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

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**FORM 10-Q**

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

For the quarterly period ended March 31, 2009

OR

**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

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**YRC Worldwide Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**10990 Roe Avenue, Overland Park, Kansas**  
(Address of principal executive offices)

**48-0948788**  
(I.R.S. Employer  
Identification No.)

**66211**  
(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)

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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

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

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   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

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

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

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Class	Outstanding at April 30, 2009
Common Stock, \$1 par value per share	59,444,071 shares

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PART I – FINANCIAL INFORMATIONItem 1. Financial Statements

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

	<u>March 31,</u> <u>2009</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2008</u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 248,519	\$ 325,349
Restricted cash	17,617	—
Accounts receivable, net	718,323	837,055
Prepaid expenses and other	211,887	298,101
Total current assets	<u>1,196,346</u>	<u>1,460,505</u>
Property and Equipment:		
Cost	3,928,214	3,977,881
Less – accumulated depreciation	(1,799,193)	(1,776,904)
Net property and equipment	<u>2,129,021</u>	<u>2,200,977</u>
Intangibles, net	180,151	184,769
Other assets	169,207	119,862
<b>Total assets</b>	<u>\$ 3,674,725</u>	<u>\$ 3,966,113</u>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities:		
Accounts payable	\$ 283,170	\$ 333,910
Wages, vacations and employees' benefits	389,185	356,410
Other current and accrued liabilities	428,386	489,994
Asset backed securitization borrowings	188,211	147,000
Current maturities of lease financing obligations	996	—
Current maturities of long-term debt	382,594	415,321
Total current liabilities	<u>1,672,542</u>	<u>1,742,635</u>
Other Liabilities:		
Long-term lease financing obligations, less current portion	154,589	—
Long-term debt, less current portion	694,271	787,415
Deferred income taxes, net	182,693	242,663
Pension and postretirement	378,931	370,031
Claims and other liabilities	384,164	341,918
Commitments and contingencies		
Shareholders' Equity:		
Common stock, \$1 par value per share	62,513	62,413
Preferred stock, \$1 par value per share	—	—
Capital surplus	1,239,097	1,239,586
Retained earnings (deficit)	(829,043)	(555,261)
Accumulated other comprehensive income (loss)	(172,295)	(172,550)
Treasury stock, at cost (3,079 shares)	(92,737)	(92,737)
Total shareholders' equity	<u>207,535</u>	<u>481,451</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 3,674,725</u>	<u>\$ 3,966,113</u>

The accompanying notes are an integral part of these statements.

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

	<u>2009</u>	<u>2008</u>
<b>Operating Revenue</b>	<b>\$1,502,795</b>	<b>\$2,232,592</b>
<b>Operating Expenses:</b>		
Salaries, wages and employees' benefits	1,166,999	1,353,146
Operating expenses and supplies	367,292	486,229
Purchased transportation	175,184	254,312
Depreciation and amortization	66,269	63,313
Other operating expenses	104,705	112,765
Losses on property disposals, net	1,593	3,486
Reorganization and settlements	—	12,784
Total operating expenses	<u>1,882,042</u>	<u>2,286,035</u>
<b>Operating Income (Loss)</b>	<b><u>(379,247)</u></b>	<b><u>(53,443)</u></b>
<b>Nonoperating (Income) Expenses:</b>		
Interest expense	32,219	19,339
Other, net	3,701	(1,971)
Nonoperating expenses, net	<u>35,920</u>	<u>17,368</u>
<b>Income (Loss) Before Income Taxes</b>	<b>(415,167)</b>	<b>(70,811)</b>
Income tax provision (benefit)	<u>(141,385)</u>	<u>(24,441)</u>
<b>Net Income (Loss)</b>	<b><u>\$ (273,782)</u></b>	<b><u>\$ (46,370)</u></b>
<b>Average Common Shares Outstanding – Basic</b>	<b>59,373</b>	<b>56,877</b>
<b>Average Common Shares Outstanding – Diluted</b>	<b>59,373</b>	<b>56,877</b>
<b>Basic Earnings (Loss) Per Share</b>	<b>\$ (4.61)</b>	<b>\$ (0.82)</b>
<b>Diluted Earnings (Loss) Per Share</b>	<b>\$ (4.61)</b>	<b>\$ (0.82)</b>

The accompanying notes are an integral part of these statements.

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

	2009	2008
<b>Operating Activities:</b>		
Net income (loss)	\$(273,782)	\$(46,370)
Noncash items included in net income (loss):		
Depreciation and amortization	66,269	63,313
Stock compensation expense	33,025	3,241
Pension settlement charges	5,003	—
Losses on property disposals, net	1,593	3,455
Deferred income tax provision (benefit)	(141,741)	(615)
Other noncash items	7,324	(2,035)
Changes in assets and liabilities, net:		
Accounts receivable	118,740	18,381
Accounts payable	(49,863)	(1,141)
Other operating assets	52,307	2,051
Other operating liabilities	87,119	52,842
<b>Net cash (used in) provided by operating activities</b>	<b>(94,006)</b>	<b>93,122</b>
<b>Investing Activities:</b>		
Acquisition of property and equipment	(15,424)	(36,876)
Proceeds from disposal of property and equipment	18,707	4,071
Restricted cash	(17,617)	—
Other	(198)	(1,628)
<b>Net cash used in investing activities</b>	<b>(14,532)</b>	<b>(34,433)</b>
<b>Financing Activities:</b>		
Asset backed securitization (payments) borrowings, net	41,211	(60,000)
Issuance of long-term debt and long-term lease financing obligations	157,617	2,904
Repayment of long-term debt and long-term lease financing obligations	(129,149)	—
Debt issuance costs	(37,971)	—
<b>Net cash provided by (used in) financing activities</b>	<b>31,708</b>	<b>(57,096)</b>
<b>Net (Decrease) Increase In Cash and Cash Equivalents</b>	<b>(76,830)</b>	<b>1,593</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>325,349</b>	<b>58,233</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 248,519</b>	<b>\$ 59,826</b>

The accompanying notes are an integral part of these statements.

STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY  
YRC Worldwide Inc. and Subsidiaries  
For the Three Months Ended March 31  
(Amounts in thousands)  
(Unaudited)

	2009
<b>Common Stock</b>	
Beginning balance	\$ 62,413
Issuance of equity awards	100
Ending balance	<u>\$ 62,513</u>
<b>Capital Surplus</b>	
Beginning balance	\$1,224,606
Cumulative effect – adoption of FSP 14-1, (see Note 4)	14,980
Adjusted beginning balance	1,239,586
Share-based compensation	(243)
Other, net	(246)
Ending balance	<u>\$1,239,097</u>
<b>Retained Earnings (Deficit)</b>	
Beginning balance	\$ (547,338)
Cumulative effect – adoption of FSP 14-1 (see Note 4)	(7,923)
Adjusted beginning balance	(555,261)
Net loss	(273,782)
Ending balance	<u>\$ (829,043)</u>
<b>Accumulated Other Comprehensive Income (Loss)</b>	
Beginning balance	\$ (172,550)
Pension, net of tax:	
Reclassification of net losses to net income	610
Foreign currency translation adjustments	(355)
Ending balance	<u>\$ (172,295)</u>
<b>Treasury Stock, At Cost</b>	
Beginning and ending balance	<u>\$ (92,737)</u>
<b>Total Shareholders' Equity</b>	<u>\$ 207,535</u>

The accompanying notes are an integral part of these statements.

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

1. **Description of Business**

YRC Worldwide Inc. (also referred to as “YRC Worldwide”, “the Company”, “we” or “our”), one of the largest transportation service providers in the world, is a holding company that through wholly owned operating subsidiaries offers its customers a wide range of transportation services. These services include global, national and regional transportation as well as logistics. Our operating subsidiaries include the following:

- YRC National Transportation (“National Transportation”) is the reporting unit for our transportation service providers focused on business opportunities in regional, national and international services. This unit includes our less-than-truckload (“LTL”) subsidiary YRC Inc. (“YRC”), which was formed through the March 2009 integration of our former Yellow Transportation and Roadway networks. National Transportation provides for the movement of industrial, commercial and retail goods, primarily through regionalized and centralized management and customer facing organizations. National Transportation also includes YRC Reimer, a subsidiary located in Canada that specializes in shipments into, across and out of Canada. Approximately 38% of National Transportation shipments are completed in two days or less. In addition to the United States (“U.S.”) and Canada, National Transportation also serves parts of Mexico, Puerto Rico and Guam.
- YRC Regional Transportation (“Regional Transportation”) is the reporting unit for our transportation service providers focused on business opportunities in the regional and next-day delivery markets. Regional Transportation is comprised of New Penn Motor Express (“New Penn”), Holland and Reddaway. These companies each provide regional, next-day ground services in their respective regions through a network of facilities located across the U.S., Canada, Mexico and Puerto Rico. Approximately 92% of Regional Transportation LTL shipments are completed in two days or less.
- YRC Logistics plans and coordinates the movement of goods worldwide to provide customers a single source for logistics management solutions. YRC Logistics delivers a wide range of global logistics management services, with the ability to provide customers improved return-on-investment results through logistics services and technology management solutions.
- YRC Truckload (“Truckload”) reflects the results of Glen Moore, a provider of truckload services throughout the U.S.

At March 31, 2009, approximately 70% of our labor force is subject to collective bargaining agreements, which predominantly expire in 2013.

2. **Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of YRC Worldwide and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. Investments in non-majority owned affiliates or those in which we do not have control where the entity is either not a variable interest entity or YRC Worldwide is not the primary beneficiary, are accounted for on the equity method. There are no noncontrolling (minority) interests in our consolidated subsidiaries. Consequently, all of our shareholders’ equity, net income (loss) and comprehensive income (loss) for the periods presented are attributable to controlling interests for the periods presented in the accompanying financial statements. Management makes 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 management’s opinion, all normal recurring adjustments except as otherwise noted, necessary for a fair statement of the financial position, results of operations and cash flows for the interim periods included in these financial statements have been made. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles 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, 2008.

**Restricted Cash**

As required by Amendment No. 2 to our Credit Agreement, certain net cash proceeds from asset sales, totaling \$17.6 million at March 31, 2009, have been deposited in a restricted account (the “Escrow Account”), invested in a money market fund and pledged to our lenders under the Credit Agreement.

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On or prior to July 15, 2009, we may withdraw all or a portion of the funds in the Escrow Account based on our cash and cash equivalent levels as defined in the Credit Agreement, provided that we are not in default under the Credit Agreement or that we have received a waiver from our lenders. On July 16, 2009, all of the funds in the Escrow Account shall be released to us. The revolving commitments under the Credit Agreement will be reduced to the extent any amounts are withdrawn or released from the Escrow Account.

### **Assets Held for Sale**

When we plan to dispose of property by sale, the asset is carried in the financial statements at the lower of the carrying amount or estimated fair value, less cost to sell, and is reclassified to assets held for sale. Additionally, after such reclassification, there is no further depreciation taken on the asset. For an asset to be classified as held for sale, management must approve and commit to a formal plan, the sale should be anticipated during the ensuing year and the asset must be actively marketed, be available for immediate sale, and meet certain other specified criteria. At March 31, 2009 and December 31, 2008, the net book value of assets held for sale was approximately \$80.9 million and \$32.4 million, respectively. This amount is included in "Property and Equipment" in the accompanying consolidated balance sheets. We recorded charges of \$3.3 million and \$2.8 million for the three months ended March 31, 2009 and 2008, respectively, to reduce properties held for sale to estimate fair value, less cost to sell. These charges are included in "Losses on Property Disposals, Net" in the accompanying statements of consolidated operations.

### **3. Liquidity**

The current global credit market crisis and economic recession continue to have a dramatic effect on our industry. Overall U.S. economic trends declined as evidenced in most indices including those applicable to the retail sector, manufacturing, construction and housing. Declining economic activity, as evidenced by these trends, negatively impacted our customers' needs to ship and, therefore, negatively impacted the volume of freight we serviced and the price we received for our services. As a result, we experienced declining revenue (primarily a function of declining volume) and increased operating losses. In addition, we believe that some of our customers reduced their shipments with YRC to mitigate the risks of integration of our Yellow Transportation and Roadway networks.

The deterioration in our operating results coupled with the economic recession has reduced our overall liquidity, including having reduced cash available under our asset-backed securitization facility ("ABS Facility") that utilizes accounts receivable from our operating subsidiaries.

The following table provides details of the outstanding components and available unused capacity under the Credit Agreement and ABS facility at each period end:

<b>(in millions)</b>	<b>March 31, 2009</b>	<b>December 31, 2008</b>
<b>Capacity:</b>		
Revolving loan	\$ 950.0	\$ 950.0
ABS facility	500.0	500.0
Total maximum capacity	1,450.0	1,450.0
<b>Amounts outstanding:</b>		
Revolving loan	(427.4)	(515.0)
Letters of credit	(590.7)	(460.5)
ABS facility	(188.2)	(147.0)
ABS usage for captive insurance company	—	(221.0)
Total outstanding	(1,206.3)	(1,343.5)
Unused capacity	\$ 243.7	\$ 106.5
Available unused capacity	\$ 26.7	\$ 41.9

The ABS facility permits borrowings of up to \$500 million based on qualifying accounts receivable of the Company. However, at March 31, 2009 and December 31, 2008, our underlying accounts receivable supported total capacity under the ABS facility of \$283.0 million and \$435.4 million, respectively. Considering this limitation, available unused capacity under the credit agreement and the ABS Facility at March 31, 2009 and December 31, 2008, was \$26.7 million and \$41.9 million, respectively.



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At April 30, 2009, our aggregated cash balance and available unused capacity under the credit agreement and ABS Facility was \$220.9 million.

### *Lease Financing Transactions Subsequent to March 31, 2009*

The Company and NATMI Truck Terminals, LLC (“NATMI”) entered into a Real Estate Sales Contract, effective December 19, 2008, as amended (the “NATMI Contract”), pursuant to which certain subsidiaries of the Company would sell and simultaneously lease back a pool of facilities located throughout the U.S.

On April 21, 2009, the Company and NATMI agreed to modify the NATMI Contract to remove certain facilities that have not closed and extend the closing date for certain facilities with an aggregate purchase price of approximately \$16 million. The Company expects to close on these facilities during the second quarter of 2009, subject to the satisfaction of normal and customary closing conditions, and the ability of the Company to obtain lien releases from the collateral agent under the Credit Agreement.

On April 22, 2009, subsidiaries of the Company entered into additional real estate sales contracts (collectively, the “New Estes Contracts”) with Estes Express Lines (“Estes”) to sell and simultaneously lease back a pool of the subsidiaries’ facilities located throughout the U.S., including facilities originally a part of the transaction with NATMI described above. The aggregate purchase price for the subject facilities is approximately \$32 million and initial annual lease payments for the subject facilities would be approximately \$2.9 million in the aggregate. The terms of the New Estes Contracts and related leases are consistent with the terms of the Original Estes Contracts (discussed below). The Company expects to close the sale and leaseback transactions under the New Estes Contracts during the second quarter of 2009, subject to the satisfaction of normal and customary due diligence and related conditions, including Estes’ right to terminate each Contract in its sole discretion during the inspection period, and the ability of the Company to obtain lien releases from the collateral agent under the Credit Agreement.

On April 23, 2009, certain of our subsidiaries entered into real estate sales contracts with new investors to sell and simultaneously leaseback a pool of the subsidiaries’ facilities located throughout the U.S., including a facility originally a part of the transaction with NATMI described above. The aggregate purchase price for the subject facilities is approximately \$70 million, and initial annual lease payments for the subject facilities would be approximately \$6.1 million in the aggregate. The Company expects to close the sale and leaseback transactions under these contracts during the second quarter of 2009, subject to the satisfaction of normal and customary due diligence and related conditions including the investor’s right to terminate during the inspection period, and the ability of the Company to obtain lien releases from the collateral agent under the Credit Agreement.

In April and May 2009, we received proceeds of \$26.7 million for the sale of additional properties to Estes. These transactions are lease financing obligations and mirror those described in the “Debt and Financing” note.

### *Use of Proceeds*

Our Credit Agreement as amended requires the net cash proceeds from certain asset sales to be applied as follows:

- for any real estate asset sale (other than the first \$150 million in net cash proceeds received under certain transactions with NATMI subject to any reductions associated with possible pension contribution deferrals discussed below) the net cash proceeds of which, together with the aggregate amount of net cash proceeds from all such real estate asset sales occurring on or after January 1, 2009,
  - is less than or equal to \$300 million and occurs on or prior to July 15, 2009, 50 percent of such proceeds shall be used to prepay outstanding revolving loans under the Credit Agreement and the remaining 50 percent shall be deposited into the escrow account;
  - is less than or equal to \$300 million and occurs after July 15, 2009, 50 percent of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement and the remaining 50 percent shall be retained by the Company;
  - is greater than \$300 million and less than or equal to \$500 million, 75 percent of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement and the remaining 25 percent shall be retained by the Company; and
  - is greater than \$500 million, all of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement.

As of March 31, 2009, as a result of asset sale proceeds, we have deposited \$17.6 million into the escrow account and have remitted \$17.6 million in debt payments during the three months ended March 31, 2009.

*Pension Contribution Payment Deferrals*

Due to the first quarter 2009 declining revenue and increased operating losses discussed above, and given the delay in closing some of the remaining sale and lease financing transactions, we have sought additional sources of liquidity to remain in compliance with our minimum liquidity covenant under our Credit Agreement and ABS Facility during the second quarter and for the remainder of 2009.

To bridge our liquidity needs, on April 15, 2009, we entered into an amendment (the "April Credit Agreement Amendment") to the Credit Agreement to permit the release of specified real estate to secure deferred contribution payments to our multi-employer pension funds (the "Pension Funds"). We believe these alternatives can allow us to utilize the real estate to its maximum benefit as opportunities arise.

The April Credit Agreement Amendment:

- permits the Company and its subsidiaries to defer the payment of certain of their multiemployer benefit fund contributions to a date no earlier than January 1, 2010 (collectively, the "Deferred Payments");
- permits the Company and its subsidiaries to grant first priority liens on identified owned real property to secure the Deferred Payments;
- permits subsidiary guarantors under the Credit Agreement to guarantee the Deferred Payments solely to the extent that such subsidiary guarantors own any real property subject to a permitted lien securing the Deferred Payments;
- prohibits the Company and its subsidiaries from voluntarily making any Deferred Payment prior to August 15, 2009, except for payments solely with net cash proceeds from the sale of collateral securing the Deferred Payments;
- decreases the amount of net cash proceeds from the NATMI Contract (as defined in the Credit Agreement) which may be retained by the Company by an amount proportionate to the net book value of the collateral securing the Deferred Payments; provided, that such reduction shall not exceed \$50.0 million;
- reduces the permitted asset sale basket for the fiscal year ending December 31, 2009 by an amount proportionate to the net book value of the collateral securing the Deferred Payments; provided, that such reduction shall not exceed \$50.0 million; and
- allows the Company to undertake debt for equity swaps and to pay certain indebtedness with the net cash proceeds from the issuance of equity.

Certain subsidiaries of the Company are working to finalize discussions with the International Brotherhood of Teamsters (the "Teamsters") and representatives of the Pension Funds to which the Company contributes. Pursuant to these discussions, the Company is seeking to provide certain of the Company's real estate as collateral to the Pension Funds in lieu of making payments of contributions for certain to-be-agreed-upon months. Depending on employment levels (which, in turn, are driven by freight levels and seasonal changes in those levels), the Company makes multi-employer pension contributions of \$34-45 million per month. The Company has deferred one pension contribution payment of \$21.1 million with one Pension Fund and one health and welfare payment of \$18.3 million with one health and welfare fund through May 15, 2009 pursuant to a deferral agreement and has ceased making pension contribution payments in April 2009 to its Pension Funds until the Company concludes its discussions with the Pension Funds and the Teamsters. If we are unable to reach an agreement to defer payments of contributions to a Pension Fund, we will be required to make any past due payments and commence payments on the contractually required schedule to avoid the Pension Fund from terminating our participation in the Pension Fund, which, in turn, could subject us to a withdrawal liability and cause us to be in breach of the applicable collective bargaining agreement. Such a breach could give our union employees the right to strike and a cause of action for damages. To meet our working capital needs in the second quarter and remainder of 2009, and to meet our minimum liquidity requirement under our Credit Agreement in the second quarter and remainder of 2009, we must achieve one or more of the following actions, which are not in the Company's control, in addition to generating or exceeding forecasted cash flows from operating activities:

- continue to finalize agreements to defer a sufficient amount of contributions to our Pension Funds,

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- close sale/leaseback transactions, and
- enter into other capital market transactions.

### *Operating Performance and Cash Improvement Activities*

As previously discussed, the recession continues to negatively impact us. During the three months ended March 31, 2009, we continued to experience declining revenue, increased operating losses and resulting negative cash flows from operations. To address these impacts, we have taken the following actions (among others) to reduce our cost base and improve our operating income and cash flow from operations:

- the integration of our Yellow Transportation and Roadway networks into a single service network, now branded “YRC”
- the discontinuation of the geographic service overlap between our Holland and New Penn networks
- the first quarter implementation of a 10% wage reduction for substantially all of our employees (both union and non-union)
- reductions in force to scale our business to current shipping volumes
- other cost reduction measures in general, administrative and other areas

In particular, during the three months ended March 31, 2009, we completed the integration of our Yellow Transportation and Roadway networks into one service network, now branded “YRC”. Since the integration, YRC’s service (both on-time deliveries and reduced claims) has improved. Also, productivity measurements such as load average in our line haul operation, city pick up and delivery route productivity improvements, and dock labor productivity measurements have also improved since the integration. During the integration, we believe many of YRC’s customers reduced their shipments with us to mitigate their risks from our integration. We believe some customers also reduced their shipments with YRC during the quarter as a result of uncertainties regarding our compliance with our covenants in our Credit Agreement. We believe that our February 2009 amendment of our Credit Facilities alleviated many of these customer concerns. As our service has improved from the integration, from mid-April 2009 through early May 2009, we have experienced an increasing shipment trend as many of these customers are now returning their shipping volumes to YRC. However, we cannot predict how quickly and to what extent these volumes will return. Our increasing number of shipments and cost actions has partially offset our revenue decline from the poor economy, but further cost reductions, which are underway, and further shipment increases are needed to address the revenue decline for the Company to meet its minimum EBITDA requirement in its Credit Facilities in 2009. The Company believes that there is a substantial risk that these cost reductions and shipment increases would not be achieved in sufficient time to meet its minimum EBITDA requirement in its Credit Facilities for the second quarter of 2009. As a result, the Company has entered into constructive discussions with the agent for its lending group about a possible amendment to the Company’s Credit Facilities prior to the end of the second quarter of 2009 for the Company to gain assurance that it can remain in compliance with the covenants in its Credit Facilities.

### *Risks and Uncertainties*

If we fail to meet our minimum liquidity requirement or our required EBITDA levels under our Credit Agreement and ABS Facility, we would need to seek a waiver or forbearance from our lenders and lessors under our Credit Agreement, our ABS Facility and certain of our leases; otherwise our lenders and lessors could declare an event of default and accelerate our obligations thereunder. Our financial statements do not include any adjustments relating to the recoverability and classification of assets carrying amounts or the amount of and classification of liabilities that may result from these and other significant uncertainties surrounding the Company’s ability to continue to meet its obligations as they become due in the ordinary course of business.

Our forecasts include significant judgment and significant market risk that may or may not be realized. Items that contribute to these judgments and risks, many of which are beyond our control, include the actual duration of the U.S. recession and our related assumptions around economic outlook, the continued improvements in productivities and service for our YRC network and the return of customers shipments to that network, our ability to further reduce costs and our need for additional liquidity including liquidity from cash flows from operating activities and other liquidity enhancing initiatives (such as sale and leaseback type transactions) that may not materialize. Our forecasts are also dependent on the factors listed in the introduction to MD&A and the risk factors listed in Part I of our Annual Report on Form 10-K for the year ended December 31, 2008.

#### 4. Debt and Financing

Total debt consisted of the following:

<u>(in millions)</u>	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
Asset backed securitization borrowings, secured by accounts receivable	\$ 188.2	\$ 147.0
USF senior notes	154.0	154.9
Contingent convertible senior notes	376.6	375.8
Term loan	112.9	150.0
Revolving credit facility	427.4	515.0
Lease financing obligations	155.6	—
Industrial development bonds	6.0	7.0
Total debt	<u>\$1,420.7</u>	<u>\$ 1,349.7</u>
Current maturities of long-term debt	(382.6)	(415.3)
Current maturities of lease financing obligations	(1.0)	—
ABS borrowings	(188.2)	(147.0)
Long-term debt	<u>\$ 848.9</u>	<u>\$ 787.4</u>

As of March 31, 2009, we were in compliance with the various debt covenants under our lending agreements.

##### *Asset-Backed Securitization Facility*

At March 31, 2009, our underlying accounts receivable supported total capacity under our ABS Facility of \$283.0 million. In addition to the \$188.2 million outstanding, the ABS facility capacity was also reduced by outstanding letters of credit of \$92.2 million resulting in unused capacity of \$2.6 million at March 31, 2009.

