Teamsters Ratification of Contract Changes Moves YRC Worldwide Comprehensive Plan Forward

- Immediate cost savings from modified agreement estimated at $45 million monthly, increases to $50 million monthly in 2010
- Company signs additional asset sale contracts with NATMI for $81 million

OVERLAND PARK, Kan., Aug 07, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- YRC Worldwide Inc. (Nasdaq: YRCW) announced today a major step forward in the company's comprehensive plan, with a majority of its employees represented by the International Brotherhood of Teamsters ('IBT') voting '"yes" to ratify a modified labor agreement.

"With the support of our employee-owners and other stakeholders, we continue making progress with our comprehensive recovery plan - realizing efficiencies from the YRC integration, restoring financial strength and positioning YRC Worldwide for future success," said Bill Zollars, Chairman, President and CEO of YRC Worldwide. "The contract changes enable us to reduce our cost structure, preserve capital and be more competitive in the marketplace."

The modified agreement includes a 5 percent incremental wage reduction and an 18-month cessation of union pension fund contributions, which will not require repayment. Related savings from the pension and wage reduction are approximately $45 million per month, and begin immediately. Savings increase to an estimated $50 million per month in 2010.

"Our union employees approached this situation in a very professional manner," said Mike Smid, President of YRC Inc. and Chief Operations Officer of YRC Worldwide. "This vote sends a clear message to our customers and our competitors. We are moving forward together, and we're moving forward with confidence, delivering uninterrupted and unparalleled service in our superior networks."

As with prior ratification elections, a small number of the bargaining units representing less than 10 percent of our Teamster employees did not yet ratify the labor agreement modifications. The company and the Teamsters expect to address employee concerns and have these smaller bargaining units reconsider the modifications in the near future.

Additional Asset Sales Contract Finalized

The company also announced progress on improving its liquidity position by executing contracts with NorthAmerican Terminals Management, Inc. ('NATMI') to sell and simultaneously lease back certain facilities, and to sell additional excess properties. The aggregate sales price is approximately $81 million and the property sales are intended to close during the third and fourth quarters of 2009. Sale and financing leaseback transactions are now expected to generate around $375 million of cash proceeds and excess property sales should generate over $100 million in 2009.

YRC Worldwide will continue to announce updates on its comprehensive plan as developments occur.

Certain statements in this news release include 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 (each a "forward-looking statement"). Forward-looking statements include those preceded by, followed by or that include the words "will," "would" or similar expressions. The company's actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including (among others) whether the employees covered by the National Master Freight Agreement ratify the modification to that agreement, inflation, inclement weather, price and availability of fuel, sudden changes in the cost of fuel or the index upon which the company bases its fuel surcharge, competitor pricing activity, expense volatility, including (without limitation) expense volatility due to changes in rail service or pricing for rail service, ability to capture cost reductions, including (without limitation) those cost reduction opportunities arising from the combination of the sales, operations and networks of Yellow Transportation and Roadway, changes in equity and debt markets, a downturn in general or regional economic activity, effects of a terrorist attack, labor relations, including (without limitation) the impact of work rules, work stoppages, strikes or other disruptions, any obligations to multi-employer health, welfare and pension plans, wage requirements and employee satisfaction, and the risk factors that are from time to time included in the company's reports filed with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended December 31, 2008.

The actual savings from the proposed modification to the National Master Freight Agreement would be determined by actual levels of employment. A number of other IBT bargaining units and bargaining units represented by other unions are not subject to the National Master Freight Agreement. The company's estimates of cost savings also assume that a significant number of these additional bargaining units ratify similar proposals.

The company's intentions regarding the dates of closing of the real estate transactions with NATMI are only its intentions regarding this matter. Actual closings may or may not occur, and may or may not occur within the intended time frame based on a number of factors. The closings are subject to the satisfaction of normal and customary due diligence and related conditions, including NATMI's right to terminate its obligation to purchase all or a portion of the facilities in its sole discretion during the inspection period. If the company is unable to obtain by closing a lien release for a specific facility from JPMorgan Chase Bank, National Association, the administrative agent to the company's credit agreement (the "Credit Agreement"), NATMI may terminate its obligation to buy and the company may terminate its obligation to sell certain facilities. Pursuant to the terms of the Credit Agreement, the administrative agent will be authorized to release such a lien provided that no default or event of default under the Credit Agreement has occurred and is continuing prior to the closing for a facility or would arise after giving effect to such closing.

The company's expectations regarding future asset dispositions and sale and financing leasebacks of real estate (including the expectation of the receipt in 2009 of over $100 million in sales proceeds from excess properties and around $375 million in proceeds from sale and financing leaseback transactions) are only its expectations regarding these matters. Actual dispositions and sale and financing leasebacks will be determined by the availability of capital and willing buyers and counterparties in the market and the outcome of discussions to enter into and close any such transactions on negotiated terms and conditions, including (without limitation) usual and ordinary closing conditions such as favorable title reports or opinions and favorable environmental assessments of specific properties.

YRC Worldwide Inc., a Fortune 500 company and one of the largest transportation service providers in the world, is the holding company for a portfolio of successful brands including YRC, YRC Reimer, YRC Glen Moore, YRC Logistics, New Penn, Holland and Reddaway. YRC Worldwide has the largest, most comprehensive network in North America with local, regional, national and international capabilities. Through its team of experienced service professionals, YRC Worldwide offers industry-leading expertise in heavyweight shipments and flexible supply chain solutions, ensuring customers can ship industrial, commercial and retail goods with confidence. The company is headquartered in Overland Park, Kan.

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