UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2015

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 0-12255

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

Delaware	**48-0948788**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
10990 Roe Avenue, Overland Park, Kansas	**66211**
(Address of principal executive offices)	**(Zip Code)**

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

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	o
Non-accelerated filer	o (Do not check if a smaller reporting company)	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 24, 2015
Common Stock, $0.01 par value per share	32,752,921 shares

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

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

	June 30, 2015	December 31, 2014
	(Unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	$ 196.0	$ 171.1
Restricted amounts held in escrow	16.7	28.9
Accounts receivable, net	512.9	470.5
Prepaid expenses and other	81.2	81.2
Total current assets	806.8	751.7
Property and Equipment:		
Cost	2,830.2	2,819.6
Less – accumulated depreciation	(1,881.6)	(1,825.4)
Net property and equipment	948.6	994.2
Intangibles, net	50.5	60.3
Restricted amounts held in escrow	40.4	60.2
Deferred income taxes, net	21.2	21.4
Other assets	101.1	97.2
Total Assets	$ 1,968.6	$ 1,985.0
Liabilities and Shareholders' Deficit		
Current Liabilities:		
Accounts payable	$ 188.3	$ 172.2
Wages, vacations and employee benefits	203.9	176.6
Deferred income taxes, net	21.2	21.4
Other current and accrued liabilities	178.2	202.2
Current maturities of long-term debt	14.8	31.1
Total current liabilities	606.4	603.5
Other Liabilities:		
Long-term debt, less current portion	1,069.4	1,078.8
Deferred income taxes, net	3.3	1.5
Pension and postretirement	437.1	460.3
Claims and other liabilities	297.6	315.2
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	2,310.8	2,290.9
Accumulated deficit	(2,235.6)	(2,240.0)
Accumulated other comprehensive loss	(428.0)	(432.8)
Treasury stock, at cost (410 shares)	(92.7)	(92.7)
Total shareholders' deficit	(445.2)	(474.3)
Total Liabilities and Shareholders' Deficit	$ 1,968.6	$ 1,985.0

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (LOSS)
YRC Worldwide Inc. and Subsidiaries
For the Three and Six Months Ended June 30
(Amounts in millions except per share data, shares in thousands)
(Unaudited)

	Three Months		Six Months	
	2015	2014	2015	2014
Operating Revenue	$ 1,258.4	$ 1,317.6	$ 2,444.8	$ 2,528.5
Operating Expenses:				
Salaries, wages and employee benefits	715.5	740.7	1,422.8	1,466.4
Operating expenses and supplies	232.8	292.0	461.0	575.7
Purchased transportation	148.0	159.8	281.4	291.7
Depreciation and amortization	41.3	41.0	82.9	82.0
Other operating expenses	64.6	70.6	135.5	131.4
(Gains) losses on property disposals, net	(0.7)	(6.5)	0.6	(6.3)
Total operating expenses	1,201.5	1,297.6	2,384.2	2,540.9
Operating Income (Loss)	56.9	20.0	60.6	(12.4)
Nonoperating Expenses:				
Interest expense	27.9	31.7	55.5	89.9
(Gain) loss on extinguishment of debt	—	—	0.6	(11.2)
Other, net	0.7	1.1	(3.6)	(4.0)
Nonoperating expenses, net	28.6	32.8	52.5	74.7
Income (loss) before income taxes	28.3	(12.8)	8.1	(87.1)
Income tax (benefit) expense	2.3	(7.9)	3.7	(12.0)
Net income (loss)	26.0	(4.9)	4.4	(75.1)
Amortization of beneficial conversion feature on preferred stock	—	—	—	(18.1)
Net Income (Loss) Attributable to Common Shareholders	26.0	(4.9)	4.4	(93.2)
Net income (loss)	26.0	(4.9)	4.4	(75.1)
Other comprehensive income, net of tax	5.4	3.6	4.8	4.5
Comprehensive Income (Loss) Attributable to YRC Worldwide Inc.	$ 31.4	$ (1.3)	$ 9.2	$ (70.6)
Average Common Shares Outstanding – Basic	31,929	30,612	31,367	26,501
Average Common Shares Outstanding – Diluted	32,582	30,612	32,562	26,501
Earnings (loss) Per Share – Basic	$ 0.81	$ (0.16)	$ 0.14	$ (3.52)
Earnings (loss) Per Share – Diluted	$ 0.80	$ (0.16)	$ 0.13	$ (3.52)

The accompanying notes are an integral part of these statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS
YRC Worldwide Inc. and Subsidiaries
For the Six Months Ended June 30
(Amounts in millions)
(Unaudited)

	2015	2014
Operating Activities:		
Net income (loss)	$ 4.4	$ (75.1)
Noncash items included in net income (loss):		
Depreciation and amortization	82.9	82.0
Paid-in-kind interest on Series A Notes and Series B Notes	0.4	12.7
Amortization of deferred debt costs	3.2	4.9
Amortization of premiums and discounts on debt	1.4	20.1
Noncash equity based compensation and employee benefits expense	11.7	15.4
Deferred income tax benefit	—	(1.1)
(Gains) losses on property disposals, net	0.6	(6.3)
(Gain) loss on extinguishment of debt	0.6	(11.2)
Other noncash items, net	(1.8)	(3.7)
Changes in assets and liabilities, net:		
Accounts receivable	(43.2)	(95.5)
Accounts payable	11.7	22.3
Other operating assets	(0.6)	(15.8)
Other operating liabilities	(40.2)	(4.3)
Net cash provided by (used in) operating activities	31.1	(55.6)
Investing Activities:		
Acquisition of property and equipment	(42.6)	(24.7)
Proceeds from disposal of property and equipment	13.1	7.3
Restricted escrow receipts	42.0	90.7
Restricted escrow deposits	(10.0)	(128.2)
Other, net	0.4	5.3
Net cash provided by (used in) investing activities	2.9	(49.6)
Financing Activities:		
Issuance of long-term debt	—	693.0
Repayments of long-term debt	(9.1)	(795.7)
Debt issuance costs	—	(27.4)
Equity issuance costs	—	(17.1)
Equity issuance proceeds	—	250.0
Net cash provided by (used in) financing activities	(9.1)	102.8
Net Increase (Decrease) In Cash and Cash Equivalents	24.9	(2.4)
Cash and Cash Equivalents, Beginning of Period	171.1	176.3
Cash and Cash Equivalents, End of Period	$ 196.0	$ 173.9

Supplemental Cash Flow Information:		
Interest paid	$ (54.1)	$ (67.7)
Income tax refund, net	$ 0.4	$ 9.9

The accompanying notes are an integral part of these statements.

STATEMENT OF CONSOLIDATED SHAREHOLDERS' DEFICIT
YRC Worldwide Inc. and Subsidiaries
For the Six Months Ended June 30, 2015
(Amounts in millions)
(Unaudited)

Preferred Stock:		
Beginning and ending balance	$	—
Common Stock:		
Beginning and ending balance	$	0.3
Capital Surplus:		
Beginning balance	$	2,290.9
Share-based compensation		1.4
Issuance of equity upon conversion and exchange of Series B Notes		18.5
Ending balance	$	2,310.8
Accumulated Deficit:		
Beginning balance	$	(2,240.0)
Net income		4.4
Ending balance	$	(2,235.6)
Accumulated Other Comprehensive Loss:		
Beginning balance	$	(432.8)
Reclassification of net pension actuarial losses to net income, net of tax		8.0
Foreign currency translation adjustments		(3.2)
Ending balance	$	(428.0)
Treasury Stock, At Cost:		
Beginning and ending balance	$	(92.7)
Total Shareholders' Deficit	$	(445.2)

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YRC Worldwide Inc. and Subsidiaries
(Unaudited)

Certain of these Notes to Consolidated Financial Statements contain forward-looking statements, as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Cautionary Note Regarding Forward-Looking Statements."

1. Description of Business

YRC Worldwide Inc. (also referred to as "YRC Worldwide," the "Company," "we," "us" or "our") is a holding company that, through wholly owned operating subsidiaries and its interest in a Chinese joint venture, offers its customers a wide range of transportation services. We have one of the largest, most comprehensive less-than-truckload ("LTL") networks in North America with local, regional, national and international capabilities. Through our team of experienced service professionals, we offer expertise in LTL shipments and flexible supply chain solutions, ensuring customers can ship industrial, commercial and retail goods with confidence. Our reporting segments include the following:

- YRC Freight is the reporting segment that focuses on longer haul business opportunities with national, regional and international services. YRC Freight provides for the movement of industrial, commercial and retail goods, primarily through centralized management. This reporting segment includes our LTL subsidiary YRC Inc. ("YRC Freight") and Reimer Express ("YRC Reimer"), a subsidiary located in Canada that specializes in shipments into, across and out of Canada. In addition to the United States and Canada, YRC Freight also serves parts of Mexico, Puerto Rico and Guam.

- Regional Transportation is the reporting segment for our transportation service providers focused on business opportunities in the regional and next-day delivery markets. Regional Transportation is comprised of USF Holland Inc. ("Holland"), New Penn Motor Express, Inc. ("New Penn") and USF Reddaway Inc. ("Reddaway"). These companies each provide regional, next-day ground services in their respective regions through a network of facilities located across the United States, Canada, Mexico and Puerto Rico.

At June 30, 2015, approximately 78% of our labor force is subject to collective bargaining agreements, which predominantly expire in March 2019.

2. Principles of Consolidation

The accompanying Consolidated Financial Statements include the accounts of YRC Worldwide and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. We report on a calendar year basis. The quarters of the Regional Transportation companies (with the exception of New Penn) consist of thirteen weeks that end on a Saturday either before or after the end of March, June and September, whereas all other operating segment quarters end on the natural calendar quarter end. Our investment in our non-majority owned affiliate is accounted for on the equity method.

We make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and notes. Actual results could differ from those estimates. We have prepared the Consolidated Financial Statements, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). In our opinion, all normal recurring adjustments necessary for a fair statement of the financial position, results of operations and cash flows for the interim periods included in these financial statements herein have been made. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles ("GAAP") have been condensed or omitted from these statements pursuant to SEC rules and regulations. Accordingly, the accompanying Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014.

Fair Value of Financial Instruments

The following table summarizes the fair value hierarchy of our financial assets and liabilities carried at fair value on a recurring basis as of June 30, 2015:

(in millions)	Total Carrying Value	Fair Value Measurement Hierarchy: Quoted prices in active market (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Restricted amounts held in escrow-current	$ 16.7	$ 16.7	$ —	$ —
Restricted amounts held in escrow-long term	40.4	40.4	—	—
Total assets at fair value	$ 57.1	$ 57.1	$ —	$ —

Restricted amounts held in escrow are invested in money market accounts and are recorded at fair value based on quoted market prices. The carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates their fair value due to the short-term nature of these instruments.

Reclassifications Out of Accumulated Other Comprehensive Loss

For three and six months ended June 30, 2015, we reclassified the amortization of our net pension loss totaling $3.9 million and $8.0 million, respectively, net of tax, from accumulated other comprehensive loss to net income. For three and six months ended June 30, 2014, we reclassified the amortization of our net pension loss totaling $1.9 million and $3.9 million, respectively, net of tax, from accumulated other comprehensive loss to net loss. This reclassification is a component of net periodic pension cost and is discussed in the “Employee Benefits” footnote.

Impact of Recently Issued Accounting Standards

In April 2015, the Financial Accounting Standards Board (“FASB”) issued new authoritative literature, *Interest - Imputation of Interest*, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with the accounting treatment for debt discounts. The recognition and measurement guidance of debt issuance costs are not affected by this update. The guidance, which requires retrospective application, is effective for the Company beginning January 1, 2016, but early adoption is allowed. The adoption of this guidance is not expected to have a material impact on the Company’s consolidated financial statements.

In April 2015, the FASB issued new authoritative literature, *Revenue from Contracts with Customers, Deferral of the Effective Date*, which defers the effective date of the new revenue standard by one year. The new standard is effective for the Company beginning January 1, 2018. Early adoption is permitted for annual periods beginning January 1, 2017. While we do not believe the guidance will have a significant impact on the Company’s consolidated financial statements, we are currently evaluating the guidance, including which transition approach will be applied.

