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

FORM 10-Q

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

For the quarterly period ended September 30, 2010

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

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

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

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

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

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

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 ☒

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

Class	Outstanding at October 31, 2010
Common Stock, $0.01 par value per share	47,546,639 shares

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	September 30, 2010 (Unaudited)	December 31, 2009
Assets		
Current Assets:		
Cash and cash equivalents	$ 114,944	$ 97,788
Accounts receivable, net	496,466	442,814
Prepaid expenses and other	180,342	242,640
Current assets of discontinued operations	—	75,578
Total current assets	791,752	858,820
Property and Equipment:		
Cost	3,290,814	3,529,583
Less – accumulated depreciation	(1,683,168)	(1,708,371)
Net property and equipment	1,607,646	1,821,212
Intangibles, net	143,871	160,407
Other assets	129,801	170,176
Noncurrent assets of discontinued operations	—	21,459
Total assets	$ 2,673,070	$ 3,032,074
Liabilities and Shareholders' Equity (Deficit)		
Current Liabilities:		
Accounts payable	$ 155,704	$ 154,671
Wages, vacations and employees' benefits	205,051	213,754
Other current and accrued liabilities	508,940	392,392
Current maturities of long-term debt	210,258	197,127
Current liabilities of discontinued operations	—	51,884
Total current liabilities	1,079,953	1,009,828
Other Liabilities:		
Long-term debt, less current portion	850,052	935,782
Deferred income taxes, net	149,711	146,576
Pension and postretirement	352,224	351,861
Claims and other liabilities	362,784	419,883
Noncurrent liabilities of discontinued operations	—	954
Commitments and contingencies		
Shareholders' Equity (Deficit):		
Preferred stock, $1 par value per share	—	4,346
Common stock, $0.01 par value per share	476	40
Capital surplus	1,642,613	1,577,300
Accumulated deficit	(1,522,631)	(1,177,280)
Accumulated other comprehensive loss	(147,923)	(144,479)
Treasury stock, at cost (123 shares)	(92,737)	(92,737)
Total YRC Worldwide Inc. shareholders' equity (deficit)	(120,202)	167,190
Non-controlling interest	(1,452)	—
Total shareholders' equity (deficit)	(121,654)	167,190
Total liabilities and shareholders' equity (deficit)	$ 2,673,070	$ 3,032,074

The accompanying notes are an integral part of these statements.

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STATEMENTS OF CONSOLIDATED OPERATIONS
YRC Worldwide Inc. and Subsidiaries
For the Three and Nine Months Ended September 30
(Amounts in thousands except per share data)
(Unaudited)

	Three Months		Nine Months	
	2010	2009	2010	2009
Operating Revenue	$1,136,836	$1,203,977	$3,243,081	$3,820,916
Operating Expenses:				
Salaries, wages and employees' benefits	683,034	804,192	2,017,046	2,894,376
Equity based compensation expense	2,211	2,032	30,540	28,786
Operating expenses and supplies	235,222	274,402	716,011	895,022
Purchased transportation	122,882	128,392	337,784	381,404
Depreciation and amortization	49,785	58,346	150,491	181,173
Other operating expenses	65,967	74,399	186,471	250,290
(Gains) losses on property disposals, net	(3,429)	(11,138)	3,183	(10,579)
Impairment charges	—	—	5,281	—
Total operating expenses	1,155,672	1,330,625	3,446,807	4,620,472
Operating Loss	(18,836)	(126,648)	(203,726)	(799,556)
Nonoperating (Income) Expenses:				
Interest expense	43,922	44,371	126,234	114,901
Equity investment impairment	—	—	12,338	30,374
Other, net	959	2,142	(3,832)	6,625
Nonoperating expenses, net	44,881	46,513	134,740	151,900
Loss from Continuing Operations Before Income Taxes	(63,717)	(173,161)	(338,466)	(951,456)
Income tax benefit	(3,794)	(2,078)	(9,448)	(208,901)
Net Loss from Continuing Operations	(59,923)	(171,083)	(329,018)	(742,555)
Net Income (Loss) from Discontinued Operations, net of tax	(2,514)	12,347	(17,876)	1,000
Net Loss	(62,437)	(158,736)	(346,894)	(741,555)
Less: Net Loss Attributable to Non-Controlling Interest	(696)	—	(1,543)	—
Net Loss Attributable to YRC Worldwide Inc.	$ (61,741)	$ (158,736)	$ (345,351)	$ (741,555)
Average Common Shares Outstanding – Basic and Diluted	46,530	2,381	36,930	2,379
Loss Per Share – Basic and Diluted				
Loss from Continuing Operations Attributable to YRC Worldwide Inc.	$ (1.27)	$ (71.84)	$ (8.87)	$ (312.13)
Income (Loss) from Discontinued Operations	(0.06)	5.18	(0.48)	0.42
Net Loss Per Share	$ (1.33)	$ (66.66)	$ (9.35)	$ (311.71)
Amounts attributable to YRC Worldwide Inc. common shareholders:				
Loss from Continuing Operations, net of tax	$ (59,227)	$ (171,083)	$ (327,475)	$ (742,555)
Income (Loss) from Discontinued Operations, net of tax	(2,514)	12,347	(17,876)	1,000
Net Loss	$ (61,741)	$ (158,736)	$ (345,351)	$ (741,555)

The accompanying notes are an integral part of these statements.

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STATEMENTS OF CONSOLIDATED CASH FLOWS
YRC Worldwide Inc. and Subsidiaries
For the Nine Months Ended September 30
(Amounts in thousands)
(Unaudited)

	2010	2009
Operating Activities:		
Net loss	$(346,894)	$(741,555)
Noncash items included in net loss:		
Depreciation and amortization	155,444	192,160
Equity based compensation expense	30,540	28,786
Pension settlement charges	104	7,968
Impairment charges	17,619	30,374
Gain on sale of affiliate	(638)	—
(Gains) losses on property disposals, net	4,583	(10,555)
Deferred income tax benefit, net	(9,963)	(196,134)
Amortization of deferred debt costs	35,697	18,488
Other noncash items, net	(2,537)	7,477
Changes in assets and liabilities, net:		
Accounts receivable	(37,635)	188,164
Accounts payable	(3,367)	(75,669)
Other operating assets	74,538	67,768
Other operating liabilities	73,184	166,987
Net cash used in operating activities	(9,325)	(315,741)
Investing Activities:		
Acquisition of property and equipment	(12,935)	(35,179)
Proceeds from disposal of property and equipment	71,343	106,010
Disposition of affiliate, net of cash sold	22,883	—
Other	5,223	3,462
Net cash provided by investing activities	86,514	74,293
Financing Activities:		
Asset backed securitization borrowings (payments), net	(23,497)	40,695
Issuance of long-term debt	153,458	471,130
Repayment of long-term debt	(187,858)	(377,048)
Debt issuance costs	(12,713)	(55,907)
Equity issuance costs	(17,323)	—
Equity issuance proceeds	15,906	—
Stock issued in connection with the 6% Notes	11,994	—
Net cash (used in) provided by financing activities	(60,033)	78,870
Net Increase (Decrease) In Cash and Cash Equivalents	17,156	(162,578)
Cash and Cash Equivalents, Beginning of Period	97,788	325,349
Cash and Cash Equivalents, End of Period	$ 114,944	$ 162,771
Supplemental Cash Flow Information:		
Income tax refunds, net	$ 83,035	$ 37,613
Pension contribution deferral transfer to long-term debt	$ 4,361	$ 157,216
Lease financing transactions	$ 29,613	$ 305,080
Interest paid in stock for the 6% Notes	$ 2,007	$ —

The accompanying notes are an integral part of these statements.

STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY (DEFICIT)
YRC Worldwide Inc. and Subsidiaries
For the Nine Months Ended September 30
(Amounts in thousands)
(Unaudited)

	2010
Preferred Stock	
Beginning balance	$ 4,346
Conversion of preferred shares to common shares	(4,346)
Ending balance	$ —
Common Stock	
Beginning balance	$ 40
Conversion of preferred shares to common shares	383
Shares issued in connection with ABS amendment	10
At the market issuances of common stock	18
Stock issued in connection with the 6% Notes	23
Interest paid in stock for the 6% Notes	2
Ending balance	$ 476
Capital Surplus	
Beginning balance	$ 1,577,300
Share-based compensation	27,647
Conversion of preferred shares to common shares	3,963
Beneficial conversion feature of 6% notes	3,341
Issuance of equity in exchange for debt and interest (net of transaction costs)	(2,000)
Shares issued in connection with ABS amendment	3,017
At the market issuances of common stock (net of transaction costs)	15,370
Stock issued in connection with the 6% Notes	11,970
Interest paid in stock for the 6% Notes	2,005
Ending balance	$ 1,642,613
Accumulated Deficit	
Beginning balance	$(1,177,280)
Net loss attributable to YRC Worldwide Inc.	(345,351)
Ending balance	$(1,522,631)
Accumulated Other Comprehensive Income (Loss)	
Beginning balance	$ (144,479)
Pension, net of tax:	
Reclassification of net losses to net income	2,907
Deferred tax rate adjustments	(1,080)
Foreign currency translation adjustment	(5,271)
Ending balance	$ (147,923)
Treasury Stock, At Cost	
Beginning and ending balance	$ (92,737)
Total YRC Worldwide Inc. Shareholders' Equity (Deficit)	$ (120,202)
Noncontrolling Interest	
Beginning balance	$ —
Noncontrolling interest in Jiayu	115
Net loss attributable to the noncontrolling interest	(1,543)
Foreign currency translation adjustments	(24)
Ending balance	$ (1,452)
Total shareholder's equity (deficit)	$ (121,654)

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 ground 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. National Transportation provides for the movement of industrial, commercial and retail goods, primarily through regionalized and centralized management and customer facing organizations. This unit includes our less-than-truckload ("LTL") subsidiary YRC Inc. ("YRC"), and YRC Reimer, a subsidiary located in Canada that specializes in shipments into, across and out of Canada. Approximately 34% 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, 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 94% of Regional Transportation LTL shipments are completed in two days or less.
- YRC Truckload ("Truckload") reflects the results of Glen Moore, a provider of truckload services throughout the U.S.
- YRC Logistics planned and coordinated the movement of goods worldwide to provide customers a single source for logistics management solutions. On August 13, 2010, we completed the initial closing of the sale of the majority of our YRC Logistics business to a third party. In addition, certain other operations ceased during the quarter ended June 30, 2010. As a result, the YRC Logistics segment has been reported as discontinued operations for all periods presented. See Note 15 "Discontinued Operations" for further discussion.

At November 1, 2010, approximately 74% of our labor force is subject to various collective bargaining agreements, which predominantly expire in 2015, assuming certain conditions are met. See "Liquidity – *Ratification of Labor Agreement Modification*".

2. Principles of Consolidation and Accounting Policies

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.

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 necessary for a fair statement of the financial position, results of operations and cash flows for the interim periods included in these financial statements herein have been made. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles 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, 2009.

The board of directors approved a reverse stock split effective September 30, 2010 at a ratio of 1:25. The reverse stock split was effective on NASDAQ on October 1, 2010. Fractional shares were not issued in connection with the reverse stock split. Stockholders who otherwise held fractional shares were entitled to a cash payment (without interest or deduction) in respect of

such fractional shares. Fractional shares were collected and pooled by our transfer agent and sold in the open market and the proceeds were allocated to the stockholders' respective accounts pro rata in lieu of fractional shares.

The reverse stock split reduced the number of shares of our common stock available for issuance under our employee and director equity plans in proportion to the reverse stock split ratio. Under the terms of our outstanding equity awards, the reverse stock split reduced the number of shares of our common stock issuable upon exercise or vesting of such awards in proportion to the reverse stock split ratio and caused a proportionate increase in the exercise price of such awards to the extent they were stock options. The number of shares of our common stock issuable upon exercise or vesting of outstanding equity awards was rounded to the nearest whole share and no cash payment was made in respect of such rounding. Shareholders' Equity (Deficit) has been retroactively adjusted to give effect to the reverse stock split for all periods presented by reclassifying from Common stock to Capital surplus, the par value of the share reduction in connection with the reverse split. In addition, all share numbers and per share amounts in the Consolidated Financial Statements and Notes to the Consolidated Financial Statements have been retroactively adjusted to give effect to the reverse stock split.

Assets Held for Sale

When we plan to dispose of property or equipment 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 September 30, 2010 and December 31, 2009, the net book value of assets held for sale was approximately $79.6 million and $112.8 million, respectively. This amount is included in "Property and Equipment" in the accompanying consolidated balance sheets. We recorded charges of $3.9 million and $27.2 million for the three and nine months ended September 30, 2010, and $6.7 million and $13.8 million for the three and nine months ended September 30, 2009, respectively, to reduce properties and equipment held for sale to estimated fair value, less cost to sell. These charges are included in "(Gains) losses on Property Disposals, Net" in the accompanying statements of consolidated operations.

Impairment of Long-Lived Assets

If facts and circumstances indicate that the carrying amount of held-and-used identifiable amortizable intangibles and property, plant and equipment may be impaired, we perform an evaluation of recoverability in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (now included in FASB ASC Topic 360). Our evaluation compares the estimated future undiscounted cash flows associated with the asset or asset group to its carrying amount to determine if a reduction to the carrying amount is required. The carrying amount of an impaired asset would be reduced to fair value if the estimated undiscounted cash flows are insufficient to recover the carrying value of the asset group.

We believe that the accounting estimate related to asset impairment is a critical accounting estimate because: (1) it requires our management to make assumptions about future revenues over the life of the asset, and (2) the impact that recognizing an impairment would have on our financial position, as well as our results of operations, could be material. Management's assumptions about future revenues require significant judgment because actual revenues have fluctuated in the past and may continue to do so. In estimating future revenues, we use our internal business forecasts. We develop our forecasts based on recent revenue data for existing services and other industry and economic factors. To the extent that we are unable to achieve forecasted improvements in shipping volumes and pricing initiatives or realize forecasted cost savings, the Company may incur significant impairment losses on property and equipment or intangible assets.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, accounts receivable, accounts payable and asset-backed securitization borrowings approximates their fair value due to the short-term nature of these instruments.

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3. Liquidity

The following table provides details of the outstanding components and unused available (deficit) capacity under the Credit Agreement and ABS Facility (each, as defined below) at September 30, 2010 and December 31, 2009:

(in millions)	September 30, 2010	December 31, 2009
Capacity:		
Revolving loan	$ 772.8	$ 950.0
ABS Facility	350.0	400.0
Total maximum capacity	1,122.8	1,350.0
Amounts outstanding:		
Revolving loan	(149.9)	(329.1)
Letters of credit (9/30/10: $454.2 revolver; $72.2 ABS Facility)	(526.4)	(538.3)
ABS Facility borrowings	(122.8)	(146.3)
Total outstanding	(799.1)	(1,013.7)
ABS borrowing base limitations	(155.0)	(178.2)
Restricted Revolver reserves	(122.8)	(159.8)
Total restricted capacity	(277.8)	(338.0)
Unrestricted unused capacity (deficit) (9/30/10: $45.9 revolver; $0.0 ABS Facility)	$ 45.9	$ (1.7)

Credit Agreement Amendments

On May 3, 2010, we entered into Amendment No. 17 and on July 28, 2010, we entered into Amendment No. 18 to our Credit Agreement, dated as of August 17, 2007 (as amended, the “Credit Agreement”). The amendments are described below.

Amendment No. 17

We have entered into an arrangement to sell up to $103 million in gross proceeds of shares of common stock (on a gross proceeds basis) in an at-the-market issuance program. See “—At Market Issuance Sales Agreement” below. Amendment No. 17 to the Credit Agreement permits us to retain the net proceeds from any such sales as described below:

Equity Issuances

Amendment No. 17 provides that we may receive up to $100 million of net cash proceeds from the issuance of equity interests during the period commencing on May 3, 2010 and ending on the earlier of December 31, 2010 or the date on which we receive $100 million of net cash proceeds from such equity issuances, without having to use such net cash proceeds to make a mandatory prepayment under the Credit Agreement. The net cash proceeds from such equity issuances are deposited into a new deposit account (the “New Account”). We will be able to use the funds in the New Account for general corporate purposes. While any funds are in the New Account, they will not count toward the calculation of Liquidity (as defined in the Credit Agreement), the calculation of Unrestricted Cash (as defined in the Credit Agreement) or the calculation of Excess Cash Flow (as defined in the Credit Agreement) in each case for purposes of the mandatory prepayment requirements. The funds in the New Account will count as Available Cash (as defined in the Credit Agreement). Additionally, we will not be able to request loans under the Credit Agreement until the balance in the New Account is zero. Other than the net cash proceeds from the issuance of such equity interests, no funds may be deposited into the New Account, and once funds have been withdrawn they may not be re-deposited. As of September 30, 2010 the balance in this New Account was $15.4 million which represents our net proceeds from our at the market issuances.

Voluntary Prepayments of Certain Obligations

Amendment No. 17 to the Credit Agreement modifies the restriction on voluntary prepayments of any amounts owing under the Contribution Deferral Agreement or indebtedness, including a prohibition on the Company using the up to $100 million of net cash proceeds from the equity issuance described above to make such voluntary prepayments.

Amendment No. 18

We entered into an agreement to sell the majority of our logistics business for $37 million (prior to any purchase price adjustments). See "—Sale of YRC Logistics" below. Amendment No. 18 to the Credit Agreement provides us with access to the net cash proceeds from the sale as described below:

Sale of YRC Logistics

The Credit Agreement requires us to prepay amounts outstanding under the Credit Agreement with 100% of the net cash proceeds received from the sale of YRC Logistics. Pursuant to Amendment No. 18, these net cash proceeds will be applied to outstanding unblocked revolver loans under the Credit Agreement (without a corresponding commitment reduction to the unblocked revolver) and the new revolver reserve block under the Credit Agreement will be permanently reduced by 50% of that amount.

Mandatory Prepayments

Pursuant to the terms of Amendment No. 18, on and after August 10, 2010, upon a Prepayment Event (except for certain sale and leaseback transactions described below) or an Excess Cash Flow Sweep (as defined in the Credit Agreement), a mandatory prepayment will be made in an amount, and in accordance with the provisions of, the Credit Agreement prior to giving effect to Amendment No. 18, except that:

(i) outstanding permitted interim loans will be repaid after (rather than before) new revolver reserve block loans, existing revolver reserve block (performance) loans and unblocked revolver loans (in each case (other than permitted interim loans) with a corresponding permanent commitment reduction), and

(ii) outstanding term loans are paid ratably with the unblocked revolver.

The first $20 million of net cash proceeds received from sale and leaseback transactions received on and after August 10, 2010 will be treated as follows:

(i) 25% of the net cash proceeds will be applied in accordance with the provisions described in the paragraph above,

(ii) 75% of the net cash proceeds will be applied to outstanding unblocked revolver loans (without a corresponding commitment reduction to the unblocked revolver), and

(iii) the new revolver reserve block will be permanently reduced by 50% of the net cash proceeds.

Conversion of Revolving Loans and LC Limits

Amendment No. 18 converted $150 million of outstanding revolving loans to term loans. In addition, Amendment No. 18 reduced the letter of credit sublimit to $550 million and limited foreign currency letters of credit to $25 million. As of September 30, 2010, the senior revolving credit facility had a capacity of $772.8 million and the senior term loan outstanding principle was $260.2 million.

Consolidated EBITDA

The definition of Consolidated EBITDA was amended to include a new add back for charges, expenses and losses incurred with any Permitted Disposition (as defined in the Credit Agreement) or discontinued operations.

Financial Covenants

Our minimum Available Cash covenant requires that we maintain at least $25 million of Available Cash through December 31, 2010 and at least $50 million of Available Cash from and after January 1, 2011.

Our minimum Consolidated EBITDA (as defined in the Credit Agreement) covenant in respect of the periods ending September 30, 2010 and December 31, 2010 is as follows:

Period	Minimum Consolidated EBITDA	
For the two consecutive fiscal quarters ending September 30, 2010	$	50 million
For the three consecutive fiscal quarters ending December 31, 2010	$	100 million

Asset-Backed Securitization Amendments

On May 3, 2010, we, as Performance Guarantor, and the parties to the Third Amended and Restated Receivables Purchase Agreement, dated as of April 18, 2008 (as amended, the "ABS Facility"), entered into Amendment No. 17 to the ABS Facility, which implemented minimum consolidated EBITDA and minimum available cash requirements that are consistent with Amendment No. 17 to the Credit Agreement described above.

On June 11, 2010, we entered into Amendment No. 18 to the ABS Facility. The amended facility (i) reduced the aggregate commitments under the ABS Facility from $400 million to $350 million; and (ii) modified certain calculations under the ABS Facility to reduce the impact of negative effects that the integration of Yellow Transportation and Roadway has had on the ability of the Seller to borrow under the ABS Facility.

In connection with Amendment No. 18 to the ABS Facility, we paid fees to the Co-Agents (the "Closing Fees"). The Closing Fees were paid by the Company by the issuance to the Co-Agents (or their designees) of an aggregate of 1.0 million shares (25.4 million shares prior to the adjustment for the reverse stock split) of unregistered restricted common stock of the Company of which 0.8 million shares (20.7 million shares prior to the adjustment for the reverse stock split) were issued as of June 30, 2010 and the remaining 0.2 million shares (4.7 million shares prior to the adjustment for the reverse stock split) were issued on July 22, 2010. To value these shares issued in lieu of cash fees, we completed a fair value analysis and concluded that the value of these shares as of June 30, 2010 was $3.0 million.

On October 20, 2010, we entered into Amendment No. 19 to the ABS Facility.

—Maturity

Amendment No. 19 extends the expiration of the ABS Facility to October 19, 2011; provided, that the ABS Facility will expire on January 10, 2011 if the Agreement for the Restructuring of the YRC Worldwide Inc. Operating Companies, dated September 24, 2010, among the International Brotherhood of Teamsters (the "IBT") and certain subsidiaries of the Company (the "IBT Agreement") is not in full force and effect on January 10, 2011.

—Capacity and Availability

Amendment No. 19 reduces the aggregate commitments under the ABS Facility from $350 million to $325 million.

—Interest and Fees

Amendment No. 19 provides for a 1% increase in the Default Rate, LIBOR Rate and LMIR (each as defined in the ABS Facility) on each of April 30, 2011 and June 30, 2011.

In connection with Amendment No. 19, we and the Co-Agents agreed that:

- The $10.0 million fee that was previously due on October 26, 2010 has been deferred and is payable in two installments of $5 million on each of March 1, 2011 and April 30, 2011 unless payment is accelerated due to the occurrence of (i) the Amortization Date (as defined in the ABS Facility) or (ii) a Deferral Termination Event (as defined in the Company's credit agreement) (each of (i) and (ii), an "Accelerated Deferred Fee Payment Date"); provided, that if the ABS Facility is refinanced, then Yellow Roadway Receivable Funding Corporation ("YRRFC") will not have to pay any portion of this deferred fee that is due and payable after the refinance date.
- YRRFC will pay the Co-Agents an additional $5 million fee on June 30, 2011 (or an Accelerated Deferred Fee Payment Date) if the ABS Facility is not refinanced by that date.

- YRRFC paid the Co-Agents on the effective date of Amendment No. 19 the interest and letter of credit, program and administration fees that were previously deferred, which was approximately $13 million. The portion of such interest and fees in excess of the interest and fee rates in place prior to February 12, 2009 will begin to be deferred from October 20. 2010 until the earlier of March 1, 2011 and an Accelerated Deferred Fee Payment Date, at which time YRRFC will begin to make cash payments for such incremental interest and fees. If the ABS Facility is refinanced by March 1, 2011, then YRRFC will not have to pay the interest and letter of credit, program and administration fees that are deferred from October 20, 2010. We expect these deferred interest and fees to be approximately $4 million from October 20, 2010 through March 1, 2011 based on expected borrowings.
- The letter of credit fees will increase by 1% and the program and administrative fees will each increase by 0.5% on each of April 30, 2011 and June 30, 2011 if the ABS Facility is not refinanced by those dates.

The ABS Facility will be deemed refinanced if: (i) YRRFC has repaid all borrowings under the ABS Facility and has paid the Purchasers (as defined in the ABS Facility) and Co-Agents all amounts due under the ABS Facility; (ii) all letters of credit under the ABS Facility have been surrendered; (iii) the commitments of the Purchasers and LC Issuer have terminated; and (iv) there are no continuing obligations of the Purchasers, Co-Agents and LC Issuer under the ABS Facility.

—Servicer Defaults

Amendment No. 19 provides that a Servicer Default (as defined in the ABS Facility) will occur if, among other things,: (i) the IBT Agreement shall not be in full force and effect; or (ii) the Co-Agents do not consent prior to a restructuring of the Company.

For purposes of the ABS Facility, a restructuring of the Company includes, among other things:

- The issuance of equity if the number of shares of capital stock, on a fully diluted basis, in respect of any such issuances since October 20, 2010 exceeds 5% of the Company's outstanding shares of capital stock on October 20, 2010; provided, that the issuance of capital stock (i) under the Company's at-the-market issuance program, (ii) in the conversion of, or payment of interest under, the 6% Notes and (iii) under the Company's single-employer benefit plans will not count against the 5% limitation described above.
- The issuance of, entering into, restructuring of or refinancing of any debt securities, notes, credit agreements or credit facilities (other than indebtedness arising under the ABS Facility, our Credit Agreement or our 6% Notes) having individually a principal amount in excess of $10 million.
- The exchange or conversion of any obligations or liabilities for or into capital stock, debt securities or any other instrument or agreement described in the two bullets above.
- Any Capital Event (as defined in the IBT Agreement).
- Any amendment, restatement, supplement or other modification to our Credit Agreement or 6% Notes.

Interest and Fee Deferrals

In 2009, the Credit Agreement lenders agreed to defer the payment of revolver and term loan interest, letter of credit fees and commitment fees, subject to the deferral exceptions and termination events, for the period:

- beginning December 31, 2009, and
- ending on December 31, 2010, subject to an extension until December 31, 2011 if agreed to by 66 2/3 % of the lenders.

As of September 30, 2010 the amounts deferred under the above provision were $78.1 million.

Additionally, we deferred amendment fees of $31.8 million in October 2009, which are fully earned but not due and payable until the earlier of December 31, 2011 or the occurrence of a termination event.

Finally, the interest due in relation to our deferred pension payments under the Contribution Deferral Agreement has also been deferred beginning on January 1, 2010. As of September 30, 2010, interest deferred related to these payments was $7.0 million.

In addition to the deferred interest, we have also deferred the 2010 monthly payments for amounts deferred under the Contribution Deferral Agreement totaling approximately $35 million.

Contribution Deferral Agreement Amendments

Effective May 3, 2010 and August 3, 2010, we entered into Amendment No. 4 and Amendment No. 5 to the Contribution Deferral Agreement, respectively. Pursuant to the Contribution Deferral Agreement dated as of June 17, 2009, with certain of the multiemployer pension funds to which we contribute (the "Contribution Deferral Agreement"), we have deferred the payment of contributions to these funds. Under Amendment No. 4 and Amendment No. 5, the calculation of Liquidity (as defined in the Contribution Deferral Agreement) for the Liquidity Cash Sweep (as defined in the Credit Agreement) thereunder was amended to conform it to the test in the Credit Agreement (after giving effect to Amendment No. 17 and Amendment No. 18, respectively, to the Credit Agreement), except that the Liquidity test under the Contribution Deferral Agreement subtracts any commitment reduction or prepayment under the Credit Agreement.

Effective August 10, 2010, we entered into Amendment No. 6 to the Contribution Deferral Agreement to approve Amendment No. 18 to the Credit Agreement, which allows 100% of the net cash proceeds from the sale of YRC Logistics to be applied to outstanding unblocked revolver loans under the Credit Agreement (without a corresponding commitment reduction to the unblocked revolver) and the new revolver reserve block under the Credit Agreement to be permanently reduced by 50% of that amount. Additionally, Amendment No. 6 amended the terms of the Contribution Deferral Agreement to require the approval of 90% (rather than 100%) of the pension funds party to the Contribution Deferral Agreement to waive any additional payment of deferred pension obligations and continue the deferral in the event that the Company makes any mandatory prepayment, commitment reduction, additional interest or fee or any other incremental payment to the lenders under the Credit Agreement that was not required as of August 10, 2010.

At Market Issuance Sales Agreement

On May 3, 2010, we entered into an At Market Issuance Sales Agreement (the "Sales Agreement") with Wm Smith & Co and McNicoll, Lewis & Vlak LLC (the "Sales Agents"), under which we may sell up to the amount available for offer and sale under the currently effective Registration Statement on Form S-3 (Registration No. 333-159355) (the "Registration Statement") of our common stock from time to time through the Sales Agents. The Registration Statement permits the issuance, from time to time, by us of shares of the Company's common stock, preferred stock and warrants up to an aggregate initial offering price not to exceed $200 million. The Sales Agents may sell the common stock by any method permitted by law deemed to be an 'at the market' offering as defined in Rule 415 of the Securities Act of 1933, as amended, including without limitation sales made directly on the NASDAQ Global Select Market, on any other existing trading market for the common stock or to or through a market maker. The Sales Agents may also sell the common stock in privately negotiated transactions, subject to our approval. The compensation to the Sales Agents for sales of common stock sold pursuant to the Sales Agreement will be an aggregate of 3.0% of the gross proceeds of the sales price of common stock sold with respect to the first $25.0 million of gross proceeds and an aggregate of 2.0% of the gross proceeds with respect to gross proceeds in excess of that amount.

The Sales Agreement will terminate on the earliest of (1) the sale of all of the common stock subject to the Sales Agreement, or (2) termination of the Sales Agreement by the Company or the Sales Agents. Either Sales Agent may terminate the Sales Agreement as to itself at any time in certain circumstances, including the occurrence of a material adverse change that, in such Sales Agent's judgment, may impair its ability to sell the common stock, or a suspension or limitation of trading of the Company's common stock on NASDAQ. We may terminate the Sales Agreement at any time upon five days prior notice while either Sales Agent may terminate the Sales Agreement as to itself at any time upon five days prior notice. The Sales Agreement contains customary representations, warranties and covenants.

On May 4, 2010, we filed with the SEC a prospectus supplement that contemplates the sale of up to $103 million in gross proceeds of shares of the Company's common stock from time to time in at-the-market offerings pursuant to the Sales Agreement. Sales pursuant to the Sales Agreement will be made only upon instructions by the Company to the Sales Agents, and we cannot provide any assurances that we will issue any additional shares pursuant to the Sales Agreement.

During the three months ended June 30, 2010, we completed the sale of 1.8 million shares (44.9 million shares prior to the adjustment for the reverse stock split) for net proceeds of $15.4 million as part of our at the market offerings. No additional at the market transactions were completed during the three months ended September 30, 2010.

