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

Form 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 27, 2016

YRC Worldwide Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-12255
(Commission
File Number)

48-0948788
(IRS Employer
Identification No.)

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

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

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

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

On October 27, 2016, YRC Worldwide Inc. announced its results of operations and financial condition for the three months ended September 30, 2016. A copy of the press release announcing the results of operations and financial condition is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

Presentation slides to be referenced during the October 27, 2016 earnings call are attached hereto as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated October 27, 2016
99.2	Presentation Slides for the October 27, 2016 Earnings Call

SIGNATURES

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

YRC WORLDWIDE INC.

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

Date: October 27, 2016



YRC Worldwide Reports Third Quarter 2016 Results

Results include Operating Income of \$38.8 million and Adjusted EBITDA of \$85.5 million

OVERLAND PARK, Kan., October 27, 2016 — YRC Worldwide Inc. (NASDAQ: YRCW) reported consolidated operating revenue for third quarter 2016 of \$1.221 billion and consolidated operating income of \$38.8 million, which included a \$0.2 million loss on property disposals. As a comparison, the Company reported consolidated operating revenue of \$1.245 billion for the third quarter 2015 and consolidated operating income of \$47.7 million, which included a \$0.9 million loss on property disposals.

Financial Highlights

- On a non-GAAP basis, the Company generated Adjusted EBITDA of \$85.5 million in third quarter 2016 for a consolidated Adjusted EBITDA margin of 7.0% and a \$13.6 million decrease compared to the \$99.1 million of Adjusted EBITDA reported in the prior year comparable quarter (as detailed in the reconciliation below).
- Last twelve month (LTM) Adjusted EBITDA is \$305.8 million for a consolidated Adjusted EBITDA margin of 6.5%, and a decrease of \$38.5 million from the \$344.3 million of LTM Adjusted EBITDA in third quarter 2015.
- The total debt-to-Adjusted EBITDA ratio for third quarter 2016 was 3.45 times compared to 3.15 times for third quarter 2015. This complies with the 3.75 maximum total leverage ratio covenant as of September 30, 2016 under the Company's term loan credit agreement.
- Reinvestment in the business continued during third quarter 2016 with \$28.1 million in capital expenditures and new operating leases for revenue equipment with a capital value equivalent of \$44.1 million. The total of \$72.2 million is equal to 5.9% of operating revenue for the quarter and represents a \$10.1 million increase over the \$62.1 million in third quarter 2015. Tractors, trailers and technology were the primary investments during the quarter.

Operational Highlights

- The consolidated operating ratio for third quarter 2016 was 96.8 compared to 96.2 for the same period in 2015. YRC Freight improved its reported operating ratio by 60 basis points to 97.3. The improvement at YRC Freight was more than offset by a decline of 250 basis points at the Regional segment with a reported operating ratio of 95.1 for third quarter 2016.
- Third quarter 2016 tonnage per day decreased 1.3% at YRC Freight and 1.5% at the Regional segment compared to third quarter 2015.
- At YRC Freight, excluding fuel surcharge, third quarter 2016 revenue per shipment increased 1.3% and revenue per hundredweight increased by 0.3% when compared to the same period in 2015. Including fuel surcharge, revenue per shipment decreased 0.4% and revenue per hundredweight decreased by 1.4%.

- At the Regional segment, excluding fuel surcharge, third quarter 2016 revenue per shipment increased 0.3% and revenue per hundredweight increased by 1.5% compared to the third quarter 2015. Including fuel surcharge, revenue per shipment decreased 0.9% and revenue per hundredweight increased 0.3%.
- Third quarter 2016 liability claims expense and workers compensation expense were comparable to third quarter 2015.

Liquidity Update

- At September 30, 2016, the company had cash, cash equivalents and Managed Accessibility (as defined in the company's most recently filed periodic reports on Forms 10-K and 10-Q) under its ABL facility totaling \$290.1 million, an increase of \$45.3 million compared to \$244.8 million as of September 30, 2015.
- For the nine months ended September 30, 2016, cash provided by operating activities was \$86.0 million compared to \$91.5 million for the nine months ended September 30, 2015.

“Our third quarter 2016 financial results were impacted by the soft industrial backdrop and lower fuel surcharge revenue compared to a year ago,” said James Welch, chief executive officer at YRC Worldwide. “Year-over-year tonnage per day was down during the quarter although it was the smallest decline at YRC Freight and the Regional segment in several quarters. We continue to believe pricing discipline in the LTL sector remains steady despite the near-term headwinds,” stated Welch.

“We are managing through the current state of the economy by continuing to invest in technology and revenue equipment while focusing on actions that position our Company well for the long-term such as customer service and enhancing safety,” Welch continued. “We recently opened a new terminal in the Atlanta region, adding to our extensive networks. The new YRC Freight facility has strengthened our customer service in the Southeast Region. Following the recent installations of the in-cab safety technology, we are seeing a reduction in the type of accidents at YRC Freight, Holland, Reddaway and New Penn that these investments were designed to prevent. Other significant technology investments that we are making include driver handheld units and Optym load plan and Quintiq route optimization solutions. We plan to continue making disciplined and strategic investments to meet our commitment to be best in class in safety and customer service.

“We believe the investments that we are making in the Company combined with our highly-experienced employees, comprehensive North American coverage and tremendous asset base position us well for a stronger freight environment,” concluded Welch.

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

YRC Freight	2016	2015	Percent Change
Workdays	64.0	64.0	
Operating revenue (in millions)	\$777.9	\$789.2	(1.4)%
Operating income (in millions)	\$ 20.8	\$ 16.7	24.6%
Operating ratio	97.3	97.9	0.6pp
Total tonnage per day (in thousands)	25.31	25.64	(1.3)%
Total shipments per day (in thousands)	41.84	42.82	(2.3)%
Total picked up revenue per hundredweight incl FSC	\$23.57	\$23.90	(1.4)%
Total picked up revenue per hundredweight excl FSC	\$21.31	\$21.24	0.3%
Total picked up revenue per shipment incl FSC	\$ 285	\$ 286	(0.4)%
Total picked up revenue per shipment excl FSC	\$ 258	\$ 254	1.3%
Total weight/shipment (in pounds)	1,210	1,198	1.0%

Regional Transportation	2016	2015	Percent Change
Workdays	63.0	64.0	
Operating revenue (in millions)	\$443.7	\$455.7	(2.6)%
Operating income (in millions)	\$ 21.9	\$ 33.6	(34.8)%
Operating ratio	95.1	92.6	(2.5)pp
Total tonnage per day (in thousands)	30.38	30.85	(1.5)%
Total shipments per day (in thousands)	41.62	41.76	(0.3)%
Total picked up revenue per hundredweight incl FSC	\$11.58	\$11.55	0.3%
Total picked up revenue per hundredweight excl FSC	\$10.48	\$10.32	1.5%
Total picked up revenue per shipment incl FSC	\$ 169	\$ 171	(0.9)%
Total picked up revenue per shipment excl FSC	\$ 153	\$ 153	0.3%
Total weight/shipment (in pounds)	1,460	1,478	(1.2)%

Review of Financial Results

YRC Worldwide Inc. will host a conference call with the investment community today, Thursday, October 27, 2016, beginning at 4:30 p.m. ET, 3:30 p.m. CT.

