) | 1,900 | 1,976 | 1,761 | (3.8) | 7.9 |
| Total tonnage per day (in thousands) | 29.46 | 30.64 | 29.59 | (3.8) | (0.4) |
| Total shipments (in thousands) | 2,558 | 2,617 | 2,388 | (2.3) | 7.1 |
| Total shipments per day (in thousands) | 39.65 | 40.58 | 40.13 | (2.3) | (1.2) |
| Total picked up revenue/cwt. | \$11.19 | \$11.36 | \$11.63 | (1.6) | (3.8) |
| Total picked up revenue/cwt. (excl. FSC) | \$10.27 | \$10.03 | \$10.50 | 2.4 | (2.2) |
| Total picked up revenue/shipment | \$ 166 | \$ 172 | \$ 171 | (3.1) | (3.1) |
| Total picked up revenue/shipment (excl. FSC) | \$ 153 | \$ 151 | \$ 155 | 0.8 | (1.4) |
| Total weight/shipment (in pounds) | 1,486 | 1,510 | 1,475 | (1.6) | 0.8 |

(a) Reconciliation of operating revenue to total picked up revenue (in millions):

| | | | | | |
|--------------------------------------|----------------|----------------|----------------|--|--|
| Operating revenue | \$424.8 | \$448.8 | \$409.2 | | |
| Change in revenue deferral and other | 0.3 | 0.3 | 0.2 | | |
| Total picked up revenue | <u>\$425.1</u> | <u>\$449.1</u> | <u>\$409.4</u> | | |

(a) Does not equal financial statement revenue due to revenue recognition adjustments between accounting periods.

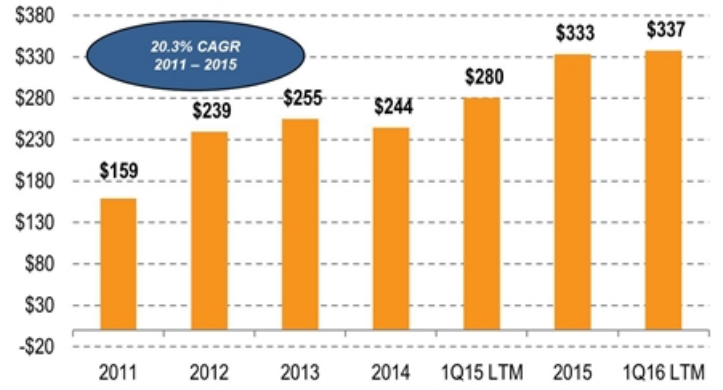
(b) Percent change based on unrounded figures and not the rounded figures presented.

(\$ in millions)