Sale of YRC Logistics

In June 2010, we entered into an Equity Interest Purchase Agreement (the “Agreement”) with CEG Holdings, Inc. (now known as MIQ Holdings Inc.) (“CEG”), a subsidiary of Austin Ventures to sell YRC Logistics for an aggregate of approximately $37.0 million in cash. On August 13, 2010, the Company and CEG, held the initial closing of the transactions contemplated by the Agreement. At the initial closing, CEG paid the Company approximately $33.6 million, which included $31.9 million of the purchase price and approximately $1.6 million for retained insurance claims. Approximately $2.3 million of the purchase price was deposited into an escrow account for subsequent closings of foreign subsidiaries and approximately $2.8 million of the purchase price was deposited into an escrow account (one-half of which will be held for 12 months and one-half will be held for 18 months) to satisfy certain indemnification claims by CEG that may arise. Following the initial closing, a succession of delayed closings and payments will occur to transfer certain foreign subsidiaries to CEG as required regulatory approvals and licensing transfers in foreign jurisdictions are obtained. As of September 30, 2010 four delayed closings remained for a total purchase price of $0.8 million. We expect to collect more than $10 million related to the working capital adjustment in the fourth quarter of 2010, subject to final resolution of working capital adjustments between the Company and CEG.

Ratification of Labor Agreement Modification

On September 24, 2010, we entered into a tentative labor agreement with the Teamsters National Freight Industry Negotiating Committee (“TNFINC”). TNFINC is the committee that the International Brotherhood of Teamsters (the “Teamsters”) has designated to represent the Teamster employees of the Company in negotiations regarding the tentative agreement. On September 29, 2010, the Board of Directors of the Company approved the tentative agreement, and the Teamsters approved submitting the tentative agreement to the Teamster represented employees of the Company’s subsidiaries for ratification. Our eligible Teamster represented employees ratified the tentative agreement on October 30, 2010.

Ratification of the tentative agreement extended the current expiration of the National Master Freight Agreement (“NMFA”), which currently governs labor terms and conditions for most of the Company’s Teamster employees, from March 31, 2013 to March 31, 2015. The modified NMFA also provides the following:

- The temporary cessation of the payment of pension contributions to the multi-employer pension funds (the “Funds”) in which the company’s subsidiaries participate would continue until June 1, 2011, at which time the Company’s subsidiaries would contribute to those Funds until the end of the extended term of the NMFA at the rate of 25% of the contribution rate in effect on July 1, 2009. Modifications to pension contributions will require the approval of the multi-employer pension funds to which the Company contributes.
- Wage increases were provided for in 2013 and 2014 during the extended term of the NMFA, but the 15% wage reduction was also extended through the extended term of the NMFA and would apply to the new increases.
- Significant changes were made in the work rules applicable to the Company’s subsidiaries and made uniform across all regional and job classification supplemental agreements to the NMFA.
- Health and welfare contribution increases were set at 35 cents per hour during each year of the extended term.
- TNFINC was given the right to approve certain changes of control applicable to the Company. If TNFINC approval is not received, TNFINC may declare the wage, benefit and work rule concessions null and void on a prospective basis.
- In the event of a bankruptcy of the Company, TNFINC may declare the wage, benefit and work rule concessions null and void.

The Company has begun discussions to restructure the debt under its Credit Agreement, which may include additional capital investment (debt and/or equity) by third parties in a recapitalization. The modified NMFA also provides the following:

- TNFINC would have the right to approve the various transactions comprising the restructuring/recapitalization.
- If TNFINC’s approval is not obtained, TNFINC may declare the wage, benefit and work rule concessions null and void on a prospective basis, and the Company would owe its Teamster employees an amount equal to the concessions that in fact benefited the Company prior to the termination.
- TNFINC would have significant rights to participate in the restructuring/recapitalization discussions.
- In deciding whether to give its approval to a restructuring/recapitalization, TNFINC could demand on behalf of Teamster represented employees of the Company’s subsidiaries additional compensation if negotiated performance triggers are met, equity participation, specified terms in the restructuring, specified indebtedness levels resulting from the transactions, governance rights and financial viability criteria.

- The Company is required to enter into definitive agreements to effect the restructuring/recapitalization by December 31, 2010 and close those transactions by March 31, 2011, or in each case, such later date as TNFINC would agree and, in each case, on terms and conditions that TNFINC approves.

The Company agreed to expand TNFINC's board participation from one to two board members upon completion of a restructuring/recapitalization that TNFINC approves.

Risks and Uncertainties Regarding Future Liquidity

In light of our recent operating results, we have satisfied our short term liquidity needs through a combination of borrowings under our credit facilities, retained proceeds from asset sales, sale/leaseback financing transactions, issuances of our common stock and 6% Notes and an income tax refund from the IRS. In an effort to further manage liquidity, we have also instituted the deferral of pension plan payments and certain interest and fees. As our operating results improve, we expect that cash generated from operations will reduce our need to continue to rely upon these sources of liquidity to meet our short term funding requirements.

In August 2009, the employees in most of our bargaining units who are represented by the International Brotherhood of Teamsters (the "Teamsters") ratified a modification to our collective bargaining agreement (the "Prior MOU") to (among other things) implement a 15% wage reduction (which includes the 10% wage reduction previously implemented in January 2009) and a temporary cessation of the requirement for the Company's subsidiaries to make contributions to union multi-employer pension funds. The wage reduction and the temporary pension contribution cessation have also improved our liquidity position; however, the temporary pension contribution cessation ends at the end of 2010 without further action by the multi-employer pension funds as described below. In October 2010, the employees in most of our bargaining units who are represented by the Teamsters ratified additional modifications to our collective bargaining agreement (the "MOU"), which, among other items, extends the wage reduction until March 2015, institutes work rule changes, extends the temporary pension contribution cessation until June 1, 2011 and reduces the contribution rate to the multi-employer pension funds to 25% of the July 2009 rate from June 2011 through March 2015. The extension of the temporary pension contribution cessation and the reduced pension contribution rate are subject to the approval of the pension funds.

The MOU requires us to enter into definitive agreements by December 31, 2010 to restructure the debt under our Credit Agreement, which may include additional capital investment (debt and/or equity) by third parties in a recapitalization, and to close the transactions by March 31, 2011. The committee that represents the Teamsters in negotiations regarding our collective bargaining agreement ("TNFINC") must consent to the terms of the restructure/recapitalization transaction and may modify the deadlines set forth in the MOU.

To continue to have sufficient liquidity to meet our cash flow requirements through December 31, 2010 and into 2011:

- our operating results must continue to stabilize or recover quarter-over-quarter and shipping volumes must continue to stabilize or recover quarter-over-quarter;
- we must continue to have access to our credit facilities;
- we must continue to defer payment of:
  - interest and fees to our lenders under the Credit Agreement
  - interest and facility fees to purchasers of our accounts receivable pursuant to the ABS Facility from the October 20, 2010 renewal of the ABS Facility
  - interest and principal to our pension funds pursuant to the Contribution Deferral Agreement;
- the cost savings under our collective bargaining agreement, including wage reductions, temporary cessation of pension contributions and savings due to work rule changes, must continue;
- we must complete real estate sale transactions currently under contract as anticipated; and
- we must continue to implement and realize substantial cost savings measures to match our costs with business levels and to continue to become more efficient.

Some or all of these factors may be beyond our control. We also cannot give assurance that we will continue to maintain covenant compliance under our financing facilities, Contribution Deferral Agreement and labor agreements, the failure of which would have a material adverse effect on our business, financial condition and operating results.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The uncertainty regarding the Company's ability to generate sufficient cash flows and liquidity to fund operations raises substantial doubt about the Company's ability to continue as a going concern (which contemplates the realization of assets and discharge of

liabilities in the normal course of business for the foreseeable future). These financial statements do not include any adjustments that might result from the outcome of this uncertainty. See our Annual Report on Form 10-K for additional information regarding our ability to continue as a going concern. If we are unable to fund our operations through operating cash flows, existing credit facilities, sales of non-strategic assets and business lines and other capital market transactions, we would consider in court and out of court restructuring alternatives.

We expect to continue to monitor our liquidity carefully, work to reduce this uncertainty and address our cash needs through a combination of one or more of the following actions:

- we continue to, and expect to implement further cost actions and efficiency improvements;
- we will continue to aggressively seek additional and return business from customers;
- if appropriate, we may sell additional equity or pursue other capital market transactions
- we may consider selling non-strategic assets or business lines; and
- we expect to carefully manage receipts and disbursements, including amounts and timing, focusing on reducing days sales outstanding and managing days payables outstanding.

At December 31, 2010, the temporary cessation of our requirement to make contributions to the multi-employer pension funds in which we participate will end absent the approval of each of our affected multi-employer pension funds to extend the temporary cessation until June 1, 2011. We also need approval of each of these pension funds to resume contributions at a reduced 25% contribution rate after the temporary cessation ends. In addition, under the Contribution Deferral Agreement, 90% approval of the pension funds in interest is required to continue our deferral of the payment of future interest and the amortized principal to the pension funds during 2011 under the Contribution Deferral Agreement. Based upon expected levels of employment in 2011, we estimate that we will be required to contribute approximately $25 – $30 million per month to multi-employer pension funds in 2011 if the pension funds do not approve the extension of the temporary cessation and the reduced contribution rate after the cessation ends. Under the Contribution Deferral Agreement, previously deferred interest and amortized principal payments of $42.0 million are not due until the end of 2011; unless a majority in interest of the pension funds elect to accelerate the payments after termination of the deferral.

Absent the consent of two-thirds in interest of the lenders under the Credit Agreement to continue the deferral of interest and fees under the Credit Agreement during 2011, the deferral will terminate at December 31, 2010. Previously deferred interest and fees under the Credit Agreement of $109.9 million are not due until the end of 2011, unless a majority in interest of the lenders accelerate the payment because of a termination of the deferral under the Contribution Deferral Agreement or to the extent our cash and unblocked availability under the Credit Agreement and the ABS Facility in 2011 exceeds certain levels set forth in the Credit Agreement.

The Company renewed its ABS Facility on October 20, 2010 and continued the deferral of the $10 million commitment fee in two payments of $5 million on each of March 1, 2011 and April 30, 2011 and deferred an additional $5 million commitment fee until June 30, 2011. Deferred interest and fees from October 20, 2010 through March 1, 2011, expected to be approximately $4 million, are due and payable on March 1, 2011. However, if we can refinance the ABS Facility prior to the due date of any of these payments, then the payments will be waived.

TNFINC may declare the wage, benefit and work rule concessions in the MOU null and void on a prospective basis, and we would owe our Teamster employees an amount equal to the concessions that in fact benefited us prior to the termination if, among other things, we do not enter into and consummate a restructure/recapitalization transaction that is approved by TNFINC within the December 31, 2010 and March 31, 2011 deadlines set forth in the MOU (which deadlines may be extended by TNFINC). In addition, if the fee and interest deferrals under the Credit Agreement do not continue in 2011, TNFINC has the right to terminate the Prior MOU, which, among other things, would eliminate the 15% wage reduction in place through March 2015 for employees of bargaining units that have ratified the Prior MOU.

We do not expect that we will have sufficient liquidity to pay deferred amounts under the Credit Agreement and CDA, make contributions to multi-employer pension funds in amounts greater than set forth in the MOU or lose wage, benefit and work rule concessions in 2011. As a result, we are in discussions with all of our stakeholders and we are exploring the restructuring and possible recapitalization of these obligations, which may include the issuance of a significant amount of additional equity. A failure to address these obligations prior to the dates that the deferrals would end or the multi-employer pension fund contributions would begin, or the termination of the wage, benefit and work rule concessions in the MOU, would materially and adversely affect our liquidity and our ability to continue to operate our business in the ordinary course.

4. Debt and Financing

Total debt consisted of the following:

(in millions)	September 30, 2010	December 31, 2009
Revolving credit facility	$ 149.9	$ 329.1
Term loan (par value of $260.2 and $111.5)	261.0	112.6
ABS borrowings, secured by accounts receivable	122.8	146.3
USF senior notes ($45.0 par value)	—	45.3
Contingent convertible senior notes	1.9	21.7
6% convertible senior notes ($69.4 par value)	55.3	—
Pension contribution deferral obligations	139.7	153.0
Lease financing obligations	328.6	318.9
Other	1.1	6.0
Total debt	$ 1,060.3	$ 1,132.9
Current maturities of long-term debt	(2.9)	(27.6)
Current maturities of lease financing obligations	(3.0)	(2.7)
Current maturities of pension contribution deferral Obligations	(81.5)	(20.5)
ABS borrowings	(122.8)	(146.3)
Long-term debt	$ 850.1	$ 935.8

As of September 30, 2010, we were in compliance with the various debt covenants, as amended, under our lending agreements.

Asset-Backed Securitization Facility

At September 30, 2010, our underlying accounts receivable supported total capacity under our ABS Facility of $195.0 million. In addition to the $122.8 million outstanding, the ABS Facility capacity was also reduced by outstanding letters of credit of $72.2 million resulting in no unused capacity at September 30, 2010.

6% Convertible Senior Notes Due 2014

In February 2010, we entered into a note purchase agreement with certain investors pursuant to which the investors agreed to purchase up to $70 million in aggregate principal amount of our 6% convertible senior notes due 2014 (the “6% Notes”). The 6% Notes bear interest at 6%, payable in February and August of each year. The sale of the 6% Notes was structured to occur in two closings. Pursuant to the note purchase agreement, we sold $49.8 million of the 6% Notes to the investors at the first closing in February 2010 and sold an additional $20.2 million of 6% Notes to the investors in the second closing in August 2010.

The 6% Notes are convertible, at the note holder’s option, prior to the maturity date into shares of our common stock. The 6% Notes were initially convertible at a conversion price of $10.75 per share ($0.43 per share prior to the adjustment for the reverse stock split), which is equal to a conversion rate of approximately 93 shares (2,326 shares prior to the adjustment for the reverse stock split) per $1,000 principal amount of 6% Notes, subject to certain adjustments. The 6% Notes provide for caps within the second anniversary of the first closing such that a holder and its affiliates is not entitled to convert its 6% Notes to the extent that the holder and its affiliates would hold greater than 4.9% of the then outstanding common stock after such conversion, unless timely waived by the holder. The 6% Notes also provide a cap through stated maturity such that any holder and its affiliates is not entitled to convert its notes to the extent that the holder and its affiliates would own greater than 9.9% of the voting power of our stock. Beginning on February 23, 2012, we may convert the 6% Notes pursuant to a mandatory conversion into shares of our common stock if the market price of our common stock meets certain thresholds.

Noteholders who convert their 6% Notes at their option or whose 6% Notes are converted in a mandatory conversion at our option will also receive a make whole premium paid in shares of our common stock. The make whole premium will be payable in additional shares of common stock and will be calculated based on the remaining interest payments on the 6% Notes that would have been received through the original scheduled maturity date of the 6% Notes.

The 6% Notes indenture provides that the maximum number of shares of our common stock that can be issued in respect of the 6% Notes upon conversion or with respect to the payment of interest or in connection with the make whole premium or otherwise shall be limited to 8,075,200 (201,880,000 prior to the adjustment for the reverse stock split) shares of common stock for $70

million in aggregate principal amount of the 6% Notes, subject to certain adjustments. If the limit is reached, no holder is entitled to any other consideration on account of shares not issued. This limitation terminates if the holders of our common stock approve the termination of this limitation.

On August 2, 2010, we entered into a letter agreement (the "Letter Agreement") with the investors to facilitate the issuance of the remaining $20.2 million of 6% Notes, and on August 3, 2010, the issuance and sale of those remaining 6% Notes to the investors was completed. Pursuant to the Letter Agreement, the investors accepted our required certifications that were conditions to closing under the note purchase agreement and, in turn, provided a certificate to the escrow agent to release the $20.2 million in escrowed purchase price. Also pursuant to the Letter Agreement, we temporarily increased the conversion rate under the 6% Note indenture on the date of the second closing for a period of 20 days to 4,000 shares (100,000 shares prior to the adjustment for the reverse stock split) of our common stock per $1,000 in principal amount of Notes (the "Adjusted Conversion Rate"). This had the effect of reducing the conversion price to $0.25 per share ($0.01 per share prior to the adjustment for the reverse stock split). Using this Adjusted Conversion Rate, the investors converted $590,000 of principal amount of their 6% Notes into an aggregate of 2,360,000 shares (59 million shares prior to the adjustment for the reverse stock split) of our common stock. The 2,360,000 shares of common stock did not include any common stock to be issued to holders of 6% Notes in respect of interest on the 6% Notes that we paid on August 16, 2010 (in respect of the August 15th interest payment date set forth in the Notes). Immediately following the 20-day period, the Conversion Rate reverted back to the initial conversion rate of approximately 93 shares (2,326 shares prior to the adjustment for the reverse stock split) of common stock per $1,000 in principal amount of the 6% Notes ($10.75 per share, $0.43 per share prior to the adjustment for the reverse stock split)). Any future conversions remain subject to the 6% Note indenture limitation that provides that no more than 8,075,200 shares of common stock may be issued in respect of the 6% Notes.

The proceeds from the second closing were used to fund the repurchase of $19.8 million of the Company's outstanding 5.0% Contingent Convertible Senior Notes due 2023 pursuant to put options exercised on August 9, 2010.

Assuming that the entire outstanding aggregate principal amount of $69.4 million of 6% Notes had been converted at the note holders' option as of September 30, 2010 and October 31, 2010, respectively, an aggregate of 5,503,972 shares (137,599,296 shares prior to the adjustment for the reverse stock split), of our common stock would have been issued as a result of such conversion, including the make whole premium described above. As of the date of this report, 2,571,228 shares (64,280,704 shares prior to the adjustment for the reverse stock split) of common stock have been issued on account of the 6% Notes and a maximum of 5,503,972 additional shares of our common stock may be issued in respect of the 6% Notes. Such limitation on the number of shares of common stock issuable in respect of the 6% Notes applies on a pro rata basis to all outstanding 6% Notes, which in effect limits the number of shares issuable in respect of the 6% Notes to approximately 79 shares per $1,000 in principal amount of the 6% Notes, or an effective conversion price of approximately $12.61 per share, after the adjustment for the reverse stock split.

We have evaluated the terms of the conversion feature included in the 6% Notes related to the $49.8 million issued in the first closing under applicable accounting literature, and determined that a portion of the proceeds should be allocated to the beneficial conversion feature as it was in-the-money at the commitment date. Accordingly, we allocated $3.3 million of the proceeds from the first closing to the conversion feature and account for this as a component of equity to be amortized over the term of the 6% Notes. The resulting yield on the first tranche of the 6% Notes as a result of this allocation is 6.4%.

We have evaluated the terms of the second closing of the 6% Notes, including the related simultaneous conversion and issuance of common stock in satisfaction of an aggregate principle amount of $0.6 million outstanding 6% Notes. We have determined such transaction to be accounted for as an issuance of debt and equity securities in exchange for $20.2 million of cash proceeds, and have thus allocated the $20.2 million proceeds between the debt and equity securities issued on a relative fair value basis. Accordingly, we allocated $12.0 million of the proceeds to equity as an issuance of common stock and $8.2 million of the proceeds to debt. The resulting yield on the second tranche of the 6% Notes as a result of this allocation is 34.5%.

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5. Intangibles

We have the following amortizable intangible assets:

(in millions)	Weighted Average Life (years)	September 30, 2010 Gross Carrying Amount	September 30, 2010 Accumulated Amortization	December 31, 2009 Gross Carrying Amount	December 31, 2009 Accumulated Amortization
Customer related	12.1	$200.0	$ 87.4	$215.0	$ 87.2
Marketing related	8.3	4.1	2.5	3.6	3.2
Technology based	—	24.2	24.2	25.6	25.0
Intangible assets		$228.3	$ 114.1	$244.2	$ 115.4

Pre-tax changes in the carrying amount of our indefinite lived tradenames are below:

(in millions)	National Transportation	Regional Transportation	Total
Balances at December 31, 2009	$ 14.0	$ 20.7	$34.7
Impairment charges	(3.3)	(2.0)	(5.3)
Change in foreign currency exchange rates	0.3	—	0.3
Balances at September 30, 2010	$ 11.0	$ 18.7	$29.7

At December 31, 2009, $3.1 million of amortizable intangible assets are included in “Noncurrent assets of discontinued operations” in the accompanying consolidated balance sheet.

During the three months ended March 31, 2010, we determined indicators of impairment were present, primarily due to reduced actual and forecasted revenue, as it relates to our tradenames. Accordingly we performed an impairment test that consisted of a comparison of the fair value of the intangible asset with its carrying amount. We recognized an impairment loss in the amount by which the carrying amount exceeded the fair value of the asset. In making this assessment, we utilized the relief from royalty method, an income approach (level three measurement as defined in SFAS No. 157, “Fair Value Measurements” now included in FASB ASC Topic 820) that includes assumptions as to future revenue, applicable market-based royalty rate and cost of capital, among others.

The impairment charges net of tax were $3.2 million and $2.0 million for National Transportation (the YRC Reimer tradename) and Regional Transportation (the New Penn tradename), respectively.

Estimated amortization expense related to intangible assets for all of 2010 and each of the next five years is as follows:

(in millions)	2010	2011	2012	2013	2014	2015
Estimated amortization expense	$20.0	$19.1	$19.1	$19.1	$19.1	$18.8

6. Other Assets

The components of other assets are as follows:

(in millions)	September 30, 2010	December 31, 2009
Equity method investments:		
JHJ International Transportation Co., Ltd.	$ 41.5	$ 42.0
Shanghai Jiayu Logistics Co., Ltd.	—	16.1
Deferred debt costs	65.5	87.4
Other	22.8	24.7
Total	$ 129.8	$ 170.2

During the nine months ended September 30, 2010, we received dividends in the amount of $1.9 million from our China joint venture, JHJ International Transportation Co., Ltd.

Through March 31, 2010, we have accounted for our 65% ownership in Shanghai Jiayu Logistics Co., Ltd. ("Jiayu") as an equity method investment as the rights of the minority shareholder were considered extensive and allowed for their ability to veto many business decisions. These rights were primarily provided as a part of the General Manager role held by the minority shareholder. Effective April 1, 2010, the minority shareholder no longer has a role in the management of the operations of the business which changes the conclusions from an accounting perspective regarding the relationship of this joint venture and accordingly, requires that we consolidate Jiayu in our financial statements effective April 1, 2010. In accordance with SFAS No. 141(R) "Business Combinations", (now included in FASB ASC Topic 805), we completed a fair value analysis of Jiayu as of April 1, 2010, the date of consolidation, and determined the fair value to be less than the carrying value of the equity method investment and as a result, we recorded a $12.3 million impairment charge during the three months ended June 30, 2010. The fair value analysis utilized a discounted cash flow model, an income approach (level three measurement as defined in SFAS No. 157, "Fair Value Measurements" now included in FASB ASC Topic 820) that includes assumptions as to future revenue, operating income, and cost of capital, among others. Additionally as part of the fair value analysis we recorded a tradename and customer list intangible asset and attributed $1.6 million and $2.0 million, respectively, to these intangibles as of April 1, 2010 and attributed lives of 5.3 years and 8.3 years, respectively. The results of Jiayu are included in the 'Corporate and other' segment.

7. Restructuring & Reorganization

During the first nine months of 2010, we incurred restructuring charges of $11.0 million that consisted of additional severance costs of $7.1 million, including $2.1 million in the National Transportation segment and $4.2 million at the Corporate and other segment as we reduced headcount in response to lower volumes. We also incurred $7.4 million of contract terminations related to lease cancellations related to certain discontinued operations described in Note 15. This is offset by $3.5 million in our National segment where we were able to use or sublease locations in excess of our previously recorded estimate.

During 2010, we also made payments of $18.6 million under previous restructuring programs, primarily those charges incurred as a result of the headcount reductions and lease cancellations.

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:

(in millions)	Employee Separation	Contract Termination and Other Costs	Total
Balance at December 31, 2009	$ 6.5	$ 19.6	$ 26.1
Restructuring charges	7.1	3.9	11.0
Payments	(11.3)	(7.3)	(18.6)
Balance at September 30, 2010	$ 2.3	$ 16.2	$ 18.5

Restructuring charges are included in "Salaries, wages and employees' benefits" as it relates to employee separation costs and "Operating expenses and supplies" as it relates to contract terminations and other costs in the accompanying statements of operations.

8. Employee Benefits

Components of Net Periodic Pension and Other Postretirement Cost

The following table sets forth the components of our company-sponsored pension costs for the three and nine months ended September 30:

(in millions)	Three Months 2010	Three Months 2009	Nine Months 2010	Nine Months 2009
Service cost	$ 0.9	$ 0.8	$ 2.7	$ 2.4
Interest cost	15.0	15.1	45.1	45.6
Expected return on plan assets	(13.1)	(13.6)	(39.2)	(40.7)
Amortization of net loss	1.6	0.8	4.6	2.4
Net periodic pension cost	$ 4.4	$ 3.1	$ 13.2	$ 9.7
Settlement cost	—	2.2	0.1	8.0
Total periodic pension cost	$ 4.4	$ 5.3	$ 13.3	$ 17.7

We expect to contribute $14.1 million to our pension plans in 2010, of which we have already contributed $9.3 million through the nine months ended September 30, 2010.

9. Stock-Based Compensation

On March 1, 2010, we formalized the Second Union Employee Option Plan that provided for a grant of up to 10.5 million (263.7 million prior to the adjustment for the reverse stock split) options to purchase our common stock at an exercise price equal to $12.00 per share ($0.48 per share prior to the adjustment for the reverse stock split), of which substantially all have been granted. These options vested immediately and were exercisable upon shareholder approval, which was received on June 29, 2010, at our annual meeting.

On March 1, 2010, we also formalized the Second Union Employee Stock Appreciation Right Plan that provided for a grant of up to 10.5 million (263.7 million prior to the adjustment for the reverse stock split) cash settled stock appreciation rights (“SARs”). These SARs terminated on June 29, 2010, upon approval of the Union Employee Option Plan discussed above.

The fair value of each option award was estimated on the date the grant was approved by shareholders using the Black-Scholes-Merton pricing model. Expected volatilities were estimated using historical volatility of our common stock. We used historical data to estimate option exercise and employee termination within the valuation model; separate groups of employees that have similar historical exercise behavior were considered separately for valuation purposes. The expected term of options granted was derived from the output of the valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

We valued the award granted under the Non-Union Employee Option Plan in 2010 using the above described model with the following weighted average assumptions:

Dividend yield	-%
Expected volatility	173.2%
Risk-free interest rate	0.61%
Expected life (years)	2
Fair value per option	$ 2.25

Based on the above fair value calculation, we recognized compensation expense of $25.0 million related to these outstanding stock option awards for the nine months ended September 30, 2010 which is included in ‘Equity-based compensation expense’ in our accompanying statement of consolidated operations.

In the first quarter of 2010, we recognized expense of $108.0 million representing our estimate of the fair value of SARs issued to our union employees at the date of issuance on March 1, 2010. Upon approval at the June 29, 2010 shareholder meeting, we issued stock options to our union employees, cancelled the outstanding SARs and recorded an expense reduction of $83 million reflecting the difference in fair value of the options as compared to the SARs.

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10. Income Taxes

Effective Tax Rate

Our effective tax rate for continuing operations for the three and nine months ended September 30, 2010 was 6.0% and 2.8%, respectively, compared to 1.2% and 22.0% for the three and nine months ended September 30, 2009, respectively. Significant items impacting the 2010 rate include certain permanent items and a valuation allowance established for the net deferred tax asset balance projected for December 31, 2010. 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 years' earnings history, expected future earnings, loss carry-back and carry-forward periods, reversals of existing deferred tax liabilities and tax planning strategies that potentially enhance the likelihood of the realization of a deferred tax asset.

Uncertain Tax Positions

In the three months ended September 30, 2010, the Company recorded a reserve of approximately $13.3 million relative to the equity-for-debt financial re-structuring at December 31, 2009. This increase in reserve had no impact on the effective tax rate for either the three months or nine months ended September 30, 2010. Total liabilities for unrecognized tax benefits were $97.0 million and $84.8 million at September 30, 2010 and December 31, 2009, respectively. Amounts recorded for unrecognized tax benefits are included in "Other current and accrued liabilities" in the accompanying balance sheets.

11. Shareholders' Equity (Deficit)

On February 17, 2010, the Company's stockholders at a special meeting approved the following:

- an amendment to the Company's Certificate of Incorporation to reduce the par value of the Company's common stock from $1.00 to $0.01 per share; and increase the number of authorized shares of the Company's capital stock from 9.8 million shares (125 million prior to the adjustment for the reverse stock split) to 85 million shares (2.005 billion prior to the adjustment for the reverse stock split) of which five million shares are preferred stock, par value $1.00 per share, and 80 million shares (2 billion prior to the adjustment for the reverse stock split) are common stock, par value $0.01 per share; and
- an amendment to the Company's Certificate of Incorporation to effect a reverse stock split of the Company's common stock following the effectiveness of the par value reduction and the authorized share increase described above, at a ratio that will be determined by the Company's board of directors and that will be within a range of one-to-five to one-to-25; and reduce the number of authorized shares of the Company's common stock by the reverse split ratio.

On February 17, 2010, the Company filed the amendment to its Certificate of Incorporation to increase its authorized common stock and change the par value of the stock. Effective with that amendment, 4,345,514 shares of the Class A preferred stock converted into 38,289,193 shares (957,229,822 shares prior to the adjustment for the reverse stock split) of common stock at a ratio of 8.81 shares (220.28 shares prior to the adjustment for the reverse stock split) of common stock for each share of Class A preferred stock.

As discussed in Note 3 "Liquidity", on May 3, 2010, we entered into an At Market Issuance Sales Agreement. During the three months ended June 30, 2010, we sold 1.8 million shares (44.9 million shares prior to the adjustment for the reverse stock split) for net proceeds of $15.4 million. No additional At the Market transactions were completed during the three months ended September 30, 2010.

In connection with Amendment No. 18 to the ABS Facility, we paid fees to the Co-Agents (the "Closing Fees"). The Closing Fees were paid by the Company by the issuance to the Co-Agents (or their designees) of an aggregate of 1.0 million shares (25.4 million shares prior to the adjustment for the reverse stock split) of common stock of the Company, par value $0.01 per share, of which 0.8 million (20.7 million prior to the adjustment for the reverse stock split) were issued as of June 30, 2010 and the remaining 0.2 million (4.7 million prior to the adjustment for the reverse stock split) were issued on July 22, 2010.

The board of directors approved a reverse stock split effective September 30, 2010 at a ratio of 1:25. The reverse stock split was effective on NASDAQ on October 1, 2010. Fractional shares were not issued in connection with the reverse stock split.

Stockholders who otherwise held fractional shares were entitled to a cash payment (without interest or deduction) in respect of such fractional shares. Fractional shares were collected and pooled by our transfer agent and sold in the open market and the proceeds were allocated to the stockholders' respective accounts pro rata in lieu of fractional shares.

The reverse stock split reduced the number of shares of our common stock available for issuance under our employee and director equity plans in proportion to the reverse stock split ratio. Under the terms of our outstanding equity awards, the reverse stock split reduced the number of shares of our common stock issuable upon exercise or vesting of such awards in proportion to the reverse stock split ratio and caused a proportionate increase in the exercise price of such awards to the extent they were stock options. The number of shares of our common stock issuable upon exercise or vesting of outstanding equity awards was rounded to the nearest whole share and no cash payment was made in respect of such rounding. Shareholders' Equity (Deficit) has been retroactively adjusted to give effect to the reverse stock split for all periods presented by reclassifying from Common stock to Capital surplus, the par value of the share reduction in connection with the reverse split. In addition, all share numbers and per share amounts in the Consolidated Financial Statements and Notes to the Consolidated Financial Statements have been retroactively adjusted to give effect to the reverse stock split.