3. Debt and Financing

Our outstanding debt as of June 30, 2015 and December 31, 2014 consisted of the following:

As of June 30, 2015 (in millions)	Par Value	Discount	Book Value	Stated Interest Rate	Average Effective Interest Rate
Term Loan	$ 689.5	$ (5.0)	$ 684.5	8.3%	8.5%
ABL Facility[(a)]	—	—	—	N/A	N/A
Secured Second A&R CDA	45.0	—	45.0	3.3-18.3%	7.3%
Unsecured Second A&R CDA	73.2	—	73.2	3.3-18.3%	7.3%
Lease financing obligations	281.5	—	281.5	10.0-18.2%	12.0%
Total debt	$ 1,089.2	$ (5.0)	$ 1,084.2		
Current maturities of Term Loan	(7.0)	—	(7.0)		
Current maturities of lease financing obligations	(7.8)	—	(7.8)		
Long-term debt	$ 1,074.4	$ (5.0)	$ 1,069.4		

(a) There were no amounts drawn on the ABL Facility at any time during the six months ended June 30, 2015.

As of December 31, 2014 (in millions)	Par Value	Discount	Book Value	Stated Interest Rate	Average Effective Interest Rate
Term Loan	$ 693.0	$ (5.7)	$ 687.3	8.3%	8.5%
ABL Facility[(a)]	—	—	—	N/A	N/A
Series B Notes	17.7	(0.6)	17.1	10.0%	25.6%
Secured Second A&R CDA	47.0	—	47.0	3.3-18.3%	7.3%
Unsecured Second A&R CDA	73.2	—	73.2	3.3-18.3%	7.3%
Lease financing obligations	285.1	—	285.1	10.0-18.2%	12.0%
Other	0.2	—	0.2		
Total debt	$ 1,116.2	$ (6.3)	$ 1,109.9		
Current maturities of Term Loan	(7.0)	—	(7.0)		
Current maturities of Series B Notes	(17.7)	0.6	(17.1)		
Current maturities of lease financing obligations	(6.8)	—	(6.8)		
Current maturities of other	(0.2)	—	(0.2)		
Long-term debt	$ 1,084.5	$ (5.7)	$ 1,078.8		

(a) There were no amounts drawn on the ABL Facility at any time during the twelve months ended December 31, 2014.

ABL Facility Availability

As of June 30, 2015, we had cash and cash equivalents of $196.0 million and the borrowing base and maximum availability on our asset based loan facility (the “ABL Facility”) were $436.4 million and $73.8 million, respectively. The maximum availability is calculated in accordance with the terms of the ABL Facility and is derived by reducing the borrowing base by our $362.6 million of outstanding letters of credit. While our ABL Agreement permits us to access maximum availability outside of certain financial covenant restrictions (which restrictions did not limit our availability as of June 30, 2015), the maximum amount we expect to access on our ABL Facility at any time is maximum availability less the lower of 10% of the borrowing base ($43.7 million at June 30, 2015) or 10% of the collateral line cap ($45.0 million at June 30, 2015). Thus, of the $73.8 million in maximum availability, we expected to access no more than $30.1 million as of June 30, 2015 (“Managed Accessibility”). As a result, we had cash and cash equivalents and Managed Accessibility of $226.1 million as of June 30, 2015.

As of December 31, 2014, we had cash and cash equivalents of $171.1 million and the borrowing base and maximum availability on our ABL Facility were $445.5 million and $71.2 million, respectively. The maximum availability is calculated in accordance with the terms of the ABL Facility and is derived by reducing the borrowing base by our $374.3 million of outstanding letters of credit. As of December 31, 2014, amounts able to be drawn on our ABL Facility (which were limited by certain financial covenant restrictions) were $27.1 million, for a total of cash and cash equivalents and amounts able to be drawn on our ABL Facility of $198.2 million.

Credit Facility Covenants

The credit agreement (the "Term Loan Agreement") governing our term loan facility (the "Term Loan"), as amended in September 2014, has certain financial covenants that, among other things, restricts certain capital expenditures and requires us to maintain a maximum total leverage ratio (defined as Consolidated Total Debt divided by Consolidated Adjusted EBITDA as defined below).

Our total maximum leverage ratio covenants are as follows:

Four Consecutive Fiscal Quarters Ending	Maximum Total Leverage Ratio	Four Consecutive Fiscal Quarters Ending	Maximum Total Leverage Ratio
June 30, 2015	4.75 to 1.00	December 31, 2016	3.50 to 1.00
September 30, 2015	4.50 to 1.00	March 31, 2017	3.25 to 1.00
December 31, 2015	4.25 to 1.00	June 30, 2017	3.25 to 1.00
March 31, 2016	4.00 to 1.00	September 30, 2017	3.25 to 1.00
June 30, 2016	3.75 to 1.00	December 31, 2017 and thereafter	3.00 to 1.00
September 30, 2016	3.75 to 1.00		

Consolidated Adjusted EBITDA, defined in our Term Loan Agreement as "Consolidated EBITDA," is a measure that reflects our earnings before interest, taxes, depreciation, and amortization expense, and is further adjusted for, among other things, 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 International Brotherhood of Teamsters ("IBT") employees and the results of permitted dispositions and discontinued operations. Consolidated Total Debt, as defined in our Term Loan Agreement, is the aggregate principal amount of indebtedness outstanding. Our total leverage ratio for the four consecutive fiscal quarters ending June 30, 2015 was 3.33 to 1.00. Additionally, our ABL Facility credit agreement, among other things, restricts certain capital expenditures.

We believe that our results of operations will be sufficient to allow us to comply with the covenants in the Term Loan Agreement, fund our operations, increase working capital as necessary to support our planned revenue growth and fund capital expenditures for at least the next twelve months. In order for us to maintain compliance with the maximum total leverage ratio over the tenor of the Term Loan and satisfy our liquidity needs, we must achieve positive operating results which reflect continuing improvement over our recent results. Improvements to our profitability may include ongoing successful implementation and realization of pricing, productivity and efficiency initiatives, as well as increased volume, some of which are outside of our control.

Series B Exchange

Our 10% Series B Convertible Senior Secured Notes (the "Series B Notes"), which matured on March 31, 2015, were convertible into our common stock, at the conversion price per share of approximately $18.5334 and a conversion rate of 53.9567 common shares per $1,000 of the Series B Notes (such conversion price and conversion rate applying also to the Series B Notes make whole premium).

On March 25, 2015, we entered into an exchange agreement with certain holders of our Series B Notes to exchange their outstanding principal and accrued interest balances totaling $17.9 million at conversion price of $18.00 per share for an aggregate 994,689 shares of Common Stock. During the six months ended June 30, 2015, we recorded $0.6 million of additional expense related to the fair value of the incremental shares provided to those holders who exchanged their outstanding balances. At maturity on March 31, 2015, we repaid the holders of the remaining outstanding Series B Notes approximately $0.3 million of cash.

On January 31, 2014, certain holders of our Series B Notes exchanged their outstanding notes as part of an exchange agreement. Outside of these exchange agreements, during the six months ended June 30, 2014, $1.2 million of aggregate principal amount of Series B Notes were converted into 75,900 shares of our common stock, which includes the make whole premium. Upon conversion, during the six months ended June 30, 2014, we recorded $0.4 million of additional interest expense representing the $0.2 million make whole premium and $0.2 million of accelerated amortization of the discount on converted Series B Notes. There were no conversions during the three months ended June 30, 2014.

Fair Value Measurement

The carrying amounts and estimated fair values of our long-term debt, including current maturities and other financial instruments, are summarized as follows:

	June 30, 2015		December 31, 2014	
(in millions)	Carrying amount	Fair value	Carrying amount	Fair value
Term Loan	$ 684.5	$ 674.0	$ 687.3	$ 685.4
Series B Notes	—	—	17.1	17.7
Lease financing obligations	281.5	288.5	285.1	282.2
Other	118.2	115.5	120.4	119.1
Total debt	$ 1,084.2	$ 1,078.0	$ 1,109.9	$ 1,104.4

The fair values of the Term Loan, Series B Notes and the Secured and Unsecured Amended and Restated Contribution Deferral Agreement (the "A&R CDA") (included in "Other" above) were estimated based on observable prices (level two inputs for fair value measurements). The fair value of the lease financing obligations is estimated using a publicly traded secured loan with similar characteristics (level three input for fair value measurement).

Leases

As of June 30, 2015, our minimum rental expense under operating leases for the remainder of the year is $43.6 million. As of June 30, 2015, our operating lease payment obligations through 2025 totaled $215.6 million and is expected to increase as we lease additional revenue equipment.

Our capital expenditures for the six months ended June 30, 2015 and 2014 were $42.6 million and $24.7 million, respectively. These amounts were principally used to fund the purchase of used tractors, trailers and refurbished engines for our revenue fleet and capitalized costs for technology infrastructure. Additionally, for the six months ended June 30, 2015, we entered into new operating leases for revenue equipment for $78.6 million, payable over the average lease term of five years.

4. Employee Benefits

The following table presents the components of our company-sponsored pension costs for the three and six months ended June 30:

	Three Months		Six Months	
(in millions)	**2015**	**2014**	**2015**	**2014**
Service cost	$ 1.2	$ 1.1	$ 2.4	$ 2.1
Interest cost	14.3	15.2	28.6	30.4
Expected return on plan assets	(15.0)	(13.4)	(30.0)	(26.8)
Amortization of net pension loss	4.0	3.2	8.0	6.4
Total periodic pension cost	$ 4.5	$ 6.1	$ 9.0	$ 12.1

We expect to contribute $60.3 million to our company-sponsored pension plans in 2015 of which we have contributed $24.4 million through June 30, 2015.

5. Income Taxes

Our effective tax rate for the three and six months ended June 30, 2015 was 8.1% and 45.7%, compared to 61.7% and 13.8% for the three and six months ended June 30, 2014. The significant items impacting the 2015 rate include a net state and foreign tax provision, certain permanent items, and a change in the valuation allowance established for the net deferred tax asset balance projected for December 31, 2015. The significant items impacting the 2014 rate include a federal refund from a projected taxable loss, an intraperiod tax allocation required by ASC 740, *Income Taxes*, a net state and foreign tax provision, certain permanent items, and a change in the valuation allowance established for the net deferred tax asset balance projected for December 31, 2014. We recognize valuation allowances on deferred tax assets if, based on the weight of the evidence, we determine it is more likely than not such assets will not be realized. Changes in valuation allowances are included in our tax provision in the period of change. In determining whether a valuation allowance is warranted, we evaluate factors such as prior years' earnings history, expected future earnings, loss carry-back and carry-forward periods, reversals of existing deferred tax liabilities and tax planning strategies that potentially enhance the likelihood of the realization of a deferred tax asset. At June 30, 2015 and December 31, 2014, substantially all of our net deferred tax assets were subject to a valuation allowance.

Concurrent with the financing transactions of January 31, 2014, the Company experienced a change of ownership as described in Section 382 of the Internal Revenue Code. The impact of the 2014 ownership change on the Company's ability to utilize its Net Operating Loss carryforwards and other tax attributes is not material as most of the carryforwards to which this ownership change applies already have been significantly limited by previous ownership changes occurring in 2011 and 2013.

6. Shareholders' Deficit

The following reflects the activity in the shares of our common stock for the six months ended June 30, 2015:

(shares in thousands)	2015
Beginning balance	30,667
Issuance of equity awards	284
Issuance of common stock upon conversion or exchange of Series B Notes	995
Ending balance	31,946

7. Stock Compensation Plans

Performance Based Awards

On March 9, 2015, the Company granted performance stock unit awards ("2015 Performance Awards") to employees. The awards provide a target number of shares that vest equally over three years, with the first vesting occurring on February 23, 2016. In addition to meeting service conditions, the number of performance stock units to be received depends on the attainment of defined Company-wide performance goals for 2015 based on adjusted return on invested capital over a one year performance period. The number of performance stock units ultimately earned will range between zero to 200% of the target award.

A summary of performance based unvested stock unit activity at target is as follows:

(stock units in thousands)	Target Number of Units	Weighted Average Fair Value
Unvested performance stock unit awards, at December 31, 2014	—	—
2015 Performance Awards granted	217	$ 18.10
2015 Performance Awards forfeited	(3)	18.23
Unvested performance stock unit awards, at June 30, 2015[(a)]	214	$ 18.10

[(a)] For the 2015 Performance Awards, participants in the aggregate can earn up to a maximum of 428 thousand performance stock units.