##### *Lease Financing Obligations*

On January 30, 2009, we received \$102.2 million (\$101.1 million net of transaction costs) from the proceeds of a sale leaseback type transaction with NATMI. The underlying transaction included providing title of certain real estate assets to NATMI in exchange for proceeds of \$102.2 million; however, the transaction did not meet the accounting definition of a “sale leaseback” and as such, the assets remain on our balance sheet and long-term debt (titled Lease Financing Obligations) is reflected on our balance sheet in the amount of the proceeds. We are required to make annual lease payments, which are recorded as principal and interest payments, of approximately \$14.4 million under this arrangement. The proceeds received from this transaction are available to us for general working capital purposes.

On February 13, 2009, we received \$9.0 million from the proceeds of an additional closing for additional properties of the sale leaseback type transaction with NATMI. The terms of this transaction mirror the January 30, 2009, transaction. We are required to make annual lease payments, which are recorded as principal and interest payments of approximately \$1.3 million related to these properties. The proceeds received from this transaction are available to us for general working capital purposes.

In March 2009, we received \$23.8 million (\$22.5 million net of transaction costs) from the proceeds of a sale leaseback type transaction with Estes. Similar to the NATMI transactions, the underlying transaction included providing title of certain real estate assets to Estes in exchange for proceeds of \$23.8 million; however, the transaction did not meet the accounting definition of a “sale leaseback” and as such, the assets remain on our balance sheet and long-term debt (titled Lease Financing Obligations) is reflected on our balance sheet in the amount of the proceeds. We are required to make annual lease payments, which are recorded as principal and interest payments, of approximately \$2.1 million under this arrangement. Half of the proceeds received from this transaction were deposited into the Escrow Account described in the “Principles of Consolidation” note and, the remaining half was to be used to pay down our credit facility.

On March 31, 2009, we received \$22.5 million (\$19.8 million net of transaction costs) from the proceeds of a sale leaseback type transaction with an investor. Similar to the NATMI and Estes transactions, the underlying transaction included providing title of a previously owned office complex in exchange for proceeds of \$22.5 million; however, the transaction did not meet the accounting definition of a “sale leaseback” and as such, the assets remain on our balance sheet and long-term debt (titled Lease Financing Obligations) is reflected on our balance sheet in the amount of the proceeds. We are required to make annual lease payments, which are recorded as principal and interest payments, of approximately \$3.4 million under this arrangement. Half of the proceeds received from this transaction were deposited into the Escrow Account described in the “Principles of Consolidation” note and, the remaining half was used to pay down our credit facility.

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The effective interest rates on these lease financing obligations range from 10% to 18.4% as of March 31, 2009.

### *Contingent Convertible Senior Notes*

In May 2008, the FASB issued FASB Staff Position (“FSP”) No. APB 14-1, “Accounting for Convertible Debt Instruments that may be Settled in Cash upon Conversion (Including Partial Cash Settlement)”. This FSP clarifies that issuers of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) should separately account for the liability and equity components in a manner that will reflect the entity’s nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. We adopted the FSP on January 1, 2009.

The transition provisions require that the FSP be applied retrospectively to all periods presented. The cumulative effect of the change in accounting principle on prior periods presented is recognized as of the beginning of the first period presented, with the offsetting adjustment to shareholders’ equity. Accordingly, in the accompanying consolidated balance sheet as of December 31, 2008, we recognized a reduction in long-term debt of \$11.0 million, an increase in deferred income taxes, net of \$3.9 million, an increase in capital surplus of \$15.0 million, and an increase in retained deficit of \$7.9 million. Adoption of the FSP also resulted in the recognition of additional interest expense of \$0.8 million in the accompanying statements of consolidated operations for each of the three month periods ended March 31, 2009 and 2008.

### *Fair Value Measurement*

Based on the quoted market prices for the USF senior notes due 2010 and contingent convertible senior notes (level two inputs for fair value measurements as defined in SFAS No. 157, “Fair Value Measurements”), the fair value of fixed-rate debt at March 31, 2009 and December 31, 2008, was approximately \$346.0 million and \$212.7 million, respectively. The carrying amount of such fixed-rate debt at March 31, 2009 and December 31, 2008, was \$692.2 million and \$537.7 million, respectively.

## 5. **Restructuring and Reorganization**

During the first quarter of 2009, we closed 13 service centers that were previously a part of the Regional Transportation networks. As a part of this action, we incurred certain restructuring charges of approximately \$4.9 million consisting of employee severance, lease cancellations and other incremental costs. Also during the first quarter of 2009, we integrated our Yellow Transportation and Roadway networks into a single transportation network branded YRC. We incurred additional severance costs of \$31.1 million, including \$21.3 million in the National Transportation segment as we reduced headcount in response to both the YRC integration and lower volumes. Our National Transportation segment also recorded a \$5.5 million charge consisting of contract and lease cancellations related to the YRC integration. Finally, our YRC Logistics segment recorded \$2.1 million of severance and lease cancellation costs primarily in response to lower business levels.

During 2009, we also made payments under previous restructuring programs, primarily those charges incurred as a result of the Reddaway and USF Bestway combination.

We assess the accrual requirements under our restructuring efforts at the end of each reporting period. A rollforward of the restructuring accrual is set forth below:

<u>(in millions)</u>	<u>Employee Separation</u>	<u>Contract Termination and Other Costs</u>	<u>Total</u>
Balance at December 31, 2008	\$ 6.2	\$ 4.6	\$ 10.8
Restructuring charges	34.5	9.3	43.8
Payments	(8.1)	(2.5)	(10.6)
Balance at March 31, 2009	<u>\$ 32.6</u>	<u>\$ 11.4</u>	<u>\$ 44.0</u>

6. **Employee Benefits**

**Components of Net Periodic Pension and Other Postretirement Cost**

The following table sets forth the components of our company-sponsored pension and other postretirement costs for the three months ended March 31:

(in millions)	Pension Costs		Other Postretirement Costs	
	2009	2008	2009	2008
Service cost	\$ 0.8	\$ 8.9	\$ —	\$ 0.1
Interest cost	15.3	17.1	—	0.4
Expected return on plan assets	(14.0)	(18.4)	—	—
Amortization of prior service cost	—	0.3	—	0.1
Amortization of net loss (gain)	1.0	0.5	—	(0.3)
Net periodic pension cost	\$ 3.1	\$ 8.4	\$ —	\$ 0.3
Settlement cost	5.0	—	—	—
Total periodic pension cost	<u>\$ 8.1</u>	<u>\$ 8.4</u>	<u>\$ —</u>	<u>\$ 0.3</u>

*Curtailement and Settlement Events*

In 2008, we curtailed our defined benefit plans that cover approximately 14,000 employees not covered by collective bargaining agreements. As a result of this action, the service cost for the pension plans was reduced in 2009 as compared to 2008. During the first quarter of 2009, lump sum benefit payments increased and coupled with the reduced service cost resulted in a settlement charge of \$5.0 million during the three months ended March 31, 2009. This amount is included in “Salaries, wages and employees’ benefits” in the accompanying statements of operations.

7. **Stock-Based Compensation**

On January 2, 2009, we awarded to our non-union employees options to purchase up to an aggregate of 5.3 million shares of our common stock at an exercise price equal to \$3.34 per share. The options will vest at the rate of 25% per year and will expire in 10 years. The options were granted subject to shareholder approval as a part of our annual shareholder meeting which is planned for May 14, 2009. If such approval is not granted, the options automatically terminate.

On January 2, 2009, we also adopted a Non-Union Employee Stock Appreciation Right (“SAR”) Plan that awarded up to 5.3 million cash settled SARs. These SARs vest over the same four year period discussed above and automatically terminate if the Non-Union Employee Option Plan is approved by our shareholders.

The fair value of each SAR award is estimated using the Black-Scholes-Merton valuation model using our historical stock prices as the basis for the volatility assumption and using the U.S. Treasury rates as the basis for the assumed risk-free interest rate. In accordance with the Statement of Financial Accounting Standards No. 123(R), “Share-Based Payment,” the fair value of each SAR award is recalculated at the end of each reporting period and the liability and expense is adjusted based on the new fair value. The assumptions used to determine the fair value of the non-union employee SAR awards at March 31, 2009 were as follows:

Dividend yield	<u>2009</u> — %
Expected volatility	82.2%
Risk-free interest rate	1.4%
Expected life of SAR (years)	4
Fair value per SAR	<u>\$2.96</u>

Based on the above fair value calculation, we recognized compensation expense of \$0.9 million related to these outstanding SAR awards for the three months ended March 31, 2009.

On February 12, 2009, we formalized a Union Employee Option plan that provides for a grant of up to 11.4 million options to purchase our common stock at an exercise price equal to \$3.74 per share. As a part of the union wage reduction, we agreed to award a certain equity interest to all effected union employees. These options vested immediately and are exercisable after a

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twelve month period beginning for a substantial majority of options in February 2009. These options are subject to shareholder approval as a part of our annual shareholder meeting which is planned for May 14, 2009. If such approval is not granted, the options automatically terminate.

On February 12, 2009, we also formalized the Union Employee Stock Appreciation Right Plan that provides for a grant of up to 11.4 million cash settled SARs. These SARs vested immediately and are exercisable after the same twelve month period discussed above and automatically terminate if the Union Employee Option Plan is approved by our shareholders.

The assumptions used to determine the fair value of the union employee SAR awards at March 31, 2009 were as follows:

	<u>2009</u>
Dividend yield	— %
Expected volatility	112.3%
Risk-free interest rate	0.8%
Expected life of SAR (years)	2
Fair value per SAR	<u>\$ 2.76</u>

As of March 31, 2009, only 10.8 million SARs of the 11.4 million available had been distributed; accordingly, we recognized expense only on the outstanding SARs. Based on the fair value calculation above, we recognized compensation expense of \$29.9 million related to these outstanding SAR awards for three months ended March 31, 2009, which is included in 'Salaries, Wages and Benefits' in our accompanying statement of consolidated operations and 'Other Current Liabilities' on our consolidated balance sheet.

## 8. **Income Taxes**

### *Uncertain Tax Positions*

In 2008, the Company established for 2008 a reserve of approximately \$115.5 million relative to YRC Assurance Company, Ltd. (the Captive). In 2009, the ongoing dissolution of the Captive has caused the uncertain tax position for 2008 to be reversed, thereby offsetting the reserve established for 2008. Total liabilities for unrecognized tax benefits were \$85.0 million and \$199.8 million at March 31, 2009 and December 31, 2008, respectively. Amounts recorded for unrecognized tax benefits are included in "Other current and accrued liabilities" in the accompanying balance sheets.

## 9. **Earnings (Loss) Per Share**

Dilutive securities, consisting of options to purchase our common stock or rights to receive common stock in the future, are included in our calculation of diluted weighted average common shares and dilutive securities related to our net share settle contingent convertible notes are also included in our calculation of diluted weighted average common shares; however, due to our net loss position for the three months ended March 31, 2009 and 2008, there are no dilutive securities for these periods.

Antidilutive options and share units were 2,178,000 and 1,396,000 for the three months ended March 31, 2009 and 2008, respectively. Antidilutive convertible senior note conversion shares were 177,000 at March 31, 2009 and 2008.

## 10. **Business Segments**

We report financial and descriptive information about our reportable operating segments on a basis consistent with that used internally for evaluating segment performance and allocating resources to segments. We evaluate performance primarily on operating income and return on committed capital.

We have four reportable segments, which are strategic business units that offer complementary transportation services to their customers. National Transportation includes carriers that provide comprehensive regional, national and international transportation services. Regional Transportation is comprised of carriers that focus primarily on business opportunities in the regional and next-day delivery markets. YRC Logistics provides domestic and international freight forwarding, warehousing and cross-dock services, multi-modal brokerage services, and transportation management services. Truckload consists of Glen Moore, a domestic truckload carrier.

The accounting policies of the segments are the same as those described in the Summary of Accounting Policies note in our Annual Report on Form 10-K for the year ended December 31, 2008. We charge management fees and other corporate services

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to our segments based on the direct benefits received or as a percentage of revenue. Corporate and other operating losses represent residual operating expenses of the holding company, including compensation and benefits and professional services for all periods presented. Corporate identifiable assets primarily refer to cash, cash equivalents, investments in equity method affiliates and deferred debt issuance costs. Intersegment revenue primarily relates to transportation services between our segments.

The following table summarizes our operations by business segment:

<u>(in millions)</u>	<u>National Transportation</u>	<u>Regional Transportation</u>	<u>YRC Logistics</u>	<u>Truckload</u>	<u>Corporate/ Eliminations</u>	<u>Consolidated</u>
<b>As of March 31, 2009</b>						
Identifiable assets	\$ 2,184.8	\$ 1,185.3	\$ 207.2	\$ 70.2	\$ 27.2	\$ 3,674.7
<b>As of December 31, 2008</b>						
Identifiable assets	2,362.6	1,207.8	229.3	71.4	95.0	3,966.1
<b>Three months ended March 31, 2009</b>						
External revenue	1,022.6	354.9	108.9	16.4	—	1,502.8
Intersegment revenue	—	0.3	3.2	9.6	(13.1)	—
Operating income (loss)	(299.8)	(74.1)	(3.5)	(2.2)	0.4	(379.2)
<b>Three months ended March 31, 2008</b>						
External revenue	1,559.3	512.4	140.5	20.4	—	2,232.6
Intersegment revenue	0.5	0.1	9.2	5.2	(15.0)	—
Operating income (loss)	(7.2)	(37.6)	(1.1)	(5.1)	(2.4)	(53.4)

### 11. **Comprehensive Income (Loss)**

Comprehensive income (loss) for the three months ended March 31 follows:

<u>(in millions)</u>	<u>2009</u>	<u>2008</u>
Net income (loss)	\$(273.8)	\$(46.4)
Other comprehensive income (loss), net of tax:		
Net prior service cost	—	0.2
Net actuarial gains	0.6	0.2
Changes in foreign currency translation adjustments	(0.3)	(1.2)
Other comprehensive income (loss)	0.3	(0.8)
Comprehensive income (loss)	<u>\$(273.5)</u>	<u>\$(47.2)</u>

### 12. **Commitments, Contingencies, and Uncertainties**

#### *Asset Backed Securitization Facility*

In February 2009, we renewed and amended our ABS Facility. In connection with the renewal, the Company paid fees to the consenting bank parties equal to approximately \$3.8 million. An additional fee of approximately \$10.0 million will become due September 30, 2009, if the ABS Facility has not been terminated by such date and the Company does not have a corporate credit rating of B/B2 or better from Standard & Poor's ("S&P") and Moody's Investors Service, Inc. ("Moody's"), respectively, by such date. The Company's corporate credit ratings from S&P and Moody's are currently CCC/Caa3, respectively.

#### *Shanghai Jiayu Logistics Co., Ltd.*

On August 19, 2008, we completed the purchase of a 65% equity interest in Shanghai Jiayu Logistics Co., Ltd. ("Jiayu"), a Shanghai, China ground transportation company with a purchase price of \$47.7 million including transaction costs. Based on the 2008 results of Jiayu, we have the option to purchase the remaining 35% of the shares of Jiayu for approximately \$14 million. Any additional payment will be made in Chinese Yuan, and its estimated U.S. dollar equivalents are provided herein.



*Class Action Lawsuit*

On July 30, 2007, Farm Water Technological Services, Inc. d/b/a Water Tech, and C.B.J.T. d/b/a Agricultural Supply, on behalf of themselves and other plaintiffs, filed a putative class action lawsuit against the Company and 10 other companies engaged in the LTL trucking business in the United States District Court for the Southern District of California. Other plaintiffs filed similar cases in various courts across the nation, and in December 2007, the courts consolidated these cases in the United States District Court for the Northern District of Georgia. The plaintiffs alleged that the defendants, including the Company, conspired to fix fuel surcharges in violation of federal antitrust law and sought unspecified treble damages, injunctive relief, attorneys' fees and costs of litigation. In March 2009, the court dismissed the plaintiffs' cases with prejudice.

### 13. Guarantees of the Contingent Convertible Senior Notes

In August 2003, YRC Worldwide issued 5.0% contingent convertible senior notes due 2023. In November 2003, we issued 3.375% contingent convertible senior notes due 2023. In December 2004, we completed exchange offers pursuant to which holders of the contingent convertible senior notes could exchange their notes for an equal amount of net share settled contingent convertible senior notes. Substantially all notes were exchanged as part of the exchange offers. In connection with the net share settled contingent convertible senior notes, the following 100% owned subsidiaries of YRC Worldwide have issued guarantees in favor of the holders of the net share settled contingent convertible senior notes: YRC Inc., YRC Worldwide Technologies, Inc., YRC Logistics, Inc., YRC Logistics Global, LLC, Globe.com Lines, Inc., Roadway LLC, and Roadway Next Day Corporation. Each of the guarantees is full and unconditional and joint and several.

The condensed consolidating financial statements are presented in lieu of separate financial statements and other related disclosures of the subsidiary guarantors and issuer because management does not believe that separate financial statements and related disclosures would be material to investors. There are currently no significant restrictions on the ability of YRC Worldwide or any guarantor to obtain funds from its subsidiaries by dividend or loan.

The following represents condensed consolidating financial information as of March 31, 2009 and December 31, 2008, with respect to the financial position and for the three months ended March 31, 2009 and 2008, for results of operations and cash flows of YRC Worldwide and its subsidiaries. The Parent column presents the financial information of YRC Worldwide, the primary obligor of the contingent convertible senior notes. The Guarantor Subsidiaries column presents the financial information of all guarantor subsidiaries of the net share settled contingent convertible senior notes. The Non-Guarantor Subsidiaries column presents the financial information of all non-guarantor subsidiaries, including those subsidiaries that are governed by foreign laws and Yellow Roadway Receivables Funding Corporation, the special-purpose entity that is associated with our ABS agreement.

#### Condensed Consolidating Balance Sheets

March 31, 2009 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	\$ 204	\$ 11	\$ 34	\$ —	\$ 249
Restricted cash	18	—	—	—	18
Intercompany advances receivable	—	(61)	61	—	—
Accounts receivable, net	4	16	703	(5)	718
Prepaid expenses and other	(11)	148	75	—	212
Total current assets	215	114	873	(5)	1,197
Property and equipment	—	2,875	1,053	—	3,928
Less – accumulated depreciation	—	(1,498)	(301)	—	(1,799)
Net property and equipment	—	1,377	752	—	2,129
Investment in subsidiaries	2,783	(560)	203	(2,426)	—
Receivable from affiliate	(232)	143	89	—	—
Intangibles and other assets	307	199	193	(350)	349
Total assets	\$3,073	\$ 1,273	\$ 2,110	\$ (2,781)	\$ 3,675
Intercompany advances payable	\$ 560	\$ (237)	\$ (120)	\$ (203)	\$ —
Accounts payable	49	153	83	(2)	283
Wages, vacations and employees' benefits	24	265	100	—	389
Other current and accrued liabilities	196	163	70	—	429
Current maturities of long-term debt	378	6	188	—	572
Total current liabilities	1,207	350	321	(205)	1,673
Payable to affiliate	(45)	(26)	221	(150)	—
Long-term debt, less current portion	695	—	154	—	849
Deferred income taxes, net	(128)	171	139	—	182
Pension and postretirement	379	—	—	—	379
Claims and other liabilities	370	7	7	—	384
Commitments and contingencies					
Shareholders' equity	595	771	1,268	(2,426)	208
Total liabilities and shareholders' equity	\$3,073	\$ 1,273	\$ 2,110	\$ (2,781)	\$ 3,675

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December 31, 2008 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	\$ 295	\$ 9	\$ 21	\$ —	\$ 325
Intercompany advances receivable	—	(71)	71	—	—
Accounts receivable, net	2	(16)	858	(7)	837
Prepaid expenses and other	25	203	70	—	298
Total current assets	322	125	1,020	(7)	1,460
Property and equipment	—	2,914	1,064	—	3,978
Less – accumulated depreciation	—	(1,492)	(285)	—	(1,777)
Net property and equipment	—	1,422	779	—	2,201
Investment in subsidiaries	3,377	93	203	(3,673)	—
Receivable from affiliate	(712)	321	391	—	—
Intangibles and other assets	268	200	188	(351)	305
Total assets	<u>\$3,255</u>	<u>\$ 2,161</u>	<u>\$ 2,581</u>	<u>\$ (4,031)</u>	<u>\$ 3,966</u>
Intercompany advances payable	\$ 283	\$ (105)	\$ 25	\$ (203)	\$ —
Accounts payable	11	244	80	(1)	334
Wages, vacations and employees' benefits	20	242	95	—	357
Other current and accrued liabilities	56	157	279	(2)	490
Current maturities of long-term debt	414	1	147	—	562
Total current liabilities	784	539	626	(206)	1,743
Payable to affiliate	(47)	(23)	221	(151)	—
Long-term debt, less current portion	626	6	155	—	787
Deferred income taxes, net	20	199	24	—	243
Pension and postretirement	370	—	—	—	370
Claims and other liabilities	94	2	246	—	342
Commitments and contingencies	—	—	—	—	—
Shareholders' equity	1,408	1,438	1,309	(3,674)	481
Total liabilities and shareholders' equity	<u>\$3,255</u>	<u>\$ 2,161</u>	<u>\$ 2,581</u>	<u>\$ (4,031)</u>	<u>\$ 3,966</u>

### Condensed Consolidating Statements of Operations

For the three months ended March 31, 2009 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	\$ —	\$ 1,011	\$ 505	\$ (13)	\$ 1,503
Operating expenses:					
Salaries, wages and employees' benefits	11	786	370	—	1,167
Operating expenses and supplies	(11)	270	108	—	367
Purchased transportation	—	130	58	(13)	175
Depreciation and amortization	—	43	23	—	66
Other operating expenses	1	67	37	—	105
Losses on property disposals, net	—	2	—	—	2
Reorganization and settlements	—	—	—	—	—
Total operating expenses	1	1,298	596	(13)	1,882
Operating income (loss)	(1)	(287)	(91)	—	(379)
Nonoperating (income) expenses:					
Interest expense	22	1	9	—	32
Other, net	2	(17)	19	—	4
Nonoperating (income) expenses, net	24	(16)	28	—	36
Income (loss) before income taxes	(25)	(271)	(119)	—	(415)
Income tax benefit	(141)	—	—	—	(141)
Net income (loss)	<u>\$ 116</u>	<u>\$ (271)</u>	<u>\$ (119)</u>	<u>\$ —</u>	<u>\$ (274)</u>

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For the three months ended March 31, 2008  
(in millions)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	\$ —	\$ 1,540	\$ 703	\$ (10)	\$ 2,233
Operating expenses:					
Salaries, wages and employees' benefits	9	895	449	—	1,353
Operating expenses and supplies	(5)	328	163	—	486
Purchased transportation	—	181	83	(10)	254
Depreciation and amortization	—	38	25	—	63
Other operating expenses	—	73	40	—	113
Losses on property disposals, net	—	1	3	—	4
Reorganization and settlements	—	2	11	—	13
Total operating expenses	4	1,518	774	(10)	2,286
Operating income (loss)	(4)	22	(71)	—	(53)
Nonoperating (income) expenses:					
Interest expense	7	5	7	—	19
Other, net	7	24	(33)	—	(2)
Nonoperating (income) expenses, net	14	29	(26)	—	17
Income (loss) before income taxes	(18)	(7)	(45)	—	(70)
Income tax benefit	(24)	—	—	—	(24)
Net income (loss)	\$ 6	\$ (7)	\$ (45)	\$ —	\$ (46)

### Condensed Consolidating Statements of Cash Flows

For the three months ended March 31, 2009  
(in millions)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net cash provided by (used in) operating activities	\$ 99	\$ 17	\$ (210)	\$ —	\$ (94)
Investing activities:					
Acquisition of property and equipment	—	(15)	—	—	(15)
Proceeds from disposal of property and equipment	—	11	8	—	19
Restricted Cash	(18)	—	—	—	(18)
Net cash provided by (used in) investing activities	(18)	(4)	8	—	(14)
Financing activities:					
Asset backed securitization (payments) borrowings, net	—	—	41	—	41
Borrowing of long-term debt, net	30	(1)	—	—	29
Debt issuance cost	(28)	—	(10)	—	(38)
Intercompany advances / repayments	(174)	(10)	184	—	—
Net cash provided by (used in) financing activities	(172)	(11)	215	—	32
Net increase (decrease) in cash and cash equivalents	(91)	2	13	—	(76)
Cash and cash equivalents, beginning of period	295	9	21	—	325
Cash and cash equivalents, end of period	\$ 204	\$ 11	\$ 34	\$ —	\$ 249

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For the three months ended March 31, 2008  
(in millions)

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating activities:					
Net cash provided by (used in) operating activities	\$ 37	\$ 78	\$ (23)	\$ 1	\$ 93
Investing activities:					
Acquisition of property and equipment	—	(24)	(13)	—	(37)
Proceeds from disposal of property and equipment	—	—	4	—	4
Other	(1)	—	—	—	(1)
Net cash used in investing activities	(1)	(24)	(9)	—	(34)
Financing activities:					
Asset backed securitization borrowings, net	—	—	(60)	—	(60)
Borrowing of long-term debt, net	3	—	—	—	3
Intercompany advances / repayments	(41)	(54)	96	(1)	—
Net cash provided by (used in) financing activities	(38)	(54)	36	(1)	(57)
Net increase (decrease) in cash and cash equivalents	(2)	—	4	—	2
Cash and cash equivalents, beginning of period	26	15	17	—	58
Cash and cash equivalents, end of period	<u>\$ 24</u>	<u>\$ 15</u>	<u>\$ 21</u>	<u>\$ —</u>	<u>\$ 60</u>

14. **Guarantees of the Senior Notes Due 2010**

In connection with the senior notes due 2010 that Regional Transportation assumed by virtue of the Company's acquisition of USF Corporation, YRC Worldwide and its following 100% owned subsidiaries have issued guarantees in favor of the holders of the senior notes due 2010: USF Sales Corporation, USF Holland Inc., USF Reddaway Inc., USF Glen Moore Inc., YRC Logistics Services, Inc. and IMUA Handling Corporation. Each of the guarantees is full and unconditional and joint and several.