The following reflects the activity in the shares of our common stock for the nine months ended September 30:

(in thousands)	2010
Beginning balance	3,965
Issuance of equity awards, net	12
Conversion of preferred stock to common stock	38,289
Shares issued for amendment closing fees	1,016
Shares issued for long term debt	2,571
At the market issuances	1,795
Ending balance	47,648

12. 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; however, given our net loss position for the three and nine months ended September 30, 2010 and 2009 there were no dilutive securities for these periods.

Antidilutive options and share units were 11,200,000 for the three and nine months ended September 30, 2010, and 690,000 for the three and nine months ended September 30, 2009. Antidilutive convertible senior note conversion shares were 7,000 for the three and nine months ended September 30, 2009 with no corresponding amounts for the three and nine months ended September 30, 2010. Antidilutive 6% convertible senior note conversion shares, including the make whole premium, were 5,503,972 common shares on September 30, 2010 with no corresponding amount at September 30, 2009.

For the nine months ended September 30, 2010, the dilutive securities included preferred stock.

13. 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 the following 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. Truckload consists of Glen Moore, a domestic truckload carrier. YRC Logistics was reported as a separate segment and is now classified as a discontinued operation. Effective April 1, 2010, the results of Jiayu are reflected in our consolidated results as part of the Corporate segment.

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, 2009. We charge management fees and other corporate services 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:

(in millions)	National Transportation	Regional Transportation	Truckload	Corporate/ Eliminations	Consolidated
As of September 30, 2010					
Identifiable assets	$ 1,517.0	$ 900.4	$ 50.4	$ 205.3	$ 2,673.1
As of December 31, 2009					
Identifiable assets	1,807.8	1,023.0	59.6	44.6	2,935.0
Three months ended September 30, 2010					
External revenue	755.0	353.8	20.6	7.4	1,136.8
Intersegment revenue	—	0.3	8.2	(8.5)	—
Operating income (loss)	(21.6)	8.6	(2.3)	(3.5)	(18.8)
Three months ended September 30, 2009					
External revenue	849.3	338.8	18.9	(3.0)	1,204.0
Intersegment revenue	—	—	11.0	(11.0)	—
Operating income (loss)	(122.0)	0.3	(1.4)	(3.5)	(126.6)
Nine months ended September 30, 2010					
External revenue	2,159.7	1,014.2	57.4	11.8	3,243.1
Intersegment revenue	—	0.6	26.5	(27.1)	—
Operating income (loss)	(173.6)	(8.7)	(7.3)	(14.1)	(203.7)
Equity investment impairment				12.3	12.3
Nine months ended September 30, 2009					
External revenue	2,745.7	1,031.6	52.9	(9.3)	3,820.9
Intersegment revenue	—	0.2	30.6	(30.8)	—
Operating income (loss)	(661.3)	(122.2)	(6.0)	(10.1)	(799.6)
Equity investment impairment	—	—	—	30.4	30.4

14. Comprehensive Loss

Comprehensive loss for the three and nine months ended September 30 follows:

(in millions)	Three Months 2010	Three Months 2009	Nine Months 2010	Nine Months 2009
Net loss attributable to YRC Worldwide Inc.	$(61.7)	$(158.7)	$(345.4)	$(741.6)
Other comprehensive loss attributable to YRC Worldwide Inc., net of tax:				
Pension:				
Net actuarial gains	1.0	0.5	2.9	1.6
Deferred tax rate adjustment	—	—	(1.1)	—
Changes in foreign currency translation adjustments	0.4	4.0	(5.2)	7.5
Other comprehensive income (loss) attributable to YRC Worldwide Inc.	1.4	4.5	(3.4)	9.1
Comprehensive loss attributable to YRC Worldwide Inc.	$(60.3)	$(154.2)	$(348.8)	$(732.5)

Comprehensive loss attributable to our non-controlling interest was not material for any period presented.

15. Discontinued Operations

In November 2009, we sold our dedicated contract carriage or “fleet” business to Greatwide Dedicated Transport, LLC for $34 million including certain holdback amounts of $1.8 million for indemnification and working capital adjustments to be settled by the second quarter of 2011. Fleet was a part of our YRC Logistics segment and had revenue of $73.8 million and operating income of $7.1 million for the year ended December 31, 2009. The disposition of this business line did not have a material impact on our financial statements and thus was not originally classified separately as discontinued operations. As a result of this transaction, we recorded a net loss on sale of approximately $0.2 million in the fourth quarter of 2009.

In June 2010, we entered into an Equity Interest Purchase Agreement (the "Agreement") with CEG Holdings, Inc. (now known as MIQ Holdings, Inc.) ("CEG"), a subsidiary of Austin Ventures, to sell the majority of YRC Logistics for an aggregate of approximately $37.0 million in cash. On August 13, 2010, the Company and CEG held the initial closing of the transactions contemplated by the Agreement. At the initial closing, CEG paid the Company approximately $33.6 million, which included $31.9 million of the purchase price and approximately $1.6 million for retained insurance claims. Approximately $2.3 million of the purchase price was deposited into an escrow account for subsequent closings of foreign subsidiaries, and approximately $2.8 million of the purchase price was deposited into an escrow account (one-half of which will be held for 12 months and one-half will be held for 18 months) to satisfy certain indemnification claims by CEG that may arise. Following the initial closing, a succession of delayed closings and payments will occur to transfer certain foreign subsidiaries to CEG as required regulatory approvals and licensing transfers in foreign jurisdictions are obtained. As of September 30, 2010, four delayed closings remained for a total purchase price of $0.8 million. We recorded a $0.6 million gain on disposition during the three months ended September 30, 2010 and expect to collect more than $10 million related to the working capital adjustment in the fourth quarter of 2010, subject to final resolution of working capital adjustments between the Company and CEG.

CEG did not acquire the YRC Logistics pooled distribution business line and instead this activity was shut down during the second quarter of 2010. Pooled distribution had revenue of $10.8 million and incurred an operating loss of $19.1 million for the six months ended June 30, 2010 including shut down costs, primarily lease cancellations and severance of $7.4 million. Revenue activity for pooled distribution ceased in June 2010 and the results are included in discontinued operations in the accompanying consolidated financial statements.

Historically, YRC Logistics was reported as a separate segment in our consolidated operations and was comprised of the YRC Logistics business, the flow through business and the fleet business. As of June 30, 2010, as a result of the proposed sale to CEG and the closure of the pooled distribution business line, we had met the criteria requiring us to present the related financial results of YRC Logistics as discontinued operations and the related assets and liabilities as held-for-sale in the consolidated financial statements for all periods presented. Accordingly, the results of operations of our YRC Logistics segment are separately presented as discontinued operations for all periods presented and our assets and liabilities from this segment have been reclassified for all periods presented.

The major classes of assets and liabilities included in our consolidated balance sheets are as follows:

(in millions)	September 30, 2010	December 31, 2009
Accounts receivable	$ —	$ 73.0
Prepaid expenses and other current assets, net	—	2.6
Current assets	—	75.6
Property and equipment, net	—	18.3
Intangibles, net	—	3.1
Other assets, net	—	0.1
Noncurrent assets	—	21.5
Accounts payable	—	44.1
Wages, vacations and employees' benefits	—	2.3
Other current and accrued liabilities	—	5.5
Current liabilities	—	51.9
Claims and other liabilities	—	1.0
Long term liabilities	—	1.0
Net assets	$ —	$ 44.2

Shared services and corporate overhead costs previously allocated to this segment, totaled $0.6 million and $2.4 million for the three months ended September 30, 2010 and 2009, respectively, and $6.8 million and $7.8 million for the nine months ended September 30, 2010 and 2009, respectively, are included in continuing operations in our 'Corporate and other' segment.

The financial results included in discontinued operations for the three and nine months ended September 30 are as follows:

(in millions)	Three months 2010	Three months 2009	Nine months 2010	Nine months 2009
Revenue	$41.7	$102.4	$194.2	$316.3
Operating income (loss)	(2.6)	8.7	(17.9)	2.7
Income (loss) from operations before income taxes	(2.6)	8.1	(18.6)	2.5
Income tax provision (benefit)	0.5	(4.2)	(0.1)	1.5
Gain on sale of affiliate	0.6	—	0.6	—
Net income (loss) from discontinued operations	$ (2.5)	$ 12.3	$ (17.9)	$ 1.0

16. Commitments and Contingencies

401(k) Class Action Suit

Four class action complaints were filed in the U.S. District Court for the District of Kansas against the Company and certain of its officers and directors, alleging violations of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), based on similar allegations and causes of action. On November 17, 2009, Eva L. Hanna and Shelley F. Whitson, former participants in the Yellow Roadway Corporation Retirement Savings Plan, filed a class action complaint on behalf of certain persons participating in the plan (or plans that merged with the plan) from April 6, 2009 to the present; on December 7, 2009, Daniel J. Cambra, a participant in the Yellow Roadway Corporation Retirement Savings Plan, filed a class action complaint on behalf of certain persons participating in the plan (or plans that merged with the plan) from October 25, 2007 to the present; on January 15, 2010, Patrick M. Couch, a participant in one of the merged 401(k) plans, filed a class action complaint on behalf of certain persons participating in the plan (or plans that merged with the plan) from March 23, 2006 to the present; and on April 21, 2010, Tawana Franklin, a participant in the YRC Worldwide 401(k) Plan, filed a class action complaint on behalf of certain persons participating in the plan (or plans that merged with the plan) from October 25, 2007 to the present.

In general, the complaints allege that the defendants breached their fiduciary duties under ERISA by providing participants Company common stock as part of their matching contributions and by not removing the stock fund as an investment option in the plans in light of the Company’s financial condition. Although some Company matching contributions were made in Company common stock, participants were not permitted to invest their own contributions in the Company stock fund. The complaints allege that the defendants failed to prudently and loyally manage the plans and assets of the plans; imprudently invested in Company common stock; failed to monitor fiduciaries and provide them with accurate information; breached the duty to properly appoint, monitor, and inform the Benefits Administrative Committee; misrepresented and failed to disclose adverse financial information; breached the duty to avoid conflict of interest; and are subject to co-fiduciary liability. Each of the complaints seeks, among other things, an order compelling defendants to make good to the plan all losses resulting from the alleged breaches of fiduciary duty, attorneys’ fees, and other injunctive and equitable relief. Based on the four separate complaints previously filed, the Company believes the allegations are without merit and intends to vigorously contest the claims.

On March 3, 2010, the Court entered an order consolidating three of the four cases and, on April 1, 2010, the plaintiffs filed a consolidated complaint. The consolidated complaint asserts the same claims as the previously-filed complaints but names as defendants certain former officers of the Company in addition to those current officers and directors that have already been named. The fourth case (Franklin) was consolidated with the first three cases on May 12, 2010.

The defendants moved to dismiss the consolidated complaint on June 1, 2010. This motion has been fully briefed and is pending before the Court. The plaintiffs filed a motion on October 1, 2010 requesting that the court certify a class consisting of all persons, excluding defendants and their immediate family members, who were participants in the YRC Worldwide 401(k) Plan (or plans that merged with the plan), at any time between October 25, 2007 and the present and whose plan accounts included investments in YRCW common stock (directly and/or through shares in the Company stock fund). Defendants’ response is due November 30, 2010. In the meantime, the parties are continuing discovery on the merits of the plaintiffs’ claims.

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ABF Lawsuit

On November 1, 2010, ABF Freight System, Inc. ("ABF") filed a complaint in the U.S. District court for the Western District of Arkansas against several parties, including YRC Inc., New Penn Motor Express, Inc. and USF Holland Inc. (each a subsidiary of the Company) and the International Brotherhood of Teamsters and the local Teamster unions party to the National Master Freight Agreement (the "NMFA") alleging violation of the NMFA due to modifications to the NMFA that have provided relief to the Company's subsidiaries that are party to the NMFA without providing the same relief to ABF. The complaint seeks to have the modifications to the NMFA declared null and void and seeks damages of $750 million from the named defendants. The Company believes the allegations are without merit and intends to vigorously defend the claims.

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17. 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 new 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 Enterprise Services, Inc., Roadway LLC, and Roadway Next Day Corporation. Each of the guarantees is full and unconditional and joint and several. Effective August 4, 2010, Global.com Lines Inc. was released as a guarantor in connection with its merger with and into YRC Logistics Global, LLC. Effective August 13, 2010 YRC Logistics, Inc. and YRC Logistics Global, LLC were released as guarantors in connection with the sale of YRC Logistics.

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 September 30, 2010 and December 31, 2009 with respect to the financial position, for the three and nine months ended September 30, 2010 and 2009 for results of operations and for the nine months ended September 30, 2010 and 2009 for the statement of 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

September 30, 2010 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	$ 89	$ 8	$ 18	$ —	$ 115
Intercompany advances receivable	—	(40)	40	—	—
Accounts receivable, net	20	(7)	485	(1)	497
Prepaid expenses and other	113	36	31	—	180
Total current assets	222	(3)	574	(1)	792
Property and equipment	—	2,341	948	1	3,290
Less – accumulated depreciation	—	(1,341)	(342)	—	(1,683)
Net property and equipment	—	1,000	606	1	1,607
Investment in subsidiaries	2,228	(18)	139	(2,349)	—
Receivable from affiliate	(457)	447	10	—	—
Intangibles and other assets	324	188	113	(351)	274
Total assets	$2,317	$ 1,614	$ 1,442	$ (2,700)	$ 2,673
Intercompany advances payable	$ 123	$ 253	$ (176)	$ (200)	$ —
Accounts payable	23	83	51	(1)	156
Wages, vacations and employees' benefits	17	124	64	—	205
Other current and accrued liabilities	289	141	79	—	509
Current maturities of long-term debt	86	—	124	—	210
Total current liabilities	538	601	142	(201)	1,080
Payable to affiliate	—	—	150	(150)	—
Long-term debt, less current portion	850	—	—	—	850
Deferred income taxes, net	75	(27)	102	—	150
Pension and postretirement	352	—	—	—	352
Claims and other liabilities	357	6	—	—	363
Commitments and contingencies					
YRC Worldwide Inc. Shareholders' equity (deficit)	145	1,034	1,050	(2,349)	(120)
Non-controlling interest	—	—	(2)	—	(2)
Total shareholders' equity (deficit)	145	1,034	1,048	(2,349)	(122)
Total liabilities and shareholders' equity (deficit)	$2,317	$ 1,614	$ 1,442	$ (2,700)	$ 2,673

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December 31, 2009 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	$ 69	$ 9	$ 20	$ —	$ 98
Intercompany advances receivable	—	(54)	54	—	—
Accounts receivable, net	10	(21)	455	(1)	443
Prepaid expenses and other	71	130	41	—	242
Current assets of discontinued operations	—	38	38	—	76
Total current assets	150	102	608	(1)	859
Property and equipment	—	2,565	964	—	3,529
Less – accumulated depreciation	—	(1,402)	(306)	—	(1,708)
Net property and equipment	—	1,163	658	—	1,821
Investment in subsidiaries	2,999	(38)	237	(3,198)	—
Receivable from affiliate	(314)	213	101	—	—
Intangibles and other assets	337	192	152	(350)	331
Noncurrent assets of discontinued operations	—	6	15	—	21
Total assets	$3,172	$ 1,638	$ 1,771	$ (3,549)	$ 3,032
Intercompany advances payable	$ 146	$ 212	$ (158)	$ (200)	$ —
Accounts payable	32	83	41	(1)	155
Wages, vacations and employees’ benefits	33	131	50	—	214
Other current and accrued liabilities	194	151	47	—	392
Current maturities of long-term debt	45	6	146	—	197
Current liabilities of discontinued operations	—	24	28	—	52
Total current liabilities	450	607	154	(201)	1,010
Payable to affiliate	—	(75)	225	(150)	—
Long-term debt, less current portion	891	—	45	—	936
Deferred income taxes, net	85	(36)	98	—	147
Pension and postretirement	352	—	—	—	352
Claims and other liabilities	414	5	1	—	420
Noncurrent liabilities of discontinued operations	—	—	1	—	1
Commitments and contingencies					
Total shareholders’ equity (deficit)	980	1,137	1,247	(3,198)	166
Total liabilities and shareholders’ equity (deficit)	$3,172	$ 1,638	$ 1,771	$ (3,549)	$ 3,032

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Condensed Consolidating Statements of Operations

For the three months ended September 30, 2010 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	$—	$ 673	$ 473	$ (9)	$ 1,137
Operating expenses:					
Salaries, wages and employees' benefits	3	436	246	—	685
Operating expenses and supplies	(3)	144	94	—	235
Purchased transportation	—	55	77	(9)	123
Depreciation and amortization	—	31	19		50
Other operating expenses	1	42	23	—	66
Gains on property disposals, net	—	(3)	—	—	(3)
Total operating expenses	1	705	459	(9)	1,156
Operating income (loss)	(1)	(32)	14	—	(19)
Nonoperating (income) expenses:					
Interest expense	34	—	10	—	44
Other, net	52	(19)	(32)	—	1
Nonoperating (income) expenses, net	86	(19)	(22)	—	45
Income (loss) from continuing operations before income taxes	(87)	(13)	36	—	(64)
Income tax provision (benefit)	(3)	—	(1)	—	(4)
Net income (loss) from continuing operations	(84)	(13)	37	—	(60)
Net loss from discontinued operations, net of tax	—	(1)	(2)	—	(3)
Net income (loss)	(84)	(14)	35	—	(63)
Less: Net loss attributable to non-controlling interest	—	—	(1)	—	(1)
Net income (loss) attributable to YRC Worldwide Inc.	$ (84)	$ (14)	$ 36	$ —	$ (62)

For the three months ended September 30, 2009 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	$—	$ 807	$ 411	$ (14)	$ 1,204
Operating expenses:					
Salaries, wages and employees' benefits	9	617	180	—	806
Operating expenses and supplies	(6)	108	173	—	275
Purchased transportation	—	114	28	(14)	128
Depreciation and amortization	—	38	20	—	58
Other operating expenses	1	55	18	—	74
Gains on property disposals, net	—	(10)	(1)	—	(11)
Total operating expenses	4	922	418	(14)	1,330
Operating income (loss)	(4)	(115)	(7)	—	(126)
Nonoperating (income) expenses:					
Interest expense	31	—	14	—	45
Other, net	22	(7)	(13)	—	2
Nonoperating (income) expenses, net	53	(7)	1	—	47
Income (loss) from continuing operations before income taxes	(57)	(108)	(8)	—	(173)
Income tax provision (benefit)	(6)	2	2	—	(2)
Net income (loss) from continuing operations	(51)	(110)	(10)	—	(171)
Net income from discontinued operations, net of tax	—	7	5	—	12
Net income (loss)	(51)	(103)	(5)	—	(159)

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For the nine months ended September 30, 2010 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	$ —	$ 2,002	$ 1,273	$ (32)	$ 3,243
Operating expenses:					
Salaries, wages and employees' benefits	11	1,308	729	—	2,048
Operating expenses and supplies	(11)	430	297	—	716
Purchased transportation	—	237	133	(32)	338
Depreciation and amortization	—	93	58	—	151
Other operating expenses	3	123	60	—	186
Gains on property disposals, net	—	(2)	5	—	3
Impairment charges	—	—	5	—	5
Total operating expenses	3	2,189	1,287	(32)	3,447
Operating income (loss)	(3)	(187)	(14)	—	(204)
Nonoperating (income) expenses:					
Interest expense	98	1	27	—	126
Equity investment impairment	—	—	12	—	12
Other, net	133	(46)	(90)	—	(3)
Nonoperating (income) expenses, net	231	(45)	(51)	—	135
Income (loss) from continuing operations before income taxes	(234)	(142)	37	—	(339)
Income tax provision (benefit)	(8)	(1)	(1)	—	(10)
Net income (loss) from continuing operations	(226)	(141)	38	—	(329)
Net income (loss) from discontinued operations, net of tax	—	3	(21)	—	(18)
Net income (loss)	(226)	(138)	17	—	(347)
Less: Net loss attributable to non-controlling interest	—	—	(2)	—	(2)
Net income (loss) attributable to YRC Worldwide Inc.	$(226)	$ (138)	$ 19	$ —	$ (345)

For the nine months ended September 30, 2009 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	$ —	$ 2,614	$ 1,247	$ (40)	$ 3,821
Operating expenses:					
Salaries, wages and employees' benefits	28	2,044	851	—	2,923
Operating expenses and supplies	(25)	590	331	(1)	895
Purchased transportation	—	335	86	(40)	381
Depreciation and amortization	—	121	60	—	181
Other operating expenses	2	174	74	—	250
Gains on property disposals, net	—	(10)	—	—	(10)
Total operating expenses	5	3,254	1,402	(41)	4,620
Operating income (loss)	(5)	(640)	(155)	1	(799)
Nonoperating (income) expenses:					
Interest expense	79	2	34	—	115
Equity investment impairment	—	—	30	—	30
Other, net	40	(15)	(19)	1	7
Nonoperating (income) expenses, net	119	(13)	45	1	152
Income (loss) from continuing operations before income taxes	(124)	(627)	(200)	—	(951)
Income tax provision (benefit)	(208)	(6)	5	—	(209)
Net income (loss) from continuing operations	84	(621)	(205)	—	(742)
Net income (loss) from discontinued operations, net of tax	—	2	(1)	—	1
Net income (loss)	$ 84	$ (619)	$ (206)	$ —	$ (741)

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Condensed Consolidating Statements of Cash Flows

For the nine months ended September 30, 2010 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net cash (used in) provided by operating activities	$ (75)	$ (66)	$ 132	$ —	$ (9)
Investing activities:					
Acquisition of property and equipment	—	(6)	(7)	—	(13)
Proceeds from disposal of property and equipment	—	61	10	—	71
Disposition of affiliate	23	—	—	—	23
Other	2	—	3	—	5
Net cash provided by investing activities	25	55	6	—	86
Financing activities:					
Asset-backed securitization borrowings, net	—	—	(23)	—	(23)
Borrowing of long-term debt, net	17	(6)	(46)	—	(35)
Debt issuance costs	(12)	—	(1)	—	(13)
Equity issuance costs	(17)	—	—	—	(17)
Equity issuance proceeds	16	—	—	—	16
Stock issued in connection with the 6% Notes	12	—	—	—	12
Intercompany advances / repayments	54	16	(70)	—	—
Net cash provided by (used in) financing activities	70	10	(140)	—	(60)
Net increase (decrease) in cash and cash equivalents	20	(1)	(2)	—	17
Cash and cash equivalents, beginning of period	69	9	20	—	98
Cash and cash equivalents, end of period	$ 89	$ 8	$ 18	$ —	$ 115

For the nine months ended September 30, 2009 (in millions)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net cash provided by (used in) operating activities	$ (28)	$ (550)	$ 262	$ —	$ (316)
Investing activities:					
Acquisition of property and equipment	—	(28)	(7)	—	(35)
Proceeds from disposal of property and equipment	—	82	24	—	106
Other	4	—	—	—	4
Net cash provided by investing activities	4	54	17	—	75
Financing activities:					
Asset-backed securitization payments, net	—	—	41	—	41
Borrowing of long-term debt, net	95	(1)	—	—	94
Debt issuance costs	(42)	—	(14)	—	(56)
Intercompany advances / repayments	(196)	499	(303)	—	—
Net cash provided by (used in) financing activities	(143)	498	(276)	—	79
Net increase (decrease) in cash and cash equivalents	(167)	2	3	—	(162)
Cash and cash equivalents, beginning of period	295	9	21	—	325
Cash and cash equivalents, end of period	$ 128	$ 11	$ 24	$ —	$ 163

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18. Guarantees of the 6% Convertible Senior Notes Due 2014

On February 23, 2010, and August 3, 2010, we issued $70 million in aggregate principal amount of our new 6% convertible senior notes due 2014 (the "6% Notes"). In connection with the 6% notes, the following 100% owned subsidiaries of YRC Worldwide have issued guarantees in favor of the holders of the notes: YRC Inc., YRC Enterprise Services, Inc., Roadway LLC, Roadway Next Day Corporation, YRC Regional Transportation, Inc., 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. Effective August 4, 2010, Global.com Lines Inc. was released as a guarantor in connection with its merger with and into YRC Logistics Global, LLC. Effective August 13, 2010 YRC Logistics, Inc. and YRC Logistics Global, LLC were released as guarantors in connection with the sale of YRC Logistics.

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 to obtain funds from its subsidiaries by dividend or loan.

The following represents condensed consolidating financial information as of September 30, 2010 and December 31, 2009, with respect to the financial position and for the three and nine months ended September 30, 2010 and 2009, for results of operations and for the nine months ended September 30, 2010 and 2009 for the statement of cash flows of YRC Worldwide and its subsidiaries. The Parent column presents the financial information of YRC Worldwide, the primary obligor of the 6% notes. The Guarantor Subsidiaries column presents the financial information of all guarantor subsidiaries of the 6% 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 Sheet

September 30, 2010 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	$ 89	$ 9	$ 17	$ —	$ 115
Intercompany advances receivable	—	(47)	47	—	—
Accounts receivable, net	20	—	477	—	497
Prepaid expenses and other	113	46	21	—	180
Total current assets	222	8	562	—	792
Property and equipment	—	3,103	186	1	3,290
Less – accumulated depreciation	—	(1,595)	(88)	—	(1,683)
Net property and equipment	—	1,508	98	1	1,607
Investment in subsidiaries	2,228	99	22	(2,349)	—
Receivable from affiliate	(457)	747	(290)	—	—
Intangibles and other assets	324	235	66	(351)	274
Total assets	$2,317	$ 2,597	$ 458	$ (2,699)	$ 2,673
Intercompany advances payable	$ 123	$ 203	$ (126)	$ (200)	$ —
Accounts payable	23	104	29	—	156
Wages, vacations and employees' benefits	17	173	15	—	205
Other current and accrued liabilities	289	191	29	—	509
Current maturities of long-term debt	86	—	124	—	210
Total current liabilities	538	671	71	(200)	1,080
Payable to affiliate	—	—	150	(150)	—
Long-term debt, less current portion	850	—	—	—	850
Deferred income taxes, net	75	61	14	—	150
Pension and postretirement	352	—	—	—	352
Claims and other liabilities	357	6	—	—	363
Commitments and contingencies					
YRC Worldwide Inc. Shareholders' equity (deficit)	145	1,859	225	(2,349)	(120)
Non-controlling interest	—	—	(2)	—	(2)
Total shareholders' equity (deficit)	145	1,859	223	(2,349)	(122)
Total liabilities and shareholders' equity (deficit)	$2,317	$ 2,597	$ 458	$ (2,699)	$ 2,673

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December 31, 2009 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	$ 69	$ 10	$ 19	$ —	$ 98
Intercompany advances receivable	—	(59)	59	—	—
Accounts receivable, net	10	(18)	452	(1)	443
Prepaid expenses and other	71	162	9	—	242
Current assets of discontinued operations	—	51	25	—	76
Total current assets	150	146	564	(1)	859
Property and equipment	—	3,338	191	—	3,529
Less – accumulated depreciation	—	(1,628)	(80)	—	(1,708)
Net property and equipment	—	1,710	111	—	1,821
Investment in subsidiaries	2,999	164	35	(3,198)	—
Receivable from affiliate	(314)	486	(172)	—	—
Intangibles and other assets	337	245	99	(350)	331
Noncurrent assets of discontinued operations	—	19	2	—	21
Total assets	$3,172	$ 2,770	$ 639	$ (3,549)	$ 3,032
Intercompany advances payable	$ 146	$ 178	$ (124)	$ (200)	$ —
Accounts payable	32	99	25	(1)	155
Wages, vacations and employees' benefits	33	167	14	—	214
Other current and accrued liabilities	194	186	12	—	392
Current maturities of long-term debt	45	6	146	—	197
Current liabilities of discontinued operations	—	35	17	—	52
Total current liabilities	450	671	90	(201)	1,010
Payable to affiliate	—	(2)	152	(150)	—
Long-term debt, less current portion	891	45	—	—	936
Deferred income taxes, net	85	49	13	—	147
Pension and postretirement	352	—	—	—	352
Claims and other liabilities	414	6	—	—	420
Noncurrent liabilities of discontinued operations	—	1	—	—	1
Commitments and contingencies					
Total shareholders' equity (deficit)	980	2,000	384	(3,198)	166
Total liabilities and shareholders' equity (deficit)	$3,172	$ 2,770	$ 639	$ (3,549)	$ 3,032

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Condensed Consolidating Statements of Operations

For the three months ended September 30, 2010 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	$ —	$ 989	$ 148	$ —	$ 1,137
Operating expenses:					
Salaries, wages and employees' benefits	3	628	54	—	685
Operating expenses and supplies	(3)	225	13	—	233
Purchased transportation	—	60	63	—	123
Depreciation and amortization	—	46	4	—	50
Other operating expenses	1	61	4	—	66
Gains on property disposals, net	—	(3)	—	—	(3)
Total operating expenses	1	1,017	138	—	1,156
Operating income (loss)	(1)	(28)	10	—	(19)
Nonoperating (income) expenses:					
Interest expense	34	1	9	—	44
Other, net	52	(33)	(18)	—	1
Nonoperating (income) expenses, net	86	(32)	(9)	—	45
Income (loss) from continuing operations before income taxes	(87)	4	19	—	(64)
Income tax provision (benefit)	(3)	(1)	—	—	(4)
Net income (loss) from continuing operations	(84)	5	19	—	(60)
Net income (loss) from discontinued operations, net of tax	—	1	(4)	—	(3)
Net income (loss)	(84)	6	15	—	(63)
Less: Net loss attributable to non-controlling interest	—	—	(1)	—	(1)
Net income (loss) attributable to YRC Worldwide Inc.	$ (84)	$ 6	$ 16	$ —	$ (62)

For the three months ended September 30, 2009 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	$ —	$ 1,108	$ 99	$ (3)	$ 1,204
Operating expenses:					
Salaries, wages and employees' benefits	9	743	54	—	806
Operating expenses and supplies	(6)	250	31	—	275
Purchased transportation	—	116	15	(3)	128
Depreciation and amortization	—	54	4	—	58
Other operating expenses	1	70	3	—	74
Gains on property disposals, net	—	(10)	(1)	—	(11)
Impairment charges	—	—	—	—	—
Total operating expenses	4	1,223	106	(3)	1,330
Operating income (loss)	(4)	(115)	(7)	—	(126)
Nonoperating (income) expenses:					
Interest expense	31	3	11	—	45
Other, net	22	(6)	(14)	—	2
Nonoperating (income) expenses, net	53	(3)	(3)	—	47
Income (loss) from continuing operations before income taxes	(57)	(112)	(4)	—	(173)
Income tax provision (benefit)	(6)	2	2	—	(2)
Net income (loss) from continuing operations	(51)	(114)	(6)	—	(171)
Net income from discontinued operations, net of tax	—	11	1	—	12
Net income (loss)	$ (51)	$ (103)	$ (5)	$ —	$ (159)