The Company expenses the grant date fair value of the awards which are probable of being earned in the performance period over the respective service period. Compensation cost on performance based awards was $0.8 million and $1.1 million for the three and six months ended June 30, 2015. As of June 30, 2015, at target performance, $3.4 million of unrecognized compensation cost related to performance based awards is expected to be recognized over a weighted-average period of 2.6 years.

8. Earnings (Loss) Per Share

We calculate basic earnings (loss) per share by dividing our net earnings (loss) by our weighted-average shares outstanding at the end of the period. The calculation for diluted earnings per share adjusts the weighted average shares outstanding for our dilutive shares, options and stock units using the treasury stock method. Our calculation for basic and dilutive earnings per share for the three and six months ended June 30, 2015 and 2014 is as follows:

	Three Months		Six Months	
(dollars in millions, except per share data, shares and stock units in thousands)	2015	2014	2015	2014
Basic and dilutive net income (loss) available to common shareholders	$ 26.0	$ (4.9)	$ 4.4	$ (93.2)
Basic weighted average shares outstanding	31,929	30,612	31,367	26,501
Effect of dilutive securities:				
Shares and stock units	653	—	711	—
Series B Notes	—	—	484	—
Dilutive weighted average shares outstanding	32,582	30,612	32,562	26,501
Basic earnings (loss) per share	$ 0.81	$ (0.16)	$ 0.14	$ (3.52)
Diluted earnings (loss) per share	$ 0.80	$ (0.16)	$ 0.13	$ (3.52)

Given our net loss position for the three and six months ended June 30, 2014, there were no dilutive securities for these periods.

Our anti-dilutive securities at June 30, 2015 and 2014 are as follows:

(shares, options and stock units in thousands)	2015	2014
Anti-dilutive shares, options, and stock units	237	671
Anti-dilutive 10% Series A Convertible Senior Secured Notes (“Series A Notes”)	—	2,612
Anti-dilutive Series B Notes	—	981

9. Business Segments

We report financial and descriptive information about our reporting segments on a basis consistent with that used internally for evaluating segment performance and allocating resources to segments. We evaluate segment performance primarily on external revenue and operating income (loss).

We have the following reportable segments, which are strategic business units that offer complementary transportation services to our customers:

- **YRC Freight** is the reporting segment for our transportation service providers focused on business opportunities in national, regional and international services. YRC Freight provides for the movement of industrial, commercial and retail goods, primarily through centralized management. This unit includes our LTL subsidiaries YRC Freight and YRC Reimer, a subsidiary located in Canada that specializes in shipments into, across and out of Canada. In addition to the United States and Canada, YRC Freight also serves parts of Mexico, Puerto Rico and Guam.
- **Regional Transportation** is the reporting segment for our transportation service providers focused on business opportunities in the regional and next-day delivery markets. The Regional Transportation companies each provide regional, next-day ground services in their respective regions through a network of facilities located across the United States, Canada, Mexico and Puerto Rico.

We charge management fees and other corporate service fees to our reportable segments based on the direct benefits received or an overhead allocation basis. Corporate and other operating losses represent residual operating expenses of the holding company. Corporate identifiable assets primarily consist of cash, cash equivalents, an investment in an equity method affiliate and deferred debt issuance costs. Intersegment revenue primarily relates to transportation services between our segments.

The following table summarizes our operations by business segment:

(in millions)	YRC Freight	Regional Transportation	Corporate/ Eliminations	Consolidated
As of June 30, 2015				
Identifiable assets	$ 1,466.6	$ 765.5	$ (263.5)	$ 1,968.6
As of December 31, 2014				
Identifiable assets	$ 1,462.1	$ 685.7	$ (162.8)	$ 1,985.0
Three Months Ended June 30, 2015				
External revenue	$ 795.2	$ 463.2	$ —	$ 1,258.4
Operating income (loss)	$ 22.5	$ 37.7	$ (3.3)	$ 56.9
Six Months Ended June 30, 2015				
External revenue	$ 1,532.8	$ 912.0	$ —	$ 2,444.8
Operating income (loss)	$ 22.7	$ 42.3	$ (4.4)	$ 60.6
Three Months Ended June 30, 2014				
External revenue	$ 842.1	$ 475.5	$ —	$ 1,317.6
Operating income (loss)	$ (0.3)	$ 23.2	$ (2.9)	$ 20.0
Six Months Ended June 30, 2014				
External revenue	$ 1,598.9	$ 929.6	$ —	$ 2,528.5
Operating income (loss)	$ (32.8)	$ 31.1	$ (10.7)	$ (12.4)

10. Commitments, Contingencies and Uncertainties

Bryant Holdings Securities Litigation

On February 7, 2011, a putative class action was filed by Bryant Holdings LLC in the U.S. District Court for the District of Kansas on behalf of purchasers of our common stock between April 24, 2008 and November 2, 2009, inclusive (the "Class Period"), seeking damages under the federal securities laws for statements and/or omissions allegedly made by us and the individual defendants during the Class Period which plaintiffs claimed to be false and misleading.

The individual defendants are former officers of our Company. No current officers or directors are named in the lawsuit. The parties participated in voluntary mediation between March 11, 2013 and April 15, 2013. The mediation resulted in the execution of a mutually acceptable settlement agreement by the parties. The motion to approve settlement remains pending in the district court. Substantially all of the payments contemplated by the settlement would be covered by our liability insurance. The self-insured retention on this matter has been accrued. On March 4, 2015, the district court set the case for trial beginning June 6, 2016.

Other Legal Matters

We are involved in other litigation or proceedings that arise in ordinary business activities. When possible, we insure against these risks to the extent we deem prudent, but no assurance can be given that the nature or amount of such insurance will be sufficient to fully indemnify us against liabilities arising out of pending and future legal proceedings. Many of these insurance policies contain self-insured retentions in amounts we deem prudent. Based on our current assessment of information available as of the date of these financial statements, we believe that our financial statements include adequate provisions for estimated costs and losses that may be incurred within the litigation and proceedings to which we are a party.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Note Regarding Forward-Looking Statements

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Consolidated Financial Statements and the Notes to Consolidated Financial Statements included elsewhere in this report. MD&A and certain Notes to the Consolidated Financial Statements 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 ("Exchange Act"). Forward-looking statements include those preceded by, followed by or characterized by words such as "will," "expect," "intend," "anticipate," "believe," "could," "may," "project," "forecast," "propose," "plan," "designed," "estimate," "enable" and similar expressions which speak only as of the date the statement was made. 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. Readers are cautioned not to place undue reliance on any forward-looking statements. 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 liquidity to satisfy our cash needs and future cash commitments, including (without limitation) our obligations related to our indebtedness and lease and pension funding requirements, and our ability to achieve increased cash flows through improvement in operations;
- the pace of recovery in the overall economy, including (without limitation) customer demand in the retail and manufacturing sectors;
- the success of our management team in implementing 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 on our future liquidity and profitability;
- our ability to comply with scheduled increases in financial performance-related debt covenants;
- 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, and the risk of system failure, inadequacy or security breach;
- changes in equity and debt markets;
- seasonal factors such as severe weather conditions;
- 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 (including new hours-of-service regulations) and the environment;
- terrorist attack;
- labor relations, including (without limitation) our ability to attract and retain qualified drivers, the continued support of our union employees for 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, including this quarterly report.

Overview

MD&A includes the following sections:

Our Business — a brief description of our business and a discussion of how we assess our operating results.

Consolidated Results of Operations — an analysis of our consolidated results of operations for the three and six months ended June 30, 2015 and 2014.

Reporting Segment Results of Operations — an analysis of our results of operations for the three and six months ended June 30, 2015 and 2014 for our YRC Freight and Regional Transportation reporting segments.

Certain Non-GAAP Financial Measures — an analysis of selected non-GAAP financial measures for the three and six months ended June 30, 2015 and 2014.

Financial Condition/Liquidity and Capital Resources — a discussion of our major sources and uses of cash and an analysis of our cash flows and aggregate contractual obligations and commercial commitments.

The "second quarter" and "first half" of the years discussed below refer to the three and six months ended June 30, respectively.

Our Business

We are a holding company that, through wholly owned operating subsidiaries and our interest in a Chinese joint venture, offers our customers a wide range of transportation services. We have one of the largest, most comprehensive less-than-truckload ("LTL") networks in North America with local, regional, national and international capabilities. Through our team of experienced service professionals, we offer industry-leading expertise in LTL shipments and flexible supply chain solutions, ensuring customers can ship industrial, commercial and retail goods with confidence.

We measure the performance of our business on both a consolidated basis and a reporting segment basis. We use several performance metrics, but rely primarily upon (without limitation) operating revenue, operating income (loss), and operating ratio. We also use certain non-GAAP financial measures as secondary measures to assess our operating performance.

- **Operating Revenue:** Our operating revenue has two primary components: volume (commonly evaluated using number of shipments and weight per shipment) and yield or price (commonly evaluated on a dollar per hundred weight basis and a dollar per shipment basis). Yield includes fuel surcharge revenue, which is common in the trucking industry and represents an amount charged to customers that adjusts with changing fuel prices. We base our fuel surcharges on a published national index and adjust them weekly. Rapid material changes in the index or our cost of fuel can positively or negatively impact our revenue and operating income versus prior periods, as there is a lag in our adjustment of base rates in response to changes in fuel surcharge. We believe that fuel surcharge is an accepted and important component of the overall pricing of our services to our customers. Without an industry accepted fuel surcharge program, our base pricing for our transportation services would require numerous changes. We believe the distinction between base rates and fuel surcharge has blurred over time, and it is impractical to clearly separate all the different factors that influence the price that our customers are willing to pay. In general, under our present fuel surcharge program, we believe rising fuel costs are beneficial to us and falling fuel costs are detrimental to us in the short term.

- **Operating Income (Loss):** Operating income (loss) is our operating revenue less operating expenses. Our consolidated operating income (loss) includes certain corporate charges that are not allocated to our YRC Freight and Regional Transportation reporting segments.

- **Operating Ratio:** Operating ratio is a common operating performance metric used in the trucking industry. It 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.

- **Non-GAAP Financial Measures:** We use certain non-GAAP financial measures to assess our performance. These include (without limitation) EBITDA and adjusted EBITDA:

    - *EBITDA:* a non-GAAP measure that reflects our earnings before interest, taxes, depreciation, and amortization expense. EBITDA is used for internal management purposes as a financial measure that reflects our core operating performance.

- *Adjusted EBITDA:* a non-GAAP measure that reflects our earnings before interest, taxes, depreciation, and amortization expense, and further adjusts 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 the results of permitted dispositions, discontinued operations, among other items, as defined in our credit facilities. Adjusted EBITDA is used for internal management purposes as a financial measure that reflects our core operating performance and to measure compliance with financial covenants in our credit facilities.

Our non-GAAP financial measures 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, principal payments on our outstanding debt or lump sum payments to our IBT employees required under the modified labor agreement;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often 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 package, although adjusted EBITDA excludes 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, potentially limiting their usefulness as comparative measures.

Because of these limitations, our non-GAAP measures 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 use our non-GAAP measures as secondary measures.

Consolidated Results of Operations

Our consolidated results include the consolidated results of our YRC Freight and Regional Transportation reporting segments as well as any unallocated corporate charges. A more detailed discussion of the operating results of our segments is presented in the "Reporting Segment Results of Operations" section below.

The table below provides summary consolidated financial information for the second quarter and first half of 2015 and 2014:

	Second Quarter			First Half		
(in millions)	**2015**	**2014**	**Percent Change**	**2015**	**2014**	**Percent Change**
Operating revenue	$ 1,258.4	$ 1,317.6	(4.5)%	$ 2,444.8	$ 2,528.5	(3.3)%
Operating income (loss)	$ 56.9	$ 20.0	184.5 %	$ 60.6	$ (12.4)	NM*
Nonoperating expenses, net	$ 28.6	$ 32.8	(12.8)%	$ 52.5	$ 74.7	(29.7)%
Net income (loss)	$ 26.0	$ (4.9)	NM*	$ 4.4	$ (75.1)	NM*

(*) not meaningful

Second Quarter of 2015 Compared to the Second Quarter of 2014

Our consolidated operating revenue decreased $59.2 million, or 4.5%, during the second quarter of 2015 compared to the same period in 2014. The decrease in revenue is primarily attributed to a reduction in our fuel surcharge revenue and declines in volumes. Offsetting this decrease was increased yield over the comparable prior year period as a result of our continued commitment to grow yield and improve freight mix.