The condensed consolidating financial statements are presented in lieu of separate financial statements and other related disclosures of the subsidiary guarantors and issuer because management does not believe that such separate financial statements and related disclosures would be material to investors. There are currently no significant restrictions on the ability of YRC Worldwide or any guarantor subsidiary to obtain funds from its subsidiaries by dividend or loan.

The following represents condensed consolidating financial information of YRC Worldwide and its subsidiaries as of March 31, 2009 and December 31, 2008, with respect to the financial position and for the three months ended March 31, 2009 and 2008, for results of operations and cash flows. The primary obligor column presents the financial information of Regional Transportation. The Guarantor Subsidiaries column presents the financial information of all guarantor subsidiaries of the senior notes due 2010, including YRC Worldwide. The Non-Guarantor Subsidiaries column presents the financial information of all non-guarantor subsidiaries, including those subsidiaries that are governed by foreign laws and Yellow Roadway Receivables Funding Corporation, the special-purpose entity that is associated with our ABS agreement.

Condensed Consolidating Balance Sheet

March 31, 2009 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	\$ —	\$ 209	\$ 40	\$ —	\$ 249
Restricted cash	—	18	—	—	18
Intercompany advances receivable	—	(6)	6	—	—
Accounts receivable, net	10	33	691	(16)	718
Prepaid expenses and other	(6)	81	137	—	212
Total current assets	4	335	874	(16)	1,197
Property and equipment	—	861	3,067	—	3,928
Less – accumulated depreciation	—	(226)	(1,573)	—	(1,799)
Net property and equipment	—	635	1,494	—	2,129
Investment in subsidiaries	218	2,791	15	(3,024)	—
Receivable from affiliate	393	(471)	78	—	—
Intangibles and other assets	62	314	324	(351)	349
Total assets	\$ 677	\$ 3,604	\$ 2,785	\$ (3,391)	\$ 3,675
Intercompany advances payable	\$ 65	\$ 434	\$ (299)	\$ (200)	\$ —
Accounts payable	11	90	193	(11)	283
Wages, vacations and employees' benefits	—	101	288	—	389
Other current and accrued liabilities	25	224	185	(5)	429
Current maturities of long-term debt	—	378	194	—	572
Total current liabilities	101	1,227	561	(216)	1,673
Payable to affiliate	—	28	123	(151)	—
Long-term debt, less current portion	154	695	—	—	849
Deferred income taxes, net	18	(18)	182	—	182
Pension and postretirement	—	379	—	—	379
Claims and other liabilities	1	371	12	—	384
Commitments and contingencies	—	—	—	—	—
Shareholders' equity	403	922	1,907	(3,024)	208
Total liabilities and shareholders' equity	\$ 677	\$ 3,604	\$ 2,785	\$ (3,391)	\$ 3,675

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December 31, 2008 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	\$ —	\$ 299	\$ 26	\$ —	\$ 325
Intercompany advances receivable	—	(7)	7	—	—
Accounts receivable, net	—	5	846	(14)	837
Prepaid expenses and other	(6)	110	194	—	298
Total current assets	(6)	407	1,073	(14)	1,460
Property and equipment	—	869	3,109	—	3,978
Less – accumulated depreciation	—	(212)	(1,565)	—	(1,777)
Net property and equipment	—	657	1,544	—	2,201
Investment in subsidiaries	218	3,376	8	(3,602)	—
Receivable from affiliate	392	(912)	520	—	—
Intangibles and other assets	64	273	319	(351)	305
Total assets	<u>\$ 668</u>	<u>\$ 3,801</u>	<u>\$ 3,464</u>	<u>\$ (3,967)</u>	<u>\$ 3,966</u>
Intercompany advances payable	\$ 65	\$ 181	\$ (46)	\$ (200)	\$ —
Accounts payable	5	49	288	(8)	334
Wages, vacations and employees' benefits	—	94	263	—	357
Other current and accrued liabilities	21	81	393	(5)	490
Current maturities of long-term debt	—	414	148	—	562
Total current liabilities	91	819	1,046	(213)	1,743
Payable to affiliate	—	26	125	(151)	—
Long-term debt, less current portion	155	626	6	—	787
Deferred income taxes, net	18	129	96	—	243
Pension and postretirement	—	370	—	—	370
Claims and other liabilities	1	98	243	—	342
Commitments and contingencies	—	—	—	—	—
Shareholders' equity	403	1,733	1,948	(3,603)	481
Total liabilities and shareholders' equity	<u>\$ 668</u>	<u>\$ 3,801</u>	<u>\$ 3,464</u>	<u>\$ (3,967)</u>	<u>\$ 3,966</u>

### Condensed Consolidating Statements of Operations

For the three months ended March 31, 2009 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	\$ —	\$ 369	\$ 1,140	\$ (6)	\$ 1,503
Operating expenses:					
Salaries, wages and employees' benefits	—	284	883	—	1,167
Operating expenses and supplies	—	93	274	—	367
Purchased transportation	—	10	171	(6)	175
Depreciation and amortization	—	18	48	—	66
Other operating expenses	—	33	72	—	105
Losses on property disposals, net	—	1	1	—	2
Reorganization and settlements	—	—	—	—	—
Total operating expenses	—	439	1,449	(6)	1,882
Operating income (loss)	—	(70)	(309)	—	(379)
Nonoperating (income) expenses:					
Interest expense	3	22	7	—	32
Other, net	(3)	(1)	8	—	4
Nonoperating (income) expenses, net	—	21	15	—	36
Income (loss) before income taxes	—	(91)	(324)	—	(415)
Income tax benefit	—	(141)	—	—	(141)
Net income (loss)	<u>\$ —</u>	<u>\$ 50</u>	<u>\$ (324)</u>	<u>\$ —</u>	<u>\$ (274)</u>

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For the three months ended March 31, 2008 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	\$ —	\$ 530	\$ 1,713	\$ (10)	\$ 2,233
Operating expenses:					
Salaries, wages and employees' benefits	1	325	1,027	—	1,353
Operating expenses and supplies	(3)	156	333	—	486
Purchased transportation	—	27	237	(10)	254
Depreciation and amortization	2	18	43	—	63
Other operating expenses	—	35	78	—	113
Losses on property disposals, net	—	2	2	—	4
Reorganization and settlements	1	10	2	—	13
Total operating expenses	1	573	1,722	(10)	2,286
Operating income (loss)	(1)	(43)	(9)	—	(53)
Nonoperating (income) expenses:					
Interest expense	4	7	8	—	19
Other, net	(10)	21	(13)	—	(2)
Nonoperating (income) expenses, net	(6)	28	(5)	—	17
Income (loss) before income taxes	5	(71)	(4)	—	(70)
Income tax benefit	—	(24)	—	—	(24)
Net income (loss)	\$ 5	\$ (47)	\$ (4)	\$ —	\$ (46)

### Condensed Consolidating Statement of Cash Flows

For the three months ended March 31, 2009 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net cash (used in) provided by operating activities	\$ —	\$ 104	\$ (198)	\$ —	\$ (94)
Investing activities:					
Acquisition of property and equipment	—	(2)	(13)	—	(15)
Proceeds from disposal of property and equipment	—	8	11	—	19
Restricted Cash	—	(18)	—	—	(18)
Net cash used in investing activities	—	(12)	(2)	—	(14)
Financing activities:					
Asset backed securitization payments, net	—	—	41	—	41
Borrowing of long-term debt, net	—	30	(1)	—	29
Debt issuance cost	—	(28)	(10)	—	(38)
Intercompany advances / repayments	—	(184)	184	—	—
Net cash provided by (used in) financing activities	—	(182)	214	—	32
Net (decrease) increase in cash and cash equivalents	—	(90)	14	—	(76)
Cash and cash equivalents, beginning of Period	—	299	26	—	325
Cash and cash equivalents, end of year	\$ —	\$ 209	\$ 40	\$ —	\$ 249



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For the three months ended March 31, 2008 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net cash provided by operating activities	\$ 7	\$ (2)	\$ 87	\$ 1	\$ 93
Investing activities:					
Acquisition of property and equipment	—	(12)	(25)	—	(37)
Proceeds from disposal of property and equipment	—	4	—	—	4
Other	—	(1)	—	—	(1)
Net cash used in investing activities	—	(9)	(25)	—	(34)
Financing activities:					
Asset backed securitization borrowings, net	—	—	(60)	—	(60)
Borrowing of long-term debt, net	—	3	—	—	3
Intercompany advances / repayments	(7)	8	—	(1)	—
Net cash provided by (used in) financing activities	(7)	11	(60)	(1)	(57)
Net increase (decrease) in cash and cash equivalents	—	—	2	—	2
Cash and cash equivalents, beginning of Period	—	29	29	—	58
Cash and cash equivalents, end of year	\$ —	\$ 29	\$ 31	\$ —	\$ 60

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

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 of YRC Worldwide Inc. (also referred to as "YRC Worldwide", the "Company", "we" or "our"). MD&A and certain statements in the Notes to 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 (each a "forward-looking statement"). Forward-looking statements include those preceded by, followed by or include the words "should," "could," "would," "will," "may," "expect," "believe," "estimate" or similar expressions. Our actual results could differ materially from those projected by these forward-looking statements due to a number of factors, including (without limitation), inflation, inclement weather, price and availability of fuel, sudden changes in the cost of fuel or the index upon which the Company bases its fuel surcharge, competitor pricing activity, expense volatility, including (without limitation) expense volatility due to changes in rail service or pricing for rail service, ability to capture cost reductions, including (without limitation) those cost reduction opportunities arising from the integration of the Company's Yellow Transportation and Roadway networks to become the YRC network, changes in equity and debt markets, a downturn in general or regional economic activity, effects of a terrorist attack, and labor relations, including (without limitation), the impact of work rules, work stoppages, strikes or other disruptions, any obligations to multi-employer health, welfare and pension plans, wage requirements and employee satisfaction and the risk factors that are from time to time included in our reports filed with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the year ended December 31, 2008.

#### **Results of Operations**

This section focuses on the highlights and significant items that impacted our operating results during the first quarter. We have presented a discussion regarding the operating results of each of our four operating segments: National Transportation, Regional Transportation, YRC Logistics and Truckload.

#### **Consolidated Results**

Our consolidated results for the three months ended March 31, 2009 and 2008 include the results of each of the operating segments discussed below and corporate charges. A more detailed discussion of the operating results of our segments is presented below.

The table below provides summary consolidated financial information for the three months ended March 31:

<u>(in millions)</u>	<u>2009</u>	<u>2008</u>	<u>Percent Change</u>
Operating revenue	\$1,502.8	\$2,232.6	(32.7%)
Operating income (loss)	(379.2)	(53.4)	n/m <sup>(a)</sup>
Nonoperating expenses, net	35.9	17.4	n/m
Net income (loss)	<u>\$ (273.8)</u>	<u>\$ (46.4)</u>	<u>n/m</u>

(a) Not meaningful.

#### *Three months ended March 31, 2009 compared to three months ended March 31, 2008*

Our consolidated operating revenue decreased \$729.8 million during the three months ended March 31, 2009 versus the same period in 2008 due to decreased revenue at all of our operating companies with the exception of our Truckload segment, whose revenue was slightly higher than the same period in 2008. In general, pricing or yield increased modestly (other than Regional Transportation whose yield declined) while overall volumes were down compared to the comparable prior year quarter. Our volumes were impacted by multiple factors, most notably the economy and business diversion due to customer concerns surrounding the integration of our national networks and our financial stability. Additionally, revenue was also negatively impacted by lower fuel surcharge revenue in the first three months of 2009 as compared to the same period in 2008.

Consolidated operating revenue includes fuel surcharge revenue. Fuel surcharges are common throughout our industry and represent an amount that we charge 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 the Company's adjustment of base rates in response to changes in fuel surcharge. 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 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.

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Consolidated operating loss increased significantly during the three months ended March 31, 2009 as compared to the same period in 2008 and is reflective of decreased operating revenue at all of our operating companies. Significant volume declines within our National Transportation and Regional Transportation segments resulted in an operating loss of \$379.2 million for the first quarter of 2009, a significantly larger operating loss from the prior year comparable quarter. Operating expenses for the quarter were down \$404.0 million as compared to the same period in 2008 and were comprised of a \$186.1 million decrease in salaries, wages and benefits, a \$118.9 million decrease in operating expenses and supplies, a \$79.1 million decrease in purchased transportation, which is attributable to declining volumes, and an \$8.1 million decrease in other operating expenses. These expense reductions however did not keep pace with the significant revenue decline thus resulting in the operating loss for the 2009 quarter. Additionally, in 2008 the Company recorded reorganization and settlement charges of \$12.8 million primarily related to the closure of 27 service centers in our Regional Transportation segment. Similar closure costs occurred in 2009 within both National Transportation (primarily a result of the YRC integration) and Regional Transportation and are classified within the various expense captions as discussed below.

The decrease in salaries, wages and benefits in the first quarter of 2009 is largely due to a 10% wage reduction for most union and non-union employees resulting in a \$90.0 million expense reduction in 2009 offset by equity consideration of approximately \$30.8 million given to those employees affected by the reduction. Additionally, the decrease in salaries and benefits is a result of lower headcount in the current year due to lower volumes partially offset by severance benefits of \$34.5 million and pension settlement costs of \$5.0 million associated with one of our defined benefit plans and an increase in workers' compensation expense of \$19.5 million over first quarter 2008 due mostly to unfavorable development of prior year claims. The decrease in operating expenses and supplies is a result of lower fuel costs of 58.7%, due to lower diesel prices and reduced miles driven, lower vehicle maintenance of 17.0% partially offset by an increase in bad debt expense of \$11.2 million or 131.2% and a slight increase in professional services. Finally, the decrease in other operating expenses is due to the decrease in fuel and oil tax due to declining volumes.

Our consolidated operating income during the first quarter of 2009 was also unfavorably impacted by \$1.6 million of losses from both the sale of property and equipment and the fair value adjustments of property held for sale versus \$3.5 million of losses for the same period in 2008.

Nonoperating expenses consist primarily of interest expense, which increased significantly in the first quarter of 2009 from 2008 due to increased borrowings under our asset-backed securitization facility and credit facility as well as an increase in interest rates based on our amended credit facility terms all of which resulted in additional interest of \$4.0 million. Additionally, the increase in interest expense is attributable to increased net deferred debt cost amortization of \$5.3 million and additional interest related to our lease financing obligations of \$2.4 million for the three months ended March 31, 2009.

Our effective tax rate for the three months ended March 31, 2009 was 34.1% compared to 34.5% for the three months ended March 31, 2008. Significant items impacting the 2009 rate include a state tax benefit, certain permanent items and a valuation allowance established for the net deferred tax asset balance projected for the year-end 2009. We recognize valuation allowances on deferred tax assets if, based on the weight of the evidence, we believe that some or all of our deferred tax 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 year's 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.

### **National Transportation Results**

National Transportation represented approximately 68% and 70% of our consolidated revenue in the first quarter of 2009 and 2008, respectively. The table below provides summary financial information for National Transportation for the three months ended March 31:

<u>(in millions)</u>	<u>2009</u>	<u>2008</u>	<u>Percent Change</u>
Operating revenue	\$1,022.6	\$1,559.8	(34.4%)
Operating income (loss)	(299.8)	(7.2)	n/m (a)
Operating ratio	129.3%	100.5%	28.8pp (b)

(a) Not meaningful.

(b) Percentage points.

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### *Three months ended March 31, 2009 compared to three months ended March 31, 2008*

National Transportation reported first quarter 2009 operating revenue of \$1,022.6 million, representing a decrease of \$537.2 million or 34.4% from the first quarter of 2008. The two primary components of operating revenue are volume, comprised of the number of shipments and the weight per shipment, and price, usually evaluated on a per hundred weight basis. The decline in operating revenue was largely driven by a 29.5% decline in picked up tonnage per day. The decline in picked up tonnage per day was made up of a 27.1% decline in shipments per day and a 3.2% decline in weight per shipment.

The decline in tonnage resulted from a weakening economy and the diversion of freight by certain customers to other carriers. As the economy has continued to deteriorate, capacity is more readily available and competition for available loads has intensified. Additionally, we believe that certain customers diverted freight during the first quarter of 2009 due to perceived uncertainty around our financial stability as well as the integration of the Yellow Transportation and Roadway networks which was completed in March 2009. We believe that the impact of freight diversion in the first quarter of 2009 is substantially greater than the impact in the prior year quarter that resulted from uncertainty and timing around union labor contract negotiations.

The decline in tonnage was impacted further by a 6.5% decline in revenue per hundred weight. The decline in revenue per hundred weight was mostly the result of lower fuel surcharge revenue partially offset by higher base pricing that resulted from improvements in business mix and contractual rate increases. Lower fuel surcharge revenue is associated with substantially lower diesel fuel prices in the first quarter of 2009 compared to the prior year quarter. Additionally, higher than normal revenue reserve adjustments contributed to the decline in revenue and was largely a result of the 2009 YRC network integration.

Operating loss for National Transportation was \$299.8 million in the first quarter of 2009 compared to an operating loss of \$7.2 million in the prior year. Revenue was lower by \$537.2 million while total costs only decreased by \$244.6 million. The cost declines consisted primarily of lower salaries, wages and benefits of \$137.6 million, lower purchased transportation costs of \$55.8 million, lower operating expenses and supplies of \$41.5 million and lower other operating expenses of \$6.9 million.

The decline in salaries, wages and benefits was due mostly to a decline in hourly wages and benefits of \$138.4 million or 18.3% and a decline of \$7.5 million in salaries and benefits partially offset by higher workers' compensation expense of \$11.7 million. The decline in hourly wages and benefits resulted from lower volume that was partially offset by higher labor costs associated with the implementation of the integrated YRC network, higher costs associated with the ongoing contractual wage and benefit increases and higher costs related to non-union hourly severance benefits.

Additionally, salaries and wages for most union and non-union employees were reduced by 10% during the quarter in exchange for equity consideration that partially offset these reductions. The decrease in salaries and benefits resulted from lower headcount in the current year and the 10% pay reduction discussed above partially offset by severance benefits and pension settlement costs associated with a lump sum retirement payout provision provided by one of our defined benefit pension plans. The increase in workers' compensation expense was due mostly to unfavorable development of prior year claims.

The decline in purchased transportation resulted primarily from lower volumes during the quarter. Rail costs were down 40.0% due to lower volume and substantially lower fuel surcharges compared to the prior year while externally purchased trucking costs were down 33.3%.

Operating expenses and supplies declined mostly due to lower volumes and a decrease in fuel costs. Fuel and oil costs were 59.8% lower than the prior year. This decline was partially offset by higher costs associated with the network integration including facility closure costs, relocation costs, costs associated with branding as well as other costs. Additionally, bad debt expense increased \$9.4 million, or 132.1% in the first quarter of 2009 compared to the prior year due to a continued increase of bankruptcies and similar credit risks in our customer base.

The decline in other operating expenses is due primarily to a decline in fuel taxes related to fewer miles driven.

Claims and insurance costs were slightly lower when compared to the prior year. Higher costs associated with general liability claims were essentially offset by lower cargo claims expense. General liability claims increased \$4.8 million in the first quarter of 2009 compared to the prior year quarter due to unfavorable development of prior year claims while cargo claims were \$5.1 million lower than the prior year quarter due primarily to fewer shipments.

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### Regional Transportation Results

Regional Transportation represented approximately 23% of our consolidated revenue in the first quarter of 2009 and 2008. The table below provides summary financial information for YRC Regional Transportation for the three months ended March 31:

<u>(in millions)</u>	<u>2009</u>	<u>2008</u>	<u>Percent Change</u>
Operating revenue	\$355.2	\$512.5	(30.7%)
Operating income (loss)	(74.1)	(37.6)	97.1%
Operating ratio	120.9%	107.3%	13.6pp (a)

(a) Percentage points.

#### *Three months ended March 31, 2009 compared to three months ended March 31, 2008*

Regional Transportation reported operating revenue of \$355.2 million for the quarter ended March 31, 2009, representing a decrease of \$157.3 million, or 30.7% from the quarter ended March 31, 2008. The decreased operating revenue was driven by lower business volumes and weaker pricing including lower fuel surcharge revenue. Total weight per day was down 27.7%, representing a 23.8% decline in total shipments per day and a 5.2% lower total weight per shipment compared to last year. Shipment volumes were negatively impacted by a continued weak economy and the closure of six service centers in the Holland network and 21 service centers in the Reddaway network during February 2008. At the end of March 2009, Holland closed 13 service centers, primarily in the Northeast as part of continuing efforts to optimize our networks, improve service quality and reduce costs. Holland customers in the impacted areas will be served through the transportation services offered by New Penn and YRC, both sister companies to Holland.

Total revenue per hundred weight decreased 8.6% in the first quarter 2009 as compared to the first quarter 2008, primarily due to lower fuel surcharge revenue associated with lower diesel fuel prices and continued competitive price pressures in the marketplace. A meaningful portion of our regional footprint is concentrated in the Upper Midwest where business levels and market pricing pressure has been especially difficult due to the economic challenges in automotive and manufacturing industry segments.

Operating loss for Regional Transportation was \$74.1 million for the first quarter 2009, an increase of \$36.5 million from the first quarter 2008, consisting of a \$157.3 million decline in revenue and a \$120.8 million decrease in operating expenses. Regional Transportation has reduced most operating expenses in proportion to lower tonnage and shipment volumes. Material expense decreases were in salaries, wages and benefits of \$49.8 million, operating expenses and supplies of \$49.4 million, purchased transportation of \$8.2 million, losses on property disposals of \$1.5 million and reorganizations and settlements of \$11.1 million.

Salaries, wages and benefits expense decreased 14.9% in the first quarter of 2009 reflecting lower employee levels as well as compensation and benefit reductions for most employees in Regional Transportation. These decreases were partially offset by the equity ownership program for union employees, higher employee benefit costs and higher workers' compensation costs mostly as a result of unfavorable prior year claims. Operating expenses and supplies decreased 38.3% reflecting a 10.6% reduction in costs other than fuel and a 61.2% decrease in fuel costs (due to lower fuel prices and reduced miles driven). Costs were lower in the areas of equipment maintenance, facilities, travel and related expenses as a result of lower business volumes, effective cost management and terminal closures. Purchased transportation was 34.4% lower due to lower business volumes and the in-sourcing of certain linehaul transportation from third-party providers. Other operating expenses decreased 0.9% in the first quarter of 2009 versus the same period in 2008, mainly in the areas of operating taxes, licenses and insurance primarily due to lower business volumes, mostly offset by a higher provision for bodily injury and property damage claims due to severe current period claims and prior period claim development.

Losses on property disposals were \$0.2 million in first quarter 2009 compared to \$1.7 million in first quarter 2008. Regional Transportation incurred \$4.9 million of employee severance and lease termination costs in the first quarter 2009 for the closure of 13 Holland service centers, as noted above. The 2009 service center closure costs were recorded in salaries, wages and benefits expense (primarily severance) and operating expenses and supplies expense (primarily lease cancellation costs). Reorganization costs in first quarter 2008 were \$11.1 million related to the closure of Holland and Reddaway service centers during February 2008. These costs consisted primarily of employee severance and lease termination costs.

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### YRC Logistics Results

YRC Logistics represented approximately 7% and 6% of our consolidated revenue in the first quarter of 2009 and 2008. The table below provides summary financial information for our YRC Logistics segment for the three months ended March 31:

<u>(in millions)</u>	<u>2009</u>	<u>2008</u>	<u>Percent Change</u>
Operating revenue	\$ 112.1	\$ 149.7	(25.1%)
Operating income (loss)	(3.5)	(1.1)	n/m <sup>(a)</sup>
Operating ratio	103.1%	100.7%	2.4pp <sup>(b)</sup>

(a) Not meaningful.

(b) Percentage points.

#### *Three months ended March 31, 2009 compared to three months ended March 31, 2008*

In the first quarter of 2009, YRC Logistics operating revenue decreased \$37.6 million, or 25.1%, from the first quarter of 2008. YRC Logistics noticed revenue declines in each of its service offerings as a result of the weakening global economy. Decreases in revenue for distribution services were caused by deteriorating economic conditions in the retail sector and YRC Logistics' decision to exit its domestic ocean service offering in June 2008. Revenue declines due to reduced volumes in transportation services can be largely attributed to the slowing manufacturing sector. Global services revenue fell as shipment counts declined throughout the world from the depressed economic conditions.