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For the nine months ended September 30, 2010 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	$ —	$ 2,909	$ 338	$ (4)	$ 3,243
Operating expenses:					
Salaries, wages and employees' benefits	11	1,877	160	—	2,048
Operating expenses and supplies	(11)	674	53	—	716
Purchased transportation	—	247	95	(4)	338
Depreciation and amortization	—	139	12	—	151
Other operating expenses	3	173	10	—	186
(Gains) losses on property disposals, net	—	1	2	—	3
Impairment charges	—	—	5	—	5
Total operating expenses	3	3,111	337	(4)	3,447
Operating income (loss)	(3)	(202)	1	—	(204)
Nonoperating (income) expenses:					
Interest expense	98	3	25	—	126
Equity investment impairment	—	—	12	—	12
Other, net	133	(84)	(52)	—	(3)
Nonoperating (income) expenses, net	231	(81)	(15)	—	135
Income (loss) from continuing operations before income taxes	(234)	(121)	16	—	(339)
Income tax provision (benefit)	(8)	(2)	—	—	(10)
Net income (loss) from continuing operations	(226)	(119)	16	—	(329)
Net loss from discontinued operations, net of tax	—	(15)	(3)	—	(18)
Net income (loss)	(226)	(134)	13	—	(347)
Less: Net loss attributable to non-controlling interest	—	—	(2)	—	(2)
Net income (loss) attributable to YRC Worldwide Inc.	$ (226)	$ (134)	$ 15	$ —	$ (345)

For the nine months ended September 30, 2009 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating revenue	$ —	$ 3,530	$ 300	$ (9)	$ 3,821
Operating expenses:					
Salaries, wages and employees' benefits	28	2,727	168	—	2,923
Operating expenses and supplies	(25)	823	97	—	895
Purchased transportation	—	343	47	(9)	381
Depreciation and amortization	—	168	13	—	181
Other operating expenses	2	236	12	—	250
Gains on property disposals, net	—	(9)	(1)	—	(10)
Total operating expenses	5	4,288	336	(9)	4,620
Operating loss	(5)	(758)	(36)	—	(799)
Nonoperating (income) expenses:					
Interest expense	79	11	25	—	115
Equity investment impairment	—	—	30	—	30
Other, net	40	(34)	1	—	7
Nonoperating (income) expenses, net	119	(23)	56	—	152
Income (loss) from continuing operations before income taxes	(124)	(735)	(92)	—	(951)
Income tax provision (benefit)	(208)	(6)	5	—	(209)
Net income (loss) from continuing operations	84	(729)	(97)	—	(742)
Net income from discontinued operations, net of tax	—	1	—	—	1
Net income (loss)	$ 84	$ (728)	$ (97)	$ —	$ (741)

Condensed Consolidating Statement of Cash Flows

For the nine months ended September 30, 2010 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net cash provided by (used in) operating activities	$ (75)	$ 39	$ 27	$ —	$ (9)
Investing activities:					
Acquisition of property and equipment	—	(11)	(2)	—	(13)
Proceeds from disposal of property and equipment	—	62	9	—	71
Disposition of affiliate	23	—	—	—	23
Other	2	—	3	—	5
Net cash provided by investing activities	25	51	10	—	86
Financing activities:					
Asset backed securitization borrowings, net	—	—	(23)	—	(23)
Borrowing of long-term debt, net	17	(51)	(1)	—	(35)
Debt issuance costs	(12)	—	(1)	—	(13)
Equity issuance costs	(17)	—	—	—	(17)
Equity issuance proceeds	16	—	—	—	16
Stock issued in connection with the 6% Notes	12	—	—	—	12
Intercompany advances / repayments	54	(40)	(14)	—	—
Net cash (used in) provided by financing activities	70	(91)	(39)	—	(60)
Net (decrease) increase in cash and cash equivalents	20	(1)	(2)	—	17
Cash and cash equivalents, beginning of period	69	10	19	—	98
Cash and cash equivalents, end of period	$ 89	$ 9	$ 17	$ —	$ 115

For the nine months ended September 30, 2009 (in millions)	Primary Obligor	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net cash provided by (used in) operating activities	$ (28)	$ (550)	$ 262	$ —	$ (316)
Investing activities:					
Acquisition of property and equipment	—	(33)	(2)	—	(35)
Proceeds from disposal of property and equipment	—	98	8	—	106
Other	4	—	—	—	4
Net cash provided by investing activities	4	65	6	—	75
Financing activities:					
Asset backed securitization payments, net	—	—	41	—	41
Borrowing of long-term debt, net	95	(1)	—	—	94
Debt issuance costs	(42)	—	(14)	—	(56)
Intercompany advances / repayments	(196)	488	(292)	—	—
Net cash provided by (used in) financing activities	(143)	487	(265)	—	79
Net increase (decrease) in cash and cash equivalents	(167)	2	3	—	(162)
Cash and cash equivalents, beginning of period	295	13	17	—	325
Cash and cash equivalents, end of period	$ 128	$ 15	$ 20	$ —	$ 163

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," "may," "expect," "believe," "estimate" or similar expressions. Our actual results could differ materially from those projected in such forward-looking statements because of a number of factors, including (among others) our ability to generate sufficient cash flows and liquidity to fund operations, which raises substantial doubt about our ability to continue as a going concern, 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, changes in equity and debt markets, a downturn in general or regional economic activity, effects of a terrorist attack, labor relations, including (without limitation) the impact of work rules, work stoppages, strikes or other disruptions, any obligations to multi-employer health, welfare and pension plans, wage requirements and employee satisfaction, and the risk factors that are from time to time included in the Company's reports filed with the Securities and Exchange Commission (the "SEC"), including the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

Results of Operations

This section focuses on the highlights and significant items that impacted our operating results during the three and nine months ended September 30, 2010. We have presented a discussion regarding the operating results of each of our operating segments: National Transportation, Regional Transportation and Truckload. On August 13, 2010, we completed the initial closing of the sale of the majority of our YRC Logistics business to a third party. In addition, certain other operations ceased during the quarter ended June 30, 2010. As a result, the YRC Logistics segment has been reported as discontinued operations for all periods presented. See Note 15 "Discontinued Operations" to our interim financial statements for further discussion.

Consolidated Results

Our consolidated results for the three and nine months ended September 30, 2010 and 2009 include the results of each of the operating segments discussed below together with unallocated corporate expenses. 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 and nine months ended September 30:

	Three months			Nine months		
(in millions)	2010	2009	Percent Change	2010	2009	Percent Change
Operating revenue	$1,136.8	$1,204.0	(5.6%)	$3,243.1	$3,820.9	(15.1%)
Operating loss	(18.8)	(126.6)	85.2%	(203.7)	(799.6)	74.5%
Nonoperating expenses, net	44.9	46.5	(3.4%)	134.7	151.9	(11.3%)
Net loss from continuing operations	(59.9)	(171.1)	65.0%	(329.0)	(742.6)	55.7%

Three months ended September 30, 2010 compared to three months ended September 30, 2009

Our consolidated operating revenue decreased 5.6% during the three months ended September 30, 2010 versus the same period in 2009 due to decreased revenue of 11.1% and 3.7% from our National Transportation and Truckload segments, respectively, partially offset by an operating revenue increase of 4.5% from our Regional Transportation segment. The decline at National Transportation is attributed to a decline in volume versus the same period in 2009 including those related to customer losses. Our volume declines are primarily attributed to the diversion of freight by customers to other carriers and a continued weakened economy. We believe that customers diverted freight beginning in 2009 due to uncertainty around our financial stability and the integration of our former Yellow Transportation and Roadway networks. That deterioration continued throughout the latter part of 2009 as concerns surrounding the bond exchange lingered into December 2009.

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.

Operating expenses for the third quarter of 2010 decreased $175.0 million or 13.1% as compared to the same period in 2009 and were comprised of a $121.2 million decrease in salaries, wages and benefits, a $39.2 million decrease in operating expenses and supplies, a $5.5 million decrease in purchased transportation, a $8.6 million decrease in depreciation and amortization due to reduced facilities and fleet downsizing and a $8.4 million decrease in other operating expenses.

The decrease in salaries, wages and benefits in the third quarter of 2010 as compared to the same period in 2009 is largely due to the increased wage reduction, from 10% to 15%, taken by a majority of our union employees in August of 2009 and the suspension of pension contributions and related expense for the majority of our multi-employer union pension funds effective beginning in the second half of 2009. Additionally, the decrease in salaries and benefits is a result of lower headcount in the current year as we reacted to lower volumes. The decrease in operating expenses and supplies is a result of lower vehicle and facility maintenance of $8.3 million or 12.6%, lower bad debt expense of $15.6 million or 152.2% and lower professional services expense of $9.5 million or 27.6% related to a decrease in restructuring professional fees as compared to the same period in 2009. Finally, other operating expenses decreased mostly due to lower operating taxes and licenses of $4.1 million or 10.3% primarily due to lower fuel taxes reflective of lower miles driven and thus fuel consumed, a general liability claims expense decrease of $2.6 million or 19.8% related to lower volume, and lower cargo claims expense of $7.3 million or 38.2% due to fewer shipments and improved claims experience.

Our consolidated operating loss during the third quarter of 2010 includes a $3.4 million net gain from the sale of property and equipment net of fair value adjustments for property and equipment held for sale compared to an $11.1 million net gain for the same period in 2009.

Nonoperating expenses decreased $1.6 million in the third quarter of 2010 compared to the same period in 2009. There was a decrease in interest expense of $0.4 million attributable to a $7.3 million decrease in interest expense related to the 8.5% USF senior notes and the 5% and 3.375% contingent convertible senior notes offset by an increase in amortization of deferred debt cost of $5.2 million, additional interest expense and discount amortization related to our 6% convertible senior notes and additional interest expense related to new lease financing obligations of $1.4 million. Finally, the additional decrease in nonoperating expenses is related to a net foreign exchange gain of $0.6 million for the three months ended September 30, 2010 versus a loss of $0.6 million for the same period in 2009.

Our effective tax rate for the three months ended September 30, 2010 and 2009 was 6.0% and 1.2%, respectively. Significant items impacting the 2010 rate include certain permanent items and a valuation allowance based on the deferred tax asset balance projected for December 31, 2010. 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 years' earnings history, expected future earnings, loss carry-back and carry-forward periods, reversals of existing deferred tax liabilities and tax planning strategies that potentially enhance the likelihood of the realization of a deferred tax asset.

Nine months ended September 30, 2010 compared to nine months ended September 30, 2009

Consolidated operating revenue decreased by 15.1% during the nine months ended September 30, 2010 as compared to the same period in 2009, which is reflective of decreased revenue at all of our segments with the exception of Truckload. The decreased operating revenue is a result of lower volumes primarily attributed to the diversion of freight by customers to other carriers and a continued weakened economy. We believe that customers diverted freight beginning in 2009 due to uncertainty around our financial stability and the integration of our former Yellow Transportation and Roadway networks. That deterioration continued throughout the latter part of 2009 as concerns surrounding the bond exchange lingered into December 2009. Once the debt exchange was finalized, our industry was hampered by severe winter weather in January and February 2010.

Consolidated operating loss improved $595.9 million during the nine months ended September 30, 2010 as compared to the operating loss for the same period in 2009. Revenue decreased $577.8 million in the first nine months of 2010 compared to the same period in 2009 while operating expenses decreased $1,173.7 million as compared to the same period in 2009. Expense reductions were comprised of a $877.3 million decrease in salaries, wages and benefits, a $179.0 million decrease in operating expenses and supplies, a $43.6 million decrease in purchased transportation, which is attributable to declining volumes, a $30.7 million decrease in

depreciation and amortization due to reduced facilities and reduced fleet size, and a $63.8 million decrease in other operating expenses.

The decrease in salaries, wages and benefits in the first nine months of 2010 as compared to the same period in 2009 is largely due to the increased wage reduction, from 10% to 15%, taken by a majority of our union employees in August of 2009 and the suspension of pension contributions and related expense for the majority of our multi-employer union pension funds beginning in the second half of 2009. Additionally, the decrease in salaries and benefits is a result of lower headcount in the current year due to lower volumes. The decrease in operating expenses and supplies is a result of lower vehicle and facility maintenance of $63.0 million or 27.8%, lower bad debt expense of $42.0 million or 97.1%, and a decrease in travel and employee activities of $22.3 million or 53.8% due to a decrease in discretionary spending. Finally, other operating expenses decreased mostly due to lower operating taxes and licenses of $24.8 million or 18.5% primarily due to lower fuel taxes reflective of lower miles driven and thus fuel consumed, a general liability claims expense decrease of $18.6 million or 32.1% related to lower volume, and lower cargo claims expense of $20.6 million or 39.8% due to fewer shipments and improved claim experience.

Consolidated operating loss for the nine months ended September 30, 2010 also includes non-cash impairment charges of $5.3 million representing a reduction in the tradename values attributed to YRC Reimer (a part of the National Transportation segment) and New Penn (a part of the Regional Transportation segment). The impairment charge is reflective of a change in revenue growth assumptions in the fair value model. There were no impairment charges during the nine months ended September 30, 2009. During the nine months ended September 30, 2010, we also recognized net losses on the sale of property and equipment and the fair value adjustments for property held for sale of $3.2 million compared to net gains of $10.6 million for the same period in 2009.

Nonoperating expenses decreased $17.2 million in the first nine months of 2010 compared to the same period in 2009. The 2010 decrease consisted primarily of a $12.3 million impairment of our equity investment in Jiayu in 2010 compared to $30.4 million impairment in the same period of 2009. The adjustment was required as the estimated current fair value, using a discounted cash flow model, was less than our investment. The impairment charge is reflective of a change in revenue growth assumptions in the fair value model. Offsetting the reduced equity investment impairment was an increase in interest expense of $11.3 million attributable to increased net deferred debt cost amortization of $16.5 million, additional interest expense and discount amortization related to our 6% convertible senior notes of $2.9 million, additional interest expense related to our lease financing obligations of $13.9 million and an increase in interest expense on our deferred pension obligations of $2.8 million all offset by a $3.4 million decrease in interest expense related to the ABS facility and a $20.9 million decrease in interest expense for the to the 8.5% USF senior notes and the 5% and 3.375% contingent convertible senior notes for the nine months ended September 30, 2010 as compared to the same period in 2009. Finally, the additional decrease in nonoperating expenses is related to a net foreign exchange gain of $7.8 million for the nine months ended September 30, 2010 versus a loss of $0.4 million for the same period in 2009 of which approximately $5.5 million relates to the recognition of the foreign currency translation adjustment from the dissolution of a certain wholly owned subsidiary.

Our effective tax rate for the nine months ended September 30, 2010 and 2009 was 2.8% and 22.0%, respectively. Significant items impacting the 2010 rate include certain permanent items and a valuation allowance based on the deferred tax asset balance projected for December 31, 2010. 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 years' earnings history, expected future earnings, loss carry-back and carry-forward periods, reversals of existing deferred tax liabilities and tax planning strategies that potentially enhance the likelihood of the realization of a deferred tax asset.

National Transportation Results

National Transportation represented approximately 66% and 70% of our consolidated revenue in the third quarters of 2010 and 2009, respectively, and approximately 67% and 72% of our consolidated revenue in the nine months ended September 30, 2010 and 2009, respectively. The table below provides summary financial information for National Transportation for the three and nine months ended September 30:

	Three months			Nine months		
(in millions)	2010	2009	Percent Change	2010	2009	Percent Change
Operating revenue	$ 755.0	$ 849.3	(11.1%)	$ 2,159.7	$ 2,745.7	(21.3%)
Operating income (loss)	(21.6)	(122.0)	82.3%	(173.6)	(661.3)	73.8%
Operating ratio [a]	102.9%	114.4%	11.5pp [b]	108.0%	124.1%	16.1pp [b]

(a) Represents total operating expenses divided by operating revenue.
(b) Percentage points.

Three months ended September 30, 2010 compared to three months ended September 30, 2009

National Transportation reported third quarter 2010 operating revenue of $755.0 million, representing a decrease of $94.3 million or 11.1% from the third quarter of 2009. The two primary components of operating revenue are volume, comprised of the number of shipments and the weight per shipment resulting in tonnage, and price, usually evaluated on a per hundred weight basis. The decline in operating revenue was largely driven by a 13.0% decline in picked up tonnage per day. The decline in picked up tonnage per day was made up of a 12.2% decline in shipments per day and a 0.9% decline in weight per shipment. The decline in tonnage was offset by a 2.8% increase in revenue per hundred weight resulting mostly from higher fuel surcharge revenue. Higher fuel surcharge revenue was driven by higher diesel fuel prices in the third quarter of 2010 as compared to the same period in 2009.

The decline in shipments and tonnage resulted from the diversion of freight by customers to other carriers and a continued weakened economy. We believe that customers diverted freight beginning in 2009 due to uncertainty around our financial stability and the integration of our former Yellow Transportation and Roadway networks. That deterioration continued throughout the latter part of 2009 as concerns surrounding the bond exchange lingered into early 2010.

Operating loss for National Transportation was $21.6 million in the third quarter of 2010 compared to operating loss of $122.0 million in the same period in 2009. Revenue was lower by $94.3 million while total operating expenses decreased by $194.7 million. The expense declines consisted primarily of lower salaries, wages and benefits of $127.0 million, lower operating expenses and supplies of $42.5 million, lower purchased transportation costs of $16.8 million, and lower other operating expenses of $8.4 million.

The decrease in salaries, wages and benefits (excluding workers' compensation expense) of $121.9 million during the third quarter of 2010 is a result of substantial headcount reductions and an additional 5% wage reduction for most union employees which became effective August 2009. In addition to volume decreases, a further reduction in benefits expense resulted from the ratification by certain labor unions of a temporary cessation of pension contributions to certain of our multi-employer union pension funds beginning in the second half of 2009. Workers' compensation expense (included in salaries, wages and benefits in the statement of operations) decreased $5.1 million or 14.6% which is reflective of fewer hours worked and improved claim frequency partially offset by higher severity.

Operating expenses and supplies were lower due mostly to decreases in facility and fleet operating and maintenance costs due to reduced facilities, fleet downsizing, and lower volumes. The decline was also impacted by a decrease in bad debt expense of $14.5 million in the third quarter of 2010 compared to the same period in 2009 and is reflective of lower bankruptcies in our customer base and improvements in our revenue management processes.

The decline in purchased transportation during the third quarter of 2010 versus the same period in 2009 resulted primarily from lower volumes. Rail costs decreased 3.3% due to lower volume compared to the same period in 2009 while other purchased transportation costs decreased 20.5%.

Other operating expenses decreased mostly due to lower operating taxes and licenses of 17.6% primarily due to lower fuel taxes reflective of lower miles driven and thus fuel consumed, lower cargo claims expense of 47.0% due to fewer shipments and improved claims experience, and lower depreciation of 14.9% due to reduced facilities and fleet downsizing. The gain on disposal of property was $2.4 million in the third quarter of 2010 compared to a gain of $11.0 million during the same period in 2009.

Nine months ended September 30, 2010 compared to nine months ended September 30, 2009

National Transportation revenue decreased $586.0 million or 21.3% in the nine months ended September 30, 2010 versus the same period in 2009. The decline in operating revenue was largely driven by a 22.7% decline in total picked up tonnage offset by a 2.2% increase in revenue per hundred weight resulting mostly from higher fuel surcharge revenue. The decline in picked up tonnage per day was made up of a 22.1% decline in shipments per day and a 0.7% decline in weight per shipment. The decline in shipments and tonnage resulted from the diversion of freight by customers to other carriers and a continued weakened economy. We believe that customers diverted freight beginning in 2009 due to uncertainty around our financial stability and the integration of our former Yellow Transportation and Roadway networks. That deterioration continued throughout the latter part of 2009 as concerns surrounding the bond exchange lingered into December 2009. Once the debt exchange was finalized, our industry was hampered by severe winter weather in January and February 2010. Our volumes improved sequentially quarter over quarter during the first nine months of 2010 as we began to secure additional business from existing and new customers.

Operating loss for National Transportation improved $487.7 million in the nine months ended September 30, 2010 as compared to the nine months ended September 30, 2009. Revenue decreased $586.0 million in the first nine months of 2010 compared to the same period in 2009 while operating expenses decreased $1,073.7 million. The expense declines consisted primarily of lower salaries,

wages and benefits of $761.5 million, lower operating expenses & supplies of $196.1 million, lower purchased transportation costs of $63.5 million, and lower other operating expenses of $52.6 million.

The decrease in salaries, wages and benefits (excluding workers' compensation expense) of $722.7 million during the nine months ended September 30, 2010 is a result of substantial headcount reductions and an additional 5% wage reduction for most union employees which became effective August 2009. In addition to volume decreases, a further reduction in benefits expense resulted from the ratification by certain labor unions of a temporary cessation of pension contributions to certain of our multi-employer union pension funds beginning in the second half of 2009. Workers' compensation expense (included in salaries, wages and benefits in the statement of operations) decreased $38.8 million or 29.9% which is reflective of fewer hours worked and improved claim frequency partially offset by higher severity.

These reductions were partially offset by an equity based compensation expense of $18.9 million in the first nine months of 2010 compared to a $16.1 million expense in the first nine months of 2009. The charges relate to equity based consideration associated with union wage and benefit reductions implemented in 2009.

Operating expenses and supplies were lower due mostly to decreases in facility and fleet operating and maintenance costs due to reduced facilities, fleet downsizing, and lower volumes. The decline was also impacted by a decrease in bad debt expense of $38.7 million in the nine months ended September 30, 2010 compared to the same period in 2009 and is reflective of lower bankruptcies in our customer base and improvements in our revenue management processes.

The decline in purchased transportation during the nine months ended September 30, 2010 versus the same period in 2009 resulted primarily from lower volumes yet did not keep pace with the volume decline as the unit costs of the services increased. Rail costs decreased 12.9% due to lower volume compared to the same period in 2009 while other purchased transportation costs decreased 20.0%.

Other operating expenses decreased mostly due to lower operating taxes and licenses of $24.0 million primarily due to lower fuel taxes reflective of lower miles driven, a general liability claims expense decrease of $6.6 million related to lower volume, lower cargo claims expense of $20.5 million due to fewer shipments and improved claim experience, lower depreciation of $16.4 million due to reduced facilities and fleet downsizing, offset by an impairment charge of $3.3 million related to a reduction in fair value of the Reimer tradename, primarily due to a decline in future revenue assumptions. The net gain on disposal of property was $0.1 million in the nine months ended September 30, 2010 compared to a gain of $11.4 million during the same period in 2009. Increased costs were the result of writing down certain revenue equipment and facilities held for sale to fair market value.

Regional Transportation Results

Regional Transportation represented approximately 31% and 28% of our consolidated revenue in the third quarters of 2010 and 2009, respectively and 31% and 27% in the nine months ended September 30, 2010 and 2009, respectively. The table below provides summary financial information for Regional Transportation for the three and nine months ended September 30:

	Three months			Nine months		
(in millions)	2010	2009	Percent Change	2010	2009	Percent Change
Operating revenue	$ 354.2	$ 338.8	4.5%	$ 1,014.8	$ 1,031.8	(1.6%)
Operating income (loss)	8.6	0.3	n/m [a]	(8.7)	(122.2)	92.9%
Operating ratio [b]	97.6%	99.9%	2.3pp [c]	100.9%	111.8%	10.9pp [c]

(a) Not meaningful.
(b) Represents total operating expenses divided by operating revenue.
(c) Percentage points.

Three months ended September 30, 2010 compared to three months ended September 30, 2009

Regional Transportation reported operating revenue of $354.2 million for the third quarter 2010, representing an increase of $15.4 million, or 4.5% from the third quarter in 2009. Total weight per day was up 8.9% in the third quarter 2010, representing a 2.5% improvement in total shipments per day and a 6.3% improvement in total weight per shipment compared to the same period in 2009.

Total revenue per hundred weight decreased 2.5% in the third quarter 2010 as compared to the third quarter 2009, primarily due to continued market pricing pressure impacts on our base rates and a slightly higher mix of corporate business, partially offset by higher fuel surcharge revenue associated with higher diesel fuel prices. A meaningful portion of our regional footprint is concentrated in the

Upper Midwest where business levels and pricing negotiations have been especially difficult due to the economic challenges in this geographic area.

Operating income for Regional Transportation was $8.6 million for the third quarter 2010, compared to $0.3 million operating income for the third quarter 2009, consisting of a $15.4 million improvement in revenue offset by a $7.1 million increase in operating expenses. Expense increases in the third quarter 2010 included operating expenses and supplies of $4.5 million, purchased transportation of $0.9 million, and other operating expenses of $3.2 million. Expense decreases in the third quarter 2010 were comprised of salaries, wages and benefits of $0.1 million and depreciation and amortization of $0.5 million. Gains on property disposals were $0.9 million more in the three months ended September 30, 2010, compared to the three months ended September 30, 2009.

The decrease in salaries, wages and benefits (excluding workers' compensation expense) of $6.6 million during the third quarter of 2010 compared to the third quarter of 2009 is the result of lower employee levels and an additional 5% wage reduction for most union employees which became effective August 2009. In addition to volume decreases, a further reduction in benefits expense resulted from the ratification by certain labor unions of a temporary cessation of pension contributions to certain of our multi-employer union pension funds beginning in the second half of 2009. Workers' compensation expense (included in salaries, wages and benefits in the statement of operations) increased $6.5 million or 87.2% due to unfavorable claims development.

Operating expenses and supplies increased 6.2% reflecting a 24.4% increase in fuel costs (primarily due to higher fuel prices) and 7.2% reduction in costs other than fuel. Costs were lower in the areas of communications, travel, and bad debt expense as a result of effective cost management and lower bankruptcies in our customer base. Purchased transportation was 6.0% higher due to increased volumes relating to certain lines of business which utilize a higher percentage of purchased transportation. Depreciation and amortization was lower by 3.2% primarily due to impacts from a smaller equipment fleet. Finally, other operating expenses were 18.4% higher, mainly due to a higher provision for general liability claims due to unfavorable claim development factors and by higher cargo claims costs.

Nine months ended September 30, 2010 compared to nine months ended September 30, 2009

Regional Transportation reported operating revenue of $1,014.8 million for the first nine months of 2010, representing a decrease of $17.0 million or 1.6% from the first nine months of 2009. Total weight per day was up 1.4%, representing a 6.2% higher total weight per shipment offset by a 4.5% decline in total shipments per day compared to 2009. Shipment volumes were negatively impacted by a continued weak economy, unseasonably severe winter weather, the diversion of freight due to uncertainty around our financial stability and the closure of service centers during the first half of 2009.

Total revenue per hundred weight decreased 2.6% in the first nine months of 2010 as compared to the first nine months of 2009, due to the impact of continued pricing pressure on our base rates, and a slightly higher mix of corporate business, partially offset by higher fuel surcharge revenue associated with higher diesel fuel prices.

Operating loss for Regional Transportation was $8.7 million for the first nine months of 2010, an improvement of $113.5 million from the first nine months of 2009, consisting of a $17.0 million decline in revenue and a $130.5 million reduction in operating expenses. Regional Transportation has benefited from our comprehensive recovery plan, including cost reduction initiatives as described below. Operating expense decreases were comprised of salaries, wages and benefits of $123.2 million, depreciation and amortization of $2.0 million, and other operating expenses of $16.3 million. Expense increases included operating expenses and supplies of $6.5 million and purchased transportation of $0.2 million.

Salaries, wages and benefits expense decreased 16.2% as a result of lower employee levels, an additional 5% wage reduction for most union employees which became effective August 2009, and decreased workers' compensation expense. In addition to volume decreases, a further reduction in benefits expense resulted from the ratification by certain labor unions of a temporary cessation of pension contributions to certain of our multi-employer union pension funds beginning in the second half of 2009.

Operating expenses and supplies increased 2.9% reflecting a 31.4% increase in fuel costs (primarily due to higher fuel prices) and a 17.7% reduction in costs other than fuel. Costs were lower in the areas of equipment maintenance, facility maintenance, travel, driver expenses, tolls and bad debt expense as a result of effective cost management, terminal closures and lower bankruptcies in our customer base. Purchased transportation was 0.4% higher due to increased volumes relating to certain lines of business which utilize a higher percentage of purchased transportation. Other operating expenses were lower by 23.4% mainly due to a much lower provision for general liability claims due to favorable claims development, as well as reduced volume. Additionally, fuel taxes, licenses and cargo claims costs were lower primarily due to effective cost management.

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Losses on property disposals were $3.0 million in the first nine months of 2010 compared to $0.7 million in the first nine months of 2009. Increased costs were the result of writing down certain revenue equipment and facilities held for sale to fair market value. The first nine months of 2010 operating loss included an impairment charge of $2.0 million related to a reduction in fair value of the New Penn tradename, primarily due to a decline in future revenue assumptions.

Truckload Results

Truckload represented approximately 3% and 2% of our consolidated revenue in the third quarter of 2010 and 2009, respectively and 2% and 1% in the nine months ended September 30, 2010 and 2009, respectively. The table below provides summary financial information for Truckload for the three and nine months ended September 30:

	Three months			Nine months		
(in millions)	2010	2009	Percent Change	2010	2009	Percent Change
Operating revenue	$ 28.8	$ 29.9	(3.7%)	$ 83.9	$ 83.5	0.6%
Operating loss	(2.3)	(1.4)	(59.9%)	(7.3)	(6.0)	(21.2%)
Operating ratio [(a)]	107.8%	104.7%	(3.1pp) [(b)]	108.7%	107.2%	(1.5pp) [(b)]

(a) Represents total operating expenses divided by operating revenue.
(b) Percentage points.

Three months ended September 30, 2010 compared to three months ended September 30, 2009

Truckload reported operating revenue of $28.8 million for the third quarter 2010, representing a decrease of $1.1 million or 3.7% from the third quarter 2009. 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 down 7.6% in the third quarter 2010 as compared to 2009 due primarily to lower business volume related to the soft economy. Revenue per mile was up 4.2%, due primarily to higher fuel surcharge revenue associated with higher diesel fuel prices.

Operating loss for Truckload was $2.3 million for the third quarter 2010, as compared to an operating loss of $1.4 million for the third quarter 2009, consisting of a $1.1 million decrease in revenue offset by a $0.2 million decrease in operating expenses. Mostly offsetting the expense decreases were higher costs for fuel (higher diesel prices), vehicle maintenance, and a higher provision for general liability claims due to unfavorable claims development. Expense decreases were primarily related to lower salaries, wages and related benefits costs as a result of lower employee levels.

Nine months ended September 30, 2010 compared to nine months ended September 30, 2009

Truckload reported operating revenue of $83.9 million for the nine months ended September 30, 2010, representing an increase of $0.4 million or 0.6% from the nine months ended September 30, 2009. Total miles driven per day were down 4.3% in the first nine months of 2010 as compared to 2009 due primarily to lower business volume related to the soft economy. However, revenue per mile was up 4.8%, due primarily to higher fuel surcharge revenue associated with higher diesel fuel prices.