Operating expenses for the second quarter of 2015 decreased $96.1 million, or 7.4%, compared to the same period in 2014. The decrease in operating expenses was driven by a $59.2 million, or 20.3%, decrease in operating expenses and supplies, a $25.2 million, or 3.4%, decrease in salaries, wages and employee benefits, a $11.8 million, or 7.4%, decrease in purchased transportation, and a $6.0 million, or 8.5%, decrease in other operating expenses.

- The $59.2 million, or 20.3%, decrease in operating expenses and supplies in the first quarter of 2015 was primarily the result of a $57.8 million decrease in fuel expense compared to the second quarter of 2014. This decrease was largely driven by lower fuel prices on a per gallon basis, as well as fewer miles driven.
- The $25.2 million, or 3.4%, decrease in salaries, wages and employee benefits was primarily attributed to a $16.4 million decrease in wages due to lower total shipments in 2015 compared to 2014, which required fewer employee hours to process freight, in addition to a $7.8 million decrease to workers' compensation expense resulting from lower claim frequency in 2015 and favorable development for prior year claims.
- The $11.8 million, or 7.4%, decrease in purchased transportation was primarily related to a decrease in total shipments and lower rail and road rates in the second quarter of 2015, as compared to the second quarter of 2014, which is primarily driven by lower fuel surcharges paid to our providers. Offsetting this decrease is additional purchased transportation expense resulting from higher usage of leased revenue equipment due to our strategy of using operating leases to acquire new revenue equipment.
- The $6.0 million, or 8.5%, decrease in other operating expenses was primarily driven by a $6.7 million decrease in our liability claims expense as a result of an unfavorable adjustment in the second quarter of 2014, mostly due to adverse development of prior year claims, with no comparable adjustment in the second quarter of 2015.

Nonoperating expenses decreased $4.2 million in the second quarter of 2015 compared to the second quarter of 2014. The decrease in nonoperating expenses was largely driven by the decrease in interest expense as a result of lower outstanding debt.

Our effective tax rate for the second quarter of 2015 and 2014 was 8.1% and 61.7%, respectively. Significant items impacting the second quarter of 2015 rate include a net state and foreign tax provision, certain permanent items, and a change in the valuation allowance established for the net deferred tax asset balance projected for December 31, 2015. The significant items impacting the 2014 rate include a federal refund from a projected taxable loss, an intraperiod tax allocation required by ASC 740, *Income Taxes*, a net state and foreign tax provision, certain permanent items, and a change in the valuation allowance established for the net deferred tax asset balance projected for December 31, 2014. We recognize valuation allowances on deferred tax assets if, based on the weight of the evidence, we determine it is more likely than not that such assets will not be realized. Changes in valuation allowances are included in our tax provision in the period of change. In determining whether a valuation allowance is warranted, we evaluate factors such as prior years' earnings history, expected future earnings, loss carry-back and carry-forward periods, reversals of existing deferred tax liabilities and tax planning strategies that potentially enhance the likelihood of the realization of a deferred tax asset. At June 30, 2015 and December 31, 2014, substantially all of our net deferred tax assets are subject to a valuation allowance.

First Half of 2015 Compared to the First Half of 2014

Our consolidated operating revenue decreased $83.7 million, or 3.3%, during the first half of 2015 compared to the same period in 2014. Consistent with our performance for the quarter, the decrease in revenue for the first half of 2015, as compared to the same period in 2014, is primarily attributed to a reduction in our fuel surcharge revenue and declines in volumes, as our focus has been on improving yield and profitability over tonnage growth.

Operating expenses for the first half of 2015 decreased $156.7 million, or 6.2%, compared to the same period in 2014. The decrease in operating expenses was driven by a $114.7 million, or 19.9%, decrease in operating expenses and supplies, a $43.6 million, or 3.0%, decrease in salaries, wages and employee benefits, a $10.3 million, or 3.5%, decrease in purchased transportation, offset by a $4.1 million, or 3.1%, increase in other operating expense.

- The $114.7 million, or 19.9%, decrease in operating expenses and supplies in the first quarter of 2015 was primarily the result of a $118.7 million decrease in fuel expense compared to the first half of 2014. This decrease was largely driven by lower fuel prices on a per gallon basis, as well as fewer miles driven.
- The $43.6 million, or 3.0%, decrease in salaries, wages and employee benefits was primarily attributed to a $21.8 million decrease in wages due to lower total shipments in 2015 compared to 2014, which required fewer employee hours to process freight. Additionally, our overtime and linehaul delay pay in the first quarter of 2014 was higher due to the negative impact of severe winter weather. The decrease was also driven by a $15.8 million reduction in benefit costs and a $7.7 million decrease to workers' compensation expense resulting from lower claim frequency in 2015 and favorable development for prior year claims.
- The $10.3 million, or 3.5%, decrease in purchased transportation was primarily related to a decrease in total shipments and lower rail and road rates in the first half of 2015, as compared to the first half of 2014, which is primarily driven by lower fuel surcharges paid to our providers. Offsetting this decrease is additional purchased transportation expense resulting from higher usage of leased revenue equipment and an increase in purchased road miles as the first half of 2015 reflects higher utilization of our over-the-road purchased transportation option as permitted in our modified labor agreement that went into effect in February 2014.

- The $4.1 million, or 3.1%, increase in other operating expenses was primarily driven by a $2.9 million increase in cargo claims expense due to an increase in frequency and severity of our claims and a $1.7 million increase in our liability claims expense resulting from more adverse development of prior year claims experienced in the first half of 2015 as compared to the first half of 2014.

Nonoperating expenses decreased $22.2 million in the first half of 2015 compared to the first half of 2014. In the first half of 2014, we incurred additional interest expense that was driven by the acceleration of the amortization of the deferred debt costs on our then-existing term loan facility and then-existing asset based loan facility when they were extinguished in the first quarter of 2014. The increase in interest expense was partially offset by the gain we recorded on the extinguishment of debt of $11.2 million in the first half of 2014, $16.3 million of which related to the acceleration of net premiums on our old debt, partially offset by $5.1 million of additional expense related to the fair value of the incremental shares provided to those Series B Note holders who exchanged their outstanding balances at a conversion price of $15.00 per share.

Our effective tax rate for the first half of 2015 and 2014 was 45.7% and 13.8%, respectively. Significant items impacting the first half of 2015 rate include a net state and foreign tax provision, certain permanent items, and a change in the valuation allowance established for the net deferred tax asset balance projected for December 31, 2015. The significant items impacting the 2014 rate include a federal refund from a projected taxable loss, an intraperiod tax allocation required by ASC 740, *Income Taxes*, a net state and foreign tax provision, certain permanent items, and a change in the valuation allowance established for the net deferred tax asset balance projected for December 31, 2014. We recognize valuation allowances on deferred tax assets if, based on the weight of the evidence, we determine it is more likely than not that such assets will not be realized. Changes in valuation allowances are included in our tax provision in the period of change. In determining whether a valuation allowance is warranted, we evaluate factors such as prior years' earnings history, expected future earnings, loss carry-back and carry-forward periods, reversals of existing deferred tax liabilities and tax planning strategies that potentially enhance the likelihood of the realization of a deferred tax asset. At June 30, 2015 and December 31, 2014, substantially all of our net deferred tax assets are subject to a valuation allowance.

Reporting Segment Results of Operations

We evaluate our operating performance using our YRC Freight and Regional Transportation reporting segments:

- **YRC Freight** is the reporting segment for our transportation service providers focused on business opportunities in national, regional and international services. YRC Freight provides for the movement of industrial, commercial and retail goods, primarily through centralized management. This unit includes our LTL subsidiaries YRC Freight and YRC Reimer, a subsidiary located in Canada that specializes in shipments into, across and out of Canada. In addition to the United States and Canada, YRC Freight also serves parts of Mexico, Puerto Rico and Guam.
- **Regional Transportation** is the reporting segment for our transportation service providers focused on business opportunities in the regional and next-day delivery markets. The Regional Transportation companies each provide regional, next-day ground services in their respective regions through a network of facilities located across the United States, Canada, Mexico and Puerto Rico.

YRC Freight Results

YRC Freight represented 63% of consolidated operating revenue for the second quarter of 2015, as compared to 64% for the second quarter of 2014. YRC Freight represented 63% of consolidated operating revenue for both the first half of 2015 and 2014. The table below provides summary financial information for YRC Freight for the second quarter and first half of 2015 and 2014:

	Second Quarter			First Half		
(in millions)	**2015**	**2014**	**Percent Change**	**2015**	**2014**	**Percent Change**
Operating revenue	$ 795.2	$ 842.1	(5.6)%	$ 1,532.8	$ 1,598.9	(4.1)%
Operating income (loss)	$ 22.5	$ (0.3)	NM*	$ 22.7	$ (32.8)	NM*
Operating ratio[(a)]	97.2%	100.0%	2.8 pp	98.5%	102.1%	3.6pp

(a) pp represents the change in percentage points
(*) not meaningful

Second Quarter of 2015 Compared to the Second Quarter of 2014

YRC Freight reported operating revenue of $795.2 million in the second quarter of 2015, a decrease of $46.9 million, or 5.6%, compared to the same period in 2014. The table below summarizes the key revenue metrics for the YRC Freight reporting segment for the second quarter of 2015 compared to the second quarter of 2014:

	Second Quarter		
	2015	2014	Percent Change[(b)]
Workdays	63.5	63.5	
Total picked up revenue (in millions) [(a)]	$ 792.2	$ 839.2	(5.6)%
Total tonnage (in thousands)	1,685	1,796	(6.2)%
Total tonnage per day (in thousands)	26.53	28.29	(6.2)%
Total shipments (in thousands)	2,791	3,070	(9.1)%
Total shipments per day (in thousands)	43.95	48.35	(9.1)%
Total picked up revenue per hundred weight	$ 23.51	$ 23.36	0.6 %
Total picked up revenue per hundred weight (excluding fuel surcharge)	$ 20.70	$ 19.45	6.4 %
Total picked up revenue per shipment	$ 284	$ 273	3.8 %
Total picked up revenue per shipment (excluding fuel surcharge)	$ 250	$ 228	9.8 %
Total weight per shipment (in pounds)	1,207	1,170	3.2 %

	Second Quarter	
(in millions)	2015	2014
[(a)] Reconciliation of operating revenue to total picked up revenue:		
Operating revenue	$ 795.2	$ 842.1
Change in revenue deferral and other	(3.0)	(2.9)
Total picked up revenue	$ 792.2	$ 839.2

(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

YRC Freight strategically placed more focus on growing yield and profitability over tonnage growth, resulting in lower volume as compared to the same period in the prior year.

Operating income for YRC Freight was $22.5 million in the second quarter of 2015 compared to an operating loss of $0.3 million in the same period in 2014. Operating revenue in the second quarter of 2015 was lower by $46.9 million while total operating expenses decreased by $69.7 million, or 8.3%. The decrease in operating expense consisted primarily of a $33.8 million, or 18.5%, decrease in operating expenses and supplies, a $25.2 million, or 5.4%, decrease in salaries, wages and employee benefits, and a $13.8 million, or 10.6%, decrease in purchased transportation.