YRC Logistics first quarter 2009 operating loss was \$3.5 million compared to an operating loss of \$1.1 million in the first quarter of 2008. YRC Logistics revenue was lower by \$37.6 million while total costs only decreased by \$35.2 million. As a result of declining business volumes in 2009, headcount was reduced, resulting in first quarter 2009 severance expense of \$1.2 million included in salaries, wages and employees' benefits. This amount was offset by favorable claim development resulting in a reduction in workers compensation expense of \$2.3 million also included in salaries, wages and employees' benefits. Operating expenses and supplies collectively trended down 19.1% in the first quarter of 2009 versus the first quarter of 2008 and was primarily comprised of reductions in fuel costs of \$2.3 million or 55.5% due to the reduction in both base costs and usage, offset by increases in professional services of \$0.7 million or 17.2%, provision for uncollectible accounts of \$0.4 million or 61.2% and unfavorable development in accident claims of \$0.2 million or 13.7%. Depreciation expense in the first quarter of 2009 was \$0.4 million less than the first quarter of 2008 representing an 11.5% decrease.

### Truckload Results

Truckload represented approximately 2% and 1% of our consolidated revenue in the first quarter of 2009 and 2008. The table below provides summary financial information for our Truckload segment for the three months ended March 31:

<u>(in millions)</u>	<u>2009</u>	<u>2008</u>	<u>Percent Change</u>
Operating revenue	\$ 26.0	\$ 25.6	1.7%
Operating income (loss)	(2.2)	(5.1)	55.5%
Operating ratio	108.6%	119.8%	(11.2pp) <sup>(a)</sup>

(a) Percentage points.

#### *Three months ended March 31, 2009 compared to three months ended March 31, 2008*

Truckload reported operating revenue of \$26.0 million for the quarter ended March 31, 2009, representing an increase of \$0.4 million or 1.7% from the quarter ended March 31, 2008. The two primary components of truckload operating revenue are volume, comprised of the miles driven, and price, usually evaluated on a revenue per mile basis. Total miles driven per day were up 16.1% in the first quarter 2009 as compared to 2008 due primarily to higher use by YRC Worldwide operating companies as they convert rail miles to road service partially offset by lower external volumes due to the soft economy. Revenue per mile was down 12.4%, due primarily to lower fuel surcharge revenue associated with lower diesel fuel prices.

Operating loss for Truckload was \$2.2 million for the first quarter 2009, an improvement of \$2.9 million from the first quarter of 2008, consisting of a \$0.4 million increase in revenue and a \$2.5 million decrease in operating expenses. Expense decreases were primarily in the areas of fuel costs (lower diesel prices partially offset by higher miles driven), driver recruiting costs, purchased transportation costs, equipment depreciation and bodily injury and property damage costs. Increased operating expenses were primarily due to higher wages and benefits costs of \$2.2 million.

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### Financial Condition

#### Liquidity

The current global credit market crisis and economic recession continue to have a dramatic effect on our industry. Overall U.S. economic trends are declining as evidenced in most indices including those applicable to the retail sector, manufacturing, construction and housing. Declining economic activity, as evidenced by these trends, negatively impacts our customers' needs to ship and, therefore, negatively impacts the volume of freight we service and the price we receive for our services. As a result, we continue to experience declining revenue (primarily a function of declining volume) and increased operating losses. In addition, we believe that some of our customers have reduced their shipments with YRC to mitigate the risks of integration of our Yellow Transportation and Roadway networks. We experienced these reduced shipment levels in March 2009 to a greater extent and for a longer period than we anticipated when planning the integration. As a result, our financial results have fallen short of our previous expectations. As our service has improved from the integration, from mid-April 2009 through early May 2009, we have experienced an increasing shipment trend as many of these customers are now returning their shipping volumes to YRC. However, we cannot predict how quickly and to what extent these volumes will return.

The deterioration in our operating results coupled with the economic recession has reduced our overall liquidity, including having reduced cash available under our ABS Facility that utilizes accounts receivable from our operating subsidiaries.

The following table provides details of the outstanding components and available unused capacity under the Credit Agreement and ABS facility at each period end:

<u>(in millions)</u>	<u>March 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
<b>Capacity:</b>		
Revolving loan	\$ 950.0	\$ 950.0
ABS facility	500.0	500.0
Total maximum capacity	<u>1,450.0</u>	<u>1,450.0</u>
<b>Amounts outstanding:</b>		
Revolving loan	(427.4)	(515.0)
Letters of credit	(590.7)	(460.5)
ABS facility	(188.2)	(147.0)
ABS usage for captive insurance company (see below)	—	(221.0)
Total outstanding	<u>(1,206.3)</u>	<u>(1,343.5)</u>
Unused capacity	<u>\$ 243.7</u>	<u>\$ 106.5</u>
Available unused capacity	<u>\$ 26.7</u>	<u>\$ 41.9</u>

The ABS facility permits borrowings of up to \$500 million based on qualifying accounts receivable of the Company. However, at March 31, 2009 and December 31, 2008, our underlying accounts receivable supported total capacity under the ABS facility of \$283.0 million and \$435.4 million, respectively. Considering this limitation, available unused capacity under the credit agreement and the ABS Facility at March 31, 2009 and December 31, 2008, was \$26.7 million and \$41.9 million, respectively.

YRC Assurance Co. Ltd. ("YRC Assurance") was the Company's captive insurance company domiciled in Bermuda and a wholly owned and consolidated subsidiary of YRC Worldwide. YRC Assurance insured certain of our subsidiaries for certain of their respective self-insured obligations for workers' compensation liabilities. Certain qualifying investments were made by YRC Assurance as required by Bermuda regulations. These investments included purchasing a position in the underlying receivables supporting our ABS Facility. As a result, as shown in the table above, our capacity under the ABS Facility was reduced by YRC Assurance's investment in receivables of \$221.0 million at December 31, 2008. Our amended Credit Agreement required us to cease the participation of YRC Assurance in the ABS Facility. We have complied with this requirement and YRC Assurance is in the process of being dissolved. As a result of these transactions, the operating companies who received insurance from YRC Assurance are now self-insured for their workers' compensation liabilities.

At April 30, 2009, our aggregated cash balance and available unused capacity under the credit agreement and ABS Facility was \$220.9 million.

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### *Lease Financing Transactions*

In an effort to generate liquidity and pay down bank debt, we have entered into several lease financing transactions as discussed below.

#### *NATMI*

The Company and NATMI Truck Terminals, LLC (“NATMI”) entered into a Real Estate Sales Contract, effective December 19, 2008, as amended (the “NATMI Contract”), pursuant to which certain subsidiaries of the Company would sell and simultaneously lease back a pool of facilities located throughout the U. S. The aggregate purchase price for the subject facilities was approximately \$150.4 million.

On January 30, 2009, we received \$102.2 million (\$101.1 million net of transaction costs) from the proceeds of a sale leaseback type transaction with NATMI. The underlying transaction included providing title of certain real estate assets to NATMI in exchange for proceeds of \$102.2 million; however, the transaction did not meet the accounting definition of a “sale leaseback” and as such, the assets remain on our balance sheet and long-term debt (titled Lease Financing Obligations) is reflected on our balance sheet in the amount of the proceeds. We are required to make annual lease payments, which are recorded as principal and interest payments, of approximately \$14.4 million under this arrangement. The proceeds received from this transaction are available to us for general working capital purposes.

On February 13, 2009, we received \$9.0 million from the proceeds of an additional closing for additional properties of the sale leaseback transaction with NATMI. The terms of this transaction mirror the January 30, 2009, transaction. We are required to make annual lease payments, which are recorded as principal and interest payments of approximately \$1.3 million related to these properties. The proceeds received from this transaction are available to us for general working capital purposes.

On April 21, 2009, the Company and NATMI agreed to modify the NATMI Contract to remove certain facilities that have not closed and extend the closing date for certain facilities with an aggregate purchase price of approximately \$16 million. The Company expects to close on these facilities during the second quarter of 2009, subject to the satisfaction of normal and customary closing conditions, and the ability of the Company to obtain lien releases from the collateral agent under the Credit Agreement.

#### *Estes*

On February 13, 2009, we entered into agreements (the “Original Estes Contracts”) to sell certain real estate assets for approximately \$122 million under sale and leaseback type transactions with Estes Express Lines (“Estes”), subject to the satisfaction of normal and customary due diligence and related conditions, including Estes’ right to terminate each Contract in its sole discretion during the inspection period, and the ability of the Company to obtain lien releases from the collateral agent under the Credit Agreement. We expect to close on these agreements at various points through June 2009. If all of these transactions close, annual lease payments, which are recorded as principal and interest payments will approximate \$11 million.

In March 2009, we received \$23.8 million (\$22.5 million net of transaction costs) from the proceeds of a sale leaseback type transaction with Estes as a part of the February 13, 2009 agreement discussed above. Similar to the NATMI transactions, the underlying transaction included providing title of certain real estate assets to Estes in exchange for proceeds of \$23.8 million; however, the transaction did not meet the accounting definition of a “sale leaseback” and as such, the assets remain on our balance sheet and long-term debt is reflected on our balance sheet in the amount of the proceeds. We are required to make annual lease payments, which are recorded as principal and interest payments, of approximately \$2.1 million under this arrangement. Half of the proceeds received from this transaction were deposited into the escrow account previously described in the “Principles of Consolidation” note to our consolidated financial statements, and the remaining half was used to pay down our credit facility.

On April 22, 2009, subsidiaries of the Company entered into additional real estate sales contracts (collectively, the “New Estes Contracts”) with Estes to sell and simultaneously lease back a pool of the subsidiaries’ facilities located throughout the U.S., including facilities originally a part of the transaction with NATMI described above. The aggregate purchase price for the subject facilities is approximately \$32 million and initial annual lease payments for the subject facilities would be approximately \$2.9 million in the aggregate. The terms of the New Estes Contracts and related leases are consistent with the terms of the Original Estes Contracts. The Company expects to close the sale and leaseback transactions under the New Estes Contracts during the second quarter of 2009, subject to the satisfaction of normal and customary due diligence and related conditions, including Estes’ right to terminate each Contract in its sole discretion during the inspection period, and the ability of the Company to obtain lien releases from the collateral agent under the Credit Agreement.



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The New Estes Contracts are in addition to the Original Estes Contracts entered into on February 13, 2009 between Estes and subsidiaries of the Company for an aggregate purchase price of approximately \$154 million.

### *Other Lease Financing Transactions*

On March 31, 2009, we received \$22.5 million (\$19.8 million net of transaction costs) from the proceeds of a sale lease back type transaction with an investor. Similar to the NATMI and Estes transactions, the underlying transaction included providing title of a previously owned office complex in exchange for proceeds of \$22.5 million; however, the transaction did not meet the accounting definition of a “sale leaseback” and as such, the assets remain on our balance sheet and long-term debt is reflected on our balance sheet in the amount of the proceeds. We are required to make annual lease payments, which are recorded as principal and interest payments, of approximately \$3.4 million under this arrangement. Half of the proceeds received from this transaction were deposited into the escrow account described in the “Principles of Consolidation” note to our consolidated financial statements and, the remaining half was used to pay down our credit facility.

On April 23, 2009, certain of our subsidiaries entered into real estate sales contracts with new investors to sell and simultaneously leaseback a pool of the subsidiaries’ facilities located throughout the U.S., including a facility originally a part of the transaction with NATMI described above. The aggregate purchase price for the subject facilities is approximately \$70 million, and initial annual lease payments for the subject facilities would be approximately \$6.1 million in the aggregate. The Company expects to close the sale and leaseback transactions under these contracts during the second quarter of 2009, subject to the satisfaction of normal and customary due diligence and related conditions including the investor’s right to terminate during the inspection period, and the ability of the Company to obtain lien releases from the collateral agent under the Credit Agreement.

The effective interest rates on the lease financing obligations closed through March 31, 2009, range from 10.0% to 18.4%.

### *Use of Proceeds*

Our Credit Agreement as amended requires the net cash proceeds from certain asset sales to be applied as follows:

- for any real estate asset sale (other than the first \$150 million in net cash proceeds received under certain transactions with NATMI subject to any reductions associated with possible pension contribution deferrals discussed below) the net cash proceeds of which, together with the aggregate amount of net cash proceeds from all such real estate asset sales occurring on or after January 1, 2009,
  - is less than or equal to \$300 million and occurs on or prior to July 15, 2009, 50 percent of such proceeds shall be used to prepay outstanding revolving loans under the Credit Agreement and the remaining 50 percent shall be deposited into the escrow account;
  - is less than or equal to \$300 million and occurs after July 15, 2009, 50 percent of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement and the remaining 50 percent shall be retained by the Company;
  - is greater than \$300 million and less than or equal to \$500 million, 75 percent of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement and the remaining 25 percent shall be retained by the Company; and
  - is greater than \$500 million, all of such proceeds shall be used to prepay amounts outstanding under the Credit Agreement.

As of March 31, 2009, as a result of asset sale proceeds, we have deposited \$17.6 million into the escrow account and have remitted \$17.6 million in debt payments during the three months ended March 31, 2009.

### *Pension Contribution Payment Deferrals*

Due to the first quarter 2009 declining revenue and increased operating losses discussed above, and given the delay in closing some of the remaining sale and lease financing transactions, we have sought additional sources of liquidity to remain in compliance with our minimum liquidity covenant under our Credit Agreement and ABS Facility during the second quarter and for the remainder of 2009.

To bridge our liquidity needs, on April 15, 2009, we entered into an amendment (the “April Credit Agreement Amendment”) to the Credit Agreement to permit the release of specified real estate to secure deferred contribution payments to our multi-employer pension funds (the “Pension Funds”). We believe these alternatives can allow us to utilize the real estate to its maximum benefit as opportunities arise.

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The April Credit Agreement Amendment:

- permits the Company and its subsidiaries to defer the payment of certain of their multiemployer benefit fund contributions to a date no earlier than January 1, 2010 (collectively, the “Deferred Payments”);
- permits the Company and its subsidiaries to grant first priority liens on identified owned real property to secure the Deferred Payments;
- permits subsidiary guarantors under the Credit Agreement to guarantee the Deferred Payments solely to the extent that such subsidiary guarantors own any real property subject to a permitted lien securing the Deferred Payments;
- prohibits the Company and its subsidiaries from voluntarily making any Deferred Payment prior to August 15, 2009, except for payments solely with net cash proceeds from the sale of collateral securing the Deferred Payments;
- decreases the amount of net cash proceeds from the NATMI Contract (as defined in the Credit Agreement) which may be retained by the Company by an amount proportionate to the net book value of the collateral securing the Deferred Payments; provided, that such reduction shall not exceed \$50.0 million;
- reduces the permitted asset sale basket for the fiscal year ending December 31, 2009 by an amount proportionate to the net book value of the collateral securing the Deferred Payments; provided, that such reduction shall not exceed \$50.0 million; and
- allows the Company to undertake debt for equity swaps and to pay certain indebtedness with the net cash proceeds from the issuance of equity.

Certain subsidiaries of the Company are working to finalize discussions with the International Brotherhood of Teamsters (the “Teamsters”) and representatives of the Pension Funds to which the Company contributes. Pursuant to these discussions, the Company is seeking to provide certain of the Company’s real estate as collateral to the Pension Funds in lieu of making payments of contributions for certain to-be-agreed-upon months. Depending on employment levels (which, in turn, are driven by freight levels and seasonal changes in those levels), the Company makes multi-employer pension contributions of \$34-45 million per month. The Company has deferred one pension contribution payment of \$21.1 million with one Pension Fund and one health and welfare payment of \$18.3 million with one health and welfare fund through May 15, 2009 pursuant to a deferral agreement and has ceased making pension contribution payments in April 2009 to its Pension Funds until the Company concludes its discussions with the Pension Funds and the Teamsters. If we are unable to reach an agreement to defer payments of contributions to a Pension Fund, we will be required to make any past due payments and commence payments on the contractually required schedule to avoid the Pension Fund from terminating our participation in the Pension Fund, which, in turn, could subject us to a withdrawal liability and cause us to be in breach of the applicable collective bargaining agreement. Such a breach could give our union employees the right to strike and a cause of action for damages. To meet our working capital needs in the second quarter and remainder of 2009, and to meet our minimum liquidity requirement under our Credit Agreement in the second quarter and remainder of 2009, we must achieve one or more of the following actions, which are not in the Company’s control, in addition to generating or exceeding forecasted cash flows from operating activities:

- continue to finalize agreements to defer a sufficient amount of contributions to our Pension Funds,
- close sale/leaseback transactions, and
- enter into other capital market transactions.

### *Operating Performance and Cash Improvement Activities*

As previously discussed, the recession continues to negatively impact us. During the three months ended March 31, 2009, we continued to experience declining revenue, increased operating losses and resulting negative cash flows from operations. To address these impacts, we have taken the following actions (among others) to reduce our cost base and improve our operating income and cash flow from operations:

- the integration of our Yellow Transportation and Roadway networks into a single service network, now branded “YRC”

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- the discontinuation of the geographic service overlap between our Holland and New Penn networks
- the first quarter implementation of a 10% wage reduction for substantially all of our employees (both union and non-union)
- reductions in force to scale our business to current shipping volumes
- other cost reduction measures in general, administrative and other areas

In particular, during the three months ended March 31, 2009, we completed the integration of our Yellow Transportation and Roadway networks into one service network, now branded "YRC". Since the integration, YRC's service (both on-time deliveries and reduced claims) has improved. Also, productivity measurements such as load average in our line haul operation, city pick up and delivery route productivity improvements, and dock labor productivity measurements have also improved since the integration. During the integration, we believe many of YRC's customers reduced their shipments with us to mitigate their risks from our integration. We believe some customers also reduced their shipments with YRC during the quarter as a result of uncertainties regarding our compliance with our covenants in our Credit Agreement. We believe that our February 2009 amendment of our Credit Facilities alleviated many of these customer concerns. As our service has improved from the integration, from mid-April 2009 through early May 2009, we have experienced an increasing shipment trend as many of these customers are now returning their shipping volumes to YRC. However, we cannot predict how quickly and to what extent these volumes will return. Our increasing number of shipments and cost actions has partially offset our revenue decline from the poor economy, but further cost reductions, which are underway, and further shipment increases are needed to address the revenue decline for the Company to meet its minimum EBITDA requirement in its Credit Facilities in 2009. The Company believes that there is a substantial risk that these cost reductions and shipment increases would not be achieved in sufficient time to meet its minimum EBITDA requirement in its Credit Facilities for the second quarter of 2009. As a result, the Company has entered into constructive discussions with the agent for its lending group about a possible amendment to the Company's Credit Facilities prior to the end of the second quarter of 2009 for the Company to gain assurance that it can remain in compliance with the covenants in its Credit Facilities.

### *Risks and Uncertainties*

If we fail to meet our minimum liquidity requirement or our required EBITDA levels under our Credit Agreement and ABS Facility, we would need to seek a waiver or forbearance from our lenders and lessors under our Credit Agreement, our ABS Facility and certain of our leases; otherwise our lenders and lessors could declare an event of default and accelerate our obligations thereunder.

Our beliefs regarding liquidity sufficiency are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21 of the Securities Exchange Act of 1934, as amended. Our forecasts include significant judgment and significant market risk that may or may not be realized. Items that contribute to these judgments and risks, many of which are beyond our control, include the actual duration of the U.S. recession and our related assumptions around economic outlook, the continued improvements in productivities and service for our YRC network and the return of customers shipments to that network, our ability to further reduce costs and our need for additional liquidity including liquidity from cash flows from operating activities and other liquidity enhancing initiatives (such as sale and leaseback type transactions) that may not materialize. Our forecasts are also dependent on the factors listed in the introduction to MD&A and the risk factors listed in Part I of our Annual Report on Form 10-K for the year ended December 31, 2008.

### *Contingently Convertible Notes*

The balance sheet classification of our contingent convertible notes between short-term and long-term is dependent upon certain conversion triggers, as defined in the applicable indenture. The contingent convertible notes include a provision whereby the note holder can require immediate conversion of the notes if, among other reasons, the credit rating on the contingent convertible notes assigned by Moody's is lower than B2 or if the credit rating assigned by S&P is lower than B. At March 31, 2009 and December 31, 2008, the conversion trigger was met, and accordingly, the contingent convertible notes have been classified as a short-term liability in the accompanying consolidated balance sheets. Based upon this particular conversion right and based upon an assumed market price of our stock of \$4 per share, which approximates the current market price, our aggregate obligation for full satisfaction of the \$386.8 million par value of contingent convertible notes would require cash payments of \$36.6 million.

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### *Cash Flow Measurements*

We use free cash flow as a measurement to manage working capital and capital expenditures. Free cash flow indicates cash available to fund additional capital expenditures, to reduce outstanding debt (including current maturities) or to invest in our growth strategies. This measurement is used for internal management purposes and should not be construed as a better measurement than net cash from operating activities as defined by generally accepted accounting principles. The following table illustrates our calculation for determining free cash flow for the three months ended March 31:

<u>(in millions)</u>	<u>2009</u>	<u>2008</u>
Net cash (used in) provided by operating activities	\$ (94.0)	\$ 93.1
Net property and equipment proceeds (additions)	3.3	(32.8)
Free cash flow	<u>\$ (90.7)</u>	<u>\$ 60.3</u>

Operating cash flows decreased \$187.1 million during the three months ended March 31, 2009 versus the same period in 2008. Cash from operations was impacted by the reduction of general business volumes in 2009 with lower revenue and exponentially larger reduction in operating income. Lower business volumes contributed to a reduction in accounts receivable and accounts payable from 2008 to 2009 of \$118.7 million and \$49.9 million, respectively.

Net property and equipment additions were \$36.1 million lower in 2009 versus 2008 due to both a strategic decision to reduce overall capital expenditures during this period of reduced volumes and our financing alternative of leasing \$18.9 million of revenue equipment during the three months ended March 31, 2009. We intend to continue leasing revenue equipment under various master lease agreements to satisfy any equipment needs in the near term. Other investing activities include \$17.6 million held in restricted cash due to requirements under our credit facility.

Net cash provided by financing activities was \$31.7 million in 2009 versus net cash used by financing activities of \$57.1 million in 2008. During the three months ended March 31, 2009 we increased borrowings under our ABS facility by \$41.2 million versus reduced borrowings of \$60.0 million during the three months ended March 31, 2008. Additionally, during the three months ended March 31, 2009, we entered into lease financing transactions that generated proceeds of \$157.6 million and, in turn, provided funds to lower our borrowings under our credit facilities in the amount of \$129.1 million. We also incurred debt issuance costs of \$38.0 million in 2009 in conjunction with our ABS and credit facility amendments.

### **Contractual Obligations and Other Commercial Commitments**

The following tables provide aggregated information regarding our contractual obligations and commercial commitments as of March 31, 2009.

#### *Contractual Cash Obligation*

<u>(in millions)</u>	<u>Payments Due by Period</u>				<u>Total</u>
	<u>Less than 1 year <sup>(a)</sup></u>	<u>2-3 years</u>	<u>4-5 years</u>	<u>After 5 years</u>	
<b>Balance sheet obligations:</b>					
ABS borrowings	\$ 188.2	\$ —	\$ —	\$ —	\$ 188.2
Long-term debt and lease financing obligations including interest <sup>(b)</sup>	111.2	561.3	855.0	140.6	1,668.1
USF Red Star multi-employer pension withdrawal obligation including interest	1.7	3.5	2.5	—	7.7
<b>Off balance sheet obligations:</b>					
Operating leases	103.1	133.8	47.9	30.4	315.2
Capital expenditures	14.0	—	—	—	14.0
<b>Total contractual obligations</b>	<u>\$ 418.2</u>	<u>\$ 698.6</u>	<u>\$ 905.4</u>	<u>\$ 171.0</u>	<u>\$2,193.2</u>

(a) Total liabilities for uncertain tax benefits as of March 31, 2009, were \$85 million and are classified on the Company's consolidated balance sheet within "Other Current and Accrued Liabilities".

(b) Long-term debt maturities are reflected by contractual maturity for all obligations other than the contingent convertible senior notes. These notes are instead presented based on the earliest possible redemption date defined as the first date on which the note holders have the option to require us to purchase their notes at par. At March 31, 2009, these notes are convertible for cash payments of approximately \$36.6 million based on an assumed market price of \$4 per share for our common stock. Should the note holders elect to exercise the conversion options, cash payments of \$36.6 million would be less than those presented in the table above.

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During the three months ended March 31, 2009, we entered into new operating leases for revenue equipment of approximately \$18.9 million.

In April and May 2009, we completed additional lease financing transactions with Estes that included net proceeds of \$26.7 million. We are required to make annual lease payments, which are recorded as principal and interest payments of \$2.6 million through April 2019.

### *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.

<b>(in millions)</b>	<b>Amount of Commitment Expiration Per Period</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>2-3 years</b>	<b>4-5 years</b>	<b>After 5 years</b>	
Unused line of credit	\$ 2.6	\$ —	\$ 24.1	\$ —	\$ 26.7
Letters of credit	590.7	—	—	—	590.7
Surety bonds	123.0	0.1	0.1	—	123.2
Total commercial commitments	<u>\$ 716.3</u>	<u>\$ 0.1</u>	<u>\$ 24.2</u>	<u>\$ —</u>	<u>\$ 740.6</u>

### **Recent Accounting Pronouncements**

In December 2008, the Financial Accounting Standards Board issued Staff Position No. FAS 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets*, effective for fiscal years ending after December 15, 2009. This FASB Staff Position (FSP) amends FASB Statement No. 132 (revised 2003), *Employers' Disclosures about Pensions and Other Postretirement Benefits*, to provide guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. We will adopt this FSP and include the required disclosures beginning with our December 31, 2009 Form 10-K.