Operating loss for Truckload was $7.3 million for the first nine months of 2010, a decline of $1.3 million from the first nine months of 2009, consisting of a $0.4 million improvement in revenue offsetting a $1.7 million increase in operating expenses. Expense increases were primarily due to increases in fuel costs (higher diesel prices), vehicle maintenance costs, and a higher provision for general liability claims due to unfavorable claims development. Decreased operating expenses were primarily related to lower salaries, wages, and related benefits costs as a result of lower employee levels.

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Discontinued Operations - YRC Logistics Results

On August 13 2010, we completed the initial closing of the sale of the majority of our YRC Logistics business to a third party. In addition, certain other operations ceased during the quarter ended June 30, 2010. As a result, the YRC Logistics segment has been reported as discontinued operations for all periods presented. See Note 15 “Discontinued Operations” for further discussion. The table below provides summary financial information for YRC Logistics for the three and nine months ended September 30:

	Three months			Nine months		
(in millions)	2010	2009	Percent Change	2010	2009	Percent Change
Operating revenue	$41.7	$102.4	(59.3%)	$194.2	$316.3	(38.6%)
Net income (loss) from discontinued operations	(2.5)	12.3	n/m [(a)]	(17.9)	1.0	n/m [(a)]

(a) Not meaningful.

Certain Non-GAAP financial measures

Our adjusted EBITDA improved from $39.9 million for the three months ended June 30, 2010 to $44.3 million for the three months ended September 30, 2010. Additionally, National Transportation achieved positive adjusted EBITDA for the second straight quarter and Regional Transportation reported positive adjusted EBITDA for the fifth straight quarter. We have included the reconciliation of consolidated adjusted EBITDA below and provided the adjusted EBITDA amounts by segment.

Adjusted EBITDA is a non-GAAP measure that reflects the company’s earnings before interest, taxes, depreciation, and amortization expense, and further adjusted for letter of credit fees, equity-based compensation expense, net gains or losses on property disposals and certain other items, including restructuring professional fees and results of permitted dispositions and discontinued operations as defined in the company’s credit agreement. Operating loss, as adjusted, is a non-GAAP measure that excludes a non-cash benefit from an adjustment to the fair value of the March 2010 union employee equity award. Adjusted EBITDA and operating loss, as adjusted are used for internal management purposes as a financial measure that reflects the company’s core operating performance. In addition, management uses adjusted EBITDA to measure compliance with financial covenants in the company’s Credit Agreement. However, this financial measure should not be construed as a better measurement than operating income, operating cash flow or earnings per share, as defined by generally accepted accounting principles.

The reconciliation of operating loss to adjusted EBITDA for the three and nine months ended September 30 is as follows:

	Three Months		Nine Months	
(in millions)	2010	2009	2010	2009
Reconciliation of operating loss to adjusted EBITDA:				
Operating loss	$(18.8)	$(126.6)	$(203.7)	$(799.6)
Union equity awards	—	—	25.0	20.7
Operating loss, as adjusted	(18.8)	(126.6)	(178.7)	(778.9)
Depreciation & amortization	49.8	58.3	150.5	181.2
Equity based compensation expense	2.2	2.0	5.5	8.1
Letter of credit expense	8.3	8.8	24.9	23.3
(Gains) losses on property disposals, net	(3.4)	(11.1)	3.2	(10.6)
Impairment charges	—	—	5.3	—
Restructuring professional fees	6.6	—	15.9	—
Reimer Finance Co. dissolution (foreign exchange)	—	—	5.5	—
Other nonoperating expenses (income), net	(0.4)	(2.0)	1.1	(4.5)
Adjusted EBITDA	$ 44.3	$ (70.6)	$ 33.2	$(581.4)

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The following represents adjusted EBITDA by segment for the three and nine months ended September 30:

(in millions)	Three Months 2010	Three Months 2009	Nine Months 2010	Nine Months 2009
Adjusted EBITDA by segment:				
YRC National Transportation	$ 9.2	$ (95.4)	$ (44.9)	$ (541.3)
YRC Regional Transportation	25.6	18.3	55.9	(62.3)
YRC Truckload	—	1.0	(0.3)	1.1
Corporate and other	9.5	5.5	22.5	21.1
Adjusted EBITDA	$44.3	$ (70.6)	$ 33.2	$ (581.4)

Adjusted EBITDA has the following limitations:

- Adjusted EBITDA does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on our outstanding debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Equity based compensation is an element of our overall long-term incentive compensation package, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA as a secondary measure.

Our consolidated operating ratio, as adjusted of 101.7% for the three months ended September 30, 2010 improved 8.8 percentage points compared to the same period in 2009 and for the nine months ended September 30, 2010 improved 14.9 percentage points compared to the same period in 2009.

Operating ratio, as adjusted is calculated as 100 minus the result of dividing operating income, as adjusted by operating revenue or plus the result of dividing operating loss, as adjusted by operating revenue, and expressed as a percentage.

The reconciliation of operating ratio, as adjusted for the three and nine months ended September 30 is as follows:

(in millions)	Three Months 2010	Three Months 2009	Nine Months 2010	Nine Months 2009
Operating revenue	$ 1,136.8	$ 1,204.0	$ 3,243.1	$ 3,820.9
Operating loss, as adjusted	(18.8)	(126.6)	(178.7)	(778.9)
Operating ratio, as adjusted	101.7%	110.5%	105.5%	120.4%

Operating ratio, as adjusted by segment for the three and nine months ended September 30 is as follows:

(in millions)	Three Months 2010	Three Months 2009	Nine Months 2010	Nine Months 2009
YRC National Transportation				
Operating revenue	$ 755.0	$ 849.3	$ 2,159.7	$ 2,745.7
Operating loss, as adjusted	(21.6)	(122.0)	(154.8)	(645.2)
Operating ratio, as adjusted	102.9%	114.4%	107.2%	123.5%
YRC Regional Transportation				
Operating revenue	$ 354.2	$ 338.8	$ 1,014.8	$ 1,031.8
Operating loss, as adjusted	8.6	0.3	(2.6)	(117.6)
Operating ratio, as adjusted	97.6%	99.9%	100.3%	111.4%
YRC Truckload				
Operating revenue	$ 28.8	$ 29.9	$ 83.9	$ 83.5
Operating loss, as adjusted	(2.3)	(1.4)	(7.2)	(6.0)
Operating ratio, as adjusted	107.8%	104.7%	108.6%	107.2%

Financial Condition

Liquidity

The following table provides details of the outstanding components and unused available (deficit) capacity under the Credit Agreement and ABS Facility (each, as defined below) at September 30, 2010 and December 31, 2009:

(in millions)	September 30, 2010	December 31, 2009
Capacity:		
Revolving loan	$ 772.8	$ 950.0
ABS Facility	350.0	400.0
Total maximum capacity	1,122.8	1,350.0
Amounts outstanding:		
Revolving loan	(149.9)	(329.1)
Letters of credit (9/30/10: $454.2 revolver; $72.2 ABS Facility)	(526.4)	(538.3)
ABS Facility borrowings	(122.8)	(146.3)
Total outstanding	(799.1)	(1,013.7)
ABS borrowing base restrictions	(155.0)	(178.2)
Restricted revolver reserves	(122.8)	(159.8)
Total restricted capacity	(277.8)	(338.0)
Unrestricted unused capacity (deficit) (9/30/10: $45.9 revolver; $0 ABS Facility)	$ 45.9	$ (1.7)

Credit Agreement Amendments

On May 3, 2010, we entered into Amendment No. 17 and on July 28, 2010, we entered into Amendment No. 18 to our Credit Agreement, dated as of August 17, 2007 (as amended, the "Credit Agreement"). The amendments are described below.

Amendment No. 17

We have entered into an arrangement to sell up to $103 million in gross proceeds of shares of common stock (on a gross proceeds basis) in an at-the-market issuance program. See "—At Market Issuance Sales Agreement" below. Amendment No. 17 to the Credit Agreement permits us to retain the net proceeds from any such sales as described below:

Equity Issuances

Amendment No. 17 provides that we may receive up to $100 million of net cash proceeds from the issuance of equity interests during the period commencing on May 3, 2010 and ending on the earlier of December 31, 2010 or the date on which we receive $100 million of net cash proceeds from such equity issuances, without having to use such net cash proceeds to make a mandatory prepayment under the Credit Agreement. The net cash proceeds from such equity issuances are deposited into a new deposit account (the "New Account"). We will be able to use the funds in the New Account for general corporate purposes. While any funds are in the New Account, they will not count toward the calculation of Liquidity (as defined in the Credit Agreement), the calculation of Unrestricted Cash (as defined in the Credit Agreement) or the calculation of Excess Cash Flow (as defined in the Credit Agreement) in each case for purposes of the mandatory prepayment requirements. The funds in the New Account will count as Available Cash (as defined in the Credit Agreement). Additionally, we will not be able to request loans under the Credit Agreement until the balance in the New Account is zero. Other than the net cash proceeds from the issuance of such equity interests, no funds may be deposited into the New Account, and once funds have been withdrawn they may not be re-deposited. As of September 30, 2010 the balance in this New Account was $15.4 million which represents our net proceeds from our at the market issuances.

Voluntary Prepayments of Certain Obligations

Amendment No. 17 to the Credit Agreement modifies the restriction on voluntary prepayments of any amounts owing under the Contribution Deferral Agreement or indebtedness, including a prohibition on the Company using the up to $100 million of net cash proceeds from the equity issuance described above to make such voluntary prepayments.

Amendment No. 18

We entered into an agreement to sell the majority of our logistics business for $37 million (prior to any purchase price adjustments). See "—Sale of YRC Logistics" below. Amendment No. 18 to the Credit Agreement provides us with access to the net cash proceeds from the sale as described below:

Sale of YRC Logistics

The Credit Agreement requires us to prepay amounts outstanding under the Credit Agreement with 100% of the net cash proceeds received from the sale of YRC Logistics. Pursuant to Amendment No. 18, these net cash proceeds will be applied to outstanding unblocked revolver loans under the Credit Agreement (without a corresponding commitment reduction to the unblocked revolver) and the new revolver reserve block under the Credit Agreement will be permanently reduced by 50% of that amount.

Mandatory Prepayments

Pursuant to the terms of Amendment No. 18, on and after August 10, 2010, upon a Prepayment Event (except for certain sale and leaseback transactions described below) or an Excess Cash Flow Sweep (as defined in the Credit Agreement), a mandatory prepayment will be made in an amount, and in accordance with the provisions of, the Credit Agreement prior to giving effect to Amendment No. 18, except that:

(i) outstanding permitted interim loans will be repaid after (rather than before) new revolver reserve block loans, existing revolver reserve block (performance) loans and unblocked revolver loans (in each case (other than permitted interim loans) with a corresponding permanent commitment reduction), and

(ii) outstanding term loans are paid ratably with the unblocked revolver.

The first $20 million of net cash proceeds received from sale and leaseback transactions received on and after August 10, 2010 will be treated as follows:

(i) 25% of the net cash proceeds will be applied in accordance with the provisions described in the paragraph above,

(ii) 75% of the net cash proceeds will be applied to outstanding unblocked revolver loans (without a corresponding commitment reduction to the unblocked revolver), and

(iii) the new revolver reserve block will be permanently reduced by 50% of the net cash proceeds.

Conversion of Revolving Loans and LC Limits

Amendment No. 18 converted $150 million of outstanding revolving loans to term loans. In addition, Amendment No. 18 reduced the letter of credit sublimit to $550 million and limited foreign currency letters of credit to $25 million. As of September 30, 2010, the senior revolving credit facility had a capacity of $772.8 million and the senior term loan outstanding principle was $260.2 million.

Consolidated EBITDA

The definition of Consolidated EBITDA was amended to include a new add back for charges, expenses and losses incurred with any Permitted Disposition (as defined in the Credit Agreement) or discontinued operations.

Financial Covenants

Our minimum Available Cash covenant requires that we maintain at least $25 million of Available Cash through December 31, 2010 and at least $50 million of Available Cash from and after January 1, 2011.

Our minimum Consolidated EBITDA (as defined in the Credit Agreement) covenant in respect of the periods ending September 30, 2010 and December 31, 2010 is as follows:

Period	Minimum Consolidated EBITDA
For the two consecutive fiscal quarters ending September 30, 2010	$ 50 million
For the three consecutive fiscal quarters ending December 31, 2010	$ 100 million

Asset-Backed Securitization Amendments

On May 3, 2010, we, as Performance Guarantor, and the parties to the Third Amended and Restated Receivables Purchase Agreement, dated as of April 18, 2008 (as amended, the "ABS Facility"), entered into Amendment No. 17 to the ABS Facility, which implemented minimum consolidated EBITDA and minimum available cash requirements that are consistent with Amendment No. 17 to the Credit Agreement described above.

On June 11, 2010, we entered into Amendment No. 18 to the ABS Facility. The amended facility (i) reduced the aggregate commitments under the ABS Facility from $400 million to $350 million; and (ii) modified certain calculations under the ABS Facility to reduce the impact of negative effects that the integration of Yellow Transportation and Roadway has had on the ability of the Seller to borrow under the ABS Facility.

In connection with Amendment No. 18 to the ABS Facility, we paid fees to the Co-Agents (the "Closing Fees"). The Closing Fees were paid by the Company by the issuance to the Co-Agents (or their designees) of an aggregate of 1.0 million shares (25.4 million shares prior to the adjustment for the reverse stock split) of unregistered restricted common stock of the Company of which 0.8 million shares (20.7 million shares prior to the adjustment for the reverse stock split) were issued as of June 30, 2010 and the remaining 0.2 million shares (4.7 million shares prior to the adjustment for the reverse stock split) were issued on July 22, 2010. To value these shares issued in lieu of cash fees, we completed a fair value analysis and concluded that the value of these shares as of June 30, 2010 was $3.0 million.

On October 20, 2010, we entered into Amendment No. 19 to the ABS Facility.

—Maturity

Amendment No. 19 extends the expiration of the ABS Facility to October 19, 2011; provided, that the ABS Facility will expire on January 10, 2011 if the Agreement for the Restructuring of the YRC Worldwide Inc. Operating Companies, dated September 24, 2010, among the International Brotherhood of Teamsters (the "IBT") and certain subsidiaries of the Company (the "IBT Agreement") is not in full force and effect on January 10, 2011.

—Capacity and Availability

Amendment No. 19 reduces the aggregate commitments under the ABS Facility from $350 million to $325 million. However, we do not expect the temporary restriction on incremental borrowings to have a negative impact on our liquidity in the fourth quarter of 2010.

—Interest and Fees

Amendment No. 19 provides for a 1% increase in the Default Rate, LIBOR Rate and LMIR (each as defined in the ABS Facility) on each of April 30, 2011 and June 30, 2011.

In connection with Amendment No. 19, we and the Co-Agents agreed that:

- The $10.0 million fee that was previously due on October 26, 2010 has been deferred and is payable in two installments of $5 million on each of March 1, 2011 and April 30, 2011 unless payment is accelerated due to the occurrence of (i) the Amortization Date (as defined in the ABS Facility) or (ii) a Deferral Termination Event (as defined in the Company's credit agreement) (each of (i) and (ii), an "Accelerated Deferred Fee Payment Date"); provided, that if the ABS Facility is refinanced, then Yellow Roadway Receivable Funding Corporation ("YRRFC") will not have to pay any portion of this deferred fee that is due and payable after the refinance date.
- YRRFC will pay the Co-Agents an additional $5 million fee on June 30, 2011 (or an Accelerated Deferred Fee Payment Date) if the ABS Facility is not refinanced by that date.
- YRRFC paid the Co-Agents on the effective date of Amendment No. 19 the interest and letter of credit, program and administration fees that were previously deferred, which was approximately $13 million. The portion of such interest and fees in excess of the interest and fee rates in place prior to February 12, 2009 will begin to be deferred from October 20, 2010 until the earlier of March 1, 2011 and an Accelerated Deferred Fee Payment Date, at which time YRRFC will begin to make cash payments for such incremental interest and fees. If the ABS Facility is refinanced by March 1, 2011, then YRRFC will not have to pay the interest and letter of credit, program and administration fees that are deferred from

October 20, 2010. We expect these deferred interest and fees to be approximately $4 million from October 20, 2010 through March 1, 2011 based on expected borrowings.

- The letter of credit fees will increase by 1% and the program and administrative fees will each increase by 0.5% on each of April 30, 2011 and June 30, 2011 if the ABS Facility is not refinanced by those dates.

The ABS Facility will be deemed refinanced if: (i) YRRFC has repaid all borrowings under the ABS Facility and has paid the Purchasers (as defined in the ABS Facility) and Co-Agents all amounts due under the ABS Facility; (ii) all letters of credit under the ABS Facility have been surrendered; (iii) the commitments of the Purchasers and LC Issuer have terminated; and (iv) there are no continuing obligations of the Purchasers, Co-Agents and LC Issuer under the ABS Facility.

—Servicer Defaults

Amendment No. 19 provides that a Servicer Default (as defined in the ABS Facility) will occur if, among other things,: (i) the IBT Agreement shall not be in full force and effect; or (ii) the Co-Agents do not consent prior to a restructuring of the Company.

For purposes of the ABS Facility, a restructuring of the Company includes, among other things:

- The issuance of equity if the number of shares of capital stock, on a fully diluted basis, in respect of any such issuances since October 20, 2010 exceeds 5% of the Company's outstanding shares of capital stock on October 20, 2010; provided, that the issuance of capital stock (i) under the Company's at-the-market issuance program, (ii) in the conversion of, or payment of interest under, the 6% Notes and (iii) under the Company's single-employer benefit plans will not count against the 5% limitation described above.
- The issuance of, entering into, restructuring of or refinancing of any debt securities, notes, credit agreements or credit facilities (other than indebtedness arising under the ABS Facility, our Credit Agreement or our 6% Notes) having individually a principal amount in excess of $10 million.
- The exchange or conversion of any obligations or liabilities for or into capital stock, debt securities or any other instrument or agreement described in the two bullets above.
- Any Capital Event (as defined in the IBT Agreement).
- Any amendment, restatement, supplement or other modification to our Credit Agreement or 6% Notes.

Interest and Fee Deferrals

In 2009, the Credit Agreement lenders agreed to defer the payment of revolver and term loan interest, letter of credit fees and commitment fees, subject to the deferral exceptions and termination events, for the period:

- beginning December 31, 2009, and
- ending on December 31, 2010, subject to an extension until December 31, 2011 if agreed to by 66 2/3 % of the lenders.

As of September 30, 2010 the amounts deferred under the above provision were $78.1 million.

Additionally, we deferred amendment fees of $31.8 million in October 2009, which are fully earned but not due and payable until the earlier of December 31, 2011 or the occurrence of a termination event.

Finally, the interest due in relation to our deferred pension payments under the Contribution Deferral Agreement has also been deferred beginning on January 1, 2010. As of September 30, 2010, interest deferred related to these payments was $7.0 million. In addition to the deferred interest, we have also deferred the 2010 monthly payments for amounts deferred under the Contribution Deferral Agreement totaling approximately $35 million.

Contribution Deferral Agreement Amendments

Effective May 3, 2010 and August 3, 2010, we entered into Amendment No. 4 and Amendment No. 5 to the Contribution Deferral Agreement, respectively. Pursuant to the Contribution Deferral Agreement dated as of June 17, 2009, with certain of the multiemployer pension funds to which we contribute (the "Contribution Deferral Agreement"), we have deferred the payment of

contributions to these funds. Under Amendment No. 4 and Amendment No. 5, the calculation of Liquidity (as defined in the Contribution Deferral Agreement) for the Liquidity Cash Sweep (as defined in the Credit Agreement) thereunder was amended to conform it to the test in the Credit Agreement (after giving effect to Amendment No. 17 and Amendment No. 18, respectively, to the Credit Agreement), except that the Liquidity test under the Contribution Deferral Agreement subtracts any commitment reduction or prepayment under the Credit Agreement.

Effective August 10, 2010, we entered into Amendment No. 6 to the Contribution Deferral Agreement to approve Amendment No. 18 to the Credit Agreement, which allows 100% of the net cash proceeds from the sale of YRC Logistics to be applied to outstanding unblocked revolver loans under the Credit Agreement (without a corresponding commitment reduction to the unblocked revolver) and the new revolver reserve block under the Credit Agreement to be permanently reduced by 50% of that amount. Additionally, Amendment No. 6 amended the terms of the Contribution Deferral Agreement to require the approval of 90% (rather than 100%) of the pension funds party to the Contribution Deferral Agreement to waive any additional payment of deferred pension obligations and continue the deferral in the event that the Company makes any mandatory prepayment, commitment reduction, additional interest or fee or any other incremental payment to the lenders under the Credit Agreement that was not required as of August 10, 2010.

At Market Issuance Sales Agreement

On May 3, 2010, we entered into an At Market Issuance Sales Agreement (the “Sales Agreement”) with Wm Smith & Co and McNicoll, Lewis & Vlak LLC (the “Sales Agents”), under which we may sell up to the amount available for offer and sale under the currently effective Registration Statement on Form S-3 (Registration No. 333-159355) (the “Registration Statement”) of our common stock from time to time through the Sales Agents. The Registration Statement permits the issuance, from time to time, by us of shares of the Company’s common stock, preferred stock and warrants up to an aggregate initial offering price not to exceed $200 million. The Sales Agents may sell the common stock by any method permitted by law deemed to be an ‘at the market’ offering as defined in Rule 415 of the Securities Act of 1933, as amended, including without limitation sales made directly on the NASDAQ Global Select Market, on any other existing trading market for the common stock or to or through a market maker. The Sales Agents may also sell the common stock in privately negotiated transactions, subject to our approval. The compensation to the Sales Agents for sales of common stock sold pursuant to the Sales Agreement will be an aggregate of 3.0% of the gross proceeds of the sales price of common stock sold with respect to the first $25.0 million of gross proceeds and an aggregate of 2.0% of the gross proceeds with respect to gross proceeds in excess of that amount.

The Sales Agreement will terminate on the earliest of (1) the sale of all of the common stock subject to the Sales Agreement, or (2) termination of the Sales Agreement by the Company or the Sales Agents. Either Sales Agent may terminate the Sales Agreement as to itself at any time in certain circumstances, including the occurrence of a material adverse change that, in such Sales Agent’s judgment, may impair its ability to sell the common stock, or a suspension or limitation of trading of the Company’s common stock on NASDAQ. We may terminate the Sales Agreement at any time upon five days prior notice while either Sales Agent may terminate the Sales Agreement as to itself at any time upon five days prior notice. The Sales Agreement contains customary representations, warranties and covenants.

On May 4, 2010, we filed with the SEC a prospectus supplement that contemplates the sale of up to $103 million in gross proceeds of shares of the Company’s common stock from time to time in at-the-market offerings pursuant to the Sales Agreement. Sales pursuant to the Sales Agreement will be made only upon instructions by the Company to the Sales Agents, and we cannot provide any assurances that we will issue any additional shares pursuant to the Sales Agreement.

During the three months ended June 30, 2010, we completed the sale of 1.8 million shares (44.9 million shares prior to the adjustment for the reverse stock split) for net proceeds of $15.4 million as part of our at the market offerings. No additional at the market transactions were completed during the three months ended September 30, 2010.

6% Notes

In February 2010, we entered into a note purchase agreement with certain investors pursuant to which the investors agreed to purchase up to $70 million in aggregate principal amount of our 6% convertible senior notes due 2014 (the “6% Notes”). The 6% Notes bear interest at 6%, payable in February and August of each year. The sale of the 6% Notes was structured to occur in two closings. Pursuant to the note purchase agreement, we sold $49.8 million of the 6% Notes to the investors at the first closing in February 2010 and sold an additional $20.2 million of 6% Notes to the investors in the second closing in August 2010.

The 6% Notes are convertible, at the note holder’s option, prior to the maturity date into shares of our common stock. The 6% Notes were initially convertible at a conversion price of $10.75 per share ($0.43 per share prior to the adjustment for the reverse stock split), which is equal to a conversion rate of approximately 93 shares (2,326 shares prior to the adjustment for the reverse stock split) per $1,000 principal amount of 6% Notes, subject to certain adjustments. The 6% Notes provide for caps within the second anniversary of

the first closing such that a holder and its affiliates is not entitled to convert its 6% Notes to the extent that the holder and its affiliates would hold greater than 4.9% of the then outstanding common stock after such conversion, unless timely waived by the holder. The 6% Notes also provide a cap through stated maturity such that any holder and its affiliates is not entitled to convert its notes to the extent that the holder and its affiliates would own greater than 9.9% of the voting power of our stock. Beginning on February 23, 2012, we may convert the 6% Notes pursuant to a mandatory conversion into shares of our common stock if the market price of our common stock meets certain thresholds.

Noteholders who convert their 6% Notes at their option or whose 6% Notes are converted in a mandatory conversion at our option will also receive a make whole premium paid in shares of our common stock. The make whole premium will be payable in additional shares of common stock and will be calculated based on the remaining interest payments on the 6% Notes that would have been received through the original scheduled maturity date of the 6% Notes.

The 6% Notes indenture provides that the maximum number of shares of our common stock that can be issued in respect of the 6% Notes upon conversion or with respect to the payment of interest or in connection with the make whole premium or otherwise shall be limited to 8,075,200 (201,880,000 prior to the adjustment for the reverse stock split) shares of common stock for $70 million in aggregate principal amount of the 6% Notes, subject to certain adjustments. If the limit is reached, no holder is entitled to any other consideration on account of shares not issued. This limitation terminates if the holders of our common stock approve the termination of this limitation.

On August 2, 2010, we entered into a letter agreement (the “Letter Agreement”) with the investors to facilitate the issuance of the remaining $20.2 million of 6% Notes, and on August 3, 2010, the issuance and sale of those remaining 6% Notes to the investors was completed. Pursuant to the Letter Agreement, the investors accepted our required certifications that were conditions to closing under the note purchase agreement and, in turn, provided a certificate to the escrow agent to release the $20.2 million in escrowed purchase price. Also pursuant to the Letter Agreement, we temporarily increased the conversion rate under the 6% Note indenture on the date of the second closing for a period of 20 days to 4,000 shares (100,000 shares prior to the adjustment for the reverse stock split) of our common stock per $1,000 in principal amount of Notes (the “Adjusted Conversion Rate”). This had the effect of reducing the conversion price to $0.25 per share ($0.01 per share prior to the adjustment for the reverse stock split). Using this Adjusted Conversion Rate, the investors converted $590,000 of principal amount of their 6% Notes into an aggregate of 2,360,000 shares (59 million shares prior to the adjustment for the reverse stock split) of our common stock. The 2,360,000 shares of common stock did not include any common stock to be issued to holders of 6% Notes in respect of interest on the 6% Notes that we paid on August 16, 2010 (in respect of the August 15th interest payment date set forth in the Notes). Immediately following the 20-day period, the Conversion Rate reverted back to the initial conversion rate of approximately 93 shares (2,326 shares prior to the adjustment for the reverse stock split) of common stock per $1,000 in principal amount of the 6% Notes ($10.75 per share, $0.43 per share prior to the adjustment for the reverse stock split)). Any future conversions remain subject to the 6% Note indenture limitation that provides that no more than 8,075,200 shares of common stock may be issued in respect of the 6% Notes.

The proceeds from the second closing were used to fund the repurchase of $19.8 million of the Company’s outstanding 5.0% Contingent Convertible Senior Notes due 2023 pursuant to put options exercised on August 9, 2010.

Sale of YRC Logistics

In June 2010, we entered into an Equity Interest Purchase Agreement (the “Agreement”) with CEG Holdings, Inc. (now known as MIQ Holdings, Inc.) (“CEG”), a subsidiary of Austin Ventures to sell YRC Logistics for an aggregate of approximately $37.0 million in cash. On August 13, 2010, the Company and CEG, held the initial closing of the transactions contemplated by the Agreement. At the initial closing, CEG paid the Company approximately $33.6 million, which included $31.9 million of the purchase price and approximately $1.6 million for retained insurance claims. Approximately $2.3 million of the purchase price was deposited into an escrow account for subsequent closings of foreign subsidiaries and approximately $2.8 million of the purchase price was deposited into an escrow account (one-half of which will be held for 12 months and one-half will be held for 18 months) to satisfy certain indemnification claims by CEG that may arise. Following the initial closing, a succession of delayed closings and payments will occur to transfer certain foreign subsidiaries to CEG as required regulatory approvals and licensing transfers in foreign jurisdictions are obtained. As of September 30, 2010 four delayed closings remained for a total purchase price of $0.8 million. We expect to collect more than $10 million related to the working capital adjustment in the fourth quarter of 2010, subject to final resolution of working capital adjustments between the Company and CEG.

Ratification of Labor Agreement Modification

On September 24, 2010, we entered into a tentative labor agreement with the Teamsters National Freight Industry Negotiating Committee (“TNFINC”). TNFINC is the committee that the International Brotherhood of Teamsters (the “Teamsters”) has designated to represent the Teamster employees of the Company in negotiations regarding the tentative agreement. On September 29, 2010, the

Board of Directors of the Company approved the tentative agreement, and the Teamsters approved submitting the tentative agreement to the Teamster represented employees of the Company's subsidiaries for ratification. Our eligible Teamster represented employees ratified the tentative agreement on October 30, 2010.

Ratification of the tentative agreement extended the current expiration of the National Master Freight Agreement ("NMFA"), which currently governs labor terms and conditions for most of the Company's Teamster employees, from March 31, 2013 to March 31, 2015. The modified NMFA is expected to generate an average of $350 million in annual savings through the end of the extended agreement, assuming projected levels of business, employment and costs during those periods. The modified NMFA also provides the following:

- The temporary cessation of the payment of pension contributions to the multi-employer pension funds (the "Funds") in which the company's subsidiaries participate would continue until June 1, 2011, at which time the Company's subsidiaries would contribute to those Funds until the end of the extended term of the NMFA at the rate of 25% of the contribution rate in effect on July 1, 2009. Modifications to pension contributions will require the approval of the multi-employer pension funds to which the Company contributes.
- Wage increases were provided for in 2013 and 2014 during the extended term of the NMFA, but the 15% wage reduction was also extended through the extended term of the NMFA and would apply to the new increases.
- Significant changes were made in the work rules applicable to the Company's subsidiaries and made uniform across all regional and job classification supplemental agreements to the NMFA.
- Health and welfare contribution increases were set at 35 cents per hour during each year of the extended term.
- TNFINC was given the right to approve certain changes of control applicable to the Company. If TNFINC approval is not received, TNFINC may declare the wage, benefit and work rule concessions null and void on a prospective basis.
- In the event of a bankruptcy of the Company, TNFINC may declare the wage, benefit and work rule concessions null and void.