YRCW Revenue



YRCW Adjusted EBITDA



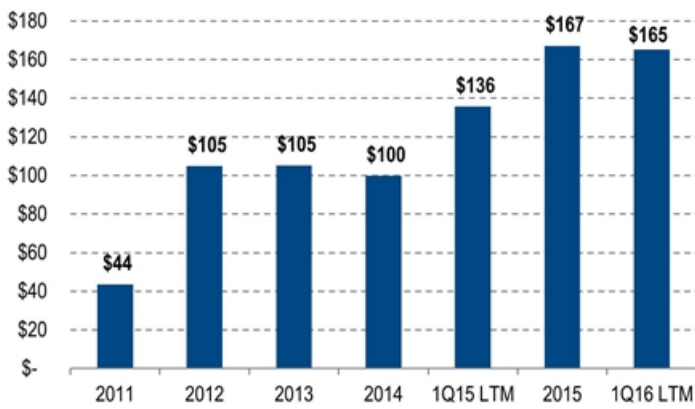
YRC Freight Revenue



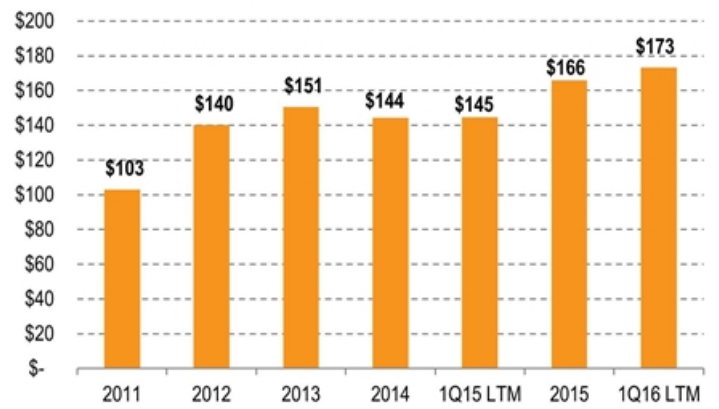
YRC Regional Revenue



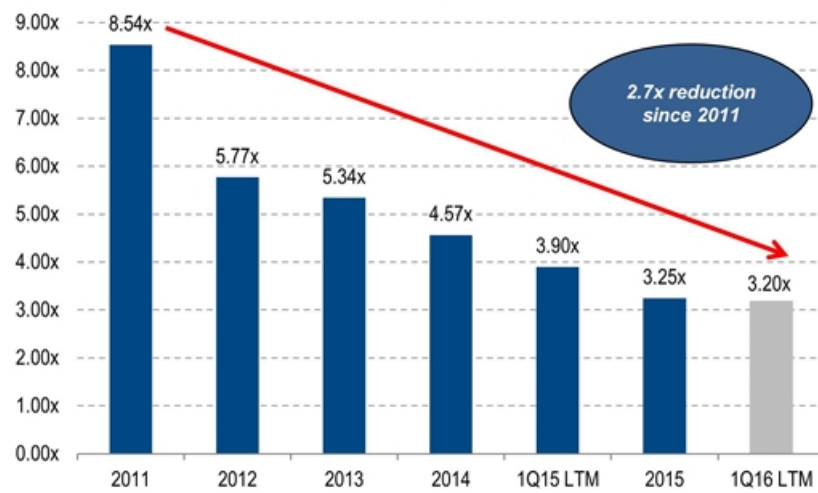
YRC Freight Adjusted EBITDA



YRC Regional Adjusted EBITDA



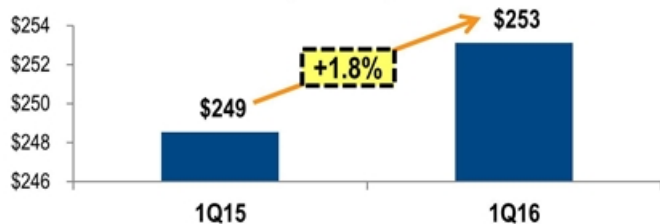
Funded Debt / Adjusted EBITDA



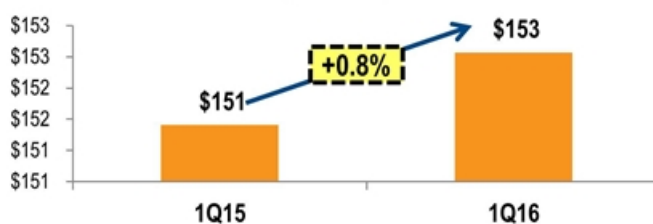
Note: Funded debt balances based on par value

- Steady progress every year since 2011
- Funded Debt to Adjusted EBITDA ratio down 2.7x

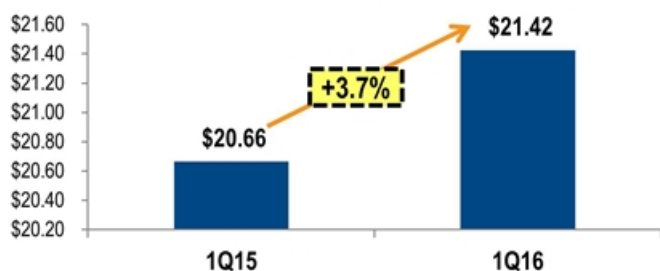
YRC Freight Revenue per Shipment (x-FSC)



Regional Revenue per Shipment (x-FSC)



YRC Freight Revenue per cwt (x-FSC)

