

## Important Facts About the YRC Worldwide Financial Strategy

### YRC Worldwide

- > Provider of global transportation services, transportation management solutions, and logistics management; nearly 49,000 employees worldwide.
- > Subsidiaries: YRC, YRC Reimer, YRC Glen Moore, YRC Logistics and the YRC Regional Transportation brands – Holland, Reddaway and New Penn.
- > Our strategic plan calls for realizing efficiencies from the YRC integration, restoring financial strength and aligning solutions for the future.

### International Brotherhood of Teamsters (IBT)

- > Local IBT leadership has reviewed our tentative agreement on labor contract modifications. It is now going to our Teamsters employees for a vote.
- > Related savings are estimated at approximately \$45 million per month, and begin immediately upon ratification. Savings grow to approximately \$50 million per month in 2010.
- > The proposed changes are designed to reduce the company's cost structure, and preserve operating capital. The agreement includes a 5 percent incremental wage reduction, and an 18-month cessation of all pension fund contributions, which will not require later repayment.
- > The tentative agreement also provides the Teamsters with stock options for 20 percent of the outstanding shares of YRC Worldwide stock, pending shareholder approval. YRC Worldwide will also appoint an additional member to the board of directors – the selection would be agreed upon by the company and the IBT negotiating committee.

### Pension Plans

- > The pension fund modifications in the tentative labor agreement require two key steps: the union ratification vote, and an agreement from the pension funds to temporarily terminate YRC Worldwide as a contributing employer without assessing a withdrawal liability, since our cessation in payments is temporary.
- > The recent temporary termination announcement from the largest fund, Central States, reflects this necessary and anticipated step. They are terminating our participation without assessing a withdrawal liability since the termination is not permanent.
- > In the days ahead, we anticipate additional announcements from the other pension funds.

### Pension Reform

- > We continue discussions to address the structural inequities of multi-employer pension plans to determine a long-term solution.
- > We have not applied for a bailout and have no current intentions of applying for TARP funds.

### Banking Amendment

- > Our bank group is supportive of our strategic plan and self-help approach to recovery in this economic environment.
- > Working with our lenders, we have finalized an amendment to our revolving credit facility to extend the revolver reserve through July 31, 2009.
- > During this extension, we will continue collaborative discussions to reach agreement on options for longer-term modifications.

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### Sale/Leasebacks

- > YRC Worldwide is using sale/leaseback transactions to capitalize on select real estate assets, while maintaining the most comprehensive network in North America. Selling the property for cash and immediately leasing it back allows us to make full use of the property, without tying up capital.
  - > In Q1, we closed \$158 million in sale/leasebacks, and we expect to close a similar amount by the end of Q3.
- > Excess property sales and sale/leasebacks
  - > Ongoing discussions with lender group and note holders
  - > Ongoing activities to improve cash flow and liquidity
  - > Ongoing activities to build our brands and create total solutions for global supply chain needs

### Financial Summary

We are taking a number of steps to enhance our competitive position and reduce our cost base:

- > Integration of Yellow and Roadway into YRC, creating the largest LTL network in North America
- > Redesign of regional networks
- > Freezing non-union retirement plans
- > Wage reductions by union and non-union employees
- > Consolidation of back-office functions and reductions in overhead

In addition, these actions have been completed or are underway to improve our financial condition:

- > Teamsters employees to vote on labor contract modifications
- > Agreement with Central States and other Teamster pension funds to defer pension plan payments

*This update provides a quick financial overview.*

*For more information, please visit [insight.yrcw.com](http://insight.yrcw.com) or talk with your account executive.*