The Company has begun discussions to restructure the debt under its Credit Agreement, which may include additional capital investment (debt and/or equity) by third parties in a recapitalization. The modified NMFA also provides the following:

- TNFINC would have the right to approve the various transactions comprising the restructuring/recapitalization.
- If TNFINC's approval is not obtained, TNFINC may declare the wage, benefit and work rule concessions null and void on a prospective basis, and the Company would owe its Teamster employees an amount equal to the concessions that in fact benefited the Company prior to the termination.
- TNFINC would have significant rights to participate in the restructuring/recapitalization discussions.
- In deciding whether to give its approval to a restructuring/recapitalization, TNFINC could demand on behalf of Teamster represented employees of the Company's subsidiaries additional compensation if negotiated performance triggers are met, equity participation, specified terms in the restructuring, specified indebtedness levels resulting from the transactions, governance rights and financial viability criteria.
- The Company is required to enter into definitive agreements to effect the restructuring/recapitalization by December 31, 2010 and close those transactions by March 31, 2011, or in each case, such later date as TNFINC would agree and, in each case, on terms and conditions that TNFINC approves.

The Company agreed to expand TNFINC's board participation from one to two board members upon completion of a restructuring/recapitalization that TNFINC approves.

Risks and Uncertainties Regarding Future Liquidity

In light of our recent operating results, we have satisfied our short term liquidity needs through a combination of borrowings under our credit facilities, retained proceeds from asset sales, sale/leaseback financing transactions, issuances of our common stock and 6% Notes and an income tax refund from the IRS. In an effort to further manage liquidity, we have also instituted the deferral of pension plan payments and certain interest and fees. As our operating results improve, we expect that cash generated from operations will reduce our need to continue to rely upon these sources of liquidity to meet our short term funding requirements.

In August 2009, the employees in most of our bargaining units who are represented by the International Brotherhood of Teamsters (the "Teamsters") ratified a modification to our collective bargaining agreement (the "Prior MOU") to (among other things) implement a 15% wage reduction (which includes the 10% wage reduction previously implemented in January 2009) and a temporary cessation of the requirement for the Company's subsidiaries to make contributions to union multi-employer pension funds. The wage reduction and the temporary pension contribution cessation have also improved our liquidity position; however, the temporary pension

contribution cessation ends at the end of 2010 without further action by the multi-employer pension funds as described below. In October 2010, the employees in most of our bargaining units who are represented by the Teamsters ratified additional modifications to our collective bargaining agreement (the "MOU"), which, among other items, extends the wage reduction until March 2015, institutes work rule changes, extends the temporary pension contribution cessation until June 1, 2011 and reduces the contribution rate to the multi-employer pension funds to 25% of the July 2009 rate from June 2011 through March 2015. The extension of the temporary pension contribution cessation and the reduced pension contribution rate are subject to the approval of the pension funds.

The MOU requires us to enter into definitive agreements by December 31, 2010 to restructure the debt under our Credit Agreement, which may include additional capital investment (debt and/or equity) by third parties in a recapitalization, and to close the transactions by March 31, 2011. The committee that represents the Teamsters in negotiations regarding our collective bargaining agreement ("TNFINC") must consent to the terms of the restructure/recapitalization transaction and may modify the deadlines set forth in the MOU.

To continue to have sufficient liquidity to meet our cash flow requirements through December 31, 2010 and into 2011:

- our operating results must continue to stabilize or recover quarter-over-quarter and shipping volumes must continue to stabilize or recover quarter-over-quarter;
- we must continue to have access to our credit facilities;
- we must continue to defer payment of:
  - interest and fees to our lenders under the Credit Agreement
  - interest and facility fees to purchasers of our accounts receivable pursuant to the ABS Facility from the October 20, 2010 renewal of the ABS Facility
  - interest and principal to our pension funds pursuant to the Contribution Deferral Agreement;
- the cost savings under our collective bargaining agreement, including wage reductions, temporary cessation of pension contributions and savings due to work rule changes, must continue;
- we must complete real estate sale transactions currently under contract as anticipated; and
- we must continue to implement and realize substantial cost savings measures to match our costs with business levels and to continue to become more efficient.

Some or all of these factors may be beyond our control. We also cannot give assurance that we will continue to maintain covenant compliance under our financing facilities, Contribution Deferral Agreement and labor agreements, the failure of which would have a material adverse effect on our business, financial condition and operating results.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The uncertainty regarding the Company's ability to generate sufficient cash flows and liquidity to fund operations raises substantial doubt about the Company's ability to continue as a going concern (which contemplates the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future). These financial statements do not include any adjustments that might result from the outcome of this uncertainty. See our Annual Report on Form 10-K for additional information regarding our ability to continue as a going concern, including the first risk factor under Item 1A – Risk Factors. If we are unable to fund our operations through operating cash flows, existing credit facilities, sales of non-strategic assets and business lines and other capital market transactions, we would consider in court and out of court restructuring alternatives.

We expect to continue to monitor our liquidity carefully, work to reduce this uncertainty and address our cash needs through a combination of one or more of the following actions:

- we continue to, and expect to implement further cost actions and efficiency improvements;
- we will continue to aggressively seek additional and return business from customers;
- if appropriate, we may sell additional equity or pursue other capital market transactions;
- we may consider selling non-strategic assets or business lines; and
- we expect to carefully manage receipts and disbursements, including amounts and timing, focusing on reducing days sales outstanding and managing days payables outstanding.

At December 31, 2010, the temporary cessation of our requirement to make contributions to the multi-employer pension funds in which we participate will end absent the approval of each of our affected multi-employer pension funds to extend the temporary cessation until June 1, 2011. We also need approval of each of these pension funds to resume contributions at a reduced 25% contribution rate after the temporary cessation ends. In addition, under the Contribution Deferral Agreement, 90% approval of the pension funds in interest is required to continue our deferral of the payment of future interest and the amortized principal to the pension funds during 2011 under the Contribution Deferral Agreement. Based upon expected levels of employment in 2011, we

estimate that we will be required to contribute approximately $25 – $30 million per month to multi-employer pension funds in 2011 if the pension funds do not approve the extension of the temporary cessation and the reduced contribution rate after the cessation ends. Under the Contribution Deferral Agreement, previously deferred interest and amortized principal payments of $42.0 million are not due until the end of 2011; unless a majority in interest of the pension funds elect to accelerate the payments after termination of the deferral.

Absent the consent of two-thirds in interest of the lenders under the Credit Agreement to continue the deferral of interest and fees under the Credit Agreement during 2011, the deferral will terminate at December 31, 2010. Previously deferred interest and fees under the Credit Agreement of $109.9 million are not due until the end of 2011, unless a majority in interest of the lenders accelerate the payment because of a termination of the deferral under the Contribution Deferral Agreement or to the extent our cash and unblocked availability under the Credit Agreement and the ABS Facility in 2011 exceeds certain levels set forth in the Credit Agreement.

The Company renewed its ABS Facility on October 20, 2010 and continued the deferral of the $10 million commitment fee in two payments of $5 million on each of March 1, 2011 and April 30, 2011 and deferred an additional $5 million commitment fee until June 30, 2011. Deferred interest and fees from October 20, 2010 through March 1, 2011, expected to be approximately $4 million, are due and payable on March 1, 2011. However, if we can refinance the ABS Facility prior to the due date of any of these payments, then the payments will be waived.

TNFINC may declare the wage, benefit and work rule concessions in the MOU null and void on a prospective basis, and we would owe our Teamster employees an amount equal to the concessions that in fact benefited us prior to the termination if, among other things, we do not enter into and consummate a restructure/recapitalization transaction that is approved by TNFINC within the December 31, 2010 and March 31, 2011 deadlines set forth in the MOU (which deadlines may be extended by TNFINC). In addition, if the fee and interest deferrals under the Credit Agreement do not continue in 2011, TNFINC has the right to terminate the Prior MOU, which, among other things, would eliminate the 15% wage reduction in place through March 2015 for employees of bargaining units that have ratified the Prior MOU.

We do not expect that we will have sufficient liquidity to pay deferred amounts under the Credit Agreement and CDA, make contributions to multi-employer pension funds in amounts greater than set forth in the MOU or lose wage, benefit and work rule concessions in 2011. As a result, we are in discussions with all of our stakeholders and we are exploring the restructuring and possible recapitalization of these obligations, which may include the issuance of a significant amount of additional equity. A failure to address these obligations prior to the dates that the deferrals would end or the multi-employer pension fund contributions would begin, or the termination of the wage, benefit and work rule concessions in the MOU, would materially and adversely affect our liquidity and our ability to continue to operate our business in the ordinary course.

Additional risks regarding our liquidity in 2011 if our current deferral arrangements are not extended beyond their current expected expiration dates are described in Item 1A – Risk Factors in the quarterly report.

Forward-Looking Statements in "Liquidity"

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. Forward-looking statements are indicated by words such as "expected" and other similar words. Our actual liquidity may differ from our projected liquidity based on a number of factors, including those listed in "—Risks and Uncertainties regarding Future Liquidity".

Contingent 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 September 30, 2010 and December 31, 2009, 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 $4.45 per share, our aggregate obligation for full satisfaction of the $1.9 million par value of contingent convertible notes would require cash payments of a nominal amount. Our Credit Agreement will not allow us to pay more than $1 million in cash payments with respect to the conversion of these notes unless 66 $^{2}/_{3}$% of the lenders approve the excess payments.

Cash Flow Measurements

We use free cash flow as a measurement to determine the cash flow available to fund strategic capital allocation alternatives and nondiscretionary expenditures including debt service requirements. Free cash flow indicates cash available to fund additional capital expenditures or to reduce outstanding debt (including current maturities). 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 nine months ended September 30:

(in millions)	2010	2009
Net cash used in operating activities	$ (9.3)	$(315.7)
Net property and equipment proceeds	58.4	70.8
Free cash flow (deficit)	$49.1	$(244.9)

Operating cash flows increased $306.4 million during the nine months ended September 30, 2010 versus the same period in 2009. The increase in cash from operations was largely due to a reduced net loss combined with the receipt of an $82.4 million income tax refund in February 2010 and $1.9 million in April 2010. An increase in business volumes during the second and third quarters of 2010 contributed to an increase in accounts receivable from December 2009 to September 2010 of $37.6 million. Operating cash flows used by our discontinued operations were $23.2 million for the nine months ended September 30, 2010 versus cash provided by operations of $23.4 million for the same period in 2009. This decrease is mainly attributable to working capital changes.

Operating cash flows were favorably impacted by the deferral of certain fee and interest payments under our debt and financing obligations of $76.9 million for the nine months ended September 30, 2010 with no corresponding amount in 2009 as our deferrals began in October 2009. Operating cash flows also include $4.4 million and $157.2 million for the nine months ended September 30, 2010 and 2009, respectively, of pension expense charges that have been converted to long-term debt. Absent these deferrals and this conversion, cash used in operating activities would have increased by this same amount.

Net property and equipment proceeds were $12.4 million lower in 2010 versus 2009 and reflect our continued focus on managing overall capital expenditures during the period of reduced volumes. Other than the property and equipment activity, investing activities in 2010 also includes $22.9 million of proceeds related to the sale of the majority of our YRC Logistics business, net of transaction costs.

Net cash used in financing activities was $60.0 million in 2010 versus $78.9 million in 2009. During the nine months ended September 30, 2010, we received proceeds of $70.0 million from the sale of our 6% Notes, which in turn, provided us with the funds to pay off our 8 1/2% USF notes in the amount of $45.3 million and the funds to satisfy our requirement to repurchase $19.8 million of our 5% Contingent Convertible Senior Notes due 2023. We also received proceeds of $15.9 million from our at the market issuance sales which are discussed further within our liquidity section. We incurred debt issuance costs of $12.7 million in 2010 in conjunction with our 6% Notes and credit facility amendments. We also paid $17.3 million of equity issuance costs related to the December 31, 2009 bond exchange and at the market transactions.

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Contractual Obligations and Other Commercial Commitments

The following tables provide aggregated information regarding our contractual obligations and commercial commitments as of September 30, 2010.

Contractual Cash Obligations

	Payments Due By Period				
(in millions)	Less than 1 year	2-3 years	4-5 years	After 5 years	Total
Balance sheet obligations: [a]					
ABS borrowings	$ 122.8	$ —	$ —	$ —	$ 122.8
Long-term debt including interest[b]	45.2	461.4	71.5	—	578.1
Lease financing obligations including interest	40.2	84.4	88.2	199.2	412.0
Pension deferral obligation including interest	95.1	61.2	—	—	156.3
Workers' compensation and other claims obligations	118.6	137.1	63.0	123.8	442.5
Off balance sheet obligations:					
Operating leases	67.5	62.5	21.2	19.6	170.8
Capital expenditures	4.3	—	—	—	4.3
Total contractual obligations	$ 493.7	$806.6	$243.9	$ 342.6	$1,886.8

(a) Total liabilities for unrecognized tax benefits as of September 30, 2010, were $97.0 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 September 30, 2010, these notes are convertible for cash payments of a nominal amount based on an assumed market price of $4.45 per share for our common stock. Should the note holders elect to exercise the conversion options, cash payments would be less than those presented in the table above.

During the nine months ended September 30, 2010, we entered into no new operating leases for revenue equipment.

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.

	Amount of Commitment Expiration Per Period				
(in millions)	Less than 1 year	2-3 years	4-5 years	After 5 years	Total
Unused line of credit	$ —	$168.7	$ —	$ —	$168.7
Letters of credit	526.4	—	—	—	526.4
Surety bonds	61.2	2.8	—	—	64.0
Total commercial commitments	$ 587.6	$171.5	$ —	$ —	$759.1

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, 2009.

Item 4. Controls and Procedures

As required by the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), we maintain disclosure controls and procedures designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.
Our management, with the participation of our principal executive and financial officers, has evaluated our disclosure controls and procedures as of September 30, 2010 and has concluded that our disclosure controls and procedures were effective as of September 30, 2010.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended September 30, 2010 that have materially affected, or are reasonably likely to materially affect, the Company's 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

We do not believe we will be able to meet our liquidity requirements in the first quarter of 2011 if (i) our current deferral and temporary cessation arrangements are not extended beyond their current respective expiration dates or (ii) if wage, benefit and work rule concessions in the MOU are terminated.

At the end of 2010, the temporary cessation of our requirement to make contributions to the multi-employer pension funds in which we participate will end absent the approval of each of our affected multi-employer pension funds to extend the temporary cessation until June 1, 2011. We also need approval of each of these pension funds to resume contributions at a reduced 25% contribution rate after the temporary cessation ends. In addition, under the Contribution Deferral Agreement 90% approval of the pension funds in interest is required to continue our deferral of the payment of future interest and the amortized principal to the pension funds during 2011 under the Contribution Deferral Agreement. Based upon expected levels of employment in 2011, we estimate that we will be required to contribute approximately $25 – $30 million per month to multi-employer pension funds in 2011 if the pension funds do not approve the extension of the temporary cessation and the reduced contribution rate after the cessation ends. Under the Contribution Deferral Agreement, previously deferred interest and amortized principal payments of $42.0 million are not due until the end of 2011; unless a majority in interest of the pension funds elect to accelerate the payments after termination of the deferral.

Absent the consent of two-thirds in interest of the lenders under the Credit Agreement to continue the deferral of interest and fees under the Credit Agreement during 2011, the deferral will terminate at December 31, 2010. Previously deferred interest and fees under the Credit Agreement of $109.9 million are not due until the end of 2011, unless a majority in interest of the lenders accelerate the payment because of a termination of the deferral under the Contribution Deferral Agreement or to the extent our cash and unblocked availability under the Credit Agreement and the ABS Facility in 2011 exceeds certain levels set forth in the Credit Agreement.

The Company renewed its ABS Facility on October 20, 2010 and continued the deferral of the $10 million commitment fee in two payments of $5 million on each of March 1, 2011 and April 30, 2011 and deferred an additional $5 million commitment fee until June 30, 2011. Deferred interest and fees from October 20, 2010 through March 1, 2011, expected to be approximately $4 million, are due and payable on March 1, 2011. However, if we can refinance the ABS Facility prior to the due date of any of these payments, then the payments will be waived.

TNFINC may declare the wage, benefit and work rule concessions in the MOU null and void on a prospective basis, and we would owe our Teamster employees an amount equal to the concessions that in fact benefited us prior to the termination if, among other things, we do not enter into and consummate a restructure/recapitalization transaction that is approved by TNFINC within the December 31, 2010 and March 31, 2011 deadlines set forth in the MOU (which deadlines may be extended by TNFINC). In addition, if the fee and interest deferrals under the Credit Agreement do not continue in 2011, TNFINC has the right to terminate the Prior MOU, which, among other things, would eliminate the 15% wage reduction in place through March 2015 for employees of bargaining units that have ratified the Prior MOU.

We do not expect that we will have sufficient liquidity to pay deferred amounts under the Credit Agreement and CDA, make contributions to multi-employer pension funds in amounts greater than set forth in the MOU or lose wage, benefit and work rule concessions in 2011. As a result, we are in discussions with all of our stakeholders and we are exploring the restructuring and possible recapitalization of these obligations, which may include the issuance of a significant amount of additional equity. A failure to address these obligations prior to the dates that the deferrals would end or the multi-employer pension fund contributions would begin, or the termination of the wage, benefit and work rule concessions in the MOU, would materially and adversely affect our liquidity and our ability to continue to operate our business in the ordinary course.

See also “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition—Liquidity” for additional information regarding our liquidity.

Item 6. Exhibits

3.1	Certificate of Amendment to the Certificate of Incorporation of the Company reducing the number of authorized shares, dated September 30, 2010 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K, filed on September 30, 2010, File No. 000-12255).
4.1	Supplemental Indenture, dated August 3, 2010, by and among the Company, as issuer, the Guarantors and U.S. Bank National Association, as trustee, relating to the Company's 6% Convertible Senior Notes due 2014 (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K, filed on August 3, 2010, File No. 000-12255).
10.1*	Amendment No. 18, dated July 28, 2010, to the Credit Agreement.
10.2*	Letter Agreement, dated August 2, 2010, by and among the Company and certain investors in the Company's 6% Convertible Senior Notes due 2014.
10.3*	Consent and Amendment 5, effective August 4, 2010, and Consent and Amendment 6, effective August 10, 2010, to Contribution Deferral Agreement.
10.4	Agreement for the Restructuring of the YRC Worldwide Inc. Operating Companies, dated September 24, 2010, among the International Brotherhood of Teamsters, YRC Inc., USF Holland Inc. and New Penn Motor Express, Inc. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed on September 29, 2010, File No. 000-12255).
10.5*	Letter Agreement, dated September 28, 2010, between the Company and William D. Zollars.
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 Sheila K. Taylor 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 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 Sheila K. Taylor 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

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SIGNATURES

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

YRC WORLDWIDE INC.
Registrant

Date: November 9, 2010

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

Date: November 9, 2010

/s/ Sheila K. Taylor
Sheila K. Taylor
Executive Vice President & Chief Financial Officer

Exhibit 10.1

EXECUTION COPY

AMENDMENT NO. 18

Dated as of July 28, 2010

to

CREDIT AGREEMENT

Dated as of August 17, 2007

THIS AMENDMENT NO. 18 ("Amendment") is made as of July 28, 2010 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 (and, with respect to the amendment set forth in Section 1(d) below, the additional condition precedent set forth in Section 3 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 therein in the appropriate alphabetical order as follows:

"Amendment No. 18" means Amendment No. 18 to this Agreement, dated as of July 28, 2010, by and among the Borrowers, the Lenders party thereto and the Administrative Agent.

"Amendment No. 18 Effective Date" means July 28, 2010.

"Designated Date" means the date on or after the Amendment No. 18 Effective Date on which the Company or its appropriate Subsidiaries have publicly announced, or publicly sought any required employee approval of, an arrangement with its employees to reduce its operating costs.

"New Revolver Reserve Incremental Amount" means the amount by which the New Revolver Reserve Amount increases by operation of Section 2.12 on or after the Amendment No. 18 Effective Date until the Specified Pension Amendment Date.

"Permitted Disposition Deposit Amount" means, as of any date of determination, the amount on deposit in the Permitted Disposition Escrow Account.

"Permitted Disposition Escrow Account" means an account established and maintained with the Escrow Agent under (and as defined in) the applicable Escrow Account Agreement (for purposes of holding the Net Cash Proceeds of the Permitted Disposition contemplated by the Project Delta Purchase Agreement) and subject to the terms and conditions of such Escrow Account Agreement by and among the Company, the Administrative Agent and JPMorgan Chase Bank, National Association, as Escrow Agent thereunder, all in form and substance reasonably satisfactory to the Administrative Agent as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"Permitted Disposition Escrow Release Date" means the earlier to occur of (i) the Specified Pension Amendment Date, (ii) August 13, 2010 (provided that such date shall be automatically extended to August 27, 2010 if, prior to August 13, 2010, the Company has received approval from the "Supermajority Funds" (as defined in the Specified Pension Fund Deferral Transaction Documents) in respect of the amendment to the Specified Pension Fund Deferral Transaction Documents contemplated by the definition of "Specified Pension Amendment Date" herein) and (iii) the occurrence, on or after the Amendment No. 18 Effective Date, of an Event of Default which continues for five (5) Business Days after the earlier of the date on which the Administrative Agent or any Lender provides written notice thereof to the Company or the date on which a Financial Officer has actual knowledge of such occurrence.

"Project Delta Purchase Agreement" means that certain Equity Interest Purchase Agreement, dated as of June 25, 2010, by and among the Company, certain of its Subsidiaries and CEG Holdings, Inc. as in effect on the Amendment No. 18 Effective Date and without giving effect to any subsequent modifications thereto that would be materially adverse to the Lenders (it being understood and agreed that any reduction of the purchase price thereunder (whether individually or in the aggregate) in excess of $1,000,000 shall be deemed to be materially adverse to the Lenders).

"Specified Pension Amendment Date" means the date on which the Administrative Agent receives a duly executed and effective amendment to the applicable Specified Pension Fund Deferral Transaction Documents which amendment permits the applicability and effectiveness of all modifications, amendments, alterations or supplements to this Agreement which are set forth in Amendment No. 18 (without requiring any incremental or accelerated payment (whether of principal, interest or a fee) by the Company or any of its Subsidiaries to the Pension Fund Entities party to any Specified Pension Fund Deferral Transaction Document in respect of the Specified Pension Fund Obligations as a result of such modifications, amendments, alterations or supplements to this Agreement as set forth Amendment No. 18), all in form and substance reasonably satisfactory to the Administrative Agent.

"Specified SLB Deposit Amount" means, as of any date of determination, the amount on deposit in the Specified SLB Escrow Account.

"Specified SLB Escrow Account" means an account established and maintained with the Escrow Agent under (and as defined in) the applicable Escrow Account Agreement (for purposes

of holding the Specified SLB Proceeds) and subject to the terms and conditions of such Escrow Account Agreement by and among the Company, the Administrative Agent and JPMorgan Chase Bank, National Association, as Escrow Agent thereunder, all in form and substance reasonably satisfactory to the Administrative Agent as the same may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"Specified SLB Escrow Release Date" means the earlier to occur of (i) the Designated Date, (ii) October 20, 2010 and (iii) the occurrence, on or after the Amendment No. 18 Effective Date, of an Event of Default which continues for five (5) Business Days after the earlier of the date on which the Administrative Agent or any Lender provides written notice thereof to the Company or the date on which a Financial Officer has actual knowledge of such occurrence.

"Specified SLB Proceeds" has the meaning assigned to such term in Section 2.12(e).

(b) The definition of "Available Cash" appearing in Section 1.01 of the Credit Agreement is hereby amended to insert the following proviso at the end thereof:

; provided that, for the avoidance of doubt, neither the Permitted Disposition Deposit Amount nor the Specified SLB Deposit Amount shall be counted as (or deemed to be) Available Cash pursuant to this definition

(c) The definition of "Consolidated EBITDA" appearing in Section 1.01 of the Credit Agreement is hereby amended to restate clause (m) thereof as follows:

(m) charges, expenses and losses incurred with any Permitted Disposition or discontinued operations,

(d) The definition of "Liquidity Amount" appearing in Section 1.01 of the Credit Agreement is hereby amended to delete the reference to "minus (g) the 5% CoCo Deposit Amount minus (h) the Equity Proceeds Deposit Amount" appearing therein and to replace therefor a reference to "minus (g) the 5% CoCo Deposit Amount minus (h) the Equity Proceeds Deposit Amount minus (i) the Permitted Disposition Deposit Amount minus (j) the Specified SLB Deposit Amount".

(e) The definition of "Prepayment Event" appearing in Section 1.01 of the Credit Agreement is hereby amended to delete the reference to "any Non-Real Estate Asset Sale the Net Cash Proceeds of which" appearing in clause (b) therein and to replace therefor a reference to "any Non-Real Estate Asset Sale (for the avoidance of doubt, other than the Permitted Disposition) the Net Cash Proceeds of which"

(f) The definition of "Subsidiary" appearing in Section 1.01 of the Credit Agreement is hereby amended to insert the following proviso at the end thereof:

; provided, further, that, subject to the next succeeding proviso, upon the "Closing" (as defined in the Project Delta Purchase Agreement) each of YRC Logistics, Inc. (Delaware), MIQ Distribution, LLC (Delaware), Globe.com Lines, Inc. (Delaware), YRC Logistics Inc., S.R.L. (Peru), YRC Logistics Inc., S.R.L. (Argentina), YRC Logistics Inc. Ltda. (Colombia), YRC Logistics, Inc. Limitada (Chile), YGPS (EU) Limited (UK), YRC Logistics B.V. (Netherlands), YRC Logistics (Thailand) Co., Ltd (Thailand), YRC Logistics Hong Kong Limited (Hong Kong), YRC Logistics India Private Limited (India), YRC Logistics Japan Limited (Japan), YRC Logistics Korea Limited (Korea), YRC Logistics Malaysia Sdn Bhd (Malaysia), YRC Logistics Philippines, Inc. (Philippines), YRC Logistics Singapore Pte Ltd.

(Singapore), YRC Logistics Taiwan Limited (Taiwan), YRC Logistics Vietnam Limited (British Virgin Islands), YRC Logistics Services Inc. (Quebec), YRC Logistics Supply Chain Solutions Inc. (Ontario), USF Logistics Services (Puerto Rico), Inc. (Delaware), USF Logistics (Mexico), Inc. (Delaware), YRC Logistics Limited (UK), YRC Logistics Global, LLC (Delaware), YRC Logistics, S. de R.L. de C.V. (Mexico), Meridian IQ Servicios, S. de R.L. de C.V. (Mexico), Meridian IQ Leasing, S. de R.L. de C.V. (Mexico), and YRC Logistics Vietnam Limited (Vietnam) (the "Affected Subsidiaries") shall be excluded from the definition of "Subsidiary" hereunder; provided, however, that any such Affected Subsidiary shall cease to be excluded from the definition of "Subsidiary" hereunder on the first anniversary of the "Closing" (as defined in the Project Delta Purchase Agreement) unless on or prior to such first anniversary the Company shall have received the "Delayed Payment Amount" (as defined in the Project Delta Purchase Agreement) in respect of such Affected Subsidiary in accordance with the terms of the Project Delta Purchase Agreement

(g) The definition of "US Tranche Revolving Commitment" appearing in Section 1.01 of the Credit Agreement is hereby amended to delete the reference to "Sections 2.09, 2.12 and 2.19(f)" appearing therein and to replace therefor a reference to "Sections 2.01(h), 2.09, 2.12 and 2.19(f)".

(h) Section 1.01 of the Credit Agreement is hereby amended to delete the definition of "Specified Pension Fund Deferral Transaction Documents Amendment Date" therefrom.

(i) Section 1.04 of the Credit Agreement is hereby amended to insert the following sentence at the end thereof:

Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein.

(j) Section 2.01 of the Credit Agreement is hereby amended to insert a new clause () therein immediately following clause (g) thereof as follows:

(h) As of the Specified Pension Amendment Date, $150,000,000 of the outstanding US Tranche Revolving Loans (which are not New Block Loans or Existing Block Loans (Performance) or Permitted Interim Loans) on such date will be converted (on a ratable basis with respect to each US Tranche Lender having a US Tranche Revolving Commitment on such date) to US Tranche Term Loans and the corresponding US Tranche Revolving Commitments (which are not part of the New Revolver Reserve Amount, the Existing Revolver Reserve Amount (Performance) or the Existing Revolver Reserve Amount (Payroll)) will be terminated and all such converted US Tranche Term Loans shall be Term Loans for all purposes under this Agreement on and after the Specified Pension Amendment Date. For the avoidance of doubt, amounts prepaid or repaid in respect of Term Loans may not be reborrowed and, as of the Specified Pension Amendment Date, there will be no US Tranche Term Loan Commitments and no requirements to otherwise fund any Term Loans. To the extent that any US Tranche Term Loan shall bear interest at a rate determined by reference to the LIBO Rate as of the Specified Pension Amendment Date, the Interest Period in respect of such US Tranche Term Loan shall be deemed to terminate as of the Specified Pension Amendment Date, subject to the Company's

obligations under Section 2.17, and all such US Tranche Term Loans and all such converted US Tranche Term Loans shall be ABR Loans as of the Specified Pension Amendment Date.

(k) Section 2.06(b) of the Credit Agreement is hereby amended to restate the last sentence thereof in its entirety as follows:

A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Company shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the US Dollar Equivalent of the LC Exposure shall not exceed $550,000,000 (ii) the US Tranche Revolving Exposure shall not exceed the total US Tranche Revolving Commitments, (iii) the Canadian Tranche Exposure shall not exceed the total Canadian Tranche Commitments, (iv) the UK Tranche Exposure shall not exceed the total UK Tranche Commitments and (v) the US Dollar Equivalent of the Alternative Currency LC Exposure shall not exceed $25,000,000.

(l) Section 2.09 of the Credit Agreement is hereby amended to insert a new clause (e) therein immediately following clause (d) thereof as follows:

(e) Upon the occurrence of the Specified Pension Amendment Date, the New Revolver Reserve Amount shall be immediately and permanently reduced by an amount equal to the New Revolver Reserve Incremental Amount.