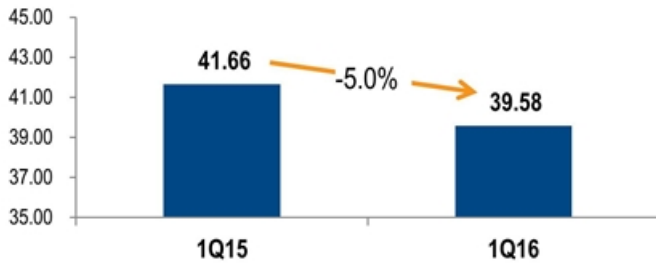


Regional Revenue per cwt (x-FSC)

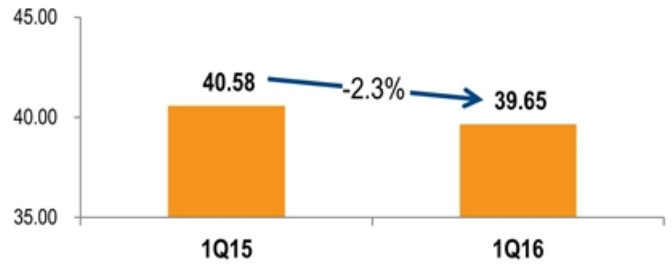


Note: Percent change calculation based on unrounded figures and not the rounded figures presented