- The $33.8 million, or 18.5%, decrease in operating expenses and supplies in the second quarter of 2015 was primarily the result of a $33.7 million decrease in fuel expense compared to the second quarter of 2014. This decrease was largely driven by lower fuel prices on a per gallon basis and fewer miles driven.
- The $25.2 million, or 5.4%, decrease in salaries, wages and employee benefits was driven by a $13.3 million decrease in wages due to lower total shipments in 2015 compared to 2014, which required fewer employee hours to process freight, a $8.1 million decrease in benefit costs and a $5.4 million decrease in workers' compensation expense driven by lower claim frequency in 2015 and favorable development for prior year claims.
- The $13.8 million, or 10.6%, decrease in purchased transportation was primarily related to a decrease in total shipments and lower rail and road rates in the second quarter of 2015, as compared to the second quarter of 2014, which is primarily driven by lower fuel surcharges paid to our providers. We also experienced less than optimal use of purchased transportation in the second quarter of 2014 in response to increased shipments and network congestion. Offsetting this decrease is additional purchased transportation expense resulting from higher usage of leased revenue equipment.

- The $3.0 million, or 7.0%, decrease in other operating expense in the second quarter of 2015 was primarily the result of a $4.1 million decrease in our liability claims expense relating to more adverse development on prior year claims experienced in the second quarter of 2014, as compared to the same period in 2015.

First Half of 2015 Compared to the First Half of 2014

YRC Freight reported operating revenue of $1,532.8 million in the first half of 2015, a decrease of $66.1 million, or 4.1%, compared to the same period in 2014. The table below summarizes the key revenue metrics for the YRC Freight reporting segment for the first half of 2015 compared to the first half of 2014:

	First Half		
	2015	2014	Percent Change[b]
Workdays	126.0	126.5	
Total picked up revenue (in millions) [a]	$ 1,529.6	$ 1,595.2	(4.1)%
Total tonnage (in thousands)	3,251	3,443	(5.6)%
Total tonnage per day (in thousands)	25.80	27.21	(5.2)%
Total shipments (in thousands)	5,394	5,842	(7.7)%
Total shipments per day (in thousands)	42.81	46.18	(7.3)%
Total picked up revenue per hundred weight	$ 23.53	$ 23.17	1.5 %
Total picked up revenue per hundred weight (excluding fuel surcharge)	$ 20.68	$ 19.28	7.3 %
Total picked up revenue per shipment	$ 284	$ 273	3.8 %
Total picked up revenue per shipment (excluding fuel surcharge)	$ 249	$ 227	9.7 %
Total weight per shipment (in pounds)	1,205	1,179	2.3 %

	First Half	
(in millions)	2015	2014
[a] Reconciliation of operating revenue to total picked up revenue:		
Operating revenue	$ 1,532.8	$ 1,598.9
Change in revenue deferral and other	(3.2)	(3.7)
Total picked up revenue	$ 1,529.6	$ 1,595.2

(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

Consistent with performance in the second quarter of 2015, YRC Freight strategically placed more focus on growing yield and profitability over tonnage growth, resulting in lower volume as compared to the same period in prior year.

Operating income for YRC Freight was $22.7 million in the first half of 2015 compared to an operating loss of $32.8 million in the same period in 2014. Operating revenue in the first half of 2015 was lower by $66.1 million while total operating expenses decreased by $121.6 million, or 7.5%. The decrease in operating expense consisted primarily of a $70.0 million, or 19.5%, decrease in operating expenses and supplies, a $41.0 million, or 4.5%, decrease in salaries, wages and employee benefits and a $17.6 million, or 7.4%, decrease in purchased transportation.

- The $70.0 million, or 19.5%, decrease in operating expenses and supplies in the first half of 2015 was primarily the result of a $70.5 million decrease in fuel expense compared to the first half of 2014. This decrease was largely driven by lower fuel prices on a per gallon basis and fewer miles driven.
- The $41.0 million, or 4.5%, decrease in salaries, wages and employee benefits was driven by a $18.8 million decrease in wages due to lower total shipments in the first half of 2015 compared to the first half of 2014, which required fewer employee hours to process freight, a $17.0 million decrease in benefit costs and a $8.3 million decrease in workers' compensation expense driven by lower claim frequency in 2015 and favorable development for prior year claims.
- The $17.6 million, or 7.4%, decrease in purchased transportation was primarily related to a decrease in total shipments and lower rail and road rates in the first half of 2015, as compared to the first half of 2014, which is primarily driven by lower fuel surcharges paid to our providers. We also experienced less than optimal use of purchased transportation in the

first half of 2014 in response to increased shipments and service disruptions related to severe weather experienced during the first quarter of 2014. Offsetting this decrease is additional purchased transportation expense resulting from higher usage of leased revenue equipment and an increase in purchased road miles as the first half of 2015 reflects higher utilization of our over-the-road purchased transportation option as permitted in our modified labor agreement that went into effect in February 2014.

Finally, on a year-over-year basis, gains from excess property sales in the first half of 2014 were $6.9 million compared to losses of $0.6 million in the same period in 2015.

Regional Transportation Results

Regional Transportation represented 37% of consolidated revenue for the second quarter of 2015, as compared to 36% for the second quarter of 2014. Regional Transportation represented 37% of consolidated revenue for both the first half of 2015 and 2014. The table below provides summary financial information for Regional Transportation for the second quarter and the first half of 2015 and 2014:

	Second Quarter			First Half		
(in millions)	**2015**	**2014**	**Percent Change**	**2015**	**2014**	**Percent Change**
Operating revenue	$ 463.2	$ 475.5	(2.6)%	$ 912.0	$ 929.6	(1.9)%
Operating income	$ 37.7	$ 23.2	62.5%	$ 42.3	$ 31.1	36.0%
Operating ratio [(a)]	91.9%	95.1%	3.2 pp	95.4%	96.7%	1.3 pp

(a) pp represents the change in percentage points

Second Quarter of 2015 Compared to the Second Quarter of 2014

Regional Transportation reported operating revenue of $463.2 million for the second quarter of 2015, a decrease of $12.3 million, or 2.6%, from the second quarter of 2014. The table below summarizes the key revenue metrics for the Regional Transportation reporting segment for the second quarter of 2015 compared to the second quarter of 2014:

	Second Quarter		
	2015	**2014**	**Percent Change[(b)]**
Workdays	63.0	62.5	
Total picked up revenue (in millions)[(a)]	$ 463.4	$ 475.6	(2.6)%
Total tonnage (in thousands)	1,997	2,054	(2.7)%
Total tonnage per day (in thousands)	31.71	32.86	(3.5)%
Total shipments (in thousands)	2,697	2,807	(3.9)%
Total shipments per day (in thousands)	42.82	44.91	(4.7)%
Total picked up revenue per hundred weight	$ 11.60	$ 11.58	0.2 %
Total picked up revenue per hundred weight (excluding fuel surcharge)	$ 10.26	$ 9.75	5.2 %
Total picked up revenue per shipment	$ 172	$ 169	1.4 %
Total picked up revenue per shipment (excluding fuel surcharge)	$ 152	$ 143	6.5 %
Total weight per shipment (in pounds)	1,481	1,463	1.2 %

(in millions)	Second Quarter 2015	Second Quarter 2014
[(a)] Reconciliation of operating revenue to total picked up revenue:		
Operating revenue	$ 463.2	$ 475.5
Change in revenue deferral and other	0.2	0.1
Total picked up revenue	$ 463.4	$ 475.6

(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

Regional Transportation reported increases in yield and decreases in volumes, which is primarily attributable to our disciplined focus to grow yield and improve profitability.

Operating income for Regional Transportation was $37.7 million for the second quarter of 2015, an increase of $14.5 million from the same period in 2014. Operating revenue in the first quarter of 2015 was lower by $12.3 million, while total operating expenses decreased by $26.8 million, or 5.9%. The decrease in total operating expenses was primarily driven by a $23.4 million, or 20.1%, decrease in operating expenses and supplies, a $3.7 million, or 1.4%, decrease in salaries, wages and employee benefits, and a $2.1 million, or 7.9% decrease in other operating expenses, partially offset by a $2.1 million, or 6.9%, increase in purchased transportation.

- The $23.4 million, or 20.1%, decrease in operating expenses and supplies in the second quarter of 2015 was primarily driven by a $24.1 million decrease in fuel expense compared to the second quarter of 2014. This decrease was largely driven by lower fuel prices on a per gallon basis and fewer miles driven.
- The $3.7 million, or 1.4%, decrease in salaries, wages and employee benefits in the second quarter of 2015 was primarily the result of a $3.0 million decrease in wages due to lower total shipments in 2015 compared to 2014, which required fewer employee hours to process freight, in addition to a $2.9 million decrease in workers' compensation expense resulting from lower claim frequency in 2015 and favorable development for prior year claims. This was partially offset by a $1.4 million increase in benefit costs.
- The $2.1 million, or 7.9%, decrease in other operating expense in the second quarter of 2015 was primarily the result of a $1.7 million decrease in our liability claims expense relating to more adverse development on prior year claims experienced in the second quarter of 2014, as compared to the same period in 2015.
- The $2.1 million, or 6.9%, increase in purchased transportation in the second quarter of 2015 was primarily driven by a $1.7 million increase in vehicle rent expense as our percentage of leased units has increased from prior year due to our strategy of using operating leases to acquire new revenue equipment.

First Half of 2015 Compared to the First Half of 2014

Regional Transportation reported operating revenue of $912.0 million for the first half of 2015, a decrease of $17.6 million, or 1.9%, from the first half of 2014. The table below summarizes the key revenue metrics for the Regional Transportation reporting segment for the first half of 2015 compared to the first half of 2014:

	First Half		
	2015	2014	Percent Change[b]
Workdays	127.5	129.5	
Total picked up revenue (in millions)[a]	$ 912.5	$ 930.0	(1.9)%
Total tonnage (in thousands)	3,974	4,069	(2.3)%
Total tonnage per day (in thousands)	31.17	31.42	(0.8)%
Total shipments (in thousands)	5,315	5,512	(3.6)%
Total shipments per day (in thousands)	41.68	42.57	(2.1)%
Total picked up revenue per hundred weight	$ 11.48	$ 11.43	0.5 %
Total picked up revenue per hundred weight (excluding fuel surcharge)	$ 10.15	$ 9.62	5.5 %
Total picked up revenue per shipment	$ 172	$ 169	1.8 %
Total picked up revenue per shipment (excluding fuel surcharge)	$ 152	$ 142	6.9 %
Total weight per shipment (in pounds)	1,495	1,476	1.3 %

	First Half	
(in millions)	2015	2014
[a] Reconciliation of operating revenue to total picked up revenue:		
Operating revenue	$ 912.0	$ 929.6
Change in revenue deferral and other	0.5	0.4
Total picked up revenue	$ 912.5	$ 930.0

(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.

Regional Transportation reported increases in yield and decreases in volumes. This is primarily attributable to our disciplined focus to grow yield and improve profitability in the first half of 2015, as compared to the first half of 2014.

Operating income for Regional Transportation was $42.3 million for the first half of 2015, an increase of $11.2 million from the same period in 2014. Operating revenue in the first half of 2015 was lower by $17.6 million, or 1.9%, while total operating expenses decreased by $28.8 million, or 3.2%. The decrease in total operating expenses was primarily driven by a $42.8 million, or 18.5%, decrease in operating expenses and supplies, partially offset by a $7.3 million, or 13.5%, increase in purchased transportation and a $3.3 million, or 6.5%, increase in other operating expenses.

- The $42.8 million, or 18.5%, decrease in operating expenses and supplies in the first half of 2015 was primarily driven by a $48.2 million decrease in fuel expense compared to the first half of 2014. This decrease was largely driven by lower fuel prices on a per gallon basis and fewer miles driven. The lower fuel costs were partially offset by a $3.1 million increase in vehicle maintenance primarily used to support our aging fleet.
- The $7.3 million, or 13.5%, increase in purchased transportation in the first half of 2015 was primarily driven by a $7.1 million increase in vehicle rent expense as our percentage of leased units has increased from prior year due to our strategy of using operating leases to acquire new revenue equipment.
- The $3.3 million, or 6.5%, increase in other operating expense in the first half of 2015 was primarily the result of a $4.1 million increase in our liability claims expense, resulting from more adverse development on prior year claims experienced in the first half of 2015 as compared to the first half of 2014.

Certain Non-GAAP Financial Measures

As discussed in the "Our Business" section, we use certain non-GAAP financial measures to assess performance. These measures should be considered in addition to the results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, our GAAP financial measures. For segment adjusted EBITDA, we present the reconciliation from operating income (loss) to EBITDA and EBITDA to adjusted EBITDA as it is consistent with how we measure performance.