(m) Section 2.12(e) of the Credit Agreement is hereby restated in its entirety as follows:

(e) On and after the Amendment No. 18 Effective Date, in the event and on each occasion that any Net Cash Proceeds are received by or on behalf of the Company or any of its Domestic Subsidiaries in respect of any Prepayment Event, the Company shall, within three (3) Business Days after receipt of such Net Cash Proceeds, subject to the terms and conditions of Sections 2.12(f), (i) and (l), as applicable, prepay the Obligations in the following order in an aggregate amount equal to the Applicable Prepayment Percentage of such Net Cash Proceeds (in each case, without a permanent commitment reduction unless expressly stated below):

(A) prior to the Specified Pension Amendment Date:

(i) first, prepay Permitted Interim Loans which are outstanding, if any,

(ii) second, prepay New Block Loans (or cash collateralize Letters of Credit issued in respect of the New Revolver Reserve Amount) which are outstanding, if any,

(iii) third, prepay Existing Block Loans (Performance) (or cash collateralize Letters of Credit issued in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding, if any (with a concurrent permanent reduction of the Existing Revolver Reserve Amount (Performance), and the New Revolver Reserve Amount shall be increased by the amount of such prepayment (or cash collateralization) at such time), and

(iv) fourth, prepay Revolving Loans which are not New Block Loans or Existing Block Loans (Performance) or Permitted Interim Loans (or cash collateralize

Letters of Credit which were not issued in respect of the New Revolver Reserve Amount or in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding, if any (with the amount of Revolving Commitments available under such unblocked portion of the facility being decreased and the New Revolver Reserve Amount being increased in like amount); or

(B) on and after the Specified Pension Amendment Date:

(i) first, prepay New Block Loans (or cash collateralize Letters of Credit issued in respect of the New Revolver Reserve Amount) which are outstanding, if any (with a concurrent permanent reduction of the New Revolver Reserve Amount in like amount at such time),

(ii) second, prepay Existing Block Loans (Performance) (or cash collateralize Letters of Credit issued in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding, if any (with a concurrent permanent reduction of the Existing Revolver Reserve Amount (Performance) in like amount at such time),

(iii) third, prepay (x) Revolving Loans which are not New Block Loans or Existing Block Loans (Performance) or Permitted Interim Loans (or cash collateralize Letters of Credit which were not issued in respect of the New Revolver Reserve Amount or in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding, if any (with the amount of Revolving Commitments available under such unblocked portion of the facility being permanently reduced in like amount) and (y) Term Loans, ratably, and

(iv) fourth, prepay Permitted Interim Loans which are outstanding, if any;

provided, that if any Specified SLB Proceeds are received on and after the Specified Pension Amendment Date and prior to the Designated Date, such Specified SLB Proceeds shall be treated as follows:

(1) 25% thereof will be deemed to be a portion of the “Applicable Prepayment Percentage” of such Net Cash Proceeds and shall be applied within three (3) Business Days after receipt thereof to prepay the Obligations as set forth in clause (B) above;

(2) 25% thereof will be deemed to be a portion of the “Applicable Company Percentage” of such Net Cash Proceeds and shall be applied within three (3) Business Days after receipt thereof as set forth in the paragraph immediately following the second proviso below; and

(3) 50% thereof shall, within three (3) Business Days after receipt thereof, be deposited into the Specified SLB Escrow Account until the Specified SLB Escrow Release Date and upon the occurrence of the Specified SLB Escrow Release Date, then (x) if the Specified SLB Escrow Release Date occurred by operation of clause (i) of the definition thereof, then all amounts on deposit in the Specified SLB Escrow Account shall be deemed to be a portion of the “Applicable Company Percentage” of such Net Cash Proceeds and be immediately released from the Specified SLB Escrow Account and applied to prepay (without a corresponding commitment reduction) Revolving Loans which are not New Block Loans or Existing Block Loans (Performance) or Permitted Interim Loans (or cash collateralize Letters of Credit which

were not issued in respect of the New Revolver Reserve Amount or in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding at such time and the New Revolver Reserve Amount shall be immediately and permanently reduced in an amount equal to such Net Cash Proceeds released from the Specified SLB Escrow Account and (y) if the Specified SLB Escrow Release Date occurred by operation of clause (ii) or clause (iii) of the definition thereof, then all amounts on deposit in the Specified SLB Escrow Account shall be deemed to be a portion of the "Applicable Prepayment Percentage" of such Net Cash Proceeds and be immediately released from the Specified SLB Escrow Account and applied to prepay the Obligations as set forth in clause (B) above; and

provided, further, that if after the Specified Pension Amendment Date any Specified SLB Proceeds are received on and after the Designated Date, the Applicable Prepayment Percentage in respect thereof shall be deemed to be 25% (and solely in respect of such Specified SLB Proceeds, the Applicable Company Percentage in respect thereof shall be deemed to be 75%) and the New Revolver Reserve Amount shall be immediately and permanently reduced in an amount equal to 50% of such Specified SLB Proceeds upon the prepayment of the Obligations with such Net Cash Proceeds in accordance with this Section 2.12(e).

For the avoidance of doubt, the Applicable Company Percentage of such Net Cash Proceeds referred to in this clause (e) shall not be retained by the Company, but shall instead be used to prepay (without a corresponding commitment reduction) Revolving Loans which are not New Block Loans or Existing Block Loans (Performance) or Permitted Interim Loans (or cash collateralize Letters of Credit which were not issued in respect of the New Revolver Reserve Amount or in respect of the Existing Revolver Reserve Amount) which are outstanding at such time.

As used herein, "Specified SLB Proceeds" means the first $20,000,000 of such Net Cash Proceeds referred to in this clause (e) received on or after the Specified Pension Amendment Date in connection with any Real Estate Asset Sale pursuant to a Sale and Leaseback Transaction.

(n) Section 2.12(f) of the Credit Agreement is hereby restated in its entirety as follows:

(f) The Company shall prepay the Obligations on the date that is three (3) Business Days after the earlier of (i) the date on which the Company's annual audited financial statements for the immediately preceding fiscal year are delivered pursuant to Section 5.01 or (ii) the date on which such annual audited financial statements were required to be delivered pursuant to Section 5.01, in an amount equal to (w) 50% of the Company's Excess Cash Flow for such immediately preceding fiscal year, minus (x) any voluntary prepayments of the Term Loans, the Revolving Loans and/or Swing line Loans (but only to the extent that, in the case of the Revolving Loans and the Swingline Loans, such prepayments were accompanied by a corresponding permanent reduction of the Revolving Commitments), minus (y) the 5% CoCo Deposit Amount as of the 5% CoCo Release Date but only to the extent that such amount increased Excess Cash Flow during such immediately preceding fiscal year, minus (z) the aggregate amount transferred or otherwise deposited into the Equity Proceeds Deposit Account from the period beginning on the Amendment No. 17 Effective Date and ending on the Equity Sweep Reversion Date but only to the extent that such amount increased Excess Cash Flow during such immediately preceding fiscal year (the "Cash Flow Repayment Amount"), with the first such prepayment pursuant to this Section 2.12(f) required to be made by the Company in 2010 in respect of the Company's Excess Cash Flow for the fiscal year of the Company ending December 31, 2009. Any such prepayments of the Obligations required under this Section

2.12(f) shall be in an amount equal to the Cash Flow Repayment Amount and shall be applied in the following order:

(A) prior to the Specified Pension Amendment Date:

(i) first, prepay Permitted Interim Loans which are outstanding, if any,

(ii) second, prepay New Block Loans (or cash collateralize Letters of Credit issued in respect of the New Revolver Reserve Amount) which are outstanding, if any,

(iii) third, prepay Existing Block Loans (Performance) (or cash collateralize Letters of Credit issued in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding, if any (with a concurrent permanent reduction of the Existing Revolver Reserve Amount (Performance), and the New Revolver Reserve Amount shall be increased by the amount of such prepayment (or cash collateralization) at such time), and

(iv) fourth, prepay Revolving Loans which are not New Block Loans or Existing Block Loans (Performance) or Permitted Interim Loans (or cash collateralize Letters of Credit which were not issued in respect of the New Revolver Reserve Amount or in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding, if any (with the amount of Revolving Commitments available under such unblocked portion of the facility being decreased and the New Revolver Reserve Amount being increased in like amount); or

(B) on or after the Specified Pension Amendment Date:

(i) first, prepay New Block Loans (or cash collateralize Letters of Credit issued in respect of the New Revolver Reserve Amount) which are outstanding, if any (with a concurrent permanent reduction of the New Revolver Reserve Amount in like amount at such time),

(ii) second, prepay Existing Block Loans (Performance) (or cash collateralize Letters of Credit issued in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding, if any (with a concurrent permanent reduction of the Existing Revolver Reserve Amount (Performance) in like amount at such time),

(iii) third, prepay (x) Revolving Loans which are not New Block Loans, Existing Block Loans (Performance) or Permitted Interim Loans (or cash collateralize Letters of Credit which were not issued in respect of the New Revolver Reserve Amount or in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding, if any (with the amount of Revolving Commitments available under such unblocked portion of the facility being permanently reduced in like amount) and (y) Term Loans, ratably, and

(iv) fourth, prepay Permitted Interim Loans which are outstanding, if any.

(o) Section 2.12(g) of the Credit Agreement is hereby amended to delete the reference to “Sections 2.12(f) or (i)” appearing therein and to replace therefor a reference to “Sections

2.12(e), (f) or (i)".

(p) Section 2.12(h) of the Credit Agreement is hereby amended to delete the references to "(minus the 5% CoCo Deposit Amount and minus the Equity Proceeds Deposit Amount)" appearing therein and to replace therefor in each case a reference to "(minus the 5% CoCo Deposit Amount, minus the Equity Proceeds Deposit Amount, minus the Permitted Disposition Deposit Amount and minus the Specified SLB Deposit Amount)".

(q) Section 2.12(i) of the Credit Agreement is hereby restated in its entirety as follows:

(i) Notwithstanding anything to the contrary set forth in this Section 2.12:

(A) upon the consummation of the Permitted Disposition contemplated by the Project Delta Purchase Agreement (including the sale of any assets expressly identified to be sold pursuant to the Project Delta Purchase Agreement but were not so sold to the buyer under the Project Delta Purchase Agreement) on or after the Amendment No. 18 Effective Date, the Net Cash Proceeds therefrom shall be applied as follows:

(i) if such consummation occurs prior to the Specified Pension Amendment Date and prior to August 13, 2010 (provided that such date shall be automatically extended to August 27, 2010 if, prior to August 13, 2010, the Company has received approval from the "Supermajority Funds" (as defined in the Specified Pension Fund Deferral Transaction Documents) in respect of the amendment to the Specified Pension Fund Deferral Transaction Documents contemplated by the definition of "Specified Pension Amendment Date" herein), such Net Cash Proceeds shall, within three (3) Business Days after receipt thereof, be deposited into the Permitted Disposition Escrow Account until the Permitted Disposition Escrow Release Date and, upon the occurrence of the Permitted Disposition Escrow Release Date, (x) if the Permitted Disposition Escrow Release Date occurred by operation of clause (i) of the definition thereof, then all amounts on deposit in the Permitted Disposition Escrow Account shall be immediately released from the Permitted Disposition Escrow Account and applied to prepay the Obligations as set forth in clause (b) below and (y) if the Permitted Disposition Escrow Release Date occurred by operation of clause (ii) or clause (iii) of the definition thereof, then all amounts on deposit in the Permitted Disposition Escrow Account shall be immediately released from the Permitted Disposition Escrow Account and applied to prepay the Obligations as set forth in clause (a) below; or

(ii) if such consummation occurs after the Specified Pension Amendment Date and prior to August 13, 2010 (provided that such date shall be automatically extended to August 27, 2010 if, prior to August 13, 2010, the Company has received approval from the "Supermajority Funds" (as defined in the Specified Pension Fund Deferral Transaction Documents) in respect of the amendment to the Specified Pension Fund Deferral Transaction Documents contemplated by the definition of "Specified Pension Amendment Date" herein), such Net Cash Proceeds shall, within three (3) Business Days after receipt thereof, be applied by the Company to prepay the Obligations as set forth in clause (b) below; or

(iii) if such consummation occurs prior to the Specified Pension Amendment Date and on or after August 13, 2010 (provided that such date shall be

automatically extended to August 27, 2010 if, prior to August 13, 2010, the Company has received approval from the "Supermajority Funds" (as defined in the Specified Pension Fund Deferral Transaction Documents) in respect of the amendment to the Specified Pension Fund Deferral Transaction Documents contemplated by the definition of "Specified Pension Amendment Date" herein), such Net Cash Proceeds shall, within three (3) Business Days after receipt thereof, be applied by the Company to prepay the Obligations as set forth in clause (a) below;

(a) to make a prepayment in an amount equal to 100% of the Net Cash Proceeds therefrom, first to prepay the outstanding Permitted Interim Loans, if any, second, to prepay the outstanding Existing Block Loans (Performance), if any, and third to prepay Revolving Loans which are not New Block Loans or Existing Block Loans (Performance) or Permitted Interim Loans (or cash collateralize Letters of Credit which were not issued in respect of the New Revolver Reserve Amount or in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding, if any (with the amount of Revolving Commitments available under such unblocked portion of the facility being decreased in like amount), and the New Revolver Reserve Amount shall be increased by an amount equal to such prepayments at such time;

(b) to make a prepayment in an amount equal to 100% of the Net Cash Proceeds therefrom to prepay Revolving Loans outstanding which are not New Block Loans or Existing Block Loans (Performance) or Permitted Interim Loans (and the New Revolver Reserve Amount shall be concurrently permanently reduced in an amount equal to 50% of such Net Cash Proceeds); and

(B) upon the consummation of any Permitted Disposition (other than the Permitted Disposition described in the foregoing clause (A)) on or after the Amendment No. 18 Effective Date, the Company shall, within three (3) Business Days after receipt of such Net Cash Proceeds, prepay the Obligations as follows:

(i) if such consummation occurs prior to the Specified Pension Amendment Date, an amount equal to 100% of such Net Cash Proceeds, first to prepay the outstanding Permitted Interim Loans, if any, second, to prepay the outstanding Existing Block Loans (Performance), if any, and third to prepay Revolving Loans which are not New Block Loans or Existing Block Loans (Performance) or Permitted Interim Loans (or cash collateralize Letters of Credit which were not issued in respect of the New Revolver Reserve Amount or in respect of the Existing Revolver Reserve Amount (Performance)) which are outstanding, if any (with the amount of Revolving Commitments available under such unblocked portion of the facility being decreased in like amount), and the New Revolver Reserve Amount shall be increased by an amount equal to such prepayments at such time; or

(ii) if such consummation occurs on or after the Specified Pension Amendment Date, such Net Cash Proceeds will be applied pursuant to Section 2.12(e)(B) with the Applicable Prepayment Percentage in respect thereof being deemed to be 75% (and the Applicable Company Percentage in respect thereof being deemed to be 25%).

(r) Section 2.12(k) of the Credit Agreement is hereby amended to delete the references to "(minus the 5% CoCo Deposit Amount and minus the Equity Proceeds Deposit Amount)"

appearing therein and to replace therefor in each case a reference to "(minus the 5% CoCo Deposit Amount, minus the Equity Proceeds Deposit Amount, minus the Permitted Disposition Deposit Amount and minus the Specified SLB Deposit Amount)".

(s) Section 2.19(f) of the Credit Agreement is hereby amended to delete the reference to "sixth, to prepay principal on the Permitted Interim Loans ratably, seventh, to pay interest then accrued and unpaid on New Block Loans, eighth, to prepay principal on New Block Loans (with concurrent reduction of the New Revolver Reserve Amount whether or not any such New Block Loans are outstanding at such time), ninth, to pay interest then accrued and unpaid on Existing Block Loans (Performance), tenth, to prepay principal on Existing Block Loans (Performance) (with concurrent reduction of the Existing Revolver Reserve Amount (Performance), whether or not any such Existing Block Loans (Performance) are outstanding at such time, but only to the extent that the amount of money to be applied to this clause tenth exceeds the amount by which the New Revolver Reserve Amount was reduced by application of such funds to the preceding clause eighth)" appearing therein and to replace therefor a reference to "sixth, to prepay principal on the Permitted Interim Loans ratably (on and after the Specified Pension Amendment Date, with a concurrent reduction of the Existing Revolver Reserve Amount (Payroll) in like amount), seventh, to pay interest then accrued and unpaid on New Block Loans, eighth, to prepay principal on New Block Loans (with concurrent reduction of the New Revolver Reserve Amount in like amount whether or not any such New Block Loans are outstanding at such time), ninth, to pay interest then accrued and unpaid on Existing Block Loans (Performance), tenth, to prepay principal on Existing Block Loans (Performance) (with concurrent reduction of the Existing Revolver Reserve Amount (Performance) in like amount, whether or not any such Existing Block Loans (Performance) are outstanding at such time, but only to the extent that the amount of money to be applied to this clause tenth exceeds the amount by which the New Revolver Reserve Amount was reduced by application of such funds to the preceding clause eighth)".

(t) Section 6.01(q) of the Credit Agreement is hereby amended to delete the reference to "such 5% Contingent Convertible Senior Notes on or before August 2, 2010" appearing therein and to replace therefor a reference to "such 5% Contingent Convertible Senior Notes which have been put to the Company or any of its Subsidiaries on or before August 15, 2010".

(u) Section 6.05(b) of the Credit Agreement is hereby amended to delete the reference to "February 10, 2010" appearing therein and to replace therefor a reference to "on or about July 26, 2010".

(v) Schedule 6.05A to the Credit Agreement is restated in its entirety as set forth on Annex A attached hereto.

2. Conditions of Effectiveness. The effectiveness of this Amendment (other than Section 1(d) hereof) 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, (iii) evidence reasonably satisfactory to the Administrative Agent that the Teamsters National Freight Industry Negotiating Committee of the International Brotherhood of Teamsters shall have confirmed that this Amendment is acceptable, and (iv) those documents and instruments as may be reasonably requested by the Administrative Agent and (b) the Company shall have paid all previously 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. Additional Conditions to Effectiveness. The effectiveness of Section 1(d) of this Amendment is subject to the conditions precedent that (a) all of the conditions precedent set forth in Section 2 shall have been satisfied or waived and (b) the Administrative Agent shall have received an amendment in respect of the Specified Pension Fund Deferral Transaction Documents in form and substance reasonably satisfactory to the Administrative Agent.

4. 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.

5. 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.

6. Perfection of Additional Collateral. The parties hereto acknowledge that perfection of the Collateral Agent's Lien in certain Collateral 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 and the other Loan Documents. To the extent that any release of Collateral pursuant to the Permitted Disposition and/or any Real Estate Asset Sale pursuant to a Sale and Leaseback Transaction with respect to which the Company retains an incremental amount of the "Specified SLB Proceeds" (as defined in Credit Agreement, as amended by this Amendment), the Company agrees that any perfection of Liens described in the preceding sentence shall be considered to have occurred substantially contemporaneously with any release of Collateral pursuant to the Permitted Disposition and/or any such Real Estate Asset Sale.

7. 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.

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

9. 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.

10. 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:____________________________________
Name:
Title:

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

By:____________________________________
Name:
Title:

YRC LOGISTICS LIMITED, as a UK Borrower

By:____________________________________
Name:
Title:

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

By:____________________________________
Name:
Title:

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

By:____________________________________
Name:
Title:

J.P. MORGAN EUROPE LIMITED, as UK Agent

By:______________________________
Name:
Title:

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

By:______________________________
Name:
Title:

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

By:______________________________
Name:
Title:

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

By:______________________________
Name:
Title:

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

By:______________________________
Name:
Title:

SUNTRUST BANK, as a Syndication Agent and as a US Tranche Lender

By:____________________________________
Name:
Title:

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

By:____________________________________
Name:
Title:

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

By:____________________________________
Name:
Title:

BANK OF TOKYO-MITSUBISHI UFJ, LTD, as a Documentation Agent and as a US Tranche Lender

By:____________________________________
Name:
Title:

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

By:____________________________________
Name:
Title:

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

By:________________________________
Name:
Title:

BANK OF MONTREAL, as a Canadian Tranche Lender

By:________________________________
Name:
Title:

SUMITOMO MITSUI BANKING CORPORATION, as a US Tranche Lender

By:________________________________
Name:
Title:

UMB BANK, n.a., as a US Tranche Lender

By:________________________________
Name:
Title:

TAIWAN BUSINESS BANK, as a US Tranche Lender

By:________________________________
Name:
Title:

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD., NEW YORK BRANCH, as a US Tranche Lender

By:____________________________________
Name:
Title:

TAIPEI FUBON COMMERCIAL BANK CO., LTD., as a US Tranche Lender

By:____________________________________
Name:
Title:

HUA NAN COMMERCIAL BANK, LTD., LOS ANGELES BRANCH, as a US Tranche Lender

By:____________________________________
Name:
Title:

HUA NAN COMMERCIAL BANK, LTD., NEW YORK AGENCY, as a US Tranche Lender

By:____________________________________
Name:
Title:

BANK OF COMMUNICATIONS CO., LTD., NEW YORK BRANCH, as a US Tranche Lender

By:____________________________________
Name:
Title:

CHANG HWA COMMERCIAL BANK, LTD., NEW YORK BRANCH, as a US Tranche Lender

By:____
Name:
Title:

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

By:____
Name:
Title:

GOLDMAN SACHS LENDING PARTNERS LLC, as a US Tranche Lender

By:____
Name:
Title:

ANNEX A

Schedule 6.05A

Identified Sale and Leaseback Transactions

Attached

Exhibit 10.2

EXECUTION COPY

August 2, 2010

To the Buyers and the
Holders Named on the
Signature Pages Hereto

Re: YRC Worldwide Inc. — Second Closing with respect to 6% Convertible Senior Notes due 2014

Ladies and Gentlemen:

Reference is made to that Note Purchase Agreement, dated February 11, 2010 (the "Purchase Agreement"), by and among YRC Worldwide Inc. (the "Company"), the investors listed on the Schedule of Buyers attached as Annex I thereto (the "Buyers"), and the subsidiaries of the Company listed on the Schedule of Guarantors attached as Annex II thereto (the "Guarantors"), relating to the issuance and sale by the Company to the Buyers of up to $70,000,000 in aggregate principal amount of the Company's 6.0% Convertible Senior Notes due 2014 (the "Notes"), that Indenture, dated as of February 23, 2010 (the "Indenture"), by and among the Company, the Guarantors and U.S. Bank National Association, as trustee (the "Trustee"), governing the terms of the Notes, and the Notes that have been issued under the Indenture. Capitalized terms used in this letter agreement (this "Agreement") and not otherwise defined shall have the meanings assigned to them in the Purchase Agreement or the Indenture, as applicable. This Agreement is being entered into among the parties hereto in connection with the Second Closing as contemplated by the Purchase Agreement, which is currently scheduled to occur on or about August 3, 2010.

In consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

AGREEMENTS

Section 1.1 Confirmation of the Second Closing. Each of the Buyers hereby agrees not to raise any objection or otherwise challenge any certifications required to be delivered by the Company or the Guarantors in connection with the Second Closing under Sections 8(h) and 8(i) of the Purchase Agreement, respectively, to the extent such certifications as to fact, do not contain qualifications other than those provided for in the Purchase Agreement or specifically agreed to by the Buyers. In the event that the Company or the Guarantors, as applicable, otherwise satisfies each of the conditions set forth in Section 8 of the Purchase Agreement at or before the Second Closing Date, each of the Buyers confirms that it will purchase the Notes at the Second Closing in accordance with the terms of the Purchase Agreement and will immediately thereafter instruct the Escrow Agent (as defined below) to deliver the balance of the Escrow Property (as defined in the Escrow Agreement (as defined below)) in accordance with Section 1.3(b)(ii) of the Escrow Agreement, dated as of February 23, 2010 (the "Escrow Agreement"), by and among the Company, the Buyers and U.S. Bank National Association, as escrow agent (the "Escrow Agent").

Section 1.2 Temporary Increase in Conversion Rate. Pursuant to Section 10.14 of the Indenture, the Company hereby agrees to temporarily increase the Conversion Rate on the Second Closing Date for a period of 20 days to 100,000 shares of Common Stock per $1,000 in principal amount of Notes (the "Adjusted Conversion Rate") (thereby reducing the Conversion Price to $0.01 per share), and each of the Buyers hereby agrees to convert that aggregate principal amount of Notes that were issued on February 23, 2010 during that period such that each Buyer receives on account of such conversion no more than that number of shares listed opposite such Buyer's name on Annex I hereto such that no more than an aggregate of 59,000,000 shares of Common Stock are issued by the Company pursuant to the Adjusted Conversion Rate (as such shares are adjusted pursuant to the share rounding provisions in Paragraph 8 of the Notes). For the avoidance of doubt, the foregoing limitation shall not include any shares of Common Stock issued to the Buyers or any other Holders of Notes in respect of interest on the Notes that is payable by the Company on August 16, 2010 (in respect of the August 15th interest payment date set forth in the Notes) pursuant to the terms of the Indenture. The parties hereto agree and acknowledge that any conversion of the Notes into shares of Common Stock during the 20-day period in the Adjusted Conversion Price is in effect shall not terminate or otherwise modify in any manner the right of such Holder to receive the accrued and unpaid interest on such Notes on August 16, 2010. Immediately following the 20-day period, the Conversion Rate will revert back to the initial Conversion Rate of 2,325.5814 shares of Common Stock per $1,000 in principal amount of the Notes (thereby reverting back the Conversion Price to the initial Conversion Price of $0.43 per share), subject to the application following the end of such 20-day period to the limitations set forth in Section 10.16 of the Indenture.

Section 1.3 Waiver of Certain Notice Periods. Pursuant to Section 9.02 of the Indenture, the Buyers, as the Holders of more than a majority in aggregate Principal Amount outstanding of the Notes, hereby waive any and all of the notice, filings, mailing or notice period requirements set forth in Sections 10.10 and 10.14 of the Indenture in connection with the Adjusted Conversion Rate. The Company confirms that it will on the Second Closing Date deliver an Officers' Certificate setting forth the Adjusted Conversion Rate and the Conversion Price to the Trustee as contemplated by Section 10.10 of the Indenture and such other statements relating to such other matters in this Agreement and the Supplemental Indenture as are required to be made in an Officers' Certificate under the terms of the Indenture to effect the transactions and agreements contemplated hereby and by the Supplemental Indenture.

Section 1.4 Consent to Amendment to Section 10.16 of the Indenture. Pursuant to Section 9.02 of the Indenture, each Buyer and each Holder hereby consents with respect to all of the Notes owned of record by such Buyer or Holder, as the case may be, to amend Section 10.16 of the Indenture through the execution of a supplemental indenture, in substantially the form attached hereto as Exhibit A, with such changes and modifications as are reasonably required by the Trustee (the "Supplemental Indenture"), to provide that the limitation set forth in Section 10.16 of the Indenture shall not apply on a pro rata basis to otherwise limit the number of shares that can be issued by the Company upon the conversion of the Notes during the period in which the Adjusted Conversion Rate is in effect as contemplated by Section 1.2 of this Agreement. Notwithstanding the foregoing, each of the parties hereto hereby confirms and acknowledges that all of the shares of Common Stock issued by the Company upon conversion of the Notes during the period in which the Adjusted Conversion Rate is in effect will be included in any calculation to determine whether the limitation on the maximum number of shares of Common Stock issuable in respect of the Notes set forth in Section 10.16 is then applicable.

Section 1.5 Waivers of Certain Conditions to Conversion under Section 10.02 of the Indenture and Paragraph 8 of the Notes; Payment of Interest in Respect of Converted Notes. The Company hereby waives the requirement that a Holder comply with any of the conditions set forth in clauses (ii) and (iii) of the second sentence of the first paragraph of Section 10.02 of the Indenture and the

corresponding requirements set forth in paragraph 8 of the Notes prior to the Conversion Date with respect to the Notes to be converted in accordance with this Agreement, and each Holder converting such Notes hereby agrees to use its commercially reasonable efforts to satisfy the requirements of such clauses promptly after the Conversion Date to the extent any such documents are reasonably requested by the Conversion Agent to be delivered to the Conversion Agent. The Company and the Holders participating in the conversion pursuant to the terms of this Agreement hereby agree that (i) the conversion notice to be provided to the Conversion Agent under Section 10.02 of the Indenture and paragraph 8 of the Notes shall be replaced with an annex copying the relevant information as to such conversion contained in the Schedule of Buyers and Holders attached as Annex I hereto, which annex as to each such Holder, setting forth name its name (which shall be the name of the Person to whom shares of Common Stock issued upon such conversion are issued), the principal amount of Notes being surrendered (it being understood that physical delivery of such Notes shall not required as a condition to such conversion), and the amount of shares of Common Stock to be issued pursuant to such conversion, and (ii) the Conversion Date applicable to such conversion shall deemed to be the time at which the Officers' Certificate referred to in Section 1.3 above is delivered to the Trustee and Conversion Agent on the Second Closing Date upon the effectiveness of the Supplemental Indenture. The Company further agrees that the Holders converting their Notes pursuant to the terms of this Agreement shall not be required to make any payments in respect of interest pursuant to Section 10.02 of the Indenture and the penultimate sentence of the second paragraph of paragraph 8 of the Notes to the extent such conversion occurs prior to the next interest payment date for the Notes following the date of this Agreement, and that interest with respect to the period from February 23, 2010 to the scheduled August 15, 2010 interest payment date, shall paid to each such Holder in respect of the principal amount of Notes to be converted on or prior to such interest payment date and shall include all interest such Holder would have been entitled to if such Holder had not converted any portion of such Holder's Notes prior to such interest payment date. The Company hereby acknowledges and agrees that the Conversion Agent has confirmed that the procedures for conversion and the waiver of any payment to be made by a Holder as set forth in this Section 1.5 shall be sufficient for conversion of the principal amount of Notes to be converted in accordance with the terms and conditions of this Agreement, the Indenture and the Notes, each as supplemented hereby, the Supplemental Indenture and any the Officers' Certificate to be delivered as contemplated by the Supplemental Indenture, and the Company further acknowledges that the obligations of the Buyers and the Holders under this Agreement are subject to the concurrent conversion of the Notes into shares of Common Stock in the amounts specified in Annex I hereto as contemplated by this Agreement with the Second Closing.

Section 1.6 Waiver by Holders of Make Whole Premium in Connection with Conversions Pursuant to this Agreement. Each Holder electing to convert all or portion of its Notes pursuant to the terms and conditions of this Agreement hereby waives the obligation of the Company under Section 10.01 of the Indenture and the first paragraph of paragraph 8 of the Notes to issue any shares of Common Stock to such Holder in respect of the Make Whole Premium otherwise owing thereon. This waiver shall only apply to conversions made at the reduced conversion price during the applicable 20-day period in accordance with the terms and conditions of this Agreement.

Section 1.7 Public Disclosure. The Company hereby agrees, upon the earliest of (A) any public disclosure by the Company of the entry into this Agreement or the transactions contemplated hereby, (B) 8:30 a.m., New York City time, on the second Business Day after the date of this Agreement or (C) the public announcement of the Company's financial results for the quarter ended June 30, 2010, to issue a press release (the "Press Release") and file a Current Report on Form 8-K (the "Form 8-K") with the SEC (with the Press Release attached as an exhibit thereto), in each case, in form and substance reasonably acceptable to the Buyers, and disclosing all material terms of the transactions contemplated by this Agreement; *provided*, *however*, that the Press Release shall be issued and the Form 8-K shall be filed with the SEC no later than the effectiveness of the Supplemental Indenture. From and after the issuance of the Press Release and the Form 8-K, the Company confirms that no Buyer or any Holder party hereto

shall be in possession of any material, nonpublic information received from the Company, any of its Subsidiaries or any of its respective officers, directors, employees or agents that is not disclosed in the Press Release and the Form 8-K.

Section 1.8 Delivery of Book-Entry Shares upon Conversion. The Company hereby covenants and agrees to deliver in book-entry form as soon as reasonably practicable following the Second Closing (but, in any event, no later than two (2) Business Days after the Second Closing Date) to each Holder converting a portion of its Notes pursuant to this Agreement the number of shares of Common Stock to be issued upon conversion indicated for such Holder as set forth on Annex I hereto, without any deductions from such share amounts for taxes or any other charges, costs or expenses.

MISCELLANEOUS

Section 2.1 Effect of this Agreement. Except as set forth in this Agreement, the terms of the Purchase Agreement, the Notes, the Indenture and any of the other Transaction Documents shall not be amended or modified in any manner and all of the provisions thereof shall continue in full force and effect. This Agreement is made as a settlement of potential litigation and is entitled to protection from any use or disclosure to any party or person pursuant to Federal Rule of Evidence 408 and any other rule of similar import.