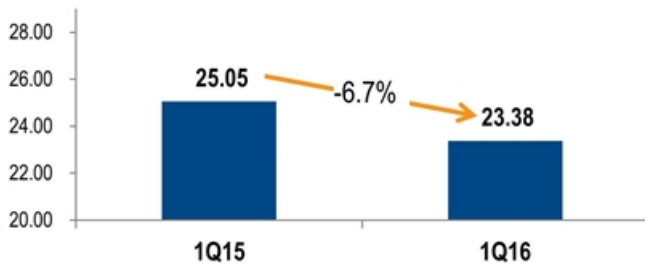
YRC Freight Shipments per Day



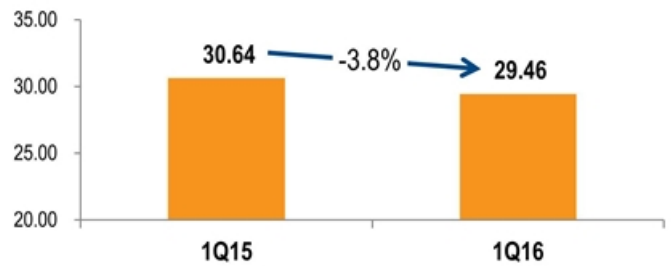
Regional Shipments per Day



YRC Freight Tonnage per Day



Regional Tonnage per Day

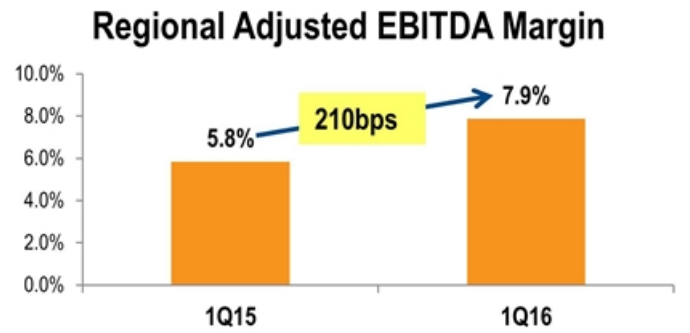
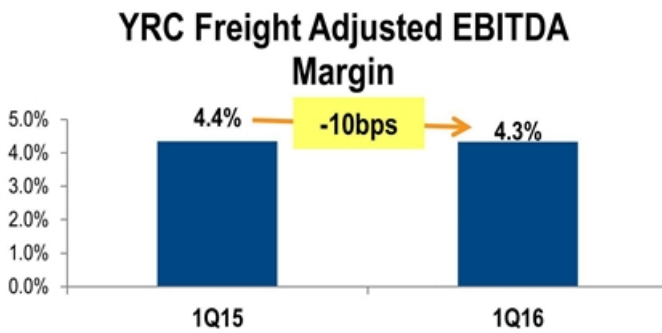
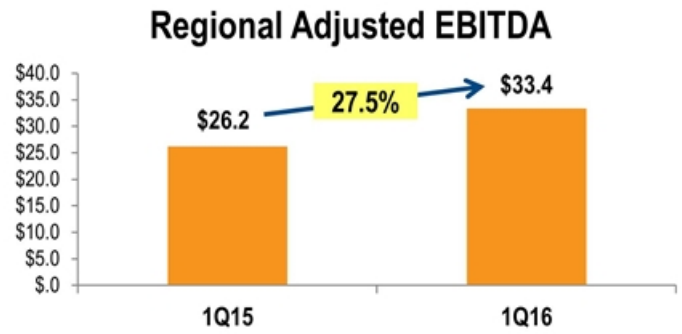
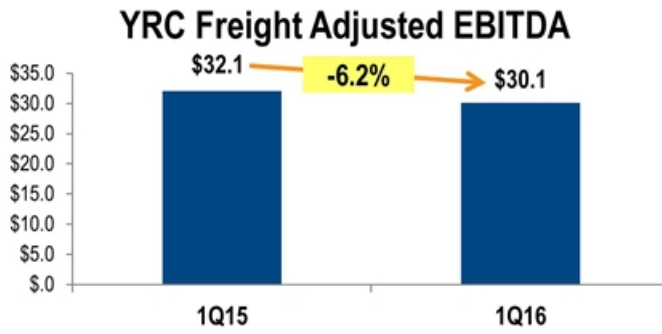


Note: Percent change calculation based on unrounded figures and not the rounded figures presented

Segment Adjusted EBITDA



(\$ in millions)

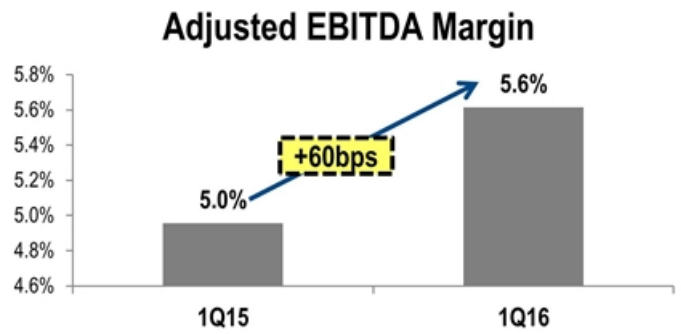
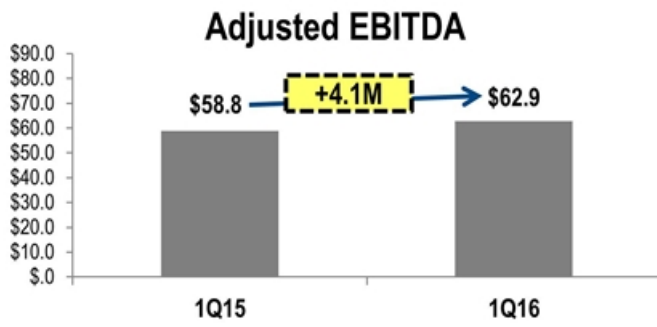


Note: Percent change calculation based on unrounded figures and not the rounded figures presented

Consolidated Adjusted EBITDA



(\$ in millions)



Note: Percent change calculation based on unrounded figures and not the rounded figures presented