Consolidated Adjusted EBITDA

The reconciliation of net income (loss) to EBITDA and EBITDA to Adjusted EBITDA (defined in our Term Loan Agreement as "Consolidated EBITDA") for the second quarter and first half of 2015 and 2014, and the trailing twelve months ended June 30, 2015, is as follows:

	Second Quarter		First Half		Four Consecutive Quarters Ending
(in millions)	**2015**	**2014**	**2015**	**2014**	**June 30, 2015**
Reconciliation of net income (loss) to adjusted EBITDA:					
Net income (loss)	$ 26.0	$ (4.9)	$ 4.4	$ (75.1)	$ 11.8
Interest expense, net	27.9	31.6	55.3	89.7	115.0
Income tax expense (benefit)	2.3	(7.9)	3.7	(12.0)	(0.4)
Depreciation and amortization	41.3	41.0	82.9	82.0	164.5
EBITDA	97.5	59.8	146.3	84.6	290.9
Adjustments for Term Loan Agreement:					
(Gains) losses on property disposals, net	(0.7)	(6.5)	0.6	(6.3)	(5.0)
Letter of credit expense	2.2	2.1	4.4	7.3	9.2
Restructuring professional fees	—	—	—	1.1	3.1
Nonrecurring consulting fees	3.0	—	5.9	—	5.9
Permitted dispositions and other	0.1	—	0.3	0.1	1.9
Equity based compensation expense	3.2	2.5	3.7	9.1	8.9
Amortization of ratification bonus	4.6	5.2	9.8	5.2	20.2
(Gain) loss on extinguishment of debt	—	—	0.6	(11.2)	0.6
Other, net[a]	(0.5)	(0.1)	(3.4)	(4.1)	(8.9)
Adjusted EBITDA	$ 109.4	$ 63.0	$ 168.2	$ 85.8	$ 326.8

[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 under our Term Loan Agreement.

Segment Adjusted EBITDA

The following represents Adjusted EBITDA by segment for the second quarter and first half of 2015 and 2014:

	Second Quarter		First Half	
(in millions)	**2015**	**2014**	**2015**	**2014**
Adjusted EBITDA by segment:				
YRC Freight	$ 53.1	$ 21.5	$ 85.2	$ 17.8
Regional Transportation	56.6	42.1	82.8	68.0
Corporate and other	(0.3)	(0.6)	0.2	—
Adjusted EBITDA	$ 109.4	$ 63.0	$ 168.2	$ 85.8

The reconciliation of operating income (loss), by segment, to EBITDA and EBITDA to Adjusted EBITDA for the second quarter and first half of 2015 and 2014 is as follows:

	Second Quarter		First Half	
YRC Freight segment (in millions)	**2015**	**2014**	**2015**	**2014**
Reconciliation of operating income (loss) to adjusted EBITDA:				
Operating income (loss)	$ 22.5	$ (0.3)	$ 22.7	$ (32.8)
Depreciation and amortization	23.3	24.9	47.2	49.6
EBITDA	45.8	24.6	69.9	16.8
Adjustments for Term Loan Agreement:				
(Gains) losses on property disposals, net	0.8	(6.7)	0.6	(6.9)
Letter of credit expense	1.5	1.4	3.0	5.0
Nonrecurring consulting fees	3.0	—	5.9	—
Amortization of ratification bonus	3.0	3.3	6.3	3.3
Other nonoperating expenses, net[(a)]	(1.0)	(1.1)	(0.5)	(0.4)
Adjusted EBITDA	$ 53.1	$ 21.5	$ 85.2	$ 17.8

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

	Second Quarter		First Half	
Regional Transportation segment (in millions)	**2015**	**2014**	**2015**	**2014**
Reconciliation of operating income to adjusted EBITDA:				
Operating income	$ 37.7	$ 23.2	$ 42.3	$ 31.1
Depreciation and amortization	18.1	16.2	35.8	32.6
EBITDA	55.8	39.4	78.1	63.7
Adjustments for Term Loan Agreement:				
(Gains) losses on property disposals, net	(1.3)	0.2	0.2	0.6
Letter of credit expense	0.5	0.6	1.0	1.8
Amortization of ratification bonus	1.6	1.9	3.5	1.9
Adjusted EBITDA	$ 56.6	$ 42.1	$ 82.8	$ 68.0

	Second Quarter		First Half	
Corporate and other segment (in millions)	**2015**	**2014**	**2015**	**2014**
Reconciliation of operating loss to adjusted EBITDA:				
Operating loss	$ (3.3)	$ (2.9)	$ (4.4)	$ (10.7)
Depreciation and amortization	(0.1)	(0.1)	(0.1)	(0.2)
EBITDA	(3.4)	(3.0)	(4.5)	(10.9)
Adjustments for Term Loan Agreement:				
(Gains) losses on property disposals, net	(0.2)	—	(0.2)	—
Letter of credit expense	0.2	0.1	0.4	0.5
Restructuring professional fees	—	—	—	1.1
Permitted dispositions and other	0.1	—	0.3	0.1
Equity based compensation expense	3.2	2.5	3.7	9.1
Other nonoperating income, net[(a)]	(0.2)	(0.2)	0.5	0.1
Adjusted EBITDA	$ (0.3)	$ (0.6)	$ 0.2	$ —

[(a)] As required under our Term Loan Agreement, other nonoperating, net, shown above does not include the impact of earnings of our equity method investment as well as non-cash foreign currency gains or losses.

Financial Condition/Liquidity and Capital Resources

Our principal sources of liquidity are cash and cash equivalents, available borrowings under our ABL Facility and any prospective net operating cash flows from operations. As of June 30, 2015, we had cash and cash equivalents of $196.0 million and the borrowing base and maximum availability on our ABL Facility were $436.4 million and $73.8 million, respectively. The maximum availability is calculated in accordance with the terms of the ABL Facility and is derived by reducing the borrowing base by our $362.6 million of outstanding letters of credit. While our ABL Agreement permits us to access maximum availability outside of certain financial covenant restrictions (which restrictions did not limit our availability as of June 30, 2015), the maximum amount we expect to access on our ABL Facility at any time is maximum availability less the lower of 10% of the borrowing base ($43.7 million at June 30, 2015) or 10% of the collateral line cap ($45.0 million at June 30, 2015). Thus, of the $73.8 million in maximum availability, our Managed Accessibility was $30.1 million as of June 30, 2015. As a result, we had cash and cash equivalents and Managed Accessibility of $226.1 million as of June 30, 2015.

Outside of funding normal operations, our principal uses of cash include making contributions to our single-employer pension plans and various multi-employer pension funds, and meeting our other cash obligations including, but not limited to, paying principal and interest on our funded debt, payments on our equipment leases and funding capital expenditures.

We have a considerable amount of indebtedness. As of June 30, 2015, we had $1,089.2 million in aggregate par value of outstanding indebtedness, the majority of which matures in 2019. We also have considerable future funding obligations for our single-employer pension plans and various multi-employer pension funds. We expect our funding obligations for the remainder of 2015 for our single-employer pension plans and multi-employer pension funds will be $35.9 million and $45.1 million, respectively. In addition, we have, and will continue to have, substantial operating lease obligations. As of June 30, 2015, our minimum rental expense under operating leases for the remainder of the year is $43.6 million. As of June 30, 2015, our operating lease payment obligations through 2025 totaled $215.6 million and is expected to increase as we lease additional revenue equipment.

Our capital expenditures for the first half of 2015 and 2014 were $42.6 million and $24.7 million, respectively. These amounts were principally used to fund the purchase of used tractors, trailers and refurbished engines for our revenue fleet and capitalized costs for technology infrastructure. Additionally, for the first half of 2015, we entered into new operating leases for revenue equipment for $78.6 million, payable over the average lease term of five years.

As of June 30, 2015, our Standard & Poor’s Corporate Family Rating was “CCC+” and Moody’s Investor Service Corporate Family Rating was “B3”.

Credit Facility Covenants

Our Term Loan Agreement has certain financial covenants that, among other things, restricts certain capital expenditures and requires us to maintain a maximum total leverage ratio (defined as Consolidated Total Debt divided by Consolidated Adjusted EBITDA as defined below).

Four Consecutive Fiscal Quarters Ending	Maximum Total Leverage Ratio	Four Consecutive Fiscal Quarters Ending	Maximum Total Leverage Ratio
June 30, 2015	4.75 to 1.00	December 31, 2016	3.50 to 1.00
September 30, 2015	4.50 to 1.00	March 31, 2017	3.25 to 1.00
December 31, 2015	4.25 to 1.00	June 30, 2017	3.25 to 1.00
March 31, 2016	4.00 to 1.00	September 30, 2017	3.25 to 1.00
June 30, 2016	3.75 to 1.00	December 31, 2017 and thereafter	3.00 to 1.00
September 30, 2016	3.75 to 1.00		

Consolidated Adjusted EBITDA, defined in the Term Loan Agreement as “Consolidated EBITDA,” is a measure that reflects our earnings before interest, taxes, depreciation, and amortization expense, and is further adjusted for, among other things, 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 the results of permitted dispositions and discontinued operations. Consolidated Total Debt, as defined in our Term Loan Agreement, is the aggregate principal amount of indebtedness outstanding. Our total leverage ratio for the four consecutive fiscal quarters ending June 30, 2015 was 3.33 to 1.00. Additionally, our ABL Facility credit agreement, among other things, restricts certain capital expenditures.

We believe that our results of operations will be sufficient to allow us to comply with the covenants in the Term Loan Agreement, fund our operations, increase working capital as necessary to support our planned revenue growth and fund capital expenditures for at least the next twelve months. In order for us to maintain compliance with the maximum total leverage ratio over the tenor of the Term Loan and satisfy our liquidity needs, we must achieve positive operating results which reflect continuing improvement over our recent results. Improvements to our profitability may include ongoing successful implementation and realization of pricing, productivity and efficiency initiatives, as well as increased volume, some of which are outside of our control.

Cash Flows

Operating Cash Flow

Net cash provided by operating activities was $31.1 million in the first half of 2015 compared to net cash used in operating activities of $55.6 million in the first half of 2014. The favorable cash flow impact is primarily attributable to net income of $4.4 million for the first half of 2015 compared to a net loss of $75.1 million for the first half of 2014, driven by profitability initiatives and decreased operating expenses.

Investing Cash Flow

Investing cash flows increased by $52.5 million during the first half of 2015 compared to the first half of 2014, largely driven by a net receipt of $32.0 million in restricted escrow refunds in 2015 compared to a net deposit of $37.5 million in 2014. The 2014 restricted escrow deposits consist mostly of $38.6 million for the ABL Facility and $89.6 million for the Series A Notes redemption, offset by the reduction of the $90.0 million receipt for the prior asset based loan facility. In addition, there was a $17.9 million increase in the acquisition of property and equipment primarily due to increased purchases of used tractors and trailers and refurbished engines for our fleet and capitalized costs for technology infrastructure.

Financing Cash Flow

Net cash used in financing activities for the first half of 2015 was $9.1 million compared to net cash provided by financing activities of $102.8 million in the first half of 2014. The cash used in the first half of 2015 consists solely of repayments of our long-term debt. The cash provided during the first half of 2014 was driven by the issuance of $693.0 million in long-term debt for the Term Loan and $250.0 million equity issuance proceeds. These were offset by $795.7 million of repayments on our long-term debt. The repayments primarily consisted of $298.1 million for the prior term loan, $324.9 million for the prior ABL facility, $93.9 million for the redemption of Series A Notes and $69.4 million for the 6% Convertible Senior Notes. We also paid $27.4 million in debt issuance costs and $17.1 million in equity issuance costs related to our new debt and equity issued in 2014.

Contractual Obligations and Other Commercial Commitments

The following sections provide aggregated information regarding our contractual cash obligations and other commercial commitments as of June 30, 2015.