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

Non-GAAP Financial Measures

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

EBITDA and Adjusted EBITDA have the following limitations:

- EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or fund principal payments on our outstanding debt;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to fund restructuring professional fees, nonrecurring consulting fees, letter of credit fees, service interest or principal payments on our outstanding debt or fund our lump sum payments to our IBT employees required under the ratified Memorandum of Understanding;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements;

- Equity-based compensation is an element of our long-term incentive compensation program, although Adjusted EBITDA excludes certain employee equity-based compensation expense when presenting our ongoing operating performance for a particular period;
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

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

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Forward-Looking Statements

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

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About YRC Worldwide

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

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

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SOURCE: YRC Worldwide

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

	September 30, 2016 (Unaudited)	December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 276.4	\$ 173.8
Restricted amounts held in escrow	43.0	58.8
Accounts receivable, net	477.8	427.4
Prepaid expenses and other	75.3	74.4
Total current assets	<u>872.5</u>	<u>734.4</u>
PROPERTY AND EQUIPMENT:		
Cost	2,815.7	2,822.8
Less - accumulated depreciation	(1,927.9)	(1,885.5)
Net property and equipment	<u>887.8</u>	<u>937.3</u>
Intangibles, net	30.7	40.4
Restricted amounts held in escrow	—	63.4
Deferred income taxes, net	23.0	23.0
Other assets	56.6	80.9
Total assets	<u>\$ 1,870.6</u>	<u>\$ 1,879.4</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 163.9	\$ 161.1
Wages, vacations, and employee benefits	203.6	195.1
Deferred income taxes, net	23.0	23.0
Other current and accrued liabilities	175.3	178.4
Current maturities of long-term debt	16.6	15.9
Total current liabilities	<u>582.4</u>	<u>573.5</u>
OTHER LIABILITIES:		
Long-term debt, less current portion	1,023.9	1,046.5
Deferred income taxes, net	3.8	3.7
Pension and postretirement	311.4	339.9
Claims and other liabilities	291.3	295.2
Commitments and contingencies		
SHAREHOLDERS' DEFICIT:		
Preferred stock, \$1 par value per share	—	—
Common stock, \$0.01 par value per share	0.3	0.3
Capital surplus	2,317.9	2,312.6
Accumulated deficit	(2,210.3)	(2,239.3)
Accumulated other comprehensive loss	(357.4)	(360.3)
Treasury stock, at cost (410 shares)	(92.7)	(92.7)
Total shareholders' deficit	<u>(342.2)</u>	<u>(379.4)</u>
Total liabilities and shareholders' deficit	<u>\$ 1,870.6</u>	<u>\$ 1,879.4</u>

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

	Three Months		Nine Months	
	2016	2015	2016	2015
OPERATING REVENUE	\$ 1,221.3	\$ 1,244.9	\$ 3,549.2	\$ 3,689.7
OPERATING EXPENSES:				
Salaries, wages and employee benefits	715.8	725.8	2,132.6	2,148.6
Operating expenses and supplies	206.9	217.1	595.7	678.1
Purchased transportation	156.8	149.6	409.0	431.0
Depreciation and amortization	40.3	40.7	119.5	123.6
Other operating expenses	62.5	63.1	194.2	198.6
(Gains) losses on property disposals, net	0.2	0.9	(11.2)	1.5
Total operating expenses	<u>1,182.5</u>	<u>1,197.2</u>	<u>3,439.8</u>	<u>3,581.4</u>
OPERATING INCOME	<u>38.8</u>	<u>47.7</u>	<u>109.4</u>	<u>108.3</u>
NONOPERATING EXPENSES:				
Interest expense	25.6	25.7	77.9	81.2
Loss on extinguishment of debt	—	—	—	0.6
Other, net	(1.2)	(4.5)	(0.9)	(8.1)
Nonoperating expenses, net	<u>24.4</u>	<u>21.2</u>	<u>77.0</u>	<u>73.7</u>
INCOME BEFORE INCOME TAXES	14.4	26.5	32.4	34.6
INCOME TAX EXPENSE	<u>0.5</u>	<u>6.7</u>	<u>3.4</u>	<u>10.4</u>
NET INCOME	13.9	19.8	29.0	24.2
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	2.3	(1.9)	2.9	2.9
COMPREHENSIVE INCOME ATTRIBUTABLE TO YRC WORLDWIDE INC.	<u>\$ 16.2</u>	<u>\$ 17.9</u>	<u>\$ 31.9</u>	<u>\$ 27.1</u>
AVERAGE COMMON SHARES OUTSTANDING - BASIC	32,466	32,065	32,398	31,602
AVERAGE COMMON SHARES OUTSTANDING - DILUTED	33,194	32,621	32,915	32,569
EARNINGS PER SHARE - BASIC	\$ 0.43	\$ 0.62	\$ 0.89	\$ 0.76
EARNINGS PER SHARE - DILUTED	\$ 0.42	\$ 0.61	\$ 0.88	\$ 0.74

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

	2016	2015
OPERATING ACTIVITIES:		
Net income	\$ 29.0	\$ 24.2
Noncash items included in net income:		
Depreciation and amortization	119.5	123.6
Noncash equity-based compensation and employee benefits expense	16.2	18.5
(Gains) losses on property disposals, net	(11.2)	1.5
Gain on disposal of equity method investment	(2.3)	—
Other noncash items, net	7.6	0.7
Changes in assets and liabilities, net:		
Accounts receivable	(49.7)	(29.4)
Accounts payable	0.8	10.0
Other operating assets	4.1	(7.3)
Other operating liabilities	(28.0)	(50.3)
Net cash provided by operating activities	<u>86.0</u>	<u>91.5</u>
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(75.4)	(71.8)
Proceeds from disposal of property and equipment	26.5	15.7
Restricted escrow receipts	112.1	41.9
Restricted escrow deposits	(32.9)	(25.0)
Proceeds from disposal of equity method investment, net	14.6	—
Other, net	—	0.4
Net cash provided by (used in) investing activities	<u>44.9</u>	<u>(38.8)</u>
FINANCING ACTIVITIES:		
Repayment of long-term debt	(26.5)	(13.1)
Debt issuance costs	(1.8)	—
Net cash used in financing activities	<u>(28.3)</u>	<u>(13.1)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	102.6	39.6
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	173.8	171.1
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$276.4</u>	<u>\$210.7</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ (68.5)	\$ (79.3)
Income tax payments, net	(4.1)	(1.6)
Debt redeemed for equity consideration	—	17.9