In April 2009, the Financial Accounting Standards Board issued Staff Position No. FAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments*, effective for interim reporting periods ending after June 15, 2009. This FSP amends FASB Statement No. 107, *Disclosures about Fair Value of Financial Instruments*, to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This FSP also amends APB Opinion No. 28, *Interim Financial Reporting*, to require those disclosures in summarized financial information at interim reporting periods. We will adopt this FSP and include the required disclosures beginning with our June 30, 2009 Form 10-Q.

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### 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, 2008.

### Item 4. Controls and Procedures

We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our principal executive and financial officers evaluated our disclosure controls and procedures and concluded that our disclosure controls and procedures were effective as of March 31, 2009.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2009 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.

Item 1A. Risk Factors

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition—Liquidity” for additional information regarding our liquidity and compliance with covenants in our Credit Facilities.

Item 6. Exhibits

- 10.1 Waiver No. 1, dated as of January 15, 2009, to Credit Agreement, dated as of August 17, 2007, as amended, among the Company, the Canadian Borrower, the UK Borrower, the financial institutions party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed on January 22, 2009, File No. 000-12255).
- 10.2 Waiver and Amendment No. 2, dated as of February 12, 2009, and Consent, Waiver and Amendment No. 3, dated February 27, 2009, to the Credit Agreement, dated as of August 17, 2007, among the Company, the Canadian Borrower, the UK Borrower, the financial institutions party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.1.4 to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 000-12255).
- 10.3\* Amendment No. 4, dated April 15, 2009, to the Credit Agreement, dated as of August 17, 2007, among the Company, the Canadian Borrower, the UK Borrower, the financial institutions party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent.
- 10.4 Limited Waiver and Second Amendment, dated as of January 15, 2009, to Third Amended and Restated Receivables Purchase Agreement, dated as of April 18, 2008, as amended, among Yellow Roadway Receivables Funding Corporation, as Seller; Falcon Asset Securitization Company LLC, Three Pillars Funding LLC and Amsterdam Funding Corporation, as Conduits; YRC Assurance Co. Ltd., as an uncommitted purchaser; the financial institutions party thereto as Committed Purchasers; Wachovia Bank, National Association, as Wachovia Agent and LC Issuer; SunTrust Robinson Humphrey, Inc., as Three Pillars Agent, The Royal Bank of Scotland plc (successor to ABN AMRO Bank, N.V.), as Amsterdam Agent, and JPMorgan Chase Bank, N.A., as Falcon Agent and Administrative Agent (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed on January 22, 2009, File No. 000-12255).
- 10.5 Omnibus Amendment [Waiver and Amendment No. 3 to Third Amended and Restated Receivables Purchase Agreement and Amendment No. 4 to Receivables Sale Agreement], dated as of February 12, 2009, and Waiver and Amendment No. 4 to Third Amended and Restated Receivables Purchase Agreement, dated February 27, 2009, among Yellow Roadway Receivables Funding Corporation, as Seller; YRC Worldwide Inc., as Performance Guarantor; JPMorgan Chase Bank, N.A., SunTrust Bank, Wachovia Bank, National Association, and The Royal Bank of Scotland plc as successor to ABN AMRO Bank, N.V., as Committed Purchasers; Falcon Asset Securitization Company LLC, Three Pillars Funding LLC and Amsterdam Funding Corporation, as Conduits; YRC Assurance Co. Ltd., as Co-Agent; Wachovia Bank, National Association, as LC Issuer; SunTrust Robinson Humphrey, Inc., Wachovia Bank, National Association, The Royal Bank of Scotland plc as successor to ABN AMRO Bank, N.V. and JPMorgan Chase Bank, N.A., as Co-Agents; JP Morgan Chase Bank, N.A., as Administrative Agent; and YRC Inc., USF Reddaway, Inc. and USF Holland, Inc., as Originators (incorporated by reference to Exhibit 10.2.4 to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 000-12255).
- 10.6 Memorandum of Understanding on the Wage Reduction – Job Security Plan, dated November 25, 2008, among the International Brotherhood of Teamsters, YRC Inc., USF Holland Inc. and New Penn Motor Express, Inc. (incorporated by reference to Exhibit 10.3.2 to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 000-12255).
- 10.7 Real Estate Sales Contract, effective December 19, 2008, between NATMI Truck Terminals, LLC and YRC Worldwide Inc., as amended by Amendment No. 1, effective January 21, 2009, and Amendment No. 2, effective February 12, 2009 (incorporated by reference to Exhibit 10.4 to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 000-12255).
- 10.8\* Amendment No. 3 (effective March 6, 2009), Amendment No. 4 (effective March 31, 2009) and Amendment No. 5 (effective April 21, 2009) to Real Estate Sales Contract, effective December 19, 2008, between NATMI Truck Terminals, LLC and YRC Worldwide Inc.
- 10.9\* Form of Real Estate Sales Contract, dated February 13, 2009, between Estes Express Lines and YRC Inc., USF Reddaway, Inc. or USF Holland Inc.

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- 10.10\* Form of Executive Severance Agreement between the Company and each of the following executive officers: William D. Zollars, Timothy A. Wicks, Michael J. Smid, Daniel J. Churay, James G. Kissinger, Keith E. Lovetro and Paul F. Liljegen.
- 10.11 YRC Worldwide Inc. Union Employee Option Plan (incorporated by reference to Exhibit 10.25 to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 000-12255).
- 10.12 YRC Worldwide Inc. Union Employee Stock Appreciation Right Plan (incorporated by reference to Exhibit 10.26 to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 000-12255).
- 10.13 Form of YRC Worldwide Inc. Cash Performance and Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed on April 3, 2009, File No. 000-12255).
- 31.1\* Certification of William D. Zollars 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 Timothy A. Wicks 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 William D. Zollars 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 Timothy A. Wicks pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

\* 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.  
Registrant

Date: May 11, 2009

/s/ William D. Zollars  
William D. Zollars  
Chairman of the Board of Directors, President & Chief Executive Officer

Date: May 11, 2009

/s/ Timothy A. Wicks  
Timothy A. Wicks  
Executive Vice President & Chief Financial Officer

AMENDMENT NO. 4

Dated as of April 15, 2009

to

CREDIT AGREEMENT

Dated as of August 17, 2007

THIS AMENDMENT NO. 4 ("Amendment") is made as of April 15, 2009 by and among YRC Worldwide Inc. (the "Company"), the Canadian Borrower and the UK Borrower (together with the Company, the "Borrowers"), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, National Association, as Administrative Agent (the "Administrative Agent"), under that certain Credit Agreement dated as of August 17, 2007 by and among the Borrowers from time to time party thereto, the Lenders and the Administrative Agent (as amended, amended and restated, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Company has requested that the Lenders and the Administrative Agent agree to certain amendments to the Credit Agreement; and

WHEREAS, the Lenders party hereto and the Administrative Agent have agreed to such amendments on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrowers, the Lenders party hereto and the Administrative Agent have agreed to enter into this Amendment.

1. Amendments to Credit Agreement. Effective as of the date of satisfaction or waiver of the conditions precedent set forth in Section 2 below, the Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended to insert the following new definitions thereto in the appropriate alphabetical order as follows:

"Collateral Agent" means JPMorgan Chase Bank, National Association, in its capacity as Collateral Agent under the Security Agreement and any other Collateral Document.

"Pension Fund Basket Deduction Amount" means, as of any date of determination, an amount equal to (i) the Specified Value of all Specified Properties which are subject to a Lien for the benefit of any Pension Fund Entity pursuant to a Specified Pension Fund Deferral Transaction as of such date multiplied by (ii) a fraction, the numerator of which is 50,000,000 and the denominator of which is 67,517,481 (the gross book value of such properties before accumulated depreciation is approximately \$97,800,000).

“Pension Fund Deferral Amount” means, with respect to any Specified Pension Fund Deferral Transaction, the aggregate dollar amount of Specified Pension Fund Obligations which have been deferred pursuant to the terms and conditions of such Specified Pension Fund Deferral Transaction.

“Pension Fund Entities” means those entities identified on Schedule 1.01(C) hereto.

“Pension Fund Intercreditor Agreement” means, collectively, one or more Intercreditor Agreements by and among one or more of the Pension Fund Entities, the Company and/or certain of its Subsidiaries, as applicable, and the Collateral Agent, in form and substance reasonably acceptable to the Collateral Agent, as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

“Specified Value” means, with respect to any Specified Property, the net book value thereof as of February 28, 2009, as set forth on Schedule 6.18.

“Specified Properties” means those parcels of real property set forth on Schedule 6.18 (and all accessions, proceeds and related property).

“Specified Pension Fund Obligations” means, with respect to any Specified Pension Fund Deferral Transaction, the payment obligations due from the Company and/or its applicable Subsidiaries (including, without limitation, interest accrued thereon as of such date and thereafter accruing until so paid) to the applicable Pension Fund Entities set forth on the related Specified Pension Fund Deferral Transaction Certificate. For the avoidance of doubt, the “Specified Pension Fund Obligations” shall include any portion of the Company’s and/or any of its Subsidiary’s obligations owing to the Pension Fund Entities identified on Schedule 1.01(C) in an aggregate amount equal to \$50,327,819.70 which obligations were initially due and payable on February 15, 2009 (the “Original Specified Pension Fund Obligations”).

“Specified Pension Fund Deferral Transaction” means any agreement by the applicable Pension Fund Entities to permit the Company and/or its applicable Subsidiaries to defer the payment of the Specified Pension Fund Obligations (including the principal amount of such obligations and any related interest payment) set forth on the related Specific Pension Fund Deferral Transaction Certificate for a period ending no earlier than January 1, 2010, all on terms and conditions reasonably satisfactory to the Administrative Agent (not to be unreasonably withheld, delayed or conditioned).

“Specified Pension Fund Deferral Transaction Certificate” means a certificate signed by a Financial Officer of the Company and delivered to the Administrative Agent in connection with each Specified Pension Fund Deferral Transaction, certifying: (a) that no Default or Event of Default has occurred and is continuing or would arise after giving effect thereto, (b) the Pension Fund Deferral Amount in respect thereof, (c) the Pension Entity(ies) party thereto, (d) the attached copies of the complete and correct Specified Pension Fund Deferral Transactions Documents in respect thereof and (e) if applicable, the calculation demonstrating that, after giving effect to such Specified Pension Fund Deferral Transaction, the Specified Value of all Specified Properties subject to a Specified Pension Fund Deferral Transaction as of such date shall not exceed (in the aggregate) an amount equal to two times the Pension Fund Deferral Amount in respect of all existing Specified Pension Fund Deferral Transactions.

“Specified Pension Fund Deferral Transaction Documents” means the material agreements, instruments and other documentation set forth in and attached to each Specified Pension Fund Deferral Transaction Certificate and each Pension Fund Intercreditor Agreement, in each case as the same may be, to the extent permitted hereunder, amended, restated, supplemented or otherwise modified from time to time.

(b) The definition of “Collateral Documents” appearing in Section 1.01 of the Credit Agreement is hereby amended to delete the reference to “the Escrow Account Agreement” appearing therein and to replace therefor a reference to “the Escrow Account Agreement, each Pension Fund Intercreditor Agreement”.

(c) The definition of “Permitted 2010 Maturing Notes Repayment Sources” appearing in Section 1.01 of the Credit Agreement is hereby amended to restate clause (a) thereof as follows:

(a) the Net Cash Proceeds of the issuance of any common stock or other Equity Interests of the Company or the issuance of common stock or other Equity Interests of the Company;

(d) The definition of “Prepayment Event” appearing in Section 1.01 of the Credit Agreement is hereby amended to delete the reference to “\$150,000,000” appearing in clause (a) therein and to replace therefor a reference to “\$150,000,000 minus the Pension Fund Basket Deduction Amount; provided that in no event shall the Pension Fund Basket Deduction Amount exceed \$50,000,000 in the aggregate”.

(e) Section 6.01 of the Credit Agreement is hereby amended to (i) delete the “and” at the end of clause (o) thereof, (ii) redesignate clause (p) thereof as “clause (q)” and (iii) insert a new clause (p) therein as follows:

(p) Specified Pension Fund Obligations and Guarantees thereof by any Subsidiary Guarantor solely to the extent such Subsidiary Guarantor owns any Specified Properties subject to a Lien permitted under Section 6.02(m) to secure such Specified Pension Fund Obligations (and, for the avoidance of doubt, the dollar amount of any such Guarantee in respect of any Specified Pension Fund Obligations shall be limited to the Specified Value of the Specified Properties owned by such Subsidiary Guaranty securing such Specified Pension Fund Obligations); and

(f) Section 6.02 of the Credit Agreement is hereby amended to (i) delete the “and” at the end of clause (l) thereof, (ii) redesignate clause (m) thereof as “clause (n)” and delete the reference to “this paragraph (m)” appearing therein and to replace therefor a reference to “this paragraph (n)” and (iii) insert a new clause (m) therein as follows:

(m) Liens on the applicable Specified Properties to secure the Specified Pension Fund Obligations (provided that no Lien may be granted on any Specified Properties to secure the Original Specified Pension Fund Obligations unless, at the time such Lien is granted and after giving effect thereto, the aggregate Pension Fund Deferral Amount secured by Liens permitted under this clause (m) at such time equals or exceeds \$80,000,000); and

(g) Section 6.05(e) of the Credit Agreement is hereby amended to delete the reference to “\$400,000,000” appearing therein and to replace therefor a reference to “\$400,000,000 minus the Pension Fund Basket Deduction Amount; provided that in no event shall the Pension Fund Basket Deduction Amount exceed \$50,000,000 in the aggregate”.

(h) Section 6.06(a)(iii) of the Credit Agreement is hereby amended and restated in its entirety as follows: “(iii) the Foreign Subsidiaries”.

(i) Section 6.09 of the Credit Agreement is hereby amended to delete the “and” immediately prior to clause (vi) thereof and add the following at the end thereof: “restrictions and conditions imposed by the Specified Pension Fund Deferral Transaction Documents”.

(j) Section 6.13(b) of the Credit Agreement is hereby amended by adding the following at the end thereof: “and extensions, renewals or replacements of any Guarantees specified in item 5 on Schedule 6.13”.

(k) Section 6.13 of the Credit Agreement is hereby further amended to (i) delete the “and” at the end of clause (o) thereof, (ii) redesignate clause (p) thereof as “clause (q)” and (iii) insert a new clause (p) therein as follows:

(p) Investments by any Subsidiary Guarantor in connection with Guarantees of any Specified Pension Fund Obligations solely to the extent permitted under Section 6.01(p); and

(l) Section 6.16(d) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(d) payment of Indebtedness with either (i) the Net Cash Proceeds from the issuance of common stock or other Equity Interests of the Company or (ii) the issuance of common stock or other Equity Interests of the Company; provided that any repayments of any amount in respect of the 2010 Maturing Notes may only be made with Permitted 2010 Maturing Notes Repayment Sources; provided, further, no voluntary prepayments of any amount owing in respect of any Specified Pension Fund Deferral Transaction (other than any such payment made solely with the Net Cash Proceeds from any Asset Sale of any Specified Properties securing such Specified Pension Fund Deferral Transaction (for the avoidance of doubt, the excess of such Net Cash Proceeds over the payment in full of such Specified Pension Fund Obligations shall be applied by the Company in accordance with Section 2.12)) may be made until August 15, 2009; and

(m) Section 6.17 of the Credit Agreement is hereby amended to delete the reference to “or (d) the RBS Lease,” appearing therein and to replace therefor a reference to “, (d) the RBS Lease or (e) the Specified Pension Fund Deferral Transaction Documents,”.

(n) A new Section 6.18 is hereby added to the Credit Agreement as follows:

**SECTION 6.18. Secured Pension Fund Deferral Transactions.** The Company will not, and will not permit any of its Subsidiaries to, enter into any Specified Pension Fund Deferral Transaction that requires the Company or any Subsidiary to grant a Lien on any Specified Property to any Pension Entity unless:

(a) the Company shall have delivered to the Collateral Agent a Specified Pension Fund Deferral Transaction Certificate in respect of such Specified Pension Fund Deferral Transaction at least three (3) Business Days prior to the date of consummation of such Specified Pension Fund Deferral Transaction (provided that the Collateral Agent may waive such advance delivery requirement in its reasonable discretion);

(b) the Company shall have used its commercially reasonable efforts to negotiate with the relevant Pension Entity(ies) to permit the Collateral Agent to have a second priority Lien, subject only to the Lien securing the applicable Specified Pension Fund Obligations and other Liens permitted by Section 6.02, on such Specified Properties at the time such Lien shall be granted to such Pension Entities, and any such Liens shall be subject to a Pension Fund Intercreditor Agreement;

(c) Liens granted in connection therewith shall attach by no later than July 15, 2009 (or such later date as may be agreed upon by the Administrative Agent in its sole discretion);

(d) Liens granted in connection therewith shall only secure Specified Pension Fund Obligations set forth on the Specified Pension Fund Deferral Transaction Certificate in respect of such Specified Pension Fund Deferral Transaction and shall not secure any other obligations of any kind owing to any Pension Entity;

(e) after giving effect to such Specified Pension Fund Deferral Transaction, the Specified Value of all Specified Properties subject to a Specified Pension Fund Deferral Transaction shall not exceed (in the aggregate) an amount equal to two times the Pension Fund Deferral Amount in respect of all existing Specified Pension Fund Deferral Transactions; and

(f) any Liens granted in connection therewith shall be released promptly by the Pension Entities upon the payment in full of the Specified Pension Fund Obligations secured by such Liens.

(o) A new Schedule 1.01(C) is hereby added to the Credit Agreement as set forth on Annex A hereto.

(p) A new Schedule 6.18 is hereby added to the Credit Agreement as set forth on Annex B hereto.

(q) The Lenders party hereto acknowledge and agree any release or subordination of Liens on the Specified Properties by JPMorgan Chase Bank, National Association (in its capacity as Administrative Agent and/or as Collateral Agent) in connection with any Specified Pension Fund Deferral Transaction. The Lenders party hereto authorize JPMorgan Chase Bank, National Association (in its capacity as Administrative Agent and/or as Collateral Agent) to enter into each of the Pension Fund Intercreditor Agreements and to take all action contemplated by such documents.

2. Conditions of Effectiveness. The effectiveness of this Amendment is subject to the conditions precedent that (a) the Administrative Agent shall have received (i) counterparts of this Amendment duly executed by the Borrowers, the Required Lenders and the Administrative Agent, (ii) the Consent and Reaffirmation attached hereto duly executed by the Subsidiary Guarantors and (iii) those documents and instruments as may be reasonably requested by the Administrative Agent and (b) the Company shall have paid all invoiced reasonable fees and invoiced, reasonable, out-of-pocket expenses of the Administrative Agent (including, to the extent invoiced, reasonable attorneys' fees and expenses) in connection with this Amendment and the other Loan Documents, in each case to the extent reimbursable under the terms of the Credit Agreement.

3. Representations and Warranties of the Borrowers. Each Borrower hereby represents and warrants as follows as of the closing date of this Amendment:

(a) This Amendment and the Credit Agreement, as amended hereby, constitute legal, valid and binding obligations of such Borrower and are enforceable against such Borrower in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) As of the date hereof after giving effect to the terms of this Amendment, (i) no Default shall have occurred and be continuing and (ii) the representations and warranties of the Borrowers set forth in the Credit Agreement, as amended hereby, are true and correct in all material respects on and as of the date hereof, except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct in all material respects on and as of such earlier date.

4. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically amended above, the Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

5. Perfection of Additional Collateral. The parties hereto acknowledge that perfection of the Collateral Agent's Lien in certain Collateral, including, without limitation, real property and improvements thereto, tractors, trailers and other rolling stock, is ongoing, but the Company and the Loan Parties continue to execute such documents, agreements and instruments in connection therewith in accordance with Section 5.10 of the Credit Agreement (as amended by the Amendment) and the other Loan Documents. To the extent that any release of Collateral pursuant to the Specified Sale and Leaseback Transaction, any Specified Pension Fund Transaction and any other Asset Sale consummated between the date hereof and July 15, 2009 diminishes the value of Collateral, the Company agrees that any perfection of Liens described in the preceding sentence that occurs between the date hereof and July 15, 2009 shall be considered to have occurred substantially contemporaneously with any release of Collateral pursuant to the Specified Sale and Leaseback Transaction, any Specified Pension Fund Transaction and any other Asset Sale consummated between the date hereof and July 15, 2009 that diminishes the value of the Collateral.

6. Release. In further consideration of the execution by the Administrative Agent and the Lenders of this Amendment, to the extent permitted by applicable law, the Company, on behalf of itself and each of its Subsidiaries, and all of the successors and assigns of each of the foregoing (collectively, the "Releasors"), hereby completely, voluntarily, knowingly, and unconditionally releases and forever discharges the Collateral Agent, the Administrative Agent, each of the Lenders, each of their advisors, professionals and employees, each affiliate of the foregoing and all of their respective permitted

successors and assigns (collectively, the “Releasees”), from any and all claims, actions, suits, and other liabilities, including, without limitation, any so-called “lender liability” claims or defenses (collectively, “Claims”), whether arising in law or in equity, which any of the Releasors ever had, now has or hereinafter can, shall or may have against any of the Releasees for, upon or by reason of any matter, cause or thing whatsoever from time to time occurred on or prior to the date hereof, in any way concerning, relating to, or arising from (i) any of the Transactions, (ii) the Secured Obligations, (iii) the Collateral, (iv) the Credit Agreement or any of the other Loan Documents, (v) the financial condition, business operations, business plans, prospects or creditworthiness of the Borrowers, and (vi) the negotiation, documentation and execution of this Amendment and any documents relating hereto except for Claims determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Releasee (or any of its Related Parties). The Releasors hereby acknowledge that they have been advised by legal counsel of the meaning and consequences of this release.

7. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

8. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

9. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person.

[Signature Pages Follow]



IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

YRC WORLDWIDE INC., as the Company

By: /s/ Timothy A. Wicks

Name: Timothy A. Wicks

Title: Executive Vice President and Chief Financial Officer

REIMER EXPRESS LINES LTD./REIMER EXPRESS LTEE,  
as a Canadian Borrower

By: /s/ Kenneth P. Bowman

Name: Kenneth P. Bowman

Title: Vice President – Finance

YRC LOGISTICS LIMITED, as a UK Borrower

By: /s/ Brenda Stasiulis

Name: Brenda Stasiulis

Title: Director

Signature Page to Amendment No. 4  
YRC Worldwide Inc. et al  
Credit Agreement dated as of August 17, 2007

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as  
Administrative Agent, as a US Tranche Lender and as US  
Tranche Swingline Lender

By: /s/ Robert P. Kellas

Name: Robert P. Kellas

Title: Executive Director

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,  
TORONTO BRANCH, as Canadian Agent, as a Canadian  
Tranche Lender and as Canadian Tranche Swingline Lender

By: /s/ Robert P. Kellas

Name: Robert P. Kellas

Title: Executive Director

J.P. MORGAN EUROPE LIMITED, as UK Agent

By: /s/ Ching Loh

Name: Ching Loh

Title: Associate

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,  
LONDON BRANCH, as a UK Tranche Lender and as UK  
Tranche Swingline Lender

By: /s/ Robert P. Kellas

Name: Robert P. Kellas

Title: Executive Director

Signature Page to Amendment No. 4  
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Credit Agreement dated as of August 17, 2007

BANK OF AMERICA, N.A., as a Syndication Agent and as a  
US Tranche Lender

By: /s/ F. A. Zagar

Name: F. A. Zagar

Title: Senior Vice President

BANK OF AMERICA, N.A. (CANADA BRANCH), as a  
Canadian Tranche Lender

By: /s/ Medina Sales de Andrade

Name: Medina Sales de Andrade

Title: Vice President

BANK OF AMERICA, N.A., as Successor by Merger to  
LASALLE BANK NATIONAL ASSOCIATION, as a US  
Tranche Lender

By: /s/ F. A. Zagar

Name: F. A. Zagar

Title: Senior Vice President

Signature Page to Amendment No. 4  
YRC Worldwide Inc. et al  
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SUNTRUST BANK, as a Syndication Agent and as a US  
Tranche Lender

By: /s/ Kip Hurd

Name: Kip Hurd

Title: First Vice President

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YRC Worldwide Inc. et al  
Credit Agreement dated as of August 17, 2007

US BANK NATIONAL ASSOCIATION, as a Documentation  
Agent, as a US Tranche Lender and as a Canadian Tranche  
Lender

By: /s/ Christopher W. Rupp

Name: Christopher W. Rupp

Title: Vice President

Signature Page to Amendment No. 4  
YRC Worldwide Inc. et al  
Credit Agreement dated as of August 17, 2007

WACHOVIA BANK, NATIONAL ASSOCIATION, as a  
Documentation Agent, as a US Tranche Lender and as a UK  
Tranche Lender

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Amendment No. 4  
YRC Worldwide Inc. et al  
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BANK OF TOKYO-MITSUBISHI UFJ TRUST COMPANY, as  
a Documentation Agent and as a US Tranche Lender

By: /s/ David Noda  
Name: David Noda  
Title: Vice President and Manager

Signature Page to Amendment No. 4  
YRC Worldwide Inc. et al  
Credit Agreement dated as of August 17, 2007

THE ROYAL BANK OF SCOTLAND plc, as a US Tranche  
Lender and as a UK Tranche Lender

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Amendment No. 4  
YRC Worldwide Inc. et al  
Credit Agreement dated as of August 17, 2007



BMO CAPITAL MARKETS FINANCING, INC., as a US  
Tranche Lender

By: \_\_\_\_\_  
Name:  
Title:

BANK OF MONTREAL, as a Canadian Tranche Lender

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Amendment No. 4  
YRC Worldwide Inc. et al  
Credit Agreement dated as of August 17, 2007

SUMITOMO MITSUI BANKING CORPORATION, as a US  
Tranche Lender

By: \_\_\_\_\_  
Name:  
Title:

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YRC Worldwide Inc. et al  
Credit Agreement dated as of August 17, 2007

By: \_\_\_\_\_  
Name:  
Title:

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By: \_\_\_\_\_  
Name:  
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By: \_\_\_\_\_  
Name:  
Title:

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Credit Agreement dated as of August 17, 2007

By: \_\_\_\_\_  
Name:  
Title:

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Credit Agreement dated as of August 17, 2007

FIRST COMMERCIAL BANK, LOS ANGELES BRANCH, as  
a US Tranche Lender

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Amendment No. 4  
YRC Worldwide Inc. et al  
Credit Agreement dated as of August 17, 2007

CONSENT AND REAFFIRMATION

Each of the undersigned hereby acknowledges receipt of a copy of the foregoing Amendment No. 4 to the Credit Agreement dated as of August 17, 2007 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") by and among YRC Worldwide Inc. (the "Company"), the Canadian Borrower and the UK Borrower from time to time party thereto (together with the Company, the "Borrowers"), the financial institutions from time to time party thereto (the "Lenders") and JPMorgan Chase Bank, National Association, as Administrative Agent (the "Administrative Agent"), which Amendment No. 4 is dated as of April 15, 2009 (the "Amendment"). Capitalized terms used in this Consent and Reaffirmation and not defined herein shall have the meanings given to them in the Credit Agreement. Without in any way establishing a course of dealing by the Administrative Agent or any Lender, each of the undersigned consents to the Amendment and reaffirms the terms and conditions of the Subsidiary Guarantee Agreement, the Security Agreement and any other Loan Document executed by it and acknowledges and agrees that such Subsidiary Guarantee Agreement, the Security Agreement and each and every such Loan Document executed by the undersigned in connection with the Credit Agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed. All references to the Credit Agreement contained in the above referenced documents shall be a reference to the Credit Agreement as so modified by the Amendment and as the same may from time to time hereafter be amended, modified or restated.