Contractual Cash Obligations

The following table reflects our cash outflows that we are contractually obligated to make as of June 30, 2015:

(in millions)	Payments Due by Period Less than 1 year	1-3 years	3-5 years	After 5 years	Total
Balance sheet obligations:[a]					
ABL borrowings, including interest and unused line fees	$ 0.3	$ 0.6	$ 0.2	$ —	$ 1.1
Long-term debt, including interest	64.7	127.7	703.1	—	895.5
Lease financing obligations	41.0	83.1	46.2	30.4	200.7 [b]
Multi-employer pension deferral obligations, including interest	8.7	17.4	132.5	—	158.6
Workers' compensation and liability claims obligations	95.7	109.0	51.5	100.4	356.6 [c]
Off balance sheet obligations:					
Operating leases	63.2	94.1	39.9	18.4	215.6
Letter of credit fees	8.8	17.6	5.5	—	31.9
Future service obligations [d]	11.3	0.1	—	—	11.4
Capital expenditures	21.6	—	—	—	21.6
Total contractual obligations	$ 315.3	$ 449.6	$ 978.9	$ 149.2	$ 1,893.0

(a) Total liabilities for uncertain income tax positions as of June 30, 2015 were $7.9 million and are classified on our consolidated balance sheet within "Claims and Other Liabilities" and are excluded from the table above.
(b) The $200.7 million of lease financing obligation payments represent interest payments of $141.2 million and principal payments of $59.5 million. The remaining principle obligation is offset by the estimated book value of leased property at the expiration date of each lease agreement.
(c) The workers' compensation and liability claims obligations represent our undiscounted estimate of future payments for these obligations, not all of which are contractually required.
(d) Future service obligations consist primarily of hardware and software maintenance contracts.

During the six months ended June 30, 2015, we entered into new operating leases for revenue equipment of $78.6 million. This total consists of approximately 325 tractors and 1,350 trailers with a total capital value of $61.6 million, with the remaining amount related to recurring leases for sleeper units.

Other Commercial Commitments

The following table reflects other commercial commitments or potential cash outflows that may result from a contingent event, such as a need to borrow short-term funds due to insufficient free cash flow.

(in millions)	Amount of Commitment Expiration Per Period Less than 1 year	1-3 years	3-5 years	After 5 years	Total
Unused line of credit					
ABL Facility[a]	$ —	$ —	$ 73.8 [b]	$ —	$ 73.8
Letters of credit	—	—	362.6	—	362.6
Surety bonds	111.1	4.1	0.1	—	115.3
Total commercial commitments	$ 111.1	$ 4.1	$ 436.5	$ —	$ 551.7

(a) As of June 30, 2015, we held $57.1 million in restricted escrow, which represents cash collateral on our ABL Facility.
(b) As of June 30, 2015, Managed Accessibility was $30.1 million, which represents maximum availability of $73.8 million less the lower of 10% of the borrowing base or collateral line cap.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are primarily exposed to the market risk associated with unfavorable movements in interest rates, foreign currencies, and fuel price volatility. The risk inherent in our market risk sensitive instruments and positions is the potential loss or increased expense arising from adverse changes in those factors. There have been no material changes to our market risk policies or our market risk sensitive instruments and positions as described in our annual report on Form 10-K for the year ended December 31, 2014.

Item 4. Controls and Procedures

As required by the Exchange Act, we maintain disclosure controls and procedures designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Our management, with the participation of our principal executive and financial officers, has evaluated our disclosure controls and procedures as of June 30, 2015 and have concluded that our disclosure controls and procedures were effective as of June 30, 2015.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We discuss legal proceedings in the "Commitments, Contingencies and Uncertainties" note to our consolidated financial statements included with this quarterly report on Form 10-Q.

Item 1A. Risk Factors

There were no material changes during the quarter to the Risk Factors disclosed in Part I, Item 1A - "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2014.

Item 5. Other Information

On March 24, 2015, the Company filed a Current Report on Form 8-K (the "Nazemetz Form 8-K") to announce that, effective March 23, 2015, the Board increased the size of the Board to ten members and appointed Patricia M. Nazemetz to fill the resulting vacancy. This Item 5 amends and supplements the Nazemetz Form 8-K to reflect that effective as of July 27, 2015, the Board appointed Ms. Nazemetz as a member of its Governance Committee and Compensation Committee. To accommodate the addition of Ms. Nazemetz to the Compensation Committee, James E. Hoffman will discontinue his service on the Compensation Committee. Mr. Hoffman will continue to serve as the Chairman of the Board. All other contents of the Item 5.02 disclosure in the Nazemetz Form 8-K are incorporated herein by reference.

Item 6. Exhibits

10.1*	YRC Worldwide Inc. Director Compensation Plan, effective May 6, 2015.
10.2*	Form of Director Share Unit Agreement for Non-Employee Director under 2015 Director Compensation Plan.
31.1*	Certification of James L. Welch filed pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Jamie G. Pierson filed pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of James L. Welch furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Jamie G. Pierson furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

* Indicates documents filed herewith.

SIGNATURES

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

	YRC WORLDWIDE INC.
Date: July 30, 2015	/s/ James L. Welch
	James L. Welch Chief Executive Officer
Date: July 30, 2015	/s/ Jamie G. Pierson
	Jamie G. Pierson Executive Vice President and Chief Financial Officer

YRC WORLDWIDE INC.
DIRECTOR COMPENSATION PLAN

May 6, 2015 Restatement of the Plan Originally Effective August 30, 2011

This Director Compensation Plan (this "Plan") of YRC Worldwide Inc., a Delaware corporation (the "Company"), is adopted effective as of the date first set forth above and amends, restates and replaces any and all prior plans relating to the compensation payable to the Company's directors, provided, however, that the provisions of Section 5 shall only apply to RSUs that are granted following the date that this restatement of the Plan is adopted by the Board and, for the avoidance of doubt, RSUs granted prior to such time shall be governed by the Plan as in effect prior to this restatement.

1. DEFINITIONS, ADMINISTRATION AND CONSTRUCTION

(a) The following capitalized terms used in this Plan shall have the following meanings given to each of them in this Section 1(a):

"Board" means the Board of Directors of the Company.

"Committee" means any committee of the Board.

"Common Stock" means Company Common Stock, $0.01 par value per share.

"Compensation Committee" means the Compensation Committee of the Board.

"Equity Award" means an award of Common Stock or Common Stock derivatives to a Participant pursuant to the terms of this Plan and any equity incentive plan maintained by the Company, including the YRC Worldwide Inc. 2011 Incentive and Equity Award Plan.

"Participant" means a director of the Company who is not an employee of the Company.

"Restricted Stock Units" or "RSUs" are a form of Equity Award and shall have the same meaning as in the YRC Worldwide Inc. 2011 Incentive and Equity Award Plan.

"Secretary" means the Secretary of the Company.

(b) The Compensation Committee shall administer this Plan. The Compensation Committee may adopt rules for the administration of this Plan as it may deem necessary or advisable. The Compensation Committee has full and absolute discretion in the exercise of each and every aspect of the rights, power, authority and duties retained or granted it under this Plan, including the authority to determine all facts, to interpret this Plan, to apply the terms of this Plan to the facts determined, to make decisions based upon those facts and to make any and all other decisions required of it by this Plan, such as the right to benefits, the correct amount and form of benefits, the determination of any appeal, the review and correction of the actions of any prior administrative committee, and the other rights, powers, authority and duties specified in this paragraph and elsewhere in this Plan. Notwithstanding any provision of law, or any explicit or implicit provision of this document, any action taken, or finding, interpretation, ruling or decision made by the Compensation Committee in the exercise of any of its rights, powers, authority or duties under this Plan shall be final and conclusive as to all parties, including without limitation all Participants, former Participants and beneficiaries, regardless of whether the Compensation Committee or one or more of its members may have an actual or potential conflict of interest with respect to the subject matter of the action, finding, interpretation, ruling or decision. No final action, finding, interpretation, ruling or decision of the Compensation Committee shall be subject to de novo review in any judicial proceeding. No final action, finding, interpretation, ruling or decision of the Compensation Committee may be set aside unless it is held to have been arbitrary and capricious by a final judgment of a court having jurisdiction with respect to the issue.

(c) Except as expressly stated to the contrary, references in this plan to "including" mean "including, without limitation" and to "persons" mean natural persons and legal entities.

2. RETAINERS.

(a) From time to time, the Board (or at its direction, the Compensation Committee) may set retainers for Participants for their service as a member of the Board or one or more of the Board's Committees. The current retainers for Participants are listed on Exhibit A.

(b) Annual retainers shall be paid in advance in quarterly installments on January 1, April 1, July 1 and October 1 (or on the first business day immediately following such payment date). A Participant who joins the Board mid-term shall receive a pro-rated retainer based on the number of days remaining in his/her initial term. The initial payment shall be made as soon as administratively practicable following the Participant's commencement as a member of the Board.

3. MEETING FEES AND EXPENSE REIMBURSEMENTS.

No additional compensation shall be paid for attending or participating in Board or Committee meetings. Participants will be reimbursed for reasonable business expenses, including travel expenses, incurred in the performance of their duties for the Company, including, without limitation, traveling to meetings.

4. EQUITY AWARDS.

From time to time, the Board (or at its direction, the Compensation Committee) may make grants of Equity Awards to Participants as compensation for their service on the Board with such terms and conditions as are stated in the grant. The grant shall be made pursuant to this Plan and any equity incentive plan maintained by the Company pursuant to which the Common Stock is authorized to be issued.

5. RESTRICTED STOCK UNITS.

(a) **Generally**. This Section 5, except as expressly specified otherwise, applies only with respect to RSUs granted on or after the restatement date of the Plan specified above.

(b) **Grants**. On the first business day following the annual meeting of stockholders of the Company held in 2015 and each year thereafter ("Grant Date"), each Participant shall receive a grant of that number of RSUs equal to $125,000 divided by the average closing price for the 30 day period immediately preceding the Grant Date. In addition to the annual grant described in the preceding sentence, the Board (or at its discretion, the Compensation Committee) may make such additional grants from time-to-time upon whatever terms it deems appropriate.

(c) **Vesting**. The RSUs granted following the date of the restatement of this Plan shall be fully vested as of the date that they are granted. An RSU that has satisfied the vesting terms described herein is referred to as a "Vested RSU".

(d) **Deferral Elections**. Pursuant to a written election (a "Deferral Election"), a Participant may defer delivery of all or a portion of the shares of Common Stock underlying the RSUs, in accordance with this Section 5 and the rules prescribed by the Compensation Committee. The Company (or its designee) shall maintain an account for each Participant to record any Deferral Election made with respect to RSUs. All Deferral Elections must be delivered to the Secretary. Commencing with any RSUs that are granted for services performed in any fiscal year that commences in calendar year 2016 or later, (i) any prior Deferral Elections shall cease to apply to any such RSUs and (ii) a Participant shall only be allowed to make a Deferral Election with the express consent of the Committee.

(i) **Initial Deferral Election**. Except as otherwise provided in this Section 5, a Deferral Election with respect to RSUs must be made not later than the close of the Participant's taxable year immediately preceding the service year for which the RSUs are granted as compensation (or such other time as permitted under Section 409A of the Internal Revenue Code of 1986, as amended, and any applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder ("Section 409A")). For example, a Deferral Election for any RSUs granted in 2016 or later as compensation for services rendered in 2016, must be made no later than December 31, 2015. A Participant's Deferral Election may be changed at any time prior to the last permissible date for making the Deferral Election, and shall thereafter be irrevocable. A form of the Deferral Election is included in Exhibit B.

(ii) **First Year of Eligibility**. In the case of the first year in which a director becomes eligible to participate in the Plan, the director may make an initial Deferral Election within 30 days after the director first becomes eligible to participate. Such election shall only apply with respect to RSUs relating to services performed after the election. Whether a Participant is treated as newly eligible for participation under this Plan shall be determined in accordance with Section 409A, including: (i) rules that treat all elective deferral account balance plans as one plan, and (ii) rules that treat a previously eligible director as newly eligible if his benefits had been previously distributed or if he has been ineligible for 24 months.

(iii) **Evergreen Election.** A Participant may elect that his/her Deferral Election for an upcoming year will continue in effect for subsequent years until modified by the Participant (an "Evergreen Election"). If a Participant makes an Evergreen Election, the Participant may unilaterally modify such Deferral Election (either to terminate, increase or decrease the portion of his future RSUs which are subject to deferral) by providing a written modification of the Deferral Election to the Secretary. The modification shall become effective as of the first day of January following the date such written modification is received by the Secretary or sooner if permitted under the special thirteen month election. Notwithstanding the foregoing, Evergreen Elections shall cease to apply to any RSUs that are granted for services performed in any fiscal year that commences in calendar year 2016 or later.