SUPPLEMENTAL FINANCIAL INFORMATION
YRC Worldwide Inc. and Subsidiaries
For the Three and Nine Months Ended September 30
(Amounts in millions)
(Unaudited)

SEGMENT INFORMATION

	Three Months			Nine Months		
	2016	2015	%	2016	2015	%
Operating revenue:						
YRC Freight	\$ 777.9	\$ 789.2	(1.4)	\$2,228.6	\$2,322.0	(4.0)
Regional Transportation	443.7	455.7	(2.6)	1,321.3	1,367.7	(3.4)
Other, net of eliminations	(0.3)	—		(0.7)	—	
Consolidated	<u>1,221.3</u>	<u>1,244.9</u>	(1.9)	<u>3,549.2</u>	<u>3,689.7</u>	(3.8)
Operating income (loss):						
YRC Freight	20.8	16.7		53.3	39.4	
Regional Transportation	21.9	33.6		64.9	75.9	
Corporate and other	(3.9)	(2.6)		(8.8)	(7.0)	
Consolidated	<u>\$ 38.8</u>	<u>\$ 47.7</u>		<u>\$ 109.4</u>	<u>\$ 108.3</u>	
Operating ratio:						
YRC Freight	97.3%	97.9%		97.6%	98.3%	
Regional Transportation	95.1%	92.6%		95.1%	94.5%	
Consolidated	96.8%	96.2%		96.9%	97.1%	

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

SUPPLEMENTAL INFORMATION

As of September 30, 2016	Par Value	Discount	Debt Issue	
			Costs	Book Value
Term Loan	\$ 680.8	\$ (3.2)	\$ (9.7)	\$ 667.9
ABL Facility (a)	—	—	—	—
Secured Second A&R CDA	29.0	—	(0.2)	28.8
Unsecured Second A&R CDA	73.2	—	(0.4)	72.8
Lease financing obligations	272.4	—	(1.4)	271.0
Total debt	<u>\$1,055.4</u>	<u>\$ (3.2)</u>	<u>\$ (11.7)</u>	<u>\$ 1,040.5</u>

As of December 31, 2015	Par Value	Discount	Debt Issue	
			Costs	Book Value
Term Loan	\$ 686.0	\$ (4.3)	\$ (12.7)	\$ 669.0
ABL Facility (b)	—	—	—	—
Secured Second A&R CDA	44.7	—	(0.3)	44.4
Unsecured Second A&R CDA	73.2	—	(0.5)	72.7
Lease financing obligations	278.0	—	(1.7)	276.3
Total debt	<u>\$1,081.9</u>	<u>\$ (4.3)</u>	<u>\$ (15.2)</u>	<u>\$ 1,062.4</u>

Our total leverage ratio for the four consecutive fiscal quarters ended September 30, 2016 was 3.45 to 1.00.

- (a) ABL Facility capacity \$450.0M; borrowing base \$412.6M; maximum availability \$55.0M; Managed Accessibility \$13.7M. Managed Accessibility is defined as maximum availability less the lower of 10% of the borrowing base or 10% of the facility size.
- (b) ABL Facility capacity \$450.0M; borrowing base \$441.7M; maximum availability \$79.7M; Managed Accessibility \$35.5M. Managed Accessibility is defined as maximum availability less the lower of 10% of the borrowing base or 10% of the facility size.

SUPPLEMENTAL FINANCIAL INFORMATION
YRC Worldwide Inc. and Subsidiaries
For the Three and Nine Months Ended September 30
(Amounts in millions)
(Unaudited)

	Three Months		Nine Months	
	2016	2015	2016	2015
Reconciliation of net income to Adjusted EBITDA:				
Net income	\$ 13.9	\$ 19.8	\$ 29.0	\$ 24.2
Interest expense, net	25.5	25.6	77.6	80.9
Income tax expense	0.5	6.7	3.4	10.4
Depreciation and amortization	40.3	40.7	119.5	123.6
EBITDA	80.2	92.8	229.5	239.1
Adjustments for Term Loan Agreement:				
(Gains) losses on property disposals, net	0.2	0.9	(11.2)	1.5
Letter of credit expense	1.7	2.2	6.0	6.6
Restructuring professional fees	—	0.2	—	0.2
Nonrecurring consulting fees	—	(0.8)	—	5.1
Permitted dispositions and other	2.2	—	1.8	0.3
Equity-based compensation expense	1.5	2.8	6.0	6.5
Amortization of ratification bonus	—	4.6	4.6	14.4
Loss on extinguishment of debt	—	—	—	0.6
Other, net (a)	(0.3)	(3.6)	3.1	(7.0)
Adjusted EBITDA	<u>\$ 85.5</u>	<u>\$ 99.1</u>	<u>\$ 239.8</u>	<u>\$ 267.3</u>
Operating revenue	\$1,221.3	\$1,244.9	\$3,549.2	\$3,689.7
Adjusted EBITDA margin	7.0%	8.0%	6.8%	7.2%

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

	Three Months		Nine Months	
	2016	2015	2016	2015
Adjusted EBITDA by segment:				
YRC Freight	\$45.3	\$45.2	\$119.3	\$130.4
Regional Transportation	40.2	52.9	121.3	135.7
Corporate and other	—	1.0	(0.8)	1.2
Adjusted EBITDA	<u>\$85.5</u>	<u>\$99.1</u>	<u>\$239.8</u>	<u>\$267.3</u>

SUPPLEMENTAL FINANCIAL INFORMATION
YRC Worldwide Inc. and Subsidiaries
For the Three and Nine Months Ended September 30
(Amounts in millions)
(Unaudited)