Dated: April 15, 2009

[Signature Pages Follows]

EXPRESS LANE SERVICE, INC.

By: /s/ Phil J. Gaines  
Name: Phil J. Gaines  
Title: Senior Vice President and Chief Financial Officer

GLOBE.COM LINES, INC.

By: /s/ Brenda Stasiulis  
Name: Brenda Stasiulis  
Title: Vice President - Finance

IMUA HANDLING CORPORATION

By: /s/ Brenda Stasiulis  
Name: Brenda Stasiulis  
Title: Vice President - Finance

NEW PENN MOTOR EXPRESS

By: /s/ Paul F. Liljegen  
Name: Paul F. Liljegen  
Title: Vice President

ROADWAY EXPRESS INTERNATIONAL, INC.

By: /s/ Kenneth P. Bowman  
Name: Kenneth P. Bowman  
Title: Vice President – Finance & Administration

ROADWAY LLC

By: /s/ Kenneth P. Bowman  
Name: Kenneth P. Bowman  
Title: Vice President – Finance

ROADWAY NEXT DAY CORPORATION

By: /s/ Paul F. Liljegen  
Name: Paul F. Liljegen  
Title: Vice President

ROADWAY REVERSE LOGISTICS, INC.

By: /s/ Kenneth P. Bowman  
Name: Kenneth P. Bowman  
Title: Vice President – Finance

USF BESTWAY INC.

By: /s/ Paul F. Liljegren  
Name: Paul F. Liljegren  
Title: Vice President

USF CANADA INC.

By: /s/ Paul F. Liljegren  
Name: Paul F. Liljegren  
Title: Vice President

USF DUGAN INC.

By: /s/ Paul F. Liljegren  
Name: Paul F. Liljegren  
Title: Vice President

USF GLEN MOORE INC.

By: /s/ Kenneth P. Bowman  
Name: Kenneth P. Bowman  
Title: Vice President – Finance

USF HOLLAND INC.

By: /s/ Daniel L. Olivier  
Name: Daniel L. Olivier  
Title: Vice President – Finance

USF LOGISTICS (MEXICO) INC.

By: /s/ Brenda Stasiulis  
Name: Brenda Stasiulis  
Title: Vice President – Finance

Signature Page to Consent and Raffirmation to Amendment No. 4  
YRC Worldwide Inc. et al  
Credit Agreement dated as of August 17, 2007

USF LOGISTICS SERVICES (PUERTO RICO) INC.

By: /s/ Brenda Stasiulis  
Name: Brenda Stasiulis  
Title: Vice President – Finance

USF MEXICO INC.

By: /s/ Paul F. Liljegren  
Name: Paul F. Liljegren  
Title: Vice President

USF REDSTAR LLC

By: /s/ Paul F. Liljegren  
Name: Paul F. Liljegren  
Title: Vice President

USF REDDAWAY INC.

By: /s/ Thomas S. Palmer  
Name: Thomas S. Palmer  
Title: Vice President – Finance and Chief Financial Officer

USF SALES CORPORATION

By: /s/ Paul F. Liljegren  
Name: Paul F. Liljegren  
Title: Vice President

USF TECHNOLOGY SERVICES, INC.

By: /s/ Paul F. Liljegren  
Name: Paul F. Liljegren  
Title: Vice President

USFREIGHTWAYS CORPORATION

By: /s/ Paul F. Liljegren  
Name: Paul F. Liljegren  
Title: Vice President

YRC ASSOCIATION SOLUTIONS, INC.

By: /s/ Phil J. Gaines  
Name: Phil J. Gaines  
Title: Senior Vice President and Chief Financial Officer

YRC ENTERPRISE SOLUTIONS GROUP INC.

By: /s/ Terry Gerrond  
Name: Terry Gerrond  
Title: Vice President – Tax

YRC INC.

By: /s/ Phil J. Gaines  
Name: Phil J. Gaines  
Title: Senior Vice President and Chief Financial Officer

YRC INTERNATIONAL INVESTMENTS, INC.

By: /s/ Brenda Stasiulis  
Name: Brenda Stasiulis  
Title: Vice President – Finance

YRC LOGISTICS GLOBAL, LLC.

By: /s/ Brenda Stasiulis  
Name: Brenda Stasiulis  
Title: Vice President – Finance

YRC LOGISTICS SERVICES, INC.

By: /s/ Brenda Stasiulis  
Name: Brenda Stasiulis  
Title: Vice President – Finance

YRC LOGISTICS, INC.

By: /s/ Brenda Stasiulis  
Name: Brenda Stasiulis  
Title: Vice President – Finance

Signature Page to Consent and Raffirmation to Amendment No. 4  
YRC Worldwide Inc. et al  
Credit Agreement dated as of August 17, 2007



YRC MORTGAGES, LLC

By: /s/ Christina E. Wise

Name: Christina E. Wise

Title: President

YRC NORTH AMERICAN TRANSPORTATION, INC.

By: /s/ Phil J. Gaines

Name: Phil J. Gaines

Title: Senior Vice President and Chief Financial Officer

YRC REGIONAL TRANSPORTATION, INC.

By: /s/ Paul F. Liljegren

Name: Paul F. Liljegren

Title: Vice President - Finance

YRC WORLDWIDE TECHNOLOGIES, INC.

By: /s/ Christina E. Wise

Name: Christina E. Wise

Title: Treasurer

Signature Page to Consent and Raffirmation to Amendment No. 4

YRC Worldwide Inc. et al

Credit Agreement dated as of August 17, 2007

THIRD AMENDMENT  
TO  
REAL ESTATE SALES CONTRACT  
(YRC / NATM [Sale/Leaseback])

March 6, 2009 (the "**Effective Date**")

THIS THIRD AMENDMENT TO REAL ESTATE SALES CONTRACT (this "**Amendment**") is entered into by and between YRC WORLDWIDE INC. ("**Seller**"), a Delaware corporation, as seller, and NATMI TRUCK TERMINALS, LLC ("**Buyer**"), a Delaware limited liability company, as buyer.

**Recitals**

A. Effective as of December 19, 2008 Buyer and Seller entered into that certain Real Estate Sales Contract (as amended, the "**Sale/Leaseback Contract**"), whereby Buyer agreed to purchase from Seller, and Seller agreed to sell to Buyer, those certain improved real properties located in various locations, as more particularly described in the Sale/Leaseback Contract.

B. Effective January 21, 2009 Seller and Buyer executed that certain First Amendment to Real Estate Sales contract which, among other things, addressed matters relating to First Close Properties, Environmental Properties, Structured Properties, Title Objection Properties and List A Properties.

C. Effective February 12, 2009 (Thursday) Seller and Buyer executed that certain Second Amendment to Real Estate Sales contract which, among other things, extended the Optional Closing Date to March 6, 2009 (Friday).

D. Buyer and Seller have agreed to further amend the Sale/Leaseback Contract as set forth below.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which hereby are acknowledged, Seller and Buyer hereby agree as follows:

**Agreements**

1. **Defined Terms.** All capitalized terms not defined herein shall have the meanings ascribed to them in the Sale/Leaseback Contract.

2. **Effect of this Amendment.** Except as expressly modified in this Amendment, the Sale/Leaseback Contract shall continue in full force and effect according to its terms and Buyer and Seller hereby ratify and affirm all their respective rights and obligations under the Sale/Leaseback Contract.

3. Conflicting Provisions. In the event any term or provision contained herein conflicts with the Sale/Leaseback Contract, the terms and provisions of this Amendment shall control.

4. Remaining Properties. Attached hereto as **Exhibit "A"** is the list of those List A Properties that have not closed. The property located at 2950 Lone Oak Circle, Minneapolis, Minnesota is hereby transferred from List B to List A.

5. Waiver of Inspection Period. Buyer waives its right to terminate the Sale/Leaseback Contract pursuant to Section 7(B) thereof as to the following properties:

15950 Smith Road, Denver, Colorado

1000 Chaddick Drive, Chicago North, Illinois

6845 North Cutter Circle, Portland, Oregon

9415 Wallisville Road, Houston, Texas

6. Environmental Properties. The Property located at 802 East 11<sup>th</sup> Street, Tacoma, Washington shall be added to the list of Environmental Properties.

7. Title Objections Properties. The Property located at 9415 Wallisville Road, Houston, Texas shall be added to the list of Title Objection Properties with the following specific title objection: There is an outstanding building permit. The Buyer shall have until 5:00 p.m. (EST) on March 27, 2009 to notify Seller pursuant to Section 4 of the Contract of any Non-Permitted Exceptions to which Buyer objects with respect to the property located at 2950 Lone Oak Circle, Minneapolis, Minnesota.

8. Structural Properties. The Property located at 802 East 11<sup>th</sup> Street, Tacoma, Washington shall be added to the list of Structural Properties.

9. Sprinklers. The Leaseback for the Property located at 1000 Chaddick Drive, Chicago North, Illinois and Property located at 2301 Hawkins Point Road, Baltimore, Maryland shall include a provision that Tenant (as defined in the applicable Leaseback) is obligated to make all repairs and expansions to the fire sprinkler system on the Premises (as defined in the applicable Leaseback) as required by applicable Laws (defined in the applicable Leaseback)

10. Optional Closing Date. The (amended) Optional Closing Date of March 6, 2009 (Friday) is hereby deleted in its entirety, and the new Optional Closing Date shall be March 31, 2009 (Tuesday).

11. Counterpart; Facsimile Signature. Facsimile signatures appearing hereon shall be deemed an original and this document may be executed simultaneously on two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) and the same instrument.

IN WITNESS WHEREOF, Seller and Buyer execute this Amendment to be enforceable on the Effective Date.

**SELLER:**

YRC WORLDWIDE INC.,  
a Delaware corporation

By: /s/ Timothy A. Wicks

Name: Timothy A. Wicks

Its: EVP & CFO

**BUYER:**

NATMI TRUCK TERMINALS, LLC,  
a Delaware limited liability company

By: /s/ Brian Kuzniar

Name: Brian Kuzniar

Its: Vice President

FOURTH AMENDMENT  
TO  
REAL ESTATE SALES CONTRACT  
(YRC / NATM [Sale/Leaseback])

March 31, 2009 (the "**Effective Date**")

THIS FOURTH AMENDMENT TO REAL ESTATE SALES CONTRACT (this "**Amendment**") is entered into by and between YRC WORLDWIDE INC. ("**Seller**"), a Delaware corporation, as seller, and NATMI TRUCK TERMINALS, LLC ("**Buyer**"), a Delaware limited liability company, as buyer.

**Recitals**

A. Effective as of December 19, 2008 Buyer and Seller entered into that certain Real Estate Sales Contract (as amended, the "**Sale/Leaseback Contract**"), whereby Buyer agreed to purchase from Seller, and Seller agreed to sell to Buyer, those certain improved real properties located in various locations, as more particularly described in the Sale/Leaseback Contract.

B. Effective January 21, 2009 Seller and Buyer executed that certain First Amendment to Real Estate Sales contract which, among other things, addressed matters relating to First Close Properties, Environmental Properties, Structured Properties, Title Objection Properties and List A Properties.

C. Effective February 12, 2009 (Thursday) Seller and Buyer executed that certain Second Amendment to Real Estate Sales contract which, among other things, extended the Optional Closing Date to March 6, 2009 (Friday).

D. Effective March 6, 2009 (Friday) Seller and Buyer executed that certain Third Amendment to Real Estate Sales Contract which, among other things, (i) addressed matters relating to Remaining Properties, Waiver of Inspection Period, Environmental Properties, Structural Properties, and Sprinklers, and (ii) extended the Optional Closing Date to March 31, 2009 (Tuesday).

E. Buyer and Seller have agreed to further amend the Sale/Leaseback Contract as set forth below.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which hereby are acknowledged, Seller and Buyer hereby agree as follows:

**Agreements**

1. **Defined Terms.** All capitalized terms not defined herein shall have the meanings ascribed to them in the Sale/Leaseback Contract.

2. Effect of this Amendment. Except as expressly modified in this Amendment, the Sale/Leaseback Contract shall continue in full force and effect according to its terms and Buyer and Seller hereby ratify and affirm all their respective rights and obligations under the Sale/Leaseback Contract.

3. Conflicting Provisions. In the event any term or provision contained herein conflicts with the Sale/Leaseback Contract, the terms and provisions of this Amendment shall control.

4. Baltimore, Maryland. The property located at 2301 Hawkins Point Road, Baltimore, Maryland is hereby deleted from List A.

5. Optional Closing Date. The (amended) Optional Closing Date of March 31, 2009 (Tuesday) is hereby deleted in its entirety, and the new Optional Closing Date shall be April 21, 2009 (Tuesday).

6. Seller's Right to Market the Properties. Notwithstanding anything to the contrary contained in the Sale/Leaseback Contract, any subsequent amendments, this Amendment, and/or any other document executed in connection with, or relating in any way to, the transaction underlying the Sale/Leaseback Contract, from and after the Effective Date Seller shall have the right to market for sale, lease, and/or other transfer, any and all of the List A Properties that have not closed prior to the Effective Date (the "**Remaining Properties**"), and Seller may take any and all actions Seller deems necessary, in Seller's sole and absolute discretion, to market the Remaining Properties for sale, lease, and/or other transfer. Buyer will continue to have the right to purchase the Remaining Properties through and up to the Optional Closing Date, and Seller will not enter into any contract for the sale and leaseback of the Remaining Properties with any other buyer prior to the Optional Closing Date.

7. Counterpart; Facsimile Signature. Facsimile signatures appearing hereon shall be deemed an original and this document may be executed simultaneously on two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) and the same instrument.

(signature page follows)

IN WITNESS WHEREOF, Seller and Buyer execute this Amendment to be enforceable on the Effective Date.

**SELLER:**

YRC WORLDWIDE INC.,  
a Delaware corporation

By: /s/ Brad Schroeder  
Name: Brad Schroeder  
Its: VP Finance & Properties

**BUYER:**

NATMI TRUCK TERMINALS, LLC,  
a Delaware limited liability company

By: /s/ Brian Kuzniar  
Name: Brian Kuzniar  
Its: Vice President

FIFTH AMENDMENT  
TO  
REAL ESTATE SALES CONTRACT  
(YRC / NATM [Sale/Leaseback])

April 21, 2009 (the "**Effective Date**")

THIS FIFTH AMENDMENT TO REAL ESTATE SALES CONTRACT (this "**Amendment**") is entered into by and between YRC WORLDWIDE INC. ("**Seller**"), a Delaware corporation, as seller, and NATMI TRUCK TERMINALS, LLC ("**Buyer**"), a Delaware limited liability company, as buyer.

**Recitals**

A. Effective as of December 19, 2008 Buyer and Seller entered into that certain Real Estate Sales Contract (as amended, the "**Sale/Leaseback Contract**"), whereby Buyer agreed to purchase from Seller, and Seller agreed to sell to Buyer, those certain improved real properties located in various locations, as more particularly described in the Sale/Leaseback Contract.

B. Effective January 21, 2009 Seller and Buyer executed that certain First Amendment to Real Estate Sales Contract (the "**First Amendment**") which, among other things, addressed matters relating to First Close Properties, Environmental Properties, Structured Properties, Title Objection Properties and List A Properties.

C. Effective February 12, 2009 (Thursday) Seller and Buyer executed that certain Second Amendment to Real Estate Sales contract which, among other things, extended the Optional Closing Date to March 6, 2009 (Friday).

D. Effective March 6, 2009 (Friday) Seller and Buyer executed that certain Third Amendment to Real Estate Sales Contract which, among other things, (i) addressed matters relating to Remaining Properties, Waiver of Inspection Period, Environmental Properties, Structural Properties, and Sprinklers, and (ii) extended the Optional Closing Date to March 31, 2009 (Tuesday).

E. Effective as of March 31, 2009 (Tuesday) Seller and Buyer executed that certain Fourth Amendment to Real Estate Sales Contract which, among other things, (i) deleted the Baltimore, Maryland property from List A; (ii) extended the Optional Closing Date to April 21, 2009 (Tuesday), and (iii) addressed Seller's Right to Market the Properties.

F. Buyer and Seller have agreed to further amend the Sale/Leaseback Contract as set forth below.



NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which hereby are acknowledged, Seller and Buyer hereby agree as follows:

### **Agreements**

1. **Defined Terms.** All capitalized terms not defined herein shall have the meanings ascribed to them in the Sale/Leaseback Contract.

2. **Effect of this Amendment.** Except as expressly modified in this Amendment, the Sale/Leaseback Contract shall continue in full force and effect according to its terms and Buyer and Seller hereby ratify and affirm all their respective rights and obligations under the Sale/Leaseback Contract.

3. **Conflicting Provisions.** In the event any term or provision contained herein conflicts with the Sale/Leaseback Contract, the terms and provisions of this Amendment shall control.

4. **Deleted Properties.** Borrower has elected not to acquire the List A Properties listed on **Exhibit "A"**, attached hereto and incorporated herein by reference.

5. **Remaining Properties.** Attached hereto as **Exhibit "B"**, and incorporated herein by reference, is the list of the remaining List A Properties that have not closed prior to the Effective Date of this Amendment (the **"Remaining Properties"**).

6. **Waiver of Buyer's right to terminate.** Buyer waives its right to terminate the Sale/Leaseback Contract pursuant to (i) Section 7(C) of the Sale/Leaseback Contract, and (ii) Sections 5, 6, and 7 of the First Amendment.

7. **Extended Optional Closing Date.** The Closing on the Remaining Properties shall occur on May 21, 2009 (Thursday) (the **"Extended Optional Closing Date"**). TIME IS OF THE ESSENCE WITH RESPECT TO THE EXTENDED OPTIONAL CLOSING DATE.

8. **Waiver of Buyer's Opportunity to Cure; Seller's Remedies.** Buyer waives any and all rights to notice and an opportunity to cure any default by Buyer under the Sale/Leaseback Contract including, without limitation, the notice and cure rights contained within Section 10(b) of the Sale/Leaseback Contract.

9. **Effect of Buyer's failure to close on the Extended Optional Closing Date.** If Closing does not occur on the Extended Optional Closing Date because of a default by Buyer under the Sale/Leaseback Contract, then, ***without notice or any other action by Seller or Buyer:***

- (a) the remaining balance of the Deposit shall be paid to and retained by Seller as liquidated damages;
- (b) the Sale/Leaseback Contract shall terminate; and
- (c) Seller and Buyer shall have no further obligations to each other under the Sale/Leaseback Contract.

10. **Counterpart; Facsimile Signature.** Facsimile signatures appearing hereon shall be deemed an original and this document may be executed simultaneously on two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) and the same instrument.

IN WITNESS WHEREOF, Seller and Buyer execute this Amendment to be enforceable on the Effective Date.

**SELLER:**

YRC WORLDWIDE INC.,  
a Delaware corporation

By: /s/ Brad S. Schroeder  
Name: Brad S. Schroeder  
Its: VP Finance & Properties

**BUYER:**

NATMI TRUCK TERMINALS, LLC,  
a Delaware limited liability company

By: /s/ James M. Hutchinson  
Name: James M. Hutchinson  
Its: President

**FORM OF REAL ESTATE SALES CONTRACT**

THIS REAL ESTATE SALES CONTRACT (this "Contract") is made effective as of the later of the date signed by Buyer or the date signed by Seller (the "Effective Date") between Estes Express Lines, a Virginia Corporation ("Buyer"), and \_\_\_\_\_, a \_\_\_\_\_ corporation ("Seller").

**WITNESSETH**

In consideration of Ten Dollars (\$10.00) and the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, Buyer hereby agrees to buy, and Seller hereby agrees to sell, upon the following terms and conditions, the real estate, including all improvements and fixtures thereon, located for street numbering purposes at \_\_\_\_\_, and further described on Exhibit "A" attached hereto (collectively, the "Property"):

1. **PURCHASE PRICE.** The purchase price for the Property shall be \_\_\_\_\_ DOLLARS (\$) (the "Purchase Price"), payable at the time of Closing (as defined in Section 8) by applying the Deposit (as defined in Section 2) and Buyer paying the balance by cash, cashier's check, certified check or wire transfer of funds, in each case, paid to the order of Seller.

2. **DEPOSIT.** Buyer shall deposit with the Escrow Agent (as defined in Section 9) within ten (10) days after the Effective Date, the sum of \_\_\_\_\_ DOLLARS (\$) (the "Deposit"), which shall be held by the Escrow Agent and shall be applied against the Purchase Price at the Closing.

3. **POSSESSION.** Possession of the Property shall be given to the Buyer immediately after Closing.

4. **EVIDENCE OF TITLE.**

(A) Buyer shall obtain a title insurance commitment (the "Commitment") issued by the Escrow Agent, pursuant to which the title insurance company commits that at the Closing it will issue its owners policy of title insurance ("Buyer's Policy"), insuring fee simple title to the Property to be in Buyer's name in the total amount of the Purchase Price, free and clear of all liens, encumbrances, restrictions and conditions of title except the following (the "Permitted Exceptions"): (1) utility easements for utility service to the Property, (2) zoning ordinances, (3) legal highways, (4) real property taxes (and their lien, if any) which are not delinquent as of Closing, (5) assessments which are not delinquent as of Closing, (6) rights of way and easements which do not materially adversely affect title to or use of the Property, (7) the standard preprinted exceptions contained in the Commitment and Buyer's Policy, (8) matters which an accurate survey of the Property would disclose, and (9) any other restrictions, easements, encumbrances or other matters which do not materially adversely affect title to or use of the Property. Any liens, encumbrances, restrictions and conditions of title other than the "Permitted Exceptions" are herein referred to as the "Non-Permitted Exceptions".

(B) Buyer shall notify Seller in writing of any Non-Permitted Exceptions to which Buyer objects within fifteen (15) days following Buyer's receipt of the Commitment. If Buyer

does not provide Seller with said notice within such fifteen (15) day period, Buyer shall be deemed to have accepted the state of title disclosed in the Commitment and shall have waived any right to object to any exceptions to Seller's title.

(C) Seller may, but shall not be obligated to, remove any Non-Permitted Exceptions so objected to by Buyer within thirty (30) days after receipt of Buyer's written notice under Section 4(B). Seller shall not be required to bring any action or proceeding or otherwise incur any expense in order to remove any such Non-Permitted Exception; excepting the payment of indebtedness evidenced by any deed of trust or mortgage but with respect to the lien of JP Morgan Chase encumbering the Property, Seller shall use its commercially reasonable efforts to have such lien released at Closing. If Seller is unable to obtain a lien release from JP Morgan Chase by Closing, either Buyer or Seller may terminate this Contract by written notice to the other, in which case Buyer shall be entitled to prompt return of the Deposit and Seller shall be obligated to reimburse Buyer for all out-of-pocket costs incurred by Buyer related to this Contract. If Seller is unable to remove any other such Non-Permitted Exception within such thirty (30) day period, the Deposit shall be returned to Buyer forthwith and this Contract shall automatically terminate, relieving the parties of any further obligations and/or liabilities hereunder, unless Buyer notifies Seller in writing within five (5) days after the expiration of such thirty (30) day period that Buyer is willing to accept such title as Seller may be able to convey, without reduction of the Purchase Price and without further obligation on the part of the Seller.