(iv) **Subsequent Deferral Election**. A Participant shall be entitled to delay the delivery of shares of Common Stock underlying the RSUs pursuant to his initial Deferral Election (a "Subsequent Deferral Election") provided: (1) the Subsequent Deferral Election does not take effect until at least twelve (12) months after the date on which the Subsequent Deferral Election is made, (2) if the Subsequent Deferral Election relates to a payment event other than the death or Disability of the Participant, the Subsequent Deferral Election defers payment for a period of at least five (5) years from the date such payment would otherwise have been made but for such Subsequent Deferral Election, and (3) if the Subsequent Deferral Election relates to a payment at a specified time or pursuant to a fixed schedule, the Subsequent Deferral Election is made not less than 12 months before the date the payment is scheduled to be paid.

(e) **Delivery of Shares**. The Company shall deliver one share of Common Stock for each RSU that becomes a Vested RSU, as described below:

(i) **RSUs Not Deferred, granted prior to fiscal years commencing in 2016**. If the Participant does not timely elect to defer delivery of the shares of Common Stock underlying the RSUs pursuant to a Deferral Election on file with the Company's Secretary, and the RSU is granted prior to a fiscal year commencing in 2016, the Company shall deliver to the Participant one share of Common Stock for each RSU that becomes a Vested RSU within 90 days following the date that such RSU becomes a Vested RSU, but in no event later than March 15 of the calendar year following the calendar year in which the RSU became a Vested RSUs.

(ii) **RSUs granted for services performed in fiscal years commencing in 2016 or later.** Notwithstanding the foregoing, for purposes of any RSU granted for services performed in any fiscal year that commences in calendar year 2016 or later, the Company shall deliver to the Participant one share of Common Stock for each Vested RSU, but such share of Common Stock shall not be delivered until the Participant's "separation from service."

(iii) **RSUs Deferred**. If a Participant timely elects to defer delivery of the shares of Common Stock underlying the RSUs pursuant to a Deferral Election on file with the Company's Secretary, the Company shall deliver to the Participant one share of Common Stock for each vested RSU for which a Deferral Election has been made, on the earlier of the Participant's separation from service with the Board, death, Disability, Change in Control, or date specified by the Participant in his/her Deferral Election (each a "Payment Event"). Actual delivery of the shares shall be made within 90 days of the Payment Event, if such Payment Event is a separation from service with the Board, death, Disability, or a specified date elected by the Participant. Upon a Change in Control, delivery of the shares shall occur on the date of the Change in Control.

(iv) **Change in Control**. Notwithstanding the foregoing, (x) if the Participant's RSUs are not exempt from Section 409A the Company shall not deliver shares of Common Stock upon a Change in Control, unless the Change in Control also constitutes an event described in Section 409A(a)(2)(A)(v) and the Treasury Regulations thereunder and (y) if the Participant's RSUs are not exempt from Section 409A, the Payment Event is the Participant's separation from service, and the Participant is a "specified employee" for purposes of Section 409A(a)(2)(B)(i), then the Company shall not deliver shares of Common Stock until the date which is 6 months following the separation from service (or, if earlier, the date of death of the Participant), to the extent required to avoid the excise tax under Section 409A.

(f) **Dividend Equivalents**. If the Company declares a cash dividend on its Common Stock, the Company shall credit to a bookkeeping account established for each Participant an amount equal to the cash value of the dividend that would have been paid to the Participant if each RSU (whether vested or unvested) was a share of Common Stock held by the Participant ("Dividend Equivalents"). No interest or other additions shall be earned on amounts credited to such Dividend Equivalent account. Dividend Equivalents shall be paid at the same time as the delivery date of the shares of Common Stock underlying the Vested RSUs to which the accrued Dividend Equivalents relate. Any Dividend Equivalents relating to any forfeited RSUs shall be forfeited.

(g) **Beneficiary**. If a Participant dies, the Company shall pay any amounts deferred under this Plan to the beneficiary or beneficiaries, if any, that the Participant designates to the Secretary in writing during the Participant's lifetime. During his/her lifetime, the Participant may revoke or change any designation of beneficiary by delivering the revocation or designation in writing to the Secretary. If no beneficiary is designated or survives the Participant, then the accounts shall be issued and paid to the Participant's surviving spouse (or, if none, personal representative).

(h) **Unfunded**. The Participant understands that all deferrals hereunder (i.e., the balance of his/her accounts) are unfunded, will be represented by appropriate bookkeeping entries and any such amounts due the Participant shall be unsecured, general obligations of the Company.

(i) **409A**. This Section 5 and any Equity Award agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A. Neither the Company nor its directors, officers, executives, or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by a Participant as a result of the application of Section 409A. Notwithstanding anything in this Plan or any Equity Award agreement to the contrary, all payments and benefits under this Plan that would constitute non- exempt "deferred compensation" for purposes of Section 409A and that would otherwise be payable or distributable hereunder by reason of the Participant's separation from service on the Board, will not be payable or distributable to the Participant unless the circumstances giving rise to such separation from service meet any description or definition of "separation from service" in Section 409A (without giving effect to any elective provisions that may be available under such definition). If this provision prevents the payment or distribution of any amount or benefit, such payment or distribution shall be made on the date, if any, on which an event occurs that constitutes a Section 409A-compliant "separation from service."

6. GENERAL

(a) Except by the laws of descent and distribution if a Participant dies, the rights and benefits of this Plan may not be assigned or otherwise transferred. A Participant shall cease to be a Participant under this Plan upon the Participant's termination of his/her directorship with the Company whether by death, disability, retirement, resignation or removal.

(b) Any notice to the Company that this Plan requires shall be in writing, addressed to the Secretary and be effective when the Secretary receives the notice.

(c) This Plan and any determination or action taken respecting this Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to its law of conflicts of law.

Exhibit A
Annual Retainers

Board membership = $75,000 ($125,000 for the Chairperson of the Board)

Additional retainer for Committee Chairpersons as follows:

Audit and Ethics Committee = $25,000

Compensation Committee = $15,000

Finance Committee = $15,000

Governance Committee = $10,000

Exhibit B

ANNUAL DIRECTOR EQUITY DEFERRAL ELECTION FORM

To the Secretary of YRC Worldwide Inc.:

I irrevocably elect to defer delivery of the following percentage of shares of Common Stock underlying the Restricted Stock Units awarded to me for the 12-month Board term beginning in

(*enter year*) and all subsequent Board terms (i.e., "Evergreen Election"): 100% or

%

I further elect to receive my deferred shares of Common Stock underlying the Restricted Stock Units upon the earliest of (i) my death, (ii) my Disability, (iii) my separation from service with the Board for any reason, (iv) upon a Change in Control, (v) or the following date (optional):

January 1, (enter year).

Notwithstanding the above, I understand that if I resign from the Board, fail to stand for re- election to the Board, fail to be re-elected to the Board, or if I am involuntarily removed from the Board, my non-vested Restricted Stock Units will be forfeited unless the Board determines otherwise.

Notwithstanding the foregoing, this Deferral Election is subject to the terms of the Plan and will not be effective if it is not made in accordance with the terms of the Plan and Section 409A. All terms defined in the YRC Worldwide Inc. Director Compensation Plan have the same meaning when used in this Deferral Election form.

Print Name:

Signature:

Date:

Accepted:

YRC Worldwide Inc.

Secretary

Date

YRC WORLDWIDE INC.
RESTRICTED STOCK UNIT AGREEMENT

FOR NON-EMPLOYEE DIRECTOR

Participant:	
Grant Date:	
Service Year:	
Total Number Of Units:	Restricted Stock Units
Vesting Schedule:	The RSUs will be fully vested, and for purposes of the Plan shall be "Vested RSUs" immediately upon the Grant Date.

Grant Of Restricted Stock Units

In accordance with the YRC Worldwide Inc. Director Compensation Plan and the YRC Worldwide Inc. 2011 Incentive and Equity Award Plan or any successor thereto (referred to collectively as the "Plans"), the Board of Directors of **YRC Worldwide Inc.,** a Delaware corporation (the "Company") hereby grants to the above-named Participant rights to receive the above number of shares of the Company's common stock, $0.01 par value, in accordance with the Vesting Schedule described above on a one share per one unit basis (the "Restricted Stock Units") and subject to the other terms and conditions described in this Restricted Stock Unit Agreement (this "Agreement") and the Plan.

By your acceptance of the Restricted Stock Units set forth in this Agreement, you agree that the Restricted Stock Units are granted under and governed by the terms of the Plans, this Agreement, and the Terms and Conditions of Restricted Stock Unit Agreements for Non-Employee Directors attached to this Agreement; you acknowledge that you have received, reviewed and understand the Plans, including the provisions that the Compensation Committee's decision on any matter arising under the Plans is conclusive and binding; and you agree that this Agreement amends and supersedes any other agreement or statement, oral or written, in its entirety regarding the vesting or holding period of the Restricted Stock Units.

YRC Worldwide Inc.	**Participant**
By:	By:
Title:	Print:

You agree that your acceptance of this Agreement may be evidenced either by your signature above or by your electronic acceptance through the Company's award administrator's website (as of the date of grant, the administrator is Fidelity).

YRC WORLDWIDE INC.

TERMS AND CONDITIONS

OF

RESTRICTED STOCK UNIT AGREEMENTS FOR NON-EMPLOYEE DIRECTORS

These Terms and Conditions are applicable to Restricted Stock Units (the "Units") granted to Non-Employee Directors pursuant to the **YRC Worldwide Inc. 2011 Incentive and Equity Award Plan** or any successor thereto, the YRC Worldwide Inc. Director Compensation Plan (referred to collectively as the "Plans") and the Restricted Stock Unit Agreement.

1. **Non-transferability**. No rights under the Restricted Stock Unit Agreement shall be transferable otherwise than by will or the laws of descent and distribution, and, except to the extent otherwise provided herein, the rights and the benefits of the Restricted Stock Unit Agreement may be exercised and received, respectively, during the lifetime of the Participant only by the Participant or by the Participant's guardian or legal representative.

2. **Limitation of Liability**. Under no circumstances will the Company be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any person, whether or not foreseeable and regardless of the form of the action in which such a claim may be brought, with respect to the Plans, the Restricted Stock Unit Agreement or the Company's role as Plan sponsor.

3. **Units Subject to Plans**. Copies of the Plans are included with the Restricted Stock Unit Agreement. The provisions of the Plans as now in effect and as the Plans may be amended in the future (but only to the extent such amendments are allowed by the provisions of the Plans) are hereby incorporated in the Restricted Stock Unit Agreement by reference as though fully set forth herein. Upon request to the Secretary of the Company, the Participant may obtain a copy of the Plans and any amendments.

4. **Definitions**. Unless redefined herein, all terms defined in the Plans have the same meaning when used as capitalized terms in these Terms and Conditions.

5. **Compliance with Regulatory Requirements**. Notwithstanding anything else in the Plans, the shares of Common Stock underlying the Units that are delivered to the Participant may not be sold, pledged or hypothecated unless the Company is in compliance with all regulatory requirements regarding registration of the shares to be issued under the terms of the Plans, and in any event only to the extent permitted under federal securities laws and the Company's Securities Trading and Disclosure Policy.

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULES 13A-14 AND 15D-14,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James L. Welch, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of YRC Worldwide Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2015

/s/ James L. Welch

James L. Welch
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULES 13A-14 AND 15D-14,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jamie G. Pierson, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of YRC Worldwide Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2015

/s/ Jamie G. Pierson

Jamie G. Pierson
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of YRC Worldwide Inc. on Form 10-Q for the period ended September 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James L. Welch, Chief Executive Officer of YRC Worldwide Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of YRC Worldwide Inc.

Date: July 30, 2015	/s/ James L. Welch
	James L. Welch
	Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of YRC Worldwide Inc. on Form 10-Q for the period ended September 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jamie G. Pierson, Chief Financial Officer of YRC Worldwide Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of YRC Worldwide Inc.

Date: July 30, 2015

/s/ Jamie G. Pierson

Jamie G. Pierson
Chief Financial Officer