YRC Freight segment	Three Months		Nine Months	
	2016	2015	2016	2015
Reconciliation of operating income to Adjusted EBITDA:				
Operating income	\$20.8	\$16.7	\$ 53.3	\$ 39.4
Depreciation and amortization	22.9	23.3	67.9	70.5
(Gains) losses on property disposals, net	—	1.1	(12.0)	1.7
Letter of credit expense	1.1	1.6	3.9	4.6
Nonrecurring consulting fees	—	(0.8)	—	5.1
Amortization of ratification bonus	—	3.0	3.0	9.3
Other, net ^(a)	0.5	0.3	3.2	(0.2)
Adjusted EBITDA	<u>\$45.3</u>	<u>\$45.2</u>	<u>\$119.3</u>	<u>\$130.4</u>

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

Regional Transportation segment	Three Months		Nine Months	
	2016	2015	2016	2015
Reconciliation of operating income to Adjusted EBITDA:				
Operating income	\$21.9	\$33.6	\$ 64.9	\$ 75.9
Depreciation and amortization	17.4	17.4	51.6	53.2
(Gains) losses on property disposals, net	0.3	(0.2)	0.9	—
Letter of credit expense	0.6	0.5	2.0	1.5
Amortization of ratification bonus	—	1.6	1.6	5.1
Other, net ^(a)	—	—	0.3	—
Adjusted EBITDA	<u>\$40.2</u>	<u>\$52.9</u>	<u>\$121.3</u>	<u>\$135.7</u>

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

Corporate and other	Three Months		Nine Months	
	2016	2015	2016	2015
Reconciliation of operating loss to Adjusted EBITDA:				
Operating loss	\$(3.9)	\$(2.6)	\$(8.8)	\$(7.0)
Depreciation and amortization	—	—	—	(0.1)
Gains on property disposals, net	(0.1)	—	(0.1)	(0.2)
Letter of credit expense	—	0.1	0.1	0.5
Restructuring professional fees	—	0.2	—	0.2
Permitted dispositions and other	2.2	—	1.8	0.3
Equity-based compensation expense	1.5	2.8	6.0	6.5
Other, net ^(a)	0.3	0.5	0.2	1.0
Adjusted EBITDA	<u>\$—</u>	<u>\$ 1.0</u>	<u>\$(0.8)</u>	<u>\$ 1.2</u>

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

SUPPLEMENTAL FINANCIAL INFORMATION
YRC Worldwide Inc. and Subsidiaries
For the Trailing Twelve Months Ended September 30
(Amounts in millions)
(Unaudited)

	2016	2015
Reconciliation of net income to Adjusted EBITDA:		
Net income	\$ 5.5	\$ 30.4
Interest expense, net	103.8	108.1
Income tax expense (benefit)	(12.1)	10.7
Depreciation and amortization	159.6	164.3
EBITDA	256.8	313.5
Adjustments for Term Loan Agreement:		
Gains on property disposals, net	(10.8)	(4.3)
Letter of credit expense	8.2	8.9
Restructuring professional fees	—	0.2
Nonrecurring consulting fees	—	5.1
Permitted dispositions and other	1.9	0.3
Equity-based compensation expense	8.0	9.7
Amortization of ratification bonus	9.1	19.6
Loss on extinguishment of debt	—	0.6
Non-union pension settlement charge	28.7	—
Other, net ^(a)	3.9	(9.3)
Adjusted EBITDA	\$ 305.8	\$ 344.3
Operating revenue	\$4,691.9	\$4,907.4
Adjusted EBITDA margin	6.5%	7.0%

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

YRC Worldwide Inc.
Segment Statistics
Quarterly Comparison

	YRC Freight			Y/Y % (b)	Sequential % (b)
	3Q16	3Q15	2Q16		
Workdays	64.0	64.0	64.0		
Total picked up revenue (in millions) (a)	\$763.6	\$784.4	\$749.6	(2.6)	1.9
Total tonnage (in thousands)	1,620	1,641	1,596	(1.3)	1.5
Total tonnage per day (in thousands)	25.31	25.64	24.94	(1.3)	1.5
Total shipments (in thousands)	2,678	2,740	2,683	(2.3)	(0.2)
Total shipments per day (in thousands)	41.84	42.82	41.93	(2.3)	(0.2)
Total picked up revenue/cwt.	\$23.57	\$23.90	\$23.48	(1.4)	0.4
Total picked up revenue/cwt. (excl. FSC)	\$21.31	\$21.24	\$21.30	0.3	0.0
Total picked up revenue/shipment	\$ 285	\$ 286	\$ 279	(0.4)	2.1
Total picked up revenue/shipment (excl. FSC)	\$ 258	\$ 254	\$ 253	1.3	1.7
Total weight/shipment (in pounds)	1,210	1,198	1,190	1.0	1.7

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

Operating revenue	\$777.9	\$789.2	\$755.0		
Change in revenue deferral and other	(14.3)	(4.8)	(5.4)		
Total picked up revenue	<u>\$763.6</u>	<u>\$784.4</u>	<u>\$749.6</u>		

	Regional Transportation			Y/Y % (b)	Sequential % (b)
	3Q16	3Q15	2Q16		
Workdays	63.0	64.0	64.0		
Total picked up revenue (in millions) (a)	\$443.4	\$455.9	\$453.2	(2.8)	(2.2)
Total tonnage (in thousands)	1,914	1,974	1,980	(3.1)	(3.4)
Total tonnage per day (in thousands)	30.38	30.85	30.94	(1.5)	(1.8)
Total shipments (in thousands)	2,622	2,672	2,696	(1.9)	(2.7)
Total shipments per day (in thousands)	41.62	41.76	42.12	(0.3)	(1.2)
Total picked up revenue/cwt.	\$11.58	\$11.55	\$11.44	0.3	1.2
Total picked up revenue/cwt. (excl. FSC)	\$10.48	\$10.32	\$10.40	1.5	0.8
Total picked up revenue/shipment	\$ 169	\$ 171	\$ 168	(0.9)	0.6
Total picked up revenue/shipment (excl. FSC)	\$ 153	\$ 153	\$ 153	0.3	0.1
Total weight/shipment (in pounds)	1,460	1,478	1,469	(1.2)	(0.6)

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

Operating revenue	\$443.7	\$455.7	\$452.8		
Change in revenue deferral and other	(0.3)	0.2	0.4		
Total picked up revenue	<u>\$443.4</u>	<u>\$455.9</u>	<u>\$453.2</u>		

(a) Does not equal financial statement revenue due to revenue recognition adjustments between accounting periods and the impact of other revenue for YRC Freight.