EBITDA Reconciliation – Consolidation



| YRCW Consolidated | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | LTM 1Q 2015 | LTM 1Q 2016 | 1Q 2015 | 1Q 2016 |
|---------------------------------------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|
| Reconciliation of Net (Loss) Income to Adjusted EBITDA | | | | | | | | | |
| Net (loss) income | \$ (354.4) | \$ (136.5) | \$ (83.6) | \$ (67.7) | \$ 0.7 | \$ (19.1) | \$ 10.3 | \$ (21.6) | \$ (12.0) |
| Interest expense, net | 155.7 | 150.1 | 163.8 | 149.5 | 107.1 | 118.7 | 105.7 | 27.4 | 26.0 |
| Income tax (benefit) expense | (7.5) | (15.0) | (45.9) | (16.1) | (5.1) | (10.6) | (8.3) | 1.4 | (1.8) |
| Depreciation and amortization | 195.7 | 183.8 | 172.3 | 163.6 | 163.7 | 164.2 | 162.8 | 41.6 | 40.7 |
| EBITDA | \$ (10.5) | \$ 182.4 | \$ 206.6 | \$ 229.3 | \$ 266.4 | \$ 253.2 | \$ 270.5 | \$ 48.8 | \$ 52.9 |
| Adjustments for debt covenants: | | | | | | | | | |
| (Gains) / loss on property disposals, net | (8.2) | (9.7) | (2.2) | (11.9) | 1.9 | (10.8) | 0.3 | 1.3 | (0.3) |
| Letter of credit expense | 35.2 | 36.3 | 33.9 | 12.1 | 8.8 | 9.1 | 8.8 | 2.2 | 2.2 |
| Restructuring professional fees | 44.0 | 3.0 | 12.0 | 4.2 | 0.2 | 3.1 | 0.2 | - | - |
| Nonrecurring consulting fees | - | - | - | - | 5.1 | 2.9 | 2.2 | 2.9 | - |
| Permitted dispositions and other | 6.2 | (4.0) | 1.7 | 1.8 | 0.4 | 1.8 | 0.2 | 0.2 | - |
| Equity based compensation expense | 0.6 | 3.8 | 5.8 | 14.3 | 8.5 | 8.2 | 9.8 | 0.5 | 1.8 |
| Union equity awards | 14.9 | - | - | - | - | - | - | - | - |
| Restructuring transaction costs | 17.8 | - | - | - | - | - | - | - | - |
| Fair value adjustment of derivative liabilities | 79.2 | - | - | - | - | - | - | - | - |
| Amortization of ratification bonus | - | - | - | 15.6 | 18.9 | 20.8 | 18.3 | 5.2 | 4.6 |
| Non-union pension settlement | - | - | - | - | 28.7 | - | 28.7 | - | - |
| Equity Investment Impairment | - | 30.8 | - | - | - | - | - | - | - |
| (Gains) / loss on extinguishment of debt | (25.8) | - | - | (11.2) | 0.6 | 0.6 | - | 0.6 | - |
| Other, net ^(a) | 5.8 | (3.1) | (2.9) | (9.7) | (6.2) | (8.5) | (1.6) | (2.9) | 1.7 |
| Adjusted EBITDA | \$ 159.2 | \$ 239.5 | \$ 254.9 | \$ 244.5 | \$ 333.3 | \$ 280.4 | \$ 337.4 | \$ 58.8 | \$ 62.9 |
| Revenue | \$ 4,868.8 | \$ 4,850.5 | \$ 4,865.4 | \$ 5,068.8 | \$ 4,832.4 | \$ 5,044.3 | \$ 4,766.3 | \$ 1,186.4 | \$ 1,120.3 |
| Adjusted EBITDA Margin | 3.3% | 4.9% | 5.2% | 4.8% | 6.9% | 5.6% | 7.1% | 5.0% | 5.6% |
| Funded Debt | \$ 1,358.8 | \$ 1,381.0 | \$ 1,361.3 | \$ 1,116.2 | \$ 1,081.9 | \$ 1,093.6 | \$ 1,078.1 | | |
| Leverage Ratio | 8.54x | 5.77x | 5.34x | 4.57x | 3.25x | 3.90x | 3.20x | | |

(a) As required under our Term Loan Agreement, other, net, shown above consists of the impact of certain items to be included in Adjusted EBITDA