5. DEED. Seller shall convey to Buyer fee simple title to the Property by a recordable limited or special warranty deed (the "Limited Warranty Deed"). The parties agree that the Limited Warranty Deed shall warrant title only as against those persons claiming by, through or under Seller, but not otherwise, and shall be subject to the Permitted Exceptions and to all Non-Permitted Exceptions accepted or deemed accepted by Buyer.

6. REAL ESTATE TAXES AND ASSESSMENTS. Seller shall pay all delinquent real estate taxes, including penalties and interest, and shall pay or credit against the Purchase Price all other real estate taxes which are due and payable by the date of Closing. Seller shall also pay all real estate assessments which are due and payable by the date of Closing. If Seller has already paid the real estate taxes and/or assessments for the current tax year, it shall be noted on the Closing Statement (as defined in Section 9).

7. INSPECTION; DUE DILIGENCE; SELLER'S REPRESENTATIONS AND WARRANTIES.

(A) Seller agrees to provide Buyer with a copy of the following documents (to the extent such documents are in possession or control of Seller): (i) any survey of the Property, (ii) all approved or pending site plans relating to the Property, (iii) all environmental reports, studies or data, including any Phase I or Phase II, together with the results of any environmental testing of the Property, (iv) existing title insurance policies, commitments or exceptions, (v) any zoning permits, special exception, special use permits, variances or similar approval relating to the Property, and (vi) all notices of outstanding code violations, as well as copies of any notices of previous code violations with evidence of cure. Buyer, at its own expense, may have any survey provided by the Seller updated or may obtain a new survey. Seller grants to Buyer and persons designated by Buyer permission to enter upon the Property in order to make surveys, bores, soil bearing tests and other tests (including hazardous substances), provided that Buyer shall notify Seller at least 48 hours in advance of such testing. Such testing shall be so conducted as not to

damage the Property. Buyer hereby agrees to indemnify, defend and hold Seller harmless from and against any and all damages, liens, injuries, actions, claims or costs, including reasonable attorneys fees, arising in any manner, directly or indirectly, from Buyer's or its designees' activities on or with respect to the Property, which indemnity shall survive the termination of this Contract for six months. Buyer shall (i) keep all due diligence materials delivered by the Seller and all information, data and reports concerning or arising from any such tests confidential to the extent permitted by applicable law and shall not disclose or divulge the same to any third party (other than Buyer's lender, attorneys, accountants, consultants, advisors and except as required by court order) without Seller's prior written consent, which Seller may withhold in its sole and absolute discretion, and (ii) provide copies of all such information, data and reports to Seller upon written request therefore from Seller.

(B) Buyer shall have [thirty (30)] [thirty-six (36)] [sixty (60)] days from the Effective Date within which to conduct the surveys and tests referred to in Section 7(A) and to obtain written evidence of any necessary financing for this purchase from a reputable institutional lender (the "Inspection Period"). [Buyer shall have an option to extend the Inspection Period for [one] [two] additional thirty (30) day period[s] by providing Seller with written notice exercising this option prior to the expiration of the Inspection Period ("Extended Inspection Period").] In the event that Buyer does not terminate this Contract pursuant to Section 7(C) below, Buyer agrees to accept the Property in its present condition as of the Effective Date. Buyer represents and warrants that it is qualified through experience and training to make such investigation of the condition of the Property, both as to the type of investigation and as to the extent of the investigation, and that if Buyer is not qualified to make such investigation Buyer shall have the investigation made by persons who are so qualified. In purchasing and accepting the Property in its present condition, Buyer represents that it will rely solely upon its own investigation and will not rely upon any investigation or disclosure of Seller regarding the Property (excepting any representations and warranties expressly contained herein).

(C) In the event that Buyer determines prior to the end of the Inspection Period [and/or Extended Inspection Period] that the Property is not suitable for any reason or Buyer fails to obtain written evidence of any necessary financing for this purchase from a reputable institutional lender, Buyer may provide written notice to Seller terminating this Contract, in which event the Deposit shall be returned to Buyer and the parties shall have no further obligation to one another hereunder. If Buyer fails to give such notice of termination to Seller prior to the end of the Inspection Period [and/or Extended Inspection Period], Buyer shall be deemed to have waived any objection to the Property and to have affirmed this Contract and elected to purchase the Property with no reduction in the Purchase Price.

(D) Seller has not made, and shall not be deemed to have made, and Buyer has not relied upon, any representation or warranty, either express or implied, to Buyer, or any person representing Buyer, or any person or entity upon which Buyer relies in purchasing the Property as to any matter whatsoever concerning the Property except for any representation or warranty expressly set forth in this Contract (including, without limitation, Section 7(E) below). Except as otherwise expressly provided herein, Buyer acknowledges that the purchase of the Property by Buyer is on an "AS IS" basis. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, BUYER EXPRESSLY AGREES TO ACCEPT THE PROPERTY "AS IS" AND "WHERE IS". EXCEPT AS EXPRESSLY PROVIDED HEREIN, SELLER SHALL UNDER NO CIRCUMSTANCES BE DEEMED TO HAVE MADE, AND SELLER HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR

IMPLIED. Except as otherwise expressly provided herein, Seller shall not be obligated to conduct any inquiry or investigation regarding the condition of the Property in connection with this Contract. The provisions of this Section 7 (D) shall survive the delivery and recording of the Limited Warranty Deed for record.

(E) The Seller represents and warrants to the Buyer as follows:

(i) Organization and Power. Seller has all requisite powers to enter into and perform its obligations hereunder and under any document required to be executed and delivered on behalf of the Seller hereunder.

(ii) Bankruptcy. Except as disclosed in writing to Buyer prior to the expiration of the Inspection Period, no petition in bankruptcy (voluntary or to Seller's knowledge involuntary), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other similar action under Federal or state bankruptcy or insolvency law is pending against or contemplated by Seller.

(iii) Authorization and Execution. This Contract constitutes the valid and binding agreement of the Seller and is enforceable in accordance with its terms, subject to bankruptcy, insolvency and similar laws applicable to creditor's rights or the collection of debtor's obligations generally and to general principles of equity. Except for JP Morgan Chase, there is no other person or entity whose consent is required in connection with the Seller's performance of its obligations hereunder.

(iv) Leases. There are no parties in possession, tenancies, leases or side agreements with tenants or others affecting the Property.

(v) Contracts; Management and Service Contracts. Except for this Contract, there are no contracts of sale, purchase options or first offer or refusal rights, agreements or restrictions (written or oral) affecting the Property to which the Seller is a party or of which the Seller has knowledge that would in any way adversely affect the Seller's ability to perform its obligations hereunder. To Seller's knowledge, there are no management agreements, service contracts, listing agreements or any other agreements (written or oral) affecting the Property or the operation, use or maintenance thereof except the Permitted Exceptions.

(vi) Violation of Law. The Seller has no knowledge of any violation of federal, state or local law or ordinances, orders or regulations with respect to the Property including, but not limited to, those pertaining to building, zoning and environmental requirements.

(vii) Planned Improvements. The Seller has no knowledge of any special assessments against the Property or any planned public improvements which may result in a special assessment against the Property.

(viii) Legal Proceedings. There are no proceedings pending or, to Seller's knowledge, threatened against or relating to the Property including, without limitation, any proceedings relating to condemnation or the exercise of the right of eminent domain as to any part of the Property, or purchase in lieu thereof, or for limiting or denying any right of access thereto.

(ix) Hazardous Substances. To Seller's knowledge, the Property is not identified on the current or proposed (i) National Priorities List under 40 C.F.R. § 300, (ii) Comprehensive Environmental Response Compensation and Liability Inventory System ("CERCLIS") list, or (iii) any list arising from a state statute similar to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq. ("CERCLA"). There are no present or, to Seller's knowledge, past actions, activities, circumstances, conditions, events or incidents affecting the Property that would be in violation of any Environmental Laws (as defined in Section 18) such that it would be a basis for assertion of any claim against the Buyer under any Environmental Laws relating to protection of human health or the environment, including, without limitation, any release (as defined in CERCLA, or in any applicable state or local law or regulation) of any chemical substances, asbestos or asbestos-containing materials, formaldehyde, polychlorinated biphenyls, toxic, carcinogenic, radioactive, or other hazardous material, substance, waste, contaminant, or pollutant regulated now or hereafter by any governmental entity or agency (collectively, "Hazardous Materials"). Except as disclosed in writing to Buyer prior to the expiration of the Inspection Period, there are currently no underground storage tanks existing on the Property, and, to Seller's knowledge, except as disclosed in writing to Buyer prior to the expiration of the Inspection Period, no underground storage tanks have existed on the Property, which are or were used to store Hazardous Materials of any kind.

(x) Zoning. To Seller's knowledge, the present use of the Property is a permitted use under the zoning classification applicable to the Property without any rezoning, special exception, use permit or variance being required therefor. To Seller's knowledge, the Property has not been subject to any application for any rezoning, special use permit, conditional use permit, proffer amendment, plan of development or other land use permit or approval within the past twelve (12) months.

The phrases "to Seller's knowledge" or "Seller has no knowledge" or similar phrases shall mean the actual conscious knowledge of individuals in YRC's Real Estate and Properties department or Environmental Services department, without any duty to investigate.

At Closing, the Seller shall deliver a certificate to Buyer stating that the representations and warranties made by the Seller above shall be true and correct as of the date of Closing and the Seller shall have fully performed in all material respects all the agreements and covenants to be performed by the Seller in accordance with the provisions of this Contract. The foregoing representations and warranties shall survive Closing.

8. CLOSING; DEPOSITS INTO ESCROW. This transaction shall be closed and settled and the Limited Warranty Deed delivered to Buyer and the Purchase Price paid to Seller (collectively, the "Closing") on a date (the "Closing Date") within fifteen (15) days after the end of the Inspection Period [and/or Extended Inspection Period] agreed upon by Buyer and Seller, provided Seller shall not be obligated to close without at least three (3) business days notice from Buyer. On or before the Closing Date, Seller shall deposit or cause to be deposited with the Escrow Agent:

- (a) the Limited Warranty Deed;

- (b) A "Non-Foreign Seller Affidavit" as required by Section 1445 of the Internal Revenue Code of 1986, as amended;
- (c) An affidavit in form and substance reasonably acceptable to the Buyer certifying that the Real Property is free from claims for mechanics' and materialmen's liens, as well as the rights or claims of any parties in possession (except for Permitted Exceptions);
- (d) The certificate as to representations and warranties required by Section 7(E) above;
- (e) Such funds and other instruments, in recordable form or otherwise, as may be reasonably required by the Escrow Agent as a condition of the Closing or the issuance of Buyer's Policy;
- (f) The Leaseback (as defined in Section 15); and
- (g) The Closing Statement (as defined in Section 9).

On or before the Closing Date, Buyer shall deposit with the Escrow Agent:

- (a) The amount of \_\_\_\_\_ DOLLARS (\$) \_\_\_\_\_, representing the difference between the Purchase Price and the Deposit;
- (b) Such other funds and instruments, in recordable form or otherwise, as may be reasonably required by the Escrow Agent as a condition of the Closing or the issuance of Buyer's Policy;
- (c) The Leaseback; and
- (d) The Closing Statement.

9. ACTIONS BY ESCROW AGENT. The following shall act as the escrow agent hereunder (the "Escrow Agent"):

Monique Pecora  
Fidelity National Title Insurance Company  
Richmond National Title Services Office  
7130 Glen Forest Drive, Suite 403  
Richmond, VA 23226  
Toll Free: (866) 774-9094 Ext. 207  
Direct: (804) 287-0907  
Fax: (804) 673-3308

This Contract shall serve as escrow instructions to the Escrow Agent, subject to its Standard Conditions of Acceptance of Escrow; provided, however, that this Contract shall govern in the event of any conflict between said Standard Conditions and any of the terms hereof. On the Closing Date, if all the funds and documents set forth in Section 8 have been delivered to the Escrow Agent and if the Escrow Agent or the applicable title company is in a position to issue and will issue Buyer's Policy as described in Section 4, the Escrow Agent shall:

- (a) Cause the Limited Warranty Deed to be filed for record;



- (b) Make the prorations set forth in Section 6, paying all amounts of taxes and assessments which are applicable to the Property and which are due and payable at such time and appropriately charging or crediting the respective accounts of the parties;
- (c) Cause the issuance and delivery to Buyer of the Buyer's Policy, as described in Section 4, charging to the account of [Buyer] [Seller]<sup>1</sup> the cost of the title examination and Commitment and the cost of the premium of Buyer's Policy and all endorsements;
- (d) Charge to the account of Seller, Seller's attorneys' fees, one-half ( $\frac{1}{2}$ ) of the escrow fee, [the real estate transfer fees, transfer taxes and similar conveyance taxes or fees]<sup>2</sup> and all other sums properly chargeable against Seller hereunder or in accordance with local custom;
- (e) Charge to the account of Buyer [the real estate transfer fees, transfer taxes and similar conveyance taxes or fees], <sup>3</sup> one-half ( $\frac{1}{2}$ ) of the escrow fee, the cost of recording the Limited Warranty Deed, the Buyer's attorneys' fees and all other sums properly chargeable against Buyer hereunder or in accordance with local custom; and
- (f) Pay to or upon the order of Seller the cash balance of the Purchase Price after deducting all amounts herein required to be paid by Seller, including any broker's commission payable by Seller as provided in Section 11.

The Escrow Agent shall prepare and the Buyer and Seller shall execute a standard escrow statement (the "Closing Statement") which apportions the costs associated with Closing in accordance herewith and accounts for the disbursement of the Purchase Price. The Escrow Agent shall deliver to Seller a copy of the recorded Limited Warranty Deed and the Closing Statement in duplicate showing all the charges and credits affecting the account of Seller. The Escrow Agent shall deliver to Buyer the recorded Limited Warranty Deed; copies of any recorded mortgage deposited by Buyer; Buyer's Policy; the balance, if any, of the funds deposited by Buyer remaining after disbursement in accordance with these directions; and the Closing Statement in duplicate showing all charges and credits affecting the account of Buyer.

#### 10. DEFAULT; REMEDIES.

(a) If, at any time on or before the time of Closing on the Closing Date, Seller shall have failed or refused to perform its obligations hereunder as and when provided in this Contract, then and in any such case Buyer may (A) by written notice furnished to Seller and to the Escrow Agent, terminate this Contract, and in such event the Escrow Agent shall promptly return the

<sup>1</sup> The party responsible for these costs varied from contract to contract.

<sup>2</sup> The party responsible for these costs varied from contract to contract.

<sup>3</sup> The party responsible for these costs varied from contract to contract.

Deposit to Buyer, Seller shall pay the expenses of the Escrow Agent (including all title charges) through the date of such termination and Buyer may seek monetary damages for all actual out-of-pocket costs and expenses incurred by Buyer prior to the date of Seller's failure or refusal to perform its obligations under this Contract, or (B) enforce specific performance of Seller's obligations under this Contract.

(b) If, at any time on or before the time of Closing on the Closing Date, Buyer shall have failed or refused to perform its obligations hereunder as and when provided in this Contract, then and in any such case Seller may (A) by written notice furnished to Buyer and the Escrow Agent, terminate this Contract, and in such event, the Escrow Agent shall disburse the Deposit to Seller, and Buyer shall pay the expenses of the Escrow Agent (including all title charges) through the date of such termination, and (B) seek monetary damages for all losses and costs incurred by Seller as a result of Buyer's failure or refusal to perform its obligations under this Contract

11. **BROKER.** Buyer and Seller warrant and represent to one another that they have used no broker in connection with this transaction . Each party agrees to indemnify and save the other harmless from and against any and all claims for brokerage commissions arising from their respective dealings with any broker other than those identified in this Section 11. The foregoing warranties, representations and indemnities shall survive the delivery and recording of the Limited Warranty Deed for record and shall not be merged into said Limited Warranty Deed.

12. **NOTICES.** For the purposes of all notices and communications between the parties, the addresses of Buyer and Seller shall be as follows:

BUYER: Estes Express Lines  
Attn: Angela Maidment  
3901 W. Broad St.  
Richmond, VA 23230  
804-353-1900, ext. 2263  
FAX #: 804-359-6700

SELLER: YRC North American Transportation, Inc.  
P. O. Box 471  
1077 Gorge Boulevard  
Akron, Ohio 44309-0471  
Attn: Real Estate and Properties  
FAX#: (330) 258-2597

Any notices and other communications to be delivered by either party to the other pursuant to this Contract shall be in writing and shall be deemed delivered as follows, except as otherwise specifically provided in this Contract: (a) when hand delivered or telecopied (provided that telecopied notices must be confirmed within any applicable time period plus two (2) days by one of the following methods of notice); (b) one (1) business day after mailing by Federal Express or other overnight courier service; or (c) upon receipt (or refusal to accept delivery) by United States registered or certified mail, postage prepaid, return receipt requested, in each case addressed to the party to be charged with notice at the above recited address or the above recited facsimile number or such other address or facsimile number as either party from time to time may designate by notice delivered to the other; provided, however, that no notice of change of

address or facsimile number shall be deemed given until actually received by the party to be notified. Except as otherwise specifically provided herein, in the computation of any period of time which shall be required or permitted hereunder or under any law for any notice or other communication or for the performance of any term, condition, covenant or obligation, the day from which such period runs shall be excluded and the last day of such period shall be included unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday or legal holiday.

13. NON-ASSIGNMENT BY BUYER. This Contract and the rights granted hereunder are personal unto Buyer and may not be assigned, transferred or conveyed by Buyer in whole or in part without the prior written consent of Seller, which may be withheld by Seller in its sole and absolute discretion (less and except any of Buyer's associated entities, subsidiaries, etc.).

14. LIKE-KIND EXCHANGE. Either party, at any time prior to the Closing Date, may elect to effect a simultaneous or non-simultaneous tax-deferred exchange pursuant to Section 1031, and the regulations pertaining thereto, of the Internal Revenue Code of 1986, as amended. Each party expressly agrees to cooperate with the other party in connection with any such exchange in any manner which shall not impose any additional cost or liability upon the non-exchanging party, including without limitation by executing any and all documents, including escrow instructions or agreements consenting to the assignment of the exchanging party's rights and obligations hereunder to an exchange entity, which may be necessary to carry out such an exchange; provided, however, that such non-exchanging party shall not be required to take title to any property in order to accommodate the exchange; and provided further, however, that such an exchange shall not delay the Closing Date.

15. LEASEBACK. At Closing the parties shall execute a lease for the Property substantially in the form attached hereto as Exhibit "B" (each a "Leaseback").

16. MISCELLANEOUS:

(A) This Contract: (i) contains the entire agreement between the parties and no promise, representation, warranty, covenant, agreement, or understanding not expressly set forth in this Contract shall be binding upon either party; (ii) may not be amended, modified, or supplemented in any manner except in writing signed by the parties; (iii) shall be construed and governed under the laws of the state where the Property is located; (iv) shall not be construed more stringently in favor of one party against the other regardless of which party has prepared the same; (v) shall be binding upon, and inure to the benefit of, the parties and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns; (vi) shall not be binding until this Contract shall be executed and delivered by the parties, to each other; and (vii) may be executed in counterparts, each of which shall be deemed an original, but which all together constitute the same instrument.

(B) Any person executing this Contract on behalf of a corporation, limited liability company, trust, partnership or other entity represents and warrants that such person is authorized to execute and deliver this Contract on behalf of such entity.

(C) The failure of either party to insist upon strict performance of any provision of this Contract shall not be deemed a waiver of any rights or remedies at any other time.

(D) The exhibits attached hereto are incorporated herein by this reference.

(E) In the event of any conflict between this Contract and an exhibit, the exhibit shall control.

(F) Headings are for convenience only and are not a part of this Contract.

(G) The invalidity or unenforceability of any term or provision shall not affect the validity or enforceability of the remainder of this Contract.

(H) The parties agree to obtain, execute, deliver, and file such additional documents, instruments, and consents as may be reasonably requested by either party, at the sole cost and expense of the requesting party, in order to fully effectuate the terms and conditions of this Contract.

(I) Risk of loss with respect to the Property shall remain with Seller until Closing is completed. Seller shall maintain in full force and effect all of Seller's existing fire and extended coverage insurance on the Property until the Closing Date. Seller's existing insurance policy shall be canceled as of the Closing Date and Buyer shall obtain new insurance at such time unless otherwise provided in the Leaseback. If, prior to the Closing Date, any building or other improvement on the Property is damaged or destroyed by any cause in any amount, Seller shall promptly notify Buyer and Buyer shall have the option to terminate this Contract by notice to Seller (such notice to be given within fifteen (15) days after Buyer is given notice of such damage or destruction) or to proceed with this transaction, in which latter event Buyer shall receive all proceeds of insurance payable by reason of such damage or destruction; provided, however, that if such damage or destruction is in an amount which is equal to or less than twenty-five percent (25%) of the replacement cost of the improvements and fixtures constituting a portion of the Property, Buyer shall not have the option to terminate this Contract if Seller shall agree in writing to (a) promptly cause such damaged building or improvement to be replaced or restored to the condition it was in prior to such damage or destruction, or (b) deliver to Buyer on the Closing Date (or subtract from the Purchase Price an amount equal to the sum of) all proceeds of insurance payable by reason of such damage or destruction together with the additional amount, if any, which is required to replace or restore such damaged building or improvement to the condition it was in prior to such damage or destruction. If Buyer elects to cancel this Contract pursuant to this Section 15(I), Seller shall cause the Escrow Agent to refund the Deposit to Buyer, and neither party shall thereafter have any further rights, duties or liabilities under this Contract.

(J) If, before the Closing Date, all or any portion of the Property is taken or a proceeding is commenced to take the same by eminent domain or private sale in lieu thereof, Buyer, at its option, may elect either to proceed to Closing or to cancel this Contract. Such election shall be made by written notice from Buyer to Seller given not more than fifteen (15) days after written notice from Seller to Buyer of such condemnation affecting the Property. If Buyer elects to cancel this Contract in such event, Seller shall cause the Escrow Agent to refund the Deposit to Buyer, and neither party shall thereafter have any further rights, duties or liabilities under this Contract. If Buyer elects to proceed to Closing, Seller shall assign to Buyer all of Seller's rights, title and interest in and to any awards that may be payable for such taking.

17. **ACCEPTANCE.** In the event this Contract is not signed simultaneously by both parties, it shall be considered to be an offer made to the other party by the party first executing it. In such event, the offer shall automatically expire at midnight, Akron, Ohio time, on February 13, 2009, unless one copy of this Contract executed by the party to whom this offer has been made shall have been actually received by the party making the offer, or its attorney, prior to the aforementioned expiration date.

18. **POST-CLOSING ENVIRONMENTAL LIABILITY.** Seller hereby agrees to indemnify, defend and hold harmless Buyer and Buyer's partners, officers, directors, members, shareholders, directors, lenders, affiliates, employees, agents, successors and assigns from and against all loss, cost, damage, liability and expense (including attorneys' fees and expenses) arising from or relating to any actual or asserted failure of Seller to fully comply with all applicable Environmental Laws (hereinafter defined) or arising from or relating to any Hazardous Materials which are placed in, on or about the Property by Seller or its servants, agents, employees, contractors, subcontractors, licensees, assignees or subtenants prior to Closing or during the term of any Leaseback, including, but not limited to:

(A) Any and all reasonable costs that Buyer may incur in studying, assessing, containing, removing, remedying, mitigating, or otherwise responding to the release by Seller of any Hazardous Materials at, in, on, under, from, or relating to the Property;

(B) Any and all costs for which Buyer may be liable to any governmental agency for studying, assessing, containing, removing, remedying, mitigating, or otherwise responding to the release by Seller of any Hazardous Materials at, in, on, under, from, or relating to the Property;

(C) Any and all fines or penalties assessed upon Buyer or liabilities of Buyer to third parties by reason of Seller's failure to comply with any obligations, covenants, or conditions set forth in this Section 18; and

(D) Any and all reasonable legal, consultant or professional fees and costs incurred by Buyer in connection with any of the foregoing.

The term "Environmental Laws" shall include the CERCLA, any state "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct covering Hazardous Materials as may now or at any time hereafter be in effect. Seller's obligation to undertake, pay for or reimburse any party with respect to any indemnity hereunder, remediation or other activity regarding Hazardous Materials shall be limited to the extent necessary for the Property to comply with the minimum standards required by applicable Environmental Laws; provided, however, Seller shall be obligated hereunder to undertake, pay for or reimburse any party with respect to any indemnity hereunder, remediation or other activity regarding Hazardous Materials as required to prevent the recordation or other imposition of any restrictions, covenants or other limitations on the use or conveyance of Property, which such restrictions, covenants or other limitations are objectionable in Buyer's reasonable discretion in that it would diminish the value or use of the Property.

If, during the Inspection Period [and/or Extended Inspection Period], Buyer identifies any environmental issue that requires remediation, Buyer and Seller shall use their best efforts during the Inspection Period [and/or Extended Inspection Period] to agree upon the amount necessary

for such remediation. If such amount is agreed upon, at Closing, Seller shall deliver such amount into escrow with an escrow agent under such terms as shall be mutually agreeable to Seller and Buyer and such escrowed amount shall be used for the remediation. If Seller shall fail to commence to remediate such environmental issue in a commercially reasonable time, Buyer may give written notice to Seller of such failure and if such failure is not cured within fifteen (15) days, then Buyer shall have the right to access and utilize the escrowed amount to remediate such environmental issue. Buyer shall have a perfected security interest in such escrowed amount.