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

YRC Worldwide Inc.
Segment Statistics
YTD Comparison

	YRC Freight		Y/Y % (b)
	2016	2015	
Workdays	191.5	190.0	
Total picked up revenue (in millions) (a)	\$2,208.9	\$2,313.9	(4.5)
Total tonnage (in thousands)	4,701	4,892	(3.9)
Total tonnage per day (in thousands)	24.55	25.75	(4.7)
Total shipments (in thousands)	7,875	8,135	(3.2)
Total shipments per day (in thousands)	41.12	42.81	(3.9)
Total picked up revenue/cwt.	\$ 23.49	\$ 23.65	(0.7)
Total picked up revenue/cwt. (excl. FSC)	\$ 21.34	\$ 20.87	2.3
Total picked up revenue/shipment	\$ 280	\$ 284	(1.4)
Total picked up revenue/shipment (excl. FSC)	\$ 255	\$ 251	1.5
Total weight/shipment (in pounds)	1,194	1,203	(0.7)
(a) Reconciliation of operating revenue to total picked up revenue (in millions):			
Operating revenue	\$2,228.6	\$2,322.0	
Change in revenue deferral and other	(19.7)	(8.1)	
Total picked up revenue	<u>\$2,208.9</u>	<u>\$2,313.9</u>	

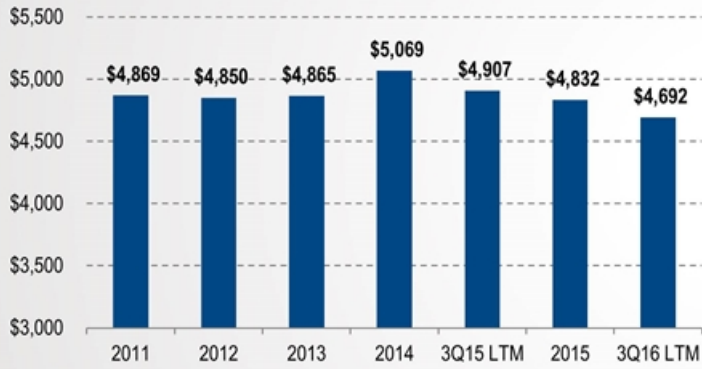
	Regional Transportation		Y/Y % (b)
	2016	2015	
Workdays	191.5	191.5	
Total picked up revenue (in millions) (a)	\$1,323.0	\$1,367.6	(3.3)
Total tonnage (in thousands)	5,794	5,948	(2.6)
Total tonnage per day (in thousands)	30.26	31.06	(2.6)
Total shipments (in thousands)	7,876	7,987	(1.4)
Total shipments per day (in thousands)	41.13	41.71	(1.4)
Total picked up revenue/cwt.	\$ 11.42	\$ 11.50	(0.7)
Total picked up revenue/cwt. (excl. FSC)	\$ 10.40	\$ 10.20	1.9
Total picked up revenue/shipment	\$ 168	\$ 171	(1.9)
Total picked up revenue/shipment (excl. FSC)	\$ 153	\$ 152	0.7
Total weight/shipment (in pounds)	1,471	1,489	(1.2)
(a) Reconciliation of operating revenue to total picked up revenue (in millions):			
Operating revenue	\$1,321.3	\$1,367.7	
Change in revenue deferral and other	1.7	(0.1)	
Total picked up revenue	<u>\$1,323.0</u>	<u>\$1,367.6</u>	

- (a) Does not equal financial statement revenue due to revenue recognition adjustments between accounting periods and the impact of other revenue for YRC Freight.
(b) Percent change based on unrounded figures and not the rounded figures presented.

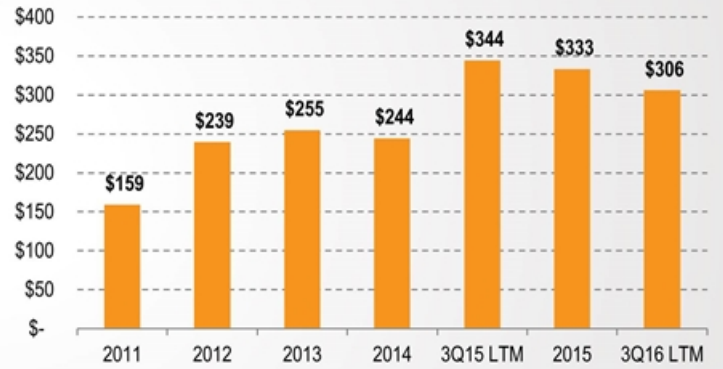
Consolidated

(\$ in millions)

YRCW Revenue



YRCW Adjusted EBITDA



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By Segment

(\$ in millions)