EBITDA Reconciliation – Segment



| YRC Freight Segment | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | LTM 1Q 2015 | LTM 1Q 2016 | 1Q 2015 | 1Q 2016 |
|---------------------------------------------------------------------|------------|------------|------------|------------|------------|-------------|-------------|----------|----------|
| Reconciliation of operating income (loss) to adjusted EBITDA | | | | | | | | | |
| Operating (loss) income | \$ (88.5) | \$ (37.3) | \$ (31.2) | \$ 0.5 | \$ 18.0 | \$ 33.2 | \$ 21.9 | \$ 0.2 | \$ 4.1 |
| Depreciation and amortization | 102.9 | 119.8 | 109.1 | 98.0 | 93.1 | 97.2 | 91.9 | 23.9 | 22.7 |
| (Gains) losses on property disposals, net | (10.5) | (9.9) | (3.0) | (15.9) | 1.9 | (15.9) | 1.3 | (0.2) | (0.8) |
| Letter of credit expense | 28.1 | 29.6 | 25.8 | 8.3 | 6.1 | 6.2 | 6.0 | 1.5 | 1.4 |
| Union equity awards | 10.3 | - | - | - | - | - | - | - | - |
| Nonrecurring consulting fees | - | - | - | - | 5.1 | 2.9 | 2.2 | 2.9 | - |
| Amortization of ratification bonus | - | - | - | 10.0 | 12.2 | 13.3 | 11.9 | 3.3 | 3.0 |
| Non-union pension settlement charge | - | - | - | - | 28.7 | - | 28.7 | - | - |
| Other, net ^(a) | 1.4 | 2.7 | 4.5 | (1.1) | 2.1 | (1.3) | 1.3 | 0.5 | (0.3) |
| Adjusted EBITDA | \$ 43.7 | \$ 104.9 | \$ 105.2 | \$ 99.8 | \$ 167.2 | \$ 135.6 | \$ 165.2 | \$ 32.1 | \$ 30.1 |
| Revenue | \$ 3,203.0 | \$ 3,206.9 | \$ 3,136.8 | \$ 3,237.4 | \$ 3,055.7 | \$ 3,218.2 | \$ 3,013.8 | \$ 737.6 | \$ 695.7 |
| Adjusted EBITDA Margin | 1.4% | 3.3% | 3.4% | 3.1% | 5.5% | 4.2% | 5.5% | 4.4% | 4.3% |
| Regional Transportation Segment | | | | | | | | | |
| Reconciliation of operating income to adjusted EBITDA | | | | | | | | | |
| Operating Income | \$ 32.9 | \$ 70.0 | \$ 79.9 | \$ 66.1 | \$ 85.4 | \$ 62.8 | \$ 93.2 | \$ 4.6 | \$ 12.4 |
| Depreciation and amortization | 61.6 | 63.3 | 63.1 | 65.8 | 70.7 | 67.1 | 71.0 | 17.7 | 18.0 |
| (Gains) losses on property disposals, net | (2.7) | 0.7 | 0.6 | 4.0 | 0.2 | 5.1 | (0.8) | 1.5 | 0.5 |
| Letter of credit expense | 6.6 | 6.2 | 6.8 | 2.9 | 2.1 | 2.2 | 2.3 | 0.5 | 0.7 |
| Union equity awards | 4.6 | - | - | - | - | - | - | - | - |
| Amortization of ratification bonus | - | - | - | 5.6 | 6.7 | 7.5 | 6.4 | 1.9 | 1.6 |
| Other, net ^(a) | 0.1 | - | 0.1 | - | 0.8 | - | 1.0 | - | 0.2 |
| Adjusted EBITDA | \$ 103.1 | \$ 140.2 | \$ 150.5 | \$ 144.4 | \$ 165.9 | \$ 144.7 | \$ 173.1 | \$ 26.2 | \$ 33.4 |
| Revenue | \$ 1,554.3 | \$ 1,640.6 | \$ 1,728.6 | \$ 1,831.4 | \$ 1,776.9 | \$ 1,826.1 | \$ 1,752.9 | \$ 448.8 | \$ 424.8 |
| Adjusted EBITDA Margin | 6.6% | 8.5% | 8.7% | 7.9% | 9.3% | 7.9% | 9.9% | 5.8% | 7.9% |

(a) As required under our Term Loan, other nonoperating, net, shown above does not include the impact of non-cash foreign currency gains or losses.