The terms and provisions in this Section 18 shall survive Closing.

[19. Mutual Right to Terminate. At any time prior to the end of the Inspection Period or Extended Inspection Period (as it may apply), should either party determine that the terms and conditions for Property expansion are not suitable for any reason, either party may elect to terminate this Contract by providing written notice to the other party terminating this Contract, in which event the Deposit shall be returned to Buyer and the parties shall have no further obligation to one another hereunder.]<sup>4</sup>

[signature page to follow]

<sup>4</sup> Section 19 was included in the Real Estate Sales Contracts for two of the facilities expected to close by the end of June 2009.

Signed by Seller this    day of    , 2009.

Signed by Buyer this    day of    , 2009.

SELLER:

BUYER:

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**ESCROW AGENT'S ACKNOWLEDGMENT AND AGREEMENT**

Re: Sale by \_\_\_\_\_ . to \_\_\_\_\_ of Property Located at \_\_\_\_\_ .

The undersigned acknowledges receipt of the Deposit of \$ \_\_\_\_\_ and agrees to act as the Escrow Agent in accordance with the provisions of the foregoing Contract.

\_\_\_\_\_  
(Agent for Fidelity National Title Insurance Company)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

INSTRUCTIONS TO ESCROW AGENT: upon signing the foregoing acknowledgment and agreement, fax a signed copy to:

Lon C. Marino  
YRC North American Transportation, Inc.  
Phone: (330) 384-2305  
Fax: (330) 258-2597



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**EXHIBIT "A"**

**PROPERTY DESCRIPTION**

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**EXHIBIT "B"**

**FORM OF LEASE**

**EXECUTIVE SEVERANCE AGREEMENT**

**THIS EXECUTIVE SEVERANCE AGREEMENT** (this “**Agreement**”) between YRC Worldwide Inc., a Delaware corporation (“**YRC**”) and [name of executive] (the “**Executive**”),

**W I T N E S S E T H:**

**WHEREAS**, the duly authorized Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of YRC or the Board, has approved YRC entering into revised severance agreements with key executives of YRC and its Subsidiaries (collectively, the “**Corporation**”);

**WHEREAS**, the duly authorized Committee or the Board has selected the Executive as a key executive of the Corporation; and

**WHEREAS**, should YRC receive any proposal from a third person concerning a possible Business Combination (defined below) with, or acquisition of equity securities of, YRC, the Board believes it important that the Corporation and the Board be able to rely upon the Executive to continue in his position, and that YRC have the benefit of the Executive performing his duties without his being distracted by the personal uncertainties and risks created by such a proposal;

**NOW, THEREFORE**, the parties agree as follows:

**1. Definitions.** As used in this Agreement, the following capitalized terms shall have the meanings given the terms in this Section 1.

- (a) “**Applicable Period**” means two years from the date of the Executive’s Termination.
- (b) “**Business Combination**” means any transaction that is referred to as such in the Certificate of Incorporation of YRC, as amended.
- (c) “**Cause**” means
  - (i) a conviction of a felony involving moral turpitude by a court of competent jurisdiction that is no longer subject to direct appeal,
  - (ii) conduct that is materially and demonstrably injurious to YRC, or
  - (iii) the Executive’s willful engagement in one or more acts of dishonesty resulting in material personal gain to the Executive at the expense of YRC.

- (d) **“Change of Control,”** for the purposes of this Agreement, shall be deemed to have taken place if:
- (i) a third person, including a “group” as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the **“Exchange Act”**), purchases or otherwise acquires shares of YRC after the date of this Agreement that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of YRC;
  - (ii) a third person, including a “group” as defined in Section 13(d)(3) of the Exchange Act purchases or otherwise acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) shares of YRC after the date of this Agreement and as a result thereof becomes the beneficial owner of shares of YRC having 35% or more of the total number of votes that may be cast for election of directors of YRC; or
  - (iii) as the result of, or in connection with any cash tender or exchange offer, merger or other Business Combination, or contested election, or any combination of the foregoing transactions, the Continuing Directors shall cease to constitute a majority of the Board of Directors of YRC or any successor to YRC during any 12-month period.
- (e) **“Continuing Director”** means a director of YRC who meets the definition of Continuing Director contained in the Certificate of Incorporation of YRC, as amended.
- (f) **“Normal Retirement Age”** means the last day of the calendar month in which the Executive’s 65th birthday occurs.
- (g) **“Permanent Disability”** means, as determined in the reasonable discretion of the Board or the duly authorized Committee, Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Executive’s employer.
- (h) **“Subsidiary”** means any domestic or foreign entity, of which YRC or its Subsidiaries directly or indirectly owns a majority of the entity’s shares or other equity interests normally entitled to vote in electing directors or selecting management.
- (i) **“Target Separation Amount”** means an amount equal to (A) Executive’s target annual bonus percentage in effect for the year in which the Termination occurs (or if no such percentage has been established, \_\_\_\_\_%, or such percentage as the Compensation Committee determines in its sole discretion), times (B) the Executive’s then-current base salary.
- (j) **Construction & Interpretation.** As used in this Agreement, unless the context expressly requires the contrary, references to Sections shall mean the sections and subsections of this Agreement; references to “including” shall mean “including (without

limitation)”; references to a “person” shall mean both legal entities and natural persons; references to the singular shall include the plural and *vice versa*; and references to the masculine shall include the feminine and neutral, and *vice versa*.

**2. Services During Certain Events.** If a third person begins a tender or exchange offer for the shares of the Corporation, circulates a proxy to shareholders of the Corporation, or takes other steps seeking to effect a Change of Control, the Executive agrees that the Executive will not voluntarily leave the employ of the Corporation without the consent of the Corporation and will render the services contemplated in the recitals to this Agreement, until the third person has abandoned or terminated the third person’s efforts to effect a Change of Control or until 90 days after a Change of Control has occurred. If the Executive fails to comply with the provisions of this Section 2, the Corporation will suffer damages that are difficult, if not impossible, to ascertain. Accordingly, should the Executive fail to comply with the provisions of this Section 2, the Corporation shall retain the amounts that would otherwise be payable to the Executive (other than accrued salary under Section 4(a) and normal health, welfare and retirement benefits until the date of the Executive’s termination) under this Agreement as fixed, agreed and liquidated damages but shall have no other recourse against the Executive.

**3. Termination After or in Connection With a Change of Control.** For purposes of this Agreement, the term “**Termination**” shall include the following in this Section 3:

- (a) the Corporation’s termination of the Executive’s employment with the Corporation within two years after a Change of Control for any reason other than death, Permanent Disability, retirement at or after his Normal Retirement Age or Cause;
- (b) the Corporation’s termination of the employment of the Executive with the Corporation, for any reason other than death, Permanent Disability, retirement at or after his Normal Retirement Age or Cause, if the termination occurs at any time between:
  - (i) the date the Corporation enters into a definitive agreement or files a proxy statement, or the date a third person begins a tender or exchange offer, in each case, in connection with a transaction that would constitute a Change of Control, or the date the Corporation takes other steps seeking to effect a Change of Control, and
  - (ii) the date the Change of Control transaction is either consummated, abandoned or terminated (for this purpose, the Board shall have the sole and absolute discretion to determine that a proposed transaction has been abandoned), or
- (c) the resignation of the Executive after the occurrence of any of the following events within two years after a Change of Control:
  - (i) an adverse change of the Executive’s title or a reduction or adverse change in the nature or scope of the Executive’s authority or duties from those the Executive exercised and performed immediately prior to the Change of Control;

- (ii) a transfer of the Executive to a location that is more than 35 miles away from the location where the Executive was employed immediately prior to the Change of Control;
- (iii) a substantial increase occurs in the amount of time the Executive is required to spend traveling (for this purpose, a “substantial increase” will be deemed to occur if the Executive is required to travel in an amount greater than 30% more in any calendar year, measured in number of days, as compared to the average number of days the Executive was required to travel during the three preceding calendar years).
- (iv) any reduction in the rate of the Executive’s annual salary below his rate of annual salary immediately prior to the Change of Control; or
- (v) any reduction in the level of the Executive’s fringe benefits or bonus below a level consistent with the Corporation’s practice prior to the Change of Control, other than changes applicable to all similarly situated executives of the Corporation.

**4. Termination Payments.** In the event of a Termination, YRC shall provide to the Executive the following benefits:

- (a) YRC shall pay to the Executive, in accordance with its normal payroll policies, the compensation and benefits that the Executive accrued through the date of Termination. In addition, YRC shall pay to the Executive the Executive’s annual bonus for the year in which the date of Termination occurs, if any, earned by the achievement of performance goals set under the Corporation’s annual incentive plan and paid at the same time the Corporation pays bonuses to similarly situated employees under such plan.
- (b) YRC shall pay to the Executive, on the “**Termination Payment Commencement Date**” (defined below), as additional compensation for services rendered to the Corporation, a lump sum cash amount (subject to the minimum applicable federal, state or local lump sum withholding requirements, if any, unless the Executive requests that a greater amount be withheld) equal to two times the sum of:
  - (i) the Executive’s current base salary, and
  - (ii) the Executive’s Target Separation Amount.

With respect to a payment to the Executive pursuant to this Agreement, the “**Termination Payment Commencement Date**” shall mean (x) if the Board (or its delegate) determines in its sole discretion that as of the date of the Executive’s Termination the Executive is a “specified employee” (as defined in Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and Department of Treasury regulations and other interpretive guidance issued thereunder) as of the date of the Executive’s Termination and that Section 409A of the Code applies with respect to such payment, the first business day following the six-month anniversary of the date of the Executive’s Termination; or (y) if the Board (or its

delegate) determines in its sole discretion that the Executive is not such a “specified employee” as of the date of the Executive’s Termination (or that Section 409A of the Code does not apply with respect to such payment), the date of the Executive’s Termination. The period commencing on the Executive’s date of Termination and ending on the six-month anniversary of such date is referred to herein as the “**Six-Month Delay Period**”)

- (c) During the “**Applicable Period**”, the Corporation shall arrange to provide the Executive with substantially similar benefits to the benefits the Executive would have received if the Executive had remained an employee of the Corporation, including the applicable medical, dental, life insurance, short-term disability, long-term disability and perquisite plans and programs covering key executives of the Corporation; *provided* that the Executive shall not be entitled to accrue any benefits after Termination under any 401(k) plan or defined benefit or contribution pension plan of the Corporation. Any benefits accrued under any such 401(k) or defined benefit or contribution pension plan shall be governed by those plans.

If the Board (or its delegate) determines in its sole discretion that Section 409A of the Code applies with respect to any amount payable to or on behalf of the Executive under a perquisite plan or other similar program of the Corporation, then such amount payable to or on behalf of the Executive under such perquisite plan or other similar program of the Corporation for each calendar month during the Applicable Period, including any amounts payable to or on behalf of the Executive following the initial 18-month coverage period of any medical, dental or other benefit exempt under Section 409A of the Code, shall be paid in accordance with the then existing payroll practices of the Corporation; *provided however*, that if the Board (or its delegate) determines in its sole discretion that the Executive is a “specified employee” as of the date of the Executive’s Termination, any such amount(s) that are subject to Section 409A of the Code and are payable during the Six-Month Delay Period shall be paid in a lump sum on the Termination Payment Commencement Date, or, if earlier the Executive’s death, and for each calendar month during the Applicable Period thereafter shall be paid in accordance with the then existing payroll practices of the Corporation.

- (d) The Executive shall be entitled to the Gross-Up Payment, if any, described in Section 6.

**5. Change of Control—Equity Grants and Awards.** In the event of a Change of Control, all options to acquire shares of YRC, all shares of restricted YRC stock, all performance or share units and all other equity or phantom equity incentives that the Corporation granted the Executive under any agreement between Executive and Corporation or any plan of the Corporation, including YRC’s 1999 Stock Option Plan, YRC’s 2002 Stock Option and Share Award Plan, YRC’s Executive Performance Plan, as amended, YRC’s 2004 Long-Term Incentive and Equity Award Plan, and the Long-Term Incentive Plan, as amended from time to time, shall become immediately vested, exercisable and non-forfeitable and all conditions of any grant or award (including any required holding periods) shall be deemed to have been satisfied. If the Executive is a participant in YRC’s Long-Term Incentive Plan or any similar or successor plan,

- (a) for any incomplete performance period under the plan, the Corporation shall pay the Executive any cash or equity component upon the Change of Control that the plan provides only if the plan so provides, assuming that the Corporation would meet estimated actual performance for each period as the Committee (as it exists prior to the Change of Control) determines (but in no event less than Target performance);

- (b) for any completed performance period under the plan, the Corporation shall pay the Executive any cash or equity component upon the Change of Control that the plan provides to the extent the Executive has not received the grant for the period assuming that the Corporation would meet estimated actual performance for each period as the Committee (as it exists prior to the Change of Control) determines (but in no event less than Target performance); *provided* that if the Executive had previously received a partial grant and that grant exceeded a grant for Target performance, the Executive shall not be required to return the prior grant;

and, in each case, any equity component shall be treated in accordance with the first sentence of this Section 5.

[For William D. Zollars only: In addition to the foregoing, in the event of a Change of Control, YRC shall pay the Executive the Supplemental Retirement Benefit provided for under Section 4(h) of the Employment Agreement by and between YRC and Executive dated January 25, 2006 in one lump sum payment within 30 days following such Change of Control; *provided* that such benefit shall be determined by taking into account the reduction for early payment as described in Section 4(h)(i) and applying the Moody's Corporate Bond Rate in existence at the time of the lump sum payment as the "Discount Rate."]

#### **6. Additional Payments by YRC.**

- (a) **Gross-Up Payment.** If it shall be determined that the Corporation's payment or provision of any payment or benefit of any type to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (determined without regard to any additional payments required under this Section 6) (the "**Total Payments**") would be subject to the excise tax imposed by Section 4999 of the Code (or any similar tax that may hereafter be imposed) or any interest or penalties with respect to the excise tax (the excise tax, together with any interest and penalties, are collectively referred to as the "**Excise Tax**"), then YRC shall pay the Executive an additional payment (a "**Gross-Up Payment**") in an amount such that after the Executive's payment of all taxes (including all federal, state or local taxes and any interest or penalties imposed with respect to those taxes), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments. YRC shall pay the Gross-Up Payment promptly following the Accounting Firm's (defined below) determination described in Section 6(b) or in accordance with Sections 6(c) or 6(e).



- (b) **Accounting Firm Determination.** An independent accounting firm that YRC retains (the “**Accounting Firm**”) shall make all determinations that this Section 6 requires, including whether a Gross-Up Payment is required and the amount of the Gross-Up Payment. YRC shall cause the Accounting Firm to provide detailed supporting calculations both to YRC and the Executive within 15 business days of the date of Termination, if applicable, or such earlier time that YRC requests. If the Accounting Firm determines that the Executive is not required to pay an Excise Tax, the Accounting Firm shall furnish the Executive with an opinion that the Executive has substantial authority not to report any Excise Tax on his federal income tax return. The Accounting Firm’s determination shall be binding upon YRC and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the Accounting Firm’s initial determination, it is possible that Gross-Up Payments that YRC will not have been made should have been made (“**Underpayment**”) consistent with the calculations that this Agreement requires. If YRC exhausts its remedies pursuant to Section 6(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and YRC shall pay the Underpayment promptly to or for the benefit of the Executive. YRC shall promptly pay all expenses of the Accounting Firm.
- (c) **Notification Required.** The Executive shall notify YRC in writing of any Internal Revenue Service claim that, if successful, would require YRC’s payment of the Gross-Up Payment. The Executive shall give YRC the notification as soon as practicable but no later than ten business days after the Executive knows of the claim and shall apprise YRC of the nature of such claim and the date on which such claim is requested to be paid; *provided* that the Executive’s failure to give the notice within the 10-day period shall only prejudice the Executive’s rights pursuant to Section 6 to the extent that YRC’s ability to reduce the amount of the Gross-Up Payment have been prejudiced. The Executive shall not pay the claim prior to the expiration of the 30-day period following the date on which the Executive gives notice to YRC (or such shorter period ending on the date that any payment of taxes with respect to the claim is due). If YRC notifies the Executive in writing prior to the expiration of the period that it desires to contest the claim, the Executive shall:
- (i) give YRC any information that YRC reasonably requests relating to the claim,
  - (ii) take such action in connection with contesting the claim as YRC shall reasonably request in writing from time to time, including, accepting legal representation with respect to the claim by an attorney that YRC reasonably selects,
  - (iii) cooperate with YRC in good faith to effectively contest the claim,
  - (iv) permit YRC to participate in any proceedings relating to the claim; *provided*, that YRC shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with the contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties, imposed as a result of the representation and payment of costs and expenses.

Without limitation on the foregoing provisions of this Section 6(c), YRC shall control all proceedings taken in connection with the contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of a claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund, or contest the claim in any permissible manner. The Executive agrees to prosecute the contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as YRC shall determine; *provided*, that if YRC directs the Executive to pay the claim and sue for a refund, YRC shall advance the amount of the payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties, imposed with respect to the advance or with respect to any imputed income with respect to the advance; and *further provided* that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which the contested amount is claimed to be due is limited solely to the contested amount. YRC's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable under this Agreement and the Executive shall be entitled to settle or contest, as the case may be, any other issue that the Internal Revenue Service or any other taxing authority raises.

- (d) **Repayment.** If, after the Executive's receipt of an amount that YRC paid or advanced pursuant to this Section 6, the Executive becomes entitled to receive a refund with respect to the claim, the Executive shall (subject to YRC's complying with the requirements of this Section 6), promptly pay to YRC the amount of the refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the Executive's receipt of an amount that YRC paid or advanced pursuant to this Section 6, a determination is made that the Executive shall not be entitled to any refund with respect to the claim and YRC does not notify the Executive in writing of its intent to contest the denial of refund prior to the expiration of 30 days after the determination, then the payment or advance shall be forgiven and shall not be required to be repaid and the amount of the payment or advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.
- (e) **Section 409A.** Any Gross-Up Payment required pursuant to this Section 6 that is subject to Section 409A shall be made promptly by the Company, but no later than the end of the Executive's taxable year next following the Executive's taxable year in which the Executive remits the related taxes to the taxing authority. The purpose of any specified period of time for any Gross-Up Payment under this Section 6(e) is intended only to satisfy the written document requirements under Section 409A of the Code and is not intended to affect the requirement that any Gross-Up Payment required pursuant to this Section 6 shall be made promptly.

## 7. General.

- (a) **Confidentiality.** The Executive shall hold in a fiduciary capacity for the benefit of the Corporation all data, reports and other information relating to the business of the Corporation that comes into the possession of the Executive during the Executive's employment with the Corporation (collectively, "**Confidential Information**"). During the Executive's employment with the Corporation and after termination of the Executive's employment, the Executive agrees:
  - (i) to take all such precautions as may be reasonably necessary to prevent the disclosure to any third person of any of the Confidential Information;

- (ii) not to use for the Executive's own benefit any of the Confidential Information; and
- (iii) not to aid any other person in the use of the Confidential Information in competition with the Corporation; *provided* that nothing in this Agreement shall prohibit the Executive from disclosing or using any Confidential Information:
  - (A) in the performance of the Executive's duties as an employee of the Corporation,
  - (B) as required by applicable law,
  - (C) in connection with the enforcement of the Executive's rights under this Agreement or any other agreement with the Corporation,
  - (D) in connection with the defense or settlement of any claim, suit or action brought or threatened against the Executive by or in the right of the Corporation, or
  - (E) with the prior written consent of the Board.

Notwithstanding any provision contained herein to the contrary, the term "**Confidential Information**" shall not be deemed to include any general knowledge, skills or experience acquired by the Executive or any knowledge or information known or available to the public in general. The Executive further agrees that, within 90 days after termination of the Executive's employment for any reason, the Executive will surrender to the Corporation all Confidential Information, and any copies of Confidential Information, in his possession and agrees that all the materials and copies, are at all times the property of the Corporation. Notwithstanding the foregoing, the Executive shall be permitted to retain copies of, or have access to, all Confidential Information relating to any disagreement, dispute or litigation (pending or threatened) involving the Executive.

- (b) **Remedies.** In the event of a breach or threatened breach by the Executive of the provisions of Section 7(a), the Corporation shall be entitled to an injunction restraining the Executive from violating Section 7(a) without the necessity of posting a bond. Nothing herein shall be construed as prohibiting the Corporation from pursuing any other remedies available to it at law or in equity. The parties agree that the provisions of this Section 7(a) shall survive the termination of the Executive's employment with the Corporation, as the continuation of this covenant is necessary for the protection of the Corporation.
- (c) **Payment Obligations Absolute.** YRC's obligation to pay the Executive the compensation and to make the arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstance, including any setoff, counterclaim, recoupment, defense or other right that the Corporation may have against

the Executive or anyone else. Notwithstanding the foregoing, the Company shall have the right to withhold all applicable federal, state or local taxes on any amount paid or payable under this Agreement. All amounts that YRC owes under this Agreement shall be paid without notice or demand. Each and every payment that YRC makes under this Agreement shall be final, and YRC will not seek to recover all or any part of the payment from the Executive or from whosoever may be entitled to the payment, for any reason whatsoever. The Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment shall in no event affect any reduction of YRC's obligations to make the payments that this Agreement requires.

- (d) **Obligations to Pay Costs.** If the Corporation terminates the Executive, and if the Executive successfully asserts a claim, action or proceeding against the Corporation for benefits under this Agreement or any other agreement between the Executive and the Corporation, the Corporation shall pay or reimburse the Executive for all costs and expenses, including court costs and attorneys' fees, that the Executive incurs in connection with the claim, action or proceeding. For purposes of this Section 7(d), the Executive will be deemed to have successfully asserted a claim, action or proceeding against the Corporation if, as a result of the claim, action or proceeding, the Corporation pays to the Executive, under this Agreement or any other agreement between the Executive and the Corporation, any amounts in addition to the amounts the Executive would be entitled to receive upon a termination for Cause. Such payments under this Section 7(d) shall be made promptly but no later than thirty (30) business days after the delivery of the Executive's written request for the payment accompanied by such evidence of fees and expenses incurred as the Company may reasonably require. In any event the Company shall pay the Executive such fees and expenses by the last day of the Executive's taxable year following the taxable year in which the Executive incurred such fees and expenses. The purpose of any specified period of time for payment of fees and expenses pursuant to this Section 7(d) is intended only to satisfy the written document requirements under Section 409A of the Code and is not intended to affect the requirement that fees and expenses payable pursuant to this Section 7(d) shall be made promptly.
- (e) **Successors.** This Agreement shall be binding upon and insure to the benefit of the Executive and his estate and the Corporation and any successor of the Corporation, but the Executive may neither assign nor pledge this Agreement or any rights arising under this Agreement.
- (f) **Severability.** Any provision in this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to the jurisdiction, be ineffective only to the extent of the prohibition or unenforceability without invalidating or affecting the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable the provision in any other jurisdiction.
- (g) **Controlling Law.** The laws of the State of Delaware, without reference to its law on conflicts of law, shall govern this Agreement shall in all respects.

- (h) **Termination.** Except in the event of a Termination, this Agreement shall automatically terminate upon the Executive's separation of employment with the Corporation. A majority of the Continuing Directors may terminate this Agreement upon notifying the Executive; except that a termination shall not be made, and if made shall have no effect,
- (i) within two years after the Change of Control in question, or
  - (ii) during any period of time when YRC has knowledge that any third person has taken steps reasonably calculated to effect a Change of Control until, in the opinion of a majority of the Continuing Directors the third person has abandoned or terminated his efforts to effect a Change of Control. Any decision by a majority of the Continuing Directors that the third person has abandoned or terminated his efforts to effect a Change of Control shall be conclusive and binding on the Executive.
- (i) This Agreement amends, restates, replaces and supercedes those Executive Severance Agreements dated as of \_\_\_\_\_ between the Corporation and the Executive in their entirety.
- (j) **Deferred Compensation.** This Agreement is intended to meet the requirements of Section 409A of the Code and shall be administered, construed and interpreted in accordance with such intent. To the extent that an award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, except as the Committee otherwise determines in writing, the payment or deferral will be made in a manner that will not subject the compensation to any additional taxation applicable under Section 409A of the Code. Any payments made under the Agreement due to the Executive's Termination as defined in Section 3 hereof are intended to be payments made upon a "separation from service" as described in Section 409A of the Code.

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**EXECUTIVE:**

**YRC WORLDWIDE INC.**

\_\_\_\_\_  
[Executive name]

By: \_\_\_\_\_  
[name]  
[title]

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, William D. Zollars, certify that:

- (1) I have reviewed this 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: May 11, 2009

/s/ William D. Zollars

William D. Zollars

Chairman of the Board of Directors, President & Chief Executive Officer

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, Timothy A. Wicks, certify that:

- (1) I have reviewed this 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: May 11, 2009

/s/ Timothy A. Wicks

Timothy A. Wicks

Executive Vice President & Chief Financial Officer

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 March 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William D. Zollars, 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: May 11, 2009

/s/ William D. Zollars

William D. Zollars

Chairman of the Board of Directors, President & Chief Executive Officer



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 March 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Timothy A. Wicks, 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: May 11, 2009

/s/ Timothy A. Wicks

Timothy A. Wicks

Executive Vice President & Chief Financial Officer