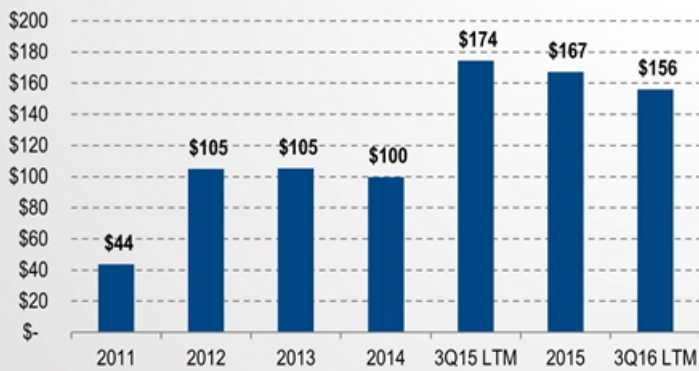
YRC Freight Revenue



YRC Regional Revenue



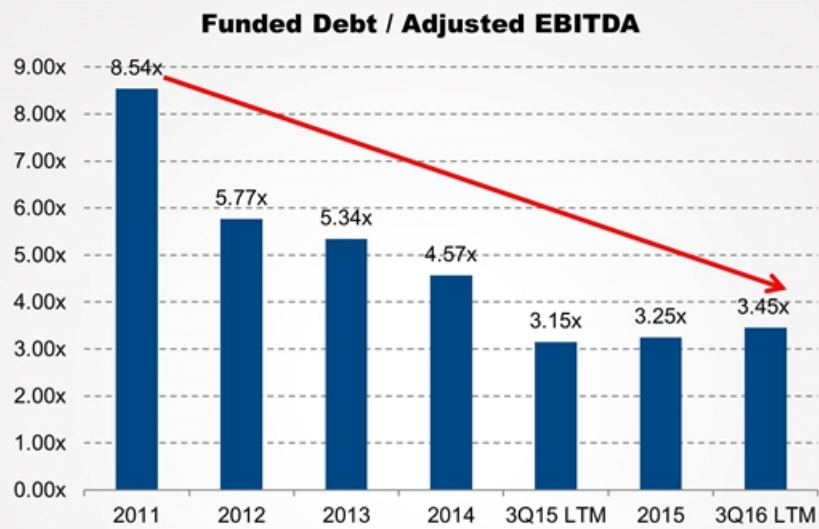
YRC Freight Adjusted EBITDA



YRC Regional Adjusted EBITDA



Leverage Ratio



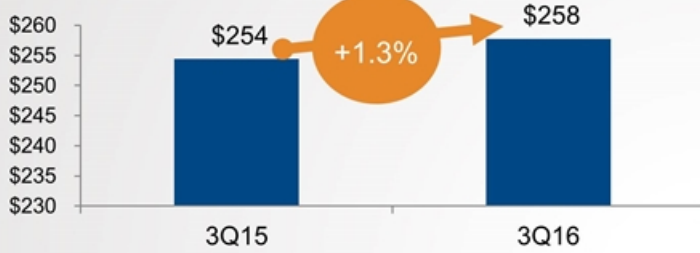
Note: Funded debt balances based on par value

- Funded Debt to Adjusted EBITDA ratio down 5.1 turns since 2011

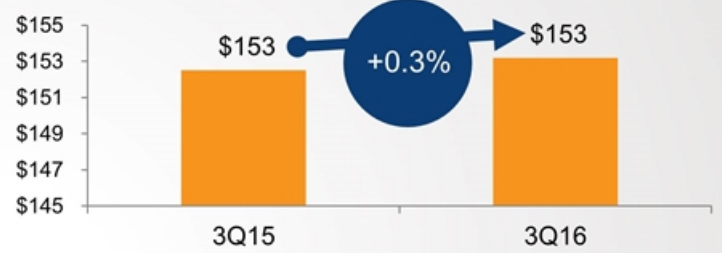
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YOY Revenue Per Shipment and Revenue Per CWT

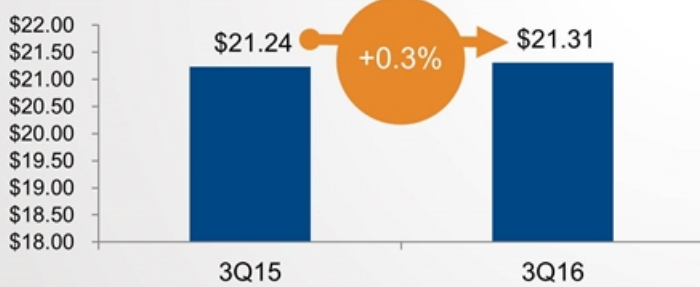
YRC Freight Revenue per Shipment (x-FSC)



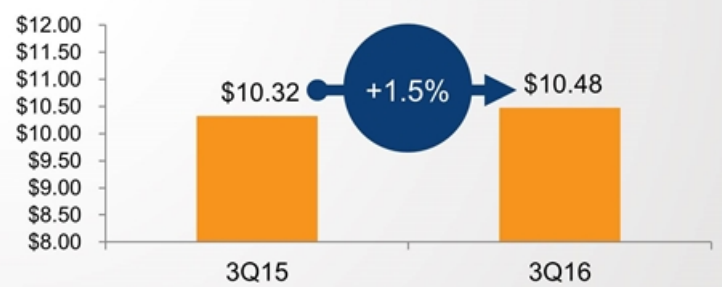
Regional Revenue per Shipment (x-FSC)



YRCF Revenue per cwt (x-FSC)



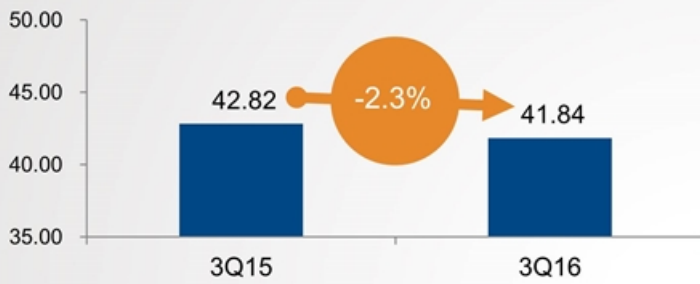
Regional Revenue per cwt (x-FSC)



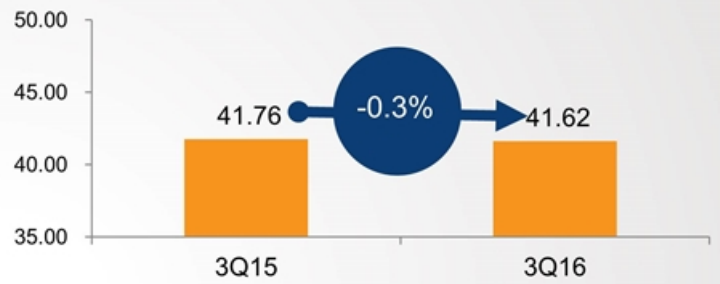
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YOY Volume