Section 2.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the holders of at least a majority of the aggregate principal amount of the Notes. A Buyer may not assign this Agreement or any rights or obligations hereunder without the prior consent of the Company except that any Buyer may assign some or all of its rights hereunder to an Affiliate of such Buyer without the consent of the Company, in which event such assignee shall be deemed to be a Buyer hereunder with respect to such assigned rights. A Buyer shall not sell, assign or otherwise transfer any of their respective Notes during the period that the Adjusted Conversion Rate is in effect unless such transferee agrees in writing to comply with all of the provisions of this Agreement, including Section 1.2 of this Agreement.

Section 2.3 No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

Section 2.4 Further Assurances. Each party hereto shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

Section 2.5 Severability. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 2.6 Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of

Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

Section 2.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 2.8 Headings. The Section headings herein are inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 2.9 Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Agreement.

<signature pages follow>

IN WITNESS WHEREOF, the Company, each Buyer and each Holder has caused its respective signature page to this Agreement to be duly executed as of the date first written above. By execution of its respective signature page, each Buyer and each Holder, as to all of the Notes owned by it, thereby provides its consent to the amendment to the Indenture as set forth in the Supplemental Indenture attached hereto as Exhibit A, in accordance with Section 9.02 of the Indenture.

COMPANY:

YRC WORLDWIDE INC.

By: ______________________________
Name:
Title:

IN WITNESS WHEREOF, the Company, each Buyer and each Holder has caused its respective signature page to this Agreement to be duly executed as of the date first written above. By execution of its respective signature page, each Buyer and each Holder, as to all of the Notes owned by it, thereby provides its consent to the amendment to the Indenture as set forth in the Supplemental Indenture attached hereto as Exhibit A, in accordance with Section 9.02 of the Indenture.

BUYER AND HOLDER:

ARISTEIA MASTER, L.P.

By: Aristeia Capital, L.L.C., its Investment Manager

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

[Signature Pages to Letter Agreement]

IN WITNESS WHEREOF, the Company, each Buyer and each Holder has caused its respective signature page to this Agreement to be duly executed as of the date first written above. By execution of its respective signature page, each Buyer and each Holder, as to all of the Notes owned by it, thereby provides its consent to the amendment to the Indenture as set forth in the Supplemental Indenture attached hereto as Exhibit A, in accordance with Section 9.02 of the Indenture.

BUYER AND HOLDER:

INVESTCORP SILVERBACK ARBITRAGE MASTER FUND LIMITED

By: Silverback Asset Management, LLC, its Investment Manager

By: ______________________________
Name:
Title:

BUYER AND HOLDER:

INVESTCORP SILVERBACK OPPORTUNISTIC CONVERTIBLE MASTER FUND LIMITED

By: Silverback Asset Management, LLC, its Investment Manager

By: ______________________________
Name:
Title:

IN WITNESS WHEREOF, the Company, each Buyer and each Holder has caused its respective signature page to this Agreement to be duly executed as of the date first written above. By execution of its respective signature page, each Buyer and each Holder, as to all of the Notes owned by it, thereby provides its consent to the amendment to the Indenture as set forth in the Supplemental Indenture attached hereto as Exhibit A, in accordance with Section 9.02 of the Indenture.

BUYER AND HOLDER:

ALDEN GLOBAL DISTRESSED OPPORTUNITIES FUND, L.P.

By: Alden Global Distressed Opportunities Fund GP, LLC, its General Partner

By: _____________________________________
Name:
Title:

HOLDER:

NEWFINANCE ALDEN SPV

By: Alden Global Capital, a division of Smith Management LLC, its Trading Advisor

By: _____________________________________
Name:
Title:

[Signature Pages to Letter Agreement]

Exhibit A

Form of Supplemental Indenture
(to be attached).

Exhibit 10.3

Execution Version

CONSENT AND AMENDMENT 5 TO CONTRIBUTION DEFERRAL AGREEMENT

This Consent and Amendment 5 to the Contribution Deferral Agreement (this "Amendment 5") is entered into as of August 3, 2010, by and among (i) YRC INC., a Delaware corporation ("YRC"), USF HOLLAND, INC., a Michigan corporation ("Holland"), NEW PENN MOTOR EXPRESS INC., a Pennsylvania corporation ("New Penn"), USF REDDAWAY INC., an Oregon corporation ("Reddaway") (each of YRC, Holland, New Penn and Reddaway a "Primary Obligor", and collectively, the "Primary Obligors"); (ii) each of the Guarantors a party hereto (the "Guarantors"); (iii) Wilmington Trust Company, as agent (together with its successors and assigns, in such capacity, the "Agent"); and (iv) each of the Funds party hereto. The Primary Obligors, the Guarantors, the Funds, and the Agent are herein individually referred to as a "Party" and together referred to as the "Parties."

RECITALS

WHEREAS, the Primary Obligors and certain of their employees who are represented by the International Brotherhood of Teamsters (the "Teamsters") have previously entered into the 2008-2013 National Master Freight Agreement and its Supplements and other collective bargaining agreements with individual Local Unions affiliated with the Teamsters (as amended, modified and supplemented from time to time, excluding any amendment or modification thereto entered into on or after June 30, 2009, the "CBA"), which, among other things, provides that the Primary Obligors will generally make certain contributions to the Funds (as defined below) based on hours worked or compensation received by covered employees;

WHEREAS, the Primary Obligors, CS Pension Fund and the Agent entered into that certain Contribution Deferral Agreement dated as of June 17, 2009 (as further amended, modified or supplemented from time to time, the "Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Agreement), pursuant to which such Parties agreed that the obligations to make certain contributions otherwise due to the CS Pension Fund from the Primary Obligors would be deferred;

WHEREAS, certain joinders to the Agreement were entered into on July 6, 2009, July 10, 2009, July 14, 2009, August 13, 2009 and other joinders may be entered into from time to time by and among certain other pension funds, the Primary Obligors and the Agent, pursuant to which such Persons also agreed that the obligation to make certain contributions otherwise due to the Funds party thereto from the Primary Obligors would be deferred; and

WHEREAS, the Obligors and the undersigned Funds, constituting Majority Funds, each desire to enter into this Amendment 5, among other things, to amend the Agreement;

WHEREAS, the Obligors and certain Affiliates of the Obligors entered into that certain Amendment No. 18 ("Amendment No. 18"), dated as of July 28, 2010, by and among YRC Worldwide Inc., the Canadian Borrower (as defined therein), the UK Borrower (as defined therein), the financial institutions listed on the signature pages thereof and JPMorgan Chase Bank, National Association, as Administrative Agent.

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the parties hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

1. Amendments.

1.1 Definitions.

(a) Section 1.01 of the Agreement is hereby amended by inserting the following new definitions in proper alphabetical order:

"Amendment 5 Effective Date" means August 4, 2010.

(b) The defined term "Liquidity" set forth in Section 1.01 of the Agreement is amended and restated as follows:

""Liquidity Amount" shall have the meaning set forth in the Senior Credit Facility as of the Amendment 5 Effective Date after giving effect to Amendment No. 18 to the Senior Credit Facility and Amendment 5 itself."

ARTICLE II

2. Conditions Precedent.

2.1 Effective Date. This Amendment 5 shall not become effective until the date on which each of the following conditions is satisfied (or waived):

(a) The Obligors, the Funds and the Agent shall have executed a counterpart of this Amendment 5, which may include telecopy or other electronic transmission of a signed signature page of this Amendment 5.

(b) The Agent and CS Pension Fund shall have received payment for all invoiced reasonable out-of-pocket expenses payable by the Primary Obligors under Section 11.01 of the Agreement.

ARTICLE III

3. Miscellaneous.

3.1 Agent. Pursuant to Section 11.04 of the Agreement, the undersigned Funds, constituting Majority Funds, hereby authorize and direct the Agent to execute, enter into and perform this Amendment 5.

3.2 Successors and Assigns. This Amendment 5 and all of the covenants and agreements contained herein and rights, interests or obligations hereunder,

by or on behalf of any of the Parties hereto, shall bind and inure to the benefit of the respective successors and assigns of the Parties hereto whether so expressed or not.

3.3 Counterparts. This Amendment 5 may be executed simultaneously in counterparts (including by means of telecopied or PDF signature pages), any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same Amendment 5.

3.4 Descriptive Headings; Interpretation. The headings and captions used in this Amendment 5 are for reference purposes only and shall not affect in any way the meaning or interpretation of this Amendment 5.

3.5 Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Amendment 5 shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. In furtherance of the foregoing, the internal law of the State of New York shall control the interpretation and construction of this Amendment 5 (and all schedules and exhibits hereto), even though under that jurisdiction’s choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

3.6 No Strict Construction. The Parties have participated jointly in the negotiation and drafting of this Amendment 5. In the event an ambiguity or question of intent or interpretation arises, this Amendment 5 shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Amendment 5.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment 5 to be duly executed by their respective authorized officers as of the day and year first above written.

YRC INC., as an Obligor

By ______________________
Name: Phil J. Gaines
Title: Senior Vice President - CFO

USF HOLLAND, INC., as an Obligor

By ______________________
Name: Dan L. Olivier
Title: Vice President - Finance

NEW PENN MOTOR EXPRESS, INC., as an Obligor

By ______________________
Name: Paul F. Liljegren
Title: Vice President - Finance

USF REDDAWAY INC., as an Obligor

By ______________________
Name: Tom Palmer
Title: Vice President Finance-CFO

YRC LOGISTICS SERVICES, INC., as a Guarantor

By ______________________
Name: Brenda Stasiulis
Title: Vice President - Finance

USF GLEN MOORE, INC., as a Guarantor

By ______________________
Name: Phil J. Gaines
Title: Senior Vice President - Finance

TRANSCONTINENTAL LEASE, S. DE R.L. DE C.V., as a Guarantor

By ______________________
Name: Fortino Landeros Ruiz
Title: Legal Representative

TRUSTEES for the CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND, as a Fund

By ______________________
Name:
Title:

INTERNATIONAL ASSOCIATION OF MACHINISTS MOTOR CITY PENSION FUND, as a Fund

By ______________________
Name:
Title:

WESTERN CONFERENCE OF
TEAMSTERS PENSION TRUST, as a Fund

By ____________________
Name:
Title:

TEAMSTERS LOCAL 617 PENSION FUND,
as a Fund

By ____________________
Name:
Title:

LOCAL 705 INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
PENSION FUND, as a Fund

By ____________________
Name:
Title:

WESTERN CONFERENCE OF
TEAMSTERS SUPPLEMENTAL BENEFIT
TRUST FUND, as a Fund

By ____________________
Name:
Title:

SUBURBAN TEAMSTERS OF NO. IL. PENSION FUND, as a Fund

By ____________________

Name:
Title:

ROAD CARRIERS LOCAL 707 PENSION FUND, as a Fund

By ____________________

Name:
Title:

SOUTHWESTERN PENNSYLVANIA AND WESTERN MARYLAND TEAMSTERS & EMPLOYERS PENSION FUND, as a Fund

By ____________________

Name:
Title:

HAGERSTOWN MOTOR CARRIERS AND TEAMSTERS PENSION PLAN, as a Fund

By ____________________

Name:
Title:

TEAMSTERS LOCAL 445 PENSION FUND, as a Fund

By ____________________

Name:
Title:

I.B. of T. UNION LOCAL NO. 710 PENSION FUND, as a Fund

By ____________________
Name:
Title:

NEW ENGLAND TEAMSTERS & TRUCKING INDUSTRY PENSION FUND, as a Fund

By ____________________
Name:
Title:

TEAMSTERS JC 83 PENSION FUND, as a Fund

By ____________________
Name:
Title:

MANAGEMENT LABOR WELFARE & PENSION FUNDS LOCAL 1730, I.L.A. , as a Fund

By ____________________
Name:
Title:

TEAMSTERS LOCAL 639 EMPLOYER’S PENSION TRUST, as a Fund

By ______________________
Name:
Title:

CENTRAL PENNSYLVANIA TEAMSTERS PENSION FUND, as a Fund

By ______________________
Name:
Title:

TEAMSTERS LOCAL 641 PENSION FUND, as a Fund

By ______________________
Name:
Title:

TEAMSTERS PENSION TRUST FUND OF PHILADELPHIA AND VICINITY, as a Fund

By ______________________
Name:
Title:

FREIGHT DRIVERS AND HELPERS LOCAL 557 PENSION FUND, as a Fund

By ______________________
Name:
Title:

MID-JERSEY TRUCKING IND. &
TEAMSTERS LOCAL 701 PENSION FUND,
as a Fund

By ____________________
Name:
Title:

TRUCKING EMPLOYEES OF NORTH
JERSEY WELFARE FUND INC. - PENSION
FUND, as a Fund

By ____________________
Name:
Title:

HAWAII TRUCKERS-TEAMSTERS
UNION PENSION FUND, as a Fund a

By ____________________
Name:
Title:

NEW YORK STATE TEAMSTERS
CONFERENCE PENSION AND
RETIREMENT FUND, as a Fund

By ____________________
Name:
Title:

EMPLOYER-TEAMSTERS LOCAL NOS. 175/505 PENSION TRUST FUND, as a Fund

By ___________________
Name:
Title:

WESTERN PENNSYLVANIA TEAMSTERS AND EMPLOYERS PENSION FUND, as a Fund

By ___________________
Name:
Title:

WILMINGTON TRUST COMPANY, as Agent

By ___________________
Name:
Title:

Exhibit A

Amendment No. 18 to Senior Credit Facility

(see attached)

Execution Version

CONSENT AND AMENDMENT 6 TO CONTRIBUTION DEFERRAL AGREEMENT

This Consent and Amendment 6 to the Contribution Deferral Agreement (this "Amendment 6") is entered into as of August ___, 2010, by and among (i) YRC INC., a Delaware corporation ("YRC"), USF HOLLAND, INC., a Michigan corporation ("Holland"), NEW PENN MOTOR EXPRESS INC., a Pennsylvania corporation ("New Penn"), USF REDDAWAY INC., an Oregon corporation ("Reddaway") (each of YRC, Holland, New Penn and Reddaway a "Primary Obligor", and collectively, the "Primary Obligors"); (ii) each of the Guarantors a party hereto (the "Guarantors"); (iii) Wilmington Trust Company, as agent (together with its successors and assigns, in such capacity, the "Agent"); and (iv) each of the Funds party hereto. The Primary Obligors, the Guarantors, the Funds, and the Agent are herein individually referred to as a "Party" and together referred to as the "Parties."

RECITALS

WHEREAS, the Primary Obligors and certain of their employees who are represented by the International Brotherhood of Teamsters (the "Teamsters") have previously entered into the 2008-2013 National Master Freight Agreement and its Supplements and other collective bargaining agreements with individual Local Unions affiliated with the Teamsters (as amended, modified and supplemented from time to time, excluding any amendment or modification thereto entered into on or after June 30, 2009, the "CBA"), which, among other things, provides that the Primary Obligors will generally make certain contributions to the Funds (as defined below) based on hours worked or compensation received by covered employees;

WHEREAS, the Primary Obligors, CS Pension Fund and the Agent entered into that certain Contribution Deferral Agreement dated as of June 17, 2009 (as further amended, modified or supplemented from time to time, the "Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Agreement), pursuant to which such Parties agreed that the obligations to make certain contributions otherwise due to the CS Pension Fund from the Primary Obligors would be deferred;

WHEREAS, certain joinders to the Agreement were entered into on July 6, 2009, July 10, 2009, July 14, 2009, August 13, 2009 and other joinders may be entered into from time to time by and among certain other pension funds, the Primary Obligors and the Agent, pursuant to which such Persons also agreed that the obligation to make certain contributions otherwise due to the Funds party thereto from the Primary Obligors would be deferred; and

WHEREAS, the Obligors and the undersigned Funds, constituting all of the Funds party to the Agreement, each desire to enter into this Amendment 6, among other things, to amend the Agreement and to consent to certain amendments to the Senior Credit Facility;

WHEREAS, the Obligors and certain Affiliates of the Obligors entered into that certain Amendment No. 18 ("Amendment No. 18"), dated as of July 28, 2010, by and among YRC Worldwide Inc., the Canadian Borrower (as defined therein), the UK Borrower (as defined therein), the financial institutions listed on the signature pages thereof and JPMorgan Chase Bank, National Association, as Administrative Agent.

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the parties hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

4. Consent.

4.1 The undersigned Funds, constituting all of the Funds party to the Agreement, hereby (i) consent to the amendment of the Senior Credit Facility as set forth in Amendment No. 18, in the form attached hereto as Exhibit A, and (ii) agree that (x) the Funds shall not be entitled to any additional payment as a result of the Company and its subsidiaries complying with of the terms of the Senior Credit Facility (as amended through (but not beyond) Amendment No. 18) and (y) no Deferred Payment Termination Date shall result from (a) the Obligors and their Affiliates making mandatory prepayments, or any other incremental payment expressly required (including, after giving effect to this Amendment 6) pursuant to the Senior Credit Facility (as amended through (but not beyond) Amendment No. 18) or (b) any commitment reductions under the Senior Credit Facility imposed pursuant to the terms of Amendment No. 18, in each case without making a corresponding proportional additional payment to the Funds in respect of the Deferred Pension Obligations at the time that the Obligors make such additional mandatory prepayments, other incremental payments or commitment reductions under the Senior Credit Facility (as amended through (but not beyond) Amendment No. 18).

ARTICLE II

5. Amendments.

5.1 Definitions.

(a) Section 1.01 of the Agreement is hereby amended by inserting the following new definitions in proper alphabetical order:

"Amendment 6 Effective Date" means August 10, 2010.

(b) The defined term "Deferred Payment Termination Date" set forth in Section 1.01 of the Agreement is amended and restated as follows:

""Deferred Payment Termination Date" means the earliest of the occurrence of (i) December 31, 2010 (unless prior to such date the Supermajority Funds have agreed to continue deferring the Monthly Amortization Payments and Monthly Interest Payments during the 2011 calendar year), (ii) any Deferral Termination Event, (iii) an Event of Default described in clauses (e), (f) or (g) of Article VIII herein, (iv) the occurrence of an Event of Default (other than as described in the foregoing clause (ii)) which continues without being either cured or waived in

accordance with the terms hereof within five (5) Business Days after a Financial Officer has actual knowledge of such occurrence, and (v) the amendment, modification, supplementation or alteration of the Senior Credit Facility after the Amendment 2 Effective Date which imposes any mandatory prepayment, commitment reduction, additional interest or fee or any other incremental payment to the Lenders (as defined in the Senior Credit Facility) not required as of the Amendment 6 Effective Date unless the Funds receive a proportionate additional payment in respect of the Deferred Pension Obligations at the time that the Obligors are required to make an additional payment to the lenders under the Senior Credit Facility pursuant to the terms of such amendment, modification, supplementation or alteration (unless prior to such date the Supermajority Funds have agreed to (x) waive any such proportionate additional payments and (y) continue deferring Monthly Amortization Payments and Monthly Interest Payments as otherwise required pursuant to this clause (v)); provided, that, for the avoidance of doubt, granting of consent by the lenders under the Senior Credit Facility to permit an asset sale shall not by itself trigger this clause (v)."

ARTICLE III

6. Conditions Precedent.

6.1 Effective Date. This Amendment 6 shall not become effective until the date on which each of the following conditions is satisfied (or waived):

(a) The Obligors, the Funds and the Agent shall have executed a counterpart of this Amendment 6, which may include telecopy or other electronic transmission of a signed signature page of this Amendment 6.

(b) The Agent and CS Pension Fund shall have received payment for all invoiced reasonable out-of-pocket expenses payable by the Primary Obligors under Section 11.01 of the Agreement.

(c) Amendment No. 18 shall have gone effective and be in full force and effect.

ARTICLE IV

7. Miscellaneous.

7.1 Representation. The Primary Obligors represent and warrant as of the date hereof that no mandatory prepayment, commitment reduction, additional interest or fee or any other incremental payment has been made to the Lenders (as defined in the Senior Credit Facility) after the Amendment 2 Effective Date that would have required a

proportionate additional payment in respect of the Deferred Pension Obligations prior to giving effect to this Amendment 6 and Amendment No. 18 to the Senior Credit Facility.

7.2 Agent. Pursuant to Section 11.04 of the Agreement, the undersigned Funds, constituting all of the Funds party to the Agreement, hereby authorize and direct the Agent to execute, enter into and perform this Amendment 6.

7.3 Successors and Assigns. This Amendment 6 and all of the covenants and agreements contained herein and rights, interests or obligations hereunder, by or on behalf of any of the Parties hereto, shall bind and inure to the benefit of the respective successors and assigns of the Parties hereto whether so expressed or not.

7.4 Counterparts. This Amendment 6 may be executed simultaneously in counterparts (including by means of telecopied or PDF signature pages), any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same Amendment 6.

7.5 Descriptive Headings; Interpretation. The headings and captions used in this Amendment 6 are for reference purposes only and shall not affect in any way the meaning or interpretation of this Amendment 6.

7.6 Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Amendment 6 shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. In furtherance of the foregoing, the internal law of the State of New York shall control the interpretation and construction of this Amendment 6 (and all schedules and exhibits hereto), even though under that jurisdiction’s choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

7.7 No Strict Construction. The Parties have participated jointly in the negotiation and drafting of this Amendment 6. In the event an ambiguity or question of intent or interpretation arises, this Amendment 6 shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Amendment 6.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment 6 to be duly executed by their respective authorized officers as of the day and year first above written.

YRC INC., as an Obligor

By ______________________
Name: Phil J. Gaines
Title: Senior Vice President - CFO

USF HOLLAND, INC., as an Obligor

By ______________________
Name: Dan L. Olivier
Title: Vice President - Finance

NEW PENN MOTOR EXPRESS, INC., as an Obligor

By ______________________
Name: Paul F. Liljegren
Title: Vice President - Finance

USF REDDAWAY INC., as an Obligor

By ______________________
Name: Tom Palmer
Title: Vice President Finance - CFO

YRC LOGISTICS SERVICES, INC., as a Guarantor

By ____________________
Name: Brenda Stasiulis
Title: Vice President - Finance

USF GLEN MOORE, INC., as a Guarantor

By ____________________
Name: Phil J. Gaines
Title: Senior Vice President - Finance

TRANSCONTINENTAL LEASE, S. DE R.L. DE C.V., as a Guarantor

By ____________________
Name: Fortino Landeros Ruiz
Title: Legal Representative

TRUSTEES for the CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND, as a Fund

By ____________________
Name:
Title:

INTERNATIONAL ASSOCIATION OF MACHINISTS MOTOR CITY PENSION FUND, as a Fund

By ____________________
Name:
Title:

WESTERN CONFERENCE OF TEAMSTERS PENSION TRUST, as a Fund

By ____________________
Name:
Title:

TEAMSTERS LOCAL 617 PENSION FUND, as a Fund

By ____________________
Name:
Title:

LOCAL 705 INTERNATIONAL BROTHERHOOD OF TEAMSTERS PENSION FUND, as a Fund

By ____________________
Name:
Title:

WESTERN CONFERENCE OF TEAMSTERS SUPPLEMENTAL BENEFIT TRUST FUND, as a Fund

By ____________________
Name:
Title:

SUBURBAN TEAMSTERS OF NO. IL. PENSION FUND, as a Fund

By ____________________
Name:
Title:

ROAD CARRIERS LOCAL 707 PENSION FUND, as a Fund

By ____________________
Name:
Title:

SOUTHWESTERN PENNSYLVANIA AND WESTERN MARYLAND TEAMSTERS & EMPLOYERS PENSION FUND, as a Fund

By ____________________
Name:
Title:

HAGERSTOWN MOTOR CARRIERS AND TEAMSTERS PENSION PLAN, as a Fund

By ____________________
Name:
Title:

TEAMSTERS LOCAL 445 PENSION FUND, as a Fund

By ____________________
Name:
Title:

I.B. of T. UNION LOCAL NO. 710 PENSION FUND, as a Fund

By ____________________
Name:
Title:

NEW ENGLAND TEAMSTERS & TRUCKING INDUSTRY PENSION FUND, as a Fund

By ______________________
Name:
Title:

TEAMSTERS JC 83 PENSION FUND, as a Fund

By ______________________
Name:
Title:

MANAGEMENT LABOR WELFARE & PENSION FUNDS LOCAL 1730, I.L.A., as a Fund

By ______________________
Name:
Title:

TEAMSTERS LOCAL 639 EMPLOYER’S PENSION TRUST, as a Fund

By ______________________
Name:
Title:

CENTRAL PENNSYLVANIA TEAMSTERS PENSION FUND, as a Fund

By ____________________
Name:
Title:

TEAMSTERS LOCAL 641 PENSION FUND, as a Fund

By ____________________
Name:
Title:

TEAMSTERS PENSION TRUST FUND OF PHILADELPHIA AND VICINITY, as a Fund

By ____________________
Name:
Title:

FREIGHT DRIVERS AND HELPERS LOCAL 557 PENSION FUND, as a Fund

By ____________________
Name:
Title:

MID-JERSEY TRUCKING IND. & TEAMSTERS LOCAL 701 PENSION FUND, as a Fund

By ____________________
Name:
Title:

TRUCKING EMPLOYEES OF NORTH JERSEY WELFARE FUND INC. - PENSION FUND, as a Fund

By ___________________
Name:
Title:

HAWAII TRUCKERS-TEAMSTERS UNION PENSION FUND, as a Fund a

By ___________________
Name:
Title:

NEW YORK STATE TEAMSTERS CONFERENCE PENSION AND RETIREMENT FUND, as a Fund

By ___________________
Name:
Title:

EMPLOYER-TEAMSTERS LOCAL NOS. 175/505 PENSION TRUST FUND, as a Fund

By ___________________
Name:
Title:

WESTERN PENNSYLVANIA TEAMSTERS AND EMPLOYERS PENSION FUND, as a Fund

By ______________________
Name:
Title:

WILMINGTON TRUST COMPANY, as Agent

By ______________________
Name:
Title:

Exhibit A

Amendment No. 18 to Senior Credit Facility

(see attached)

Exhibit 10.5

[LETTERHEAD OF YRC WORLDWIDE INC.]

September 28, 2010

William D. Zollars
10990 Roe Avenue
Overland Park, KS 66211

Re: Retirement Announcement

Dear Bill:

Pursuant to conversations between you and the Board of Directors of YRC Worldwide Inc. ("Board"), we are confirming our agreement as to your intention to retire from YRC Worldwide Inc. (the "Company") on a date to be determined as described below, occurring upon the Company's successful completion of a comprehensive recovery plan and appointment of a successor Chief Executive Officer ("CEO"). You and the Board have agreed that, until such time, you will retain your current positions with the Company. The purpose of this letter ("Agreement") is to confirm our understanding with respect to your retirement.

All of your existing agreements with the Company will continue in effect in accordance with their terms. Your existing agreements include (without limitation) your Employment Agreement dated as of January 25, 2006, as amended (the "Employment Agreement"), Executive Severance Agreement dated December 30, 2008 (the "Severance Agreement"), and Indemnification Agreement dated March 9, 2007 (all such agreements collectively, the "Existing Agreements"). All incentive and benefit programs, practices and other agreements of the Company in which you are a participant or a party are referred to collectively, together with your Employment Agreement, as the "Plans and Agreements." For the avoidance of doubt, neither this Agreement nor any other action by you prior to the date of this Agreement shall constitute a notice by you of a non-renewal of the Term under Section 1 of your Employment Agreement or a 90-day prior written notice by you of your termination of employment under Section 6(e) of your Employment Agreement. You and the Company each waive the 90-day notice of termination under your Employment Agreement for your retirement subject to the paragraph immediately below.

The Board will advise you when the Company's comprehensive recovery plan has been completed and a successor CEO has been appointed. Your retirement will be effective not less than 10 days thereafter, but in all events not earlier than December 31, 2010. In the unlikely event that the Company appoints a successor CEO before December 31, 2010 (and not in connection with a termination of your employment for Cause, as defined in your Employment Agreement), you will be deemed to have retired on December 31, 2010 for all purposes, and you will be entitled to all benefits due you upon such retirement, under your Employment Agreement and the Plans and Agreements, as described below.

Upon your retirement as provided above, you will be entitled to all benefits payable to you under the Plans and Agreements, except that you have agreed to waive certain benefits that you may otherwise be eligible to receive, as described in this paragraph below. You have agreed

that you will not receive any severance pay under Section 8(e)(ii) through Section 8(e)(v) (except as applies pursuant to a Change in Control) of your Employment Agreement (or under any Company severance plan) as a result of your retirement.

The benefits payable to you under the Plans and Agreements include, without limitation, the supplemental retirement benefit under Section 4(h) of your Employment Agreement. In accordance with your Employment Agreement and the provisions above, your supplemental retirement benefit thereunder will be calculated based on a discount rate equal to the Moody's Corporate Bond Rate, as in effect on the date the supplemental retirement benefit is paid to you, if you remain employed with the Company through December 31, 2010 or if, prior to December 31, 2010, you retire upon the appointment of a successor CEO as provided above, or one of the events described in Section 4(h)(i)(3) of the Employment Agreement occurs. The supplemental retirement benefit will be paid to you in accordance with Section 4(h)(ii) of the Employment Agreement within 30 days following the six month anniversary of your date of termination (provided such termination is also a "separation from service" under Section 409A of the Internal Revenue Code), except as otherwise provided in the Employment Agreement and Severance Agreement upon a Change of Control.

You will be entitled to benefits under the Company's benefit plans according to the applicable terms of such benefit plans as in effect from time to time. The treatment of your outstanding equity grants will be governed by the terms of the applicable grant agreements, the Employment Agreement and the Severance Agreement.

The Company will pay your attorney's fees incurred in connection with the discussions preceding, and the review, preparation and execution of this Agreement, up to a maximum of $15,000.

Please acknowledge your agreement to the terms of this letter agreement by signing a copy of this letter agreement where indicated and returning it to Dan Churay.

Sincerely,

YRC Worldwide Inc.

By: /s/ John Lamar
John Lamar, Lead Director

ACCEPTED AND AGREED:

/s/ William D. Zollars
William D. Zollars

September 28, 2010
Date

Exhibit 31.1

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

I, 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: November 9, 2010

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

Exhibit 31.2

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

I, Sheila K. Taylor, 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: November 9, 2010

/s/ Sheila K. Taylor
Sheila K. Taylor
Executive Vice President &
Chief Financial Officer

Exhibit 32.1

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

In connection with the quarterly report of YRC Worldwide Inc. on Form 10-Q for the period ended September 30, 2010, as filed with the Securities and Exchange Commission of the date hereof (the “Report”), I, William D. Zollars, President and 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: November 9, 2010

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

Exhibit 32.2

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

In connection with the quarterly report of YRC Worldwide Inc. on Form 10-Q for the period ended September 30, 2010, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Sheila K. Taylor, Executive Vice President & 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: November 9, 2010

/s/ Sheila K. Taylor
Sheila K. Taylor
Executive Vice President &
Chief Financial Officer