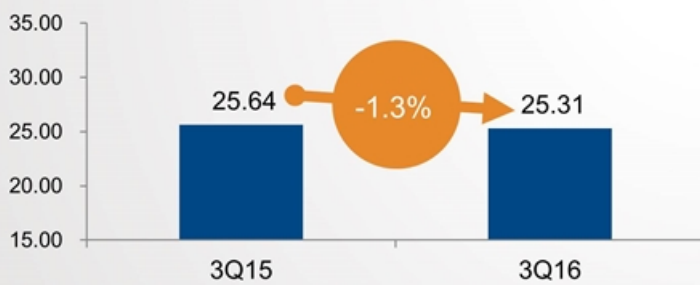
YRC Freight Shipments per Day



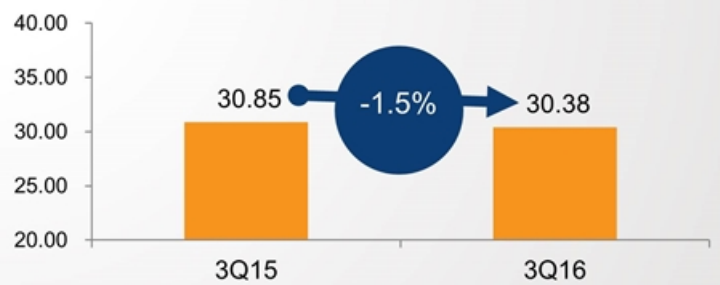
Regional Shipments per Day



YRC Freight Tonnage per Day



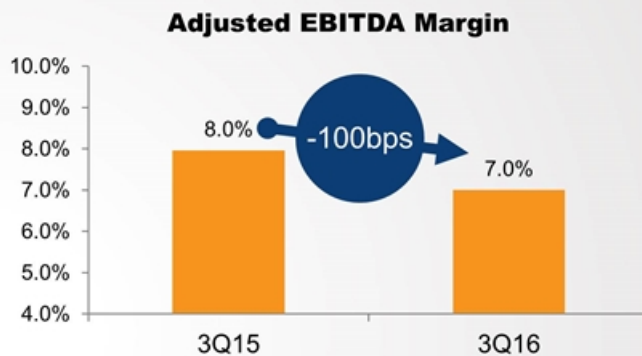
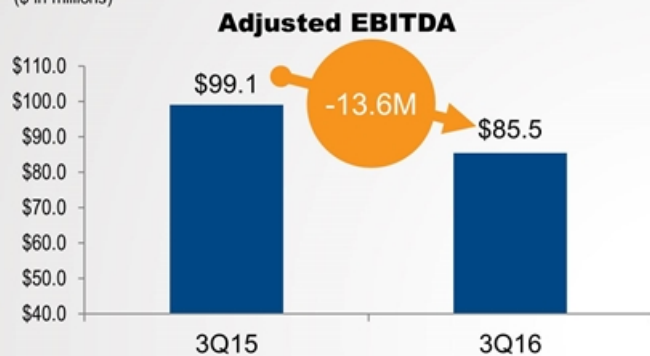
Regional Tonnage per Day



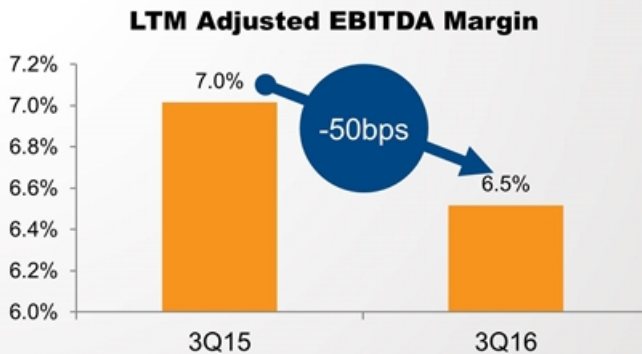
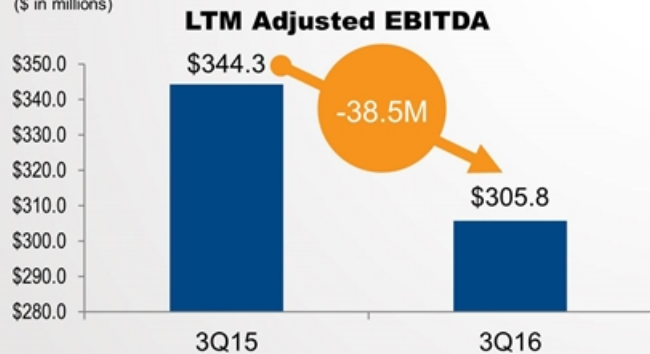
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Consolidated Adjusted EBITDA

(\$ in millions)



(\$ in millions)

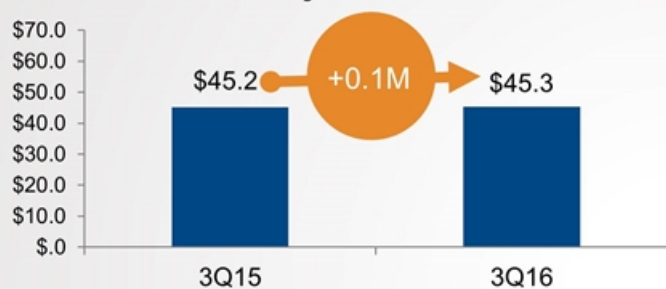


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Segment Adjusted EBITDA

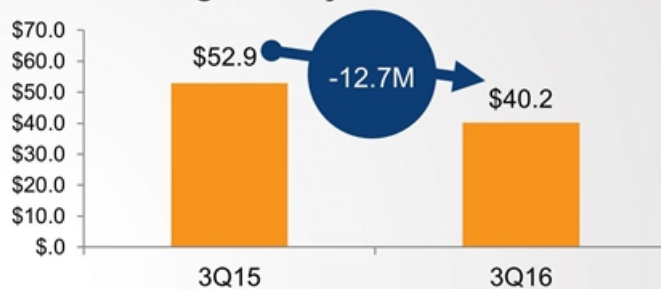
(\$ in millions)

YRCF Adjusted EBITDA

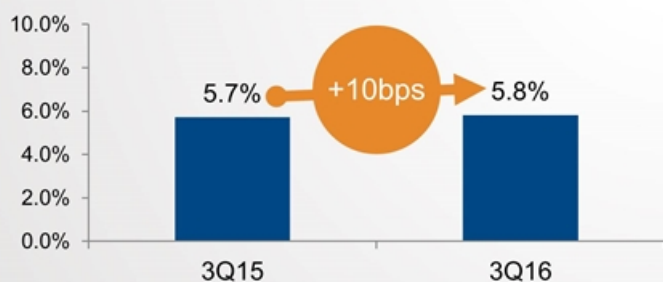


(\$ in millions)

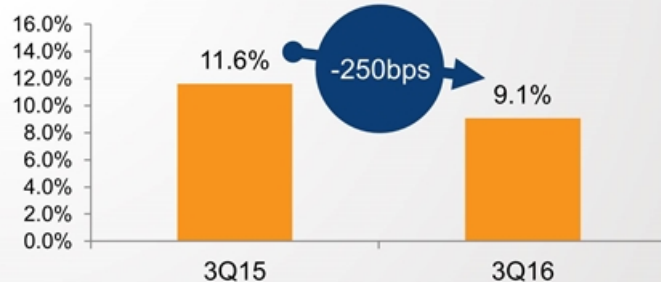
Regional Adjusted EBITDA



YRCF Adjusted EBITDA Margin



Regional Adjusted EBITDA Margin



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EBITDA Reconciliation - Consolidated

(\$ in millions)

YRCW Consolidated	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	LTM 3Q 2015	LTM 3Q 2016	3Q 2015	3Q 2016
Reconciliation of Net (Loss) Income to Adjusted EBITDA									
Net (loss) income	\$ (354.4)	\$ (136.5)	\$ (83.6)	\$ (67.7)	\$ 0.7	\$ 30.4	\$ 5.5	\$ 19.8	\$ 13.9
Interest expense, net	155.7	150.1	163.8	149.5	107.1	108.1	103.8	25.6	25.5
Income tax (benefit) expense	(7.5)	(15.0)	(45.9)	(16.1)	(5.1)	10.7	(12.1)	6.7	0.5
Depreciation and amortization	195.7	183.8	172.3	163.6	163.7	164.3	159.6	40.7	40.3
EBITDA	\$ (10.5)	\$ 182.4	\$ 206.6	\$ 229.3	\$ 266.4	\$ 313.5	\$ 256.8	\$ 92.8	\$ 80.2
Adjustments for debt covenants:									
(Gains) / loss on property disposals, net	(8.2)	(9.7)	(2.2)	(11.9)	1.9	(4.3)	(10.8)	0.9	0.2
Letter of credit expense	35.2	36.3	33.9	12.1	8.8	8.9	8.2	2.2	1.7
Restructuring professional fees	44.0	3.0	12.0	4.2	0.2	0.2	-	0.2	-
Nonrecurring consulting fees	-	-	-	-	5.1	5.1	-	(0.8)	-
Permitted dispositions and other	6.2	(4.0)	1.7	1.8	0.4	0.3	1.9	-	2.2
Equity based compensation expense	0.6	3.8	5.8	14.3	8.5	9.7	8.0	2.8	1.5
Union equity awards	14.9	-	-	-	-	-	-	-	-
Restructuring transaction costs	17.8	-	-	-	-	-	-	-	-
Fair value adjustment of derivative liabilities	79.2	-	-	-	-	-	-	-	-
Amortization of ratification bonus	-	-	-	15.6	18.9	19.6	9.1	4.6	-
Non-union pension settlement	-	-	-	-	28.7	-	28.7	-	-
Equity Investment Impairment	-	30.8	-	-	-	-	-	-	-
(Gains) / loss on extinguishment of debt	(25.8)	-	-	(11.2)	0.6	0.6	-	-	-
Other, net ^(a)	5.8	(3.1)	(2.9)	(9.7)	(6.2)	(9.3)	3.9	(3.6)	(0.3)
Adjusted EBITDA	\$ 159.2	\$ 239.5	\$ 254.9	\$ 244.5	\$ 333.3	\$ 344.3	\$ 305.8	\$ 99.1	\$ 85.5
Revenue	\$ 4,868.8	\$ 4,850.5	\$ 4,865.4	\$ 5,068.8	\$ 4,832.4	\$ 4,907.4	\$ 4,691.9	\$ 1,244.9	\$ 1,221.3
Adjusted EBITDA Margin	3.3%	4.9%	5.2%	4.8%	6.9%	7.0%	6.5%	8.0%	7.0%
Leverage Ratio	8.54x	5.77x	5.34x	4.57x	3.25x	3.15x	3.45x		

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

Third Quarter 2016 Earnings Conference Call



EBITDA Reconciliation - Segment

(\$ in millions)

YRC Freight Segment						LTM 3Q 2015		LTM 3Q 2016		3Q 2015		3Q 2016	
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015								
Reconciliation of operating income (loss) to adjusted EBITDA													
Operating (loss) income	\$ (88.5)	\$ (37.3)	\$ (31.2)	\$ 0.5	\$ 18.0	\$ 63.9	\$ 31.9	\$ 16.7	\$ 20.8				
Depreciation and amortization	102.9	119.8	109.1	98.0	93.1	94.4	90.5	23.3	22.9				
(Gains) losses on property disposals, net	(10.5)	(9.9)	(3.0)	(15.9)	1.9	(7.4)	(11.8)	1.1	-				
Letter of credit expense	28.1	29.6	25.8	8.3	6.1	6.1	5.4	1.6	1.1				
Union equity awards	10.3	-	-	-	-	-	-	-	-				
Nonrecurring consulting fees	-	-	-	-	5.1	5.1	-	(0.8)	-				
Amortization of ratification bonus	-	-	-	10.0	12.2	12.6	5.9	3.0	-				
Non-union pension settlement charge	-	-	-	-	28.7	-	28.7	-	-				
Other, net ^(a)	1.4	2.7	4.5	(1.1)	2.1	(0.3)	5.5	0.3	0.5				
Adjusted EBITDA	\$ 43.7	\$ 104.9	\$ 105.2	\$ 99.8	\$ 167.2	\$ 174.4	\$ 156.1	\$ 45.2	\$ 45.3				
Revenue	\$ 3,203.0	\$ 3,206.9	\$ 3,136.8	\$ 3,237.4	\$ 3,055.7	\$ 3,117.5	\$ 2,962.3	\$ 789.2	\$ 777.9				
Adjusted EBITDA Margin	1.4%	3.3%	3.4%	3.1%	5.5%	5.6%	5.3%	5.7%	5.8%				
Regional Transportation Segment						LTM 3Q 2015		LTM 3Q 2016		3Q 2015		3Q 2016	
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015								
Reconciliation of operating income to adjusted EBITDA													
Operating Income	\$ 32.9	\$ 70.0	\$ 79.9	\$ 66.1	\$ 85.4	\$ 86.5	\$ 74.4	\$ 33.6	\$ 21.9				
Depreciation and amortization	61.6	63.3	63.1	65.8	70.7	70.0	69.1	17.4	17.4				
(Gains) losses on property disposals, net	(2.7)	0.7	0.6	4.0	0.2	3.4	1.2	(0.2)	0.3				
Letter of credit expense	6.6	6.2	6.8	2.9	2.1	2.1	2.5	0.5	0.6				
Union equity awards	4.6	-	-	-	-	-	-	-	-				
Amortization of ratification bonus	-	-	-	5.6	6.7	7.0	3.2	1.6	-				
Other, net ^(a)	0.1	-	0.1	-	0.8	(0.1)	1.1	-	-				
Adjusted EBITDA	\$ 103.1	\$ 140.2	\$ 150.5	\$ 144.4	\$ 165.9	\$ 168.9	\$ 151.5	\$ 52.9	\$ 40.2				
Revenue	\$ 1,554.3	\$ 1,640.6	\$ 1,728.6	\$ 1,831.4	\$ 1,776.9	\$ 1,789.9	\$ 1,730.5	\$ 455.7	\$ 443.7				
Adjusted EBITDA Margin	6.6%	8.5%	8.7%	7.9%	9.3%	9.4%	8.8%	11.6%	9.1%				

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

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