



**YRC Worldwide**

**Bill Zollars**

**Chairman, President & CEO**

**Wachovia Transportation & Packaging Conference**

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# Brand Recognition



YRC Worldwide is a \$9.6 billion provider of global transportation services, transportation management solutions, and logistics management through a portfolio of successful brands.



## YRC Worldwide



Making global commerce work by connecting people, places and information

# Today's Announcement – Accelerating Our Integration Strategy



- **What does it mean?**
  - Yellow Transportation and Roadway become one operating company named Yellow Roadway
  - National networks will be combined, significantly reducing fixed costs and enhancing service performance
  - Local sales teams join forces to sell services of both brands
  - Investments continue in both brands as they will remain in the market
- **Why now?**
  - Positive customer response from combined corporate sales
  - Economic downturn has created enough capacity in the networks to integrate without interrupting our customers' supply chains
  - Competitive opportunity to leverage scale for broader array of services

# Today's Announcement – Accelerating Our Integration Strategy (continued)



- **What are the benefits?**
  - Comprehensive service portfolio across the brands
  - Simplified customer experience
  - Improved reliability and faster service
  - Further opportunities for growth
  - Increased network scale and efficiencies
  - Cohesive employee base working toward a common goal
  - Projected annual operating income improvement in excess of \$200 million

# Yellow & Roadway Strategy – Where We Have Been



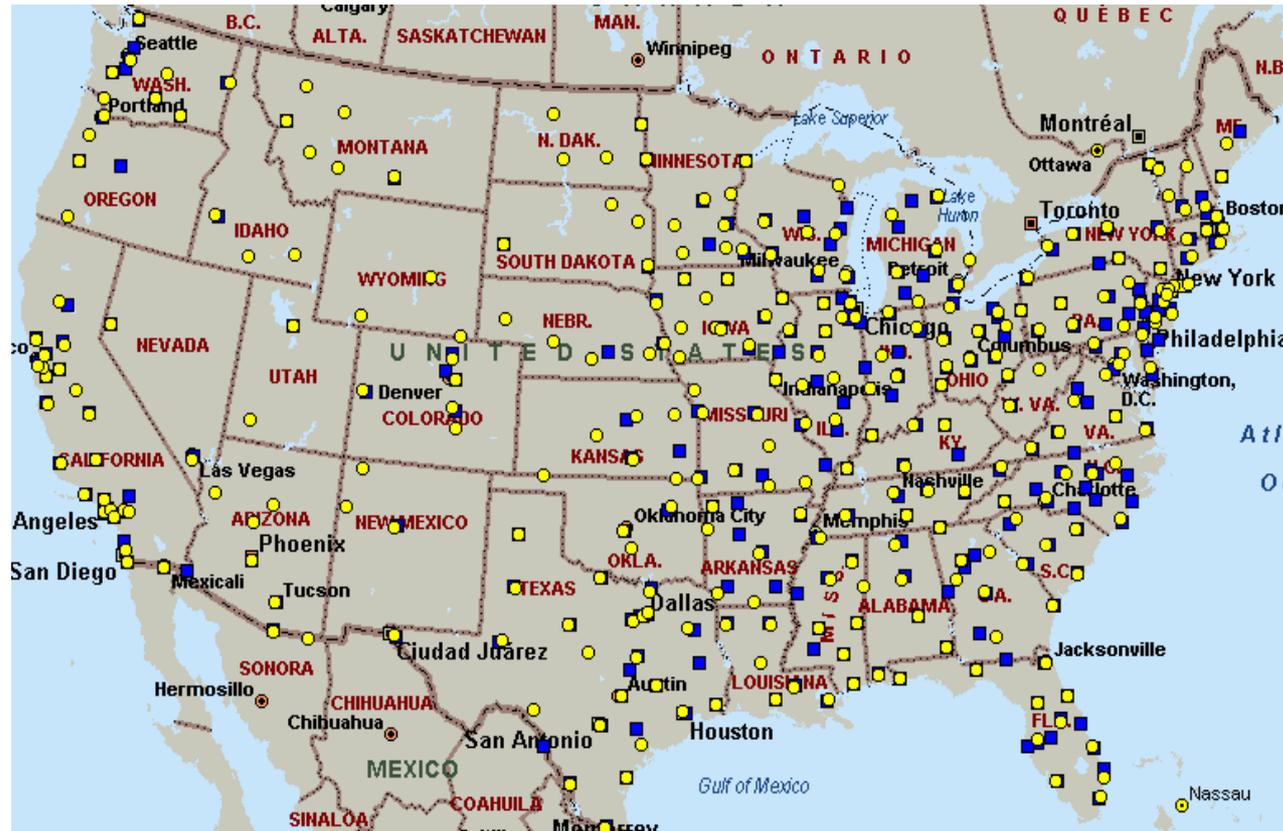
- Late 2003 – Completed Roadway acquisition
- 2004 to current – Reduced back-office functions, exchanged technology & best practices, and shared facilities
- Early 2007 – Formed YRC National creating a common management team and established the Enterprise Solutions Group
- Early 2008 – Announced combined corporate sales and plans for a common technology platform
- March 2008 – Signed new 5-year labor agreement

# Yellow & Roadway Strategy – Where We Are Going



- July 2008 – Launched first phase of velocity networks
- Sept. 2008 – Announced combination of Yellow and Roadway
- Late 2008 through 2009 – Phased-in approach to fully integrate operations and sales
- 2010 and beyond – Operate as one network with significant scale

# Yellow and Roadway Networks



- National networks have significant overlap
- Consolidation to begin in lower density locations
- Increased density will enhance the customer experience

# Velocity Update



- Provides increased service quality in more than 28,000 lanes
- Expected to eliminate about 20 million linehaul miles annually
  - \$40 million annual savings
- **First phase implemented in July at Yellow and Roadway**
  - Average days in transit already improved
  - Customer response has been very favorable
- **Additional phases will continue in combined network**

# Velocity Update – Customer Feedback



*“The Velocity Center in Memphis has allowed us to expand our business with Yellow Transportation, when before certain circumstances required the use of other companies. Now we can ship through Yellow, which is our preferred inbound carrier.”*

- Randy Williams, Senior VP of Operations for a distributor of hardware & home improvement products

*“The new velocity service at Yellow has better transit times at a lower cost than other carriers. Not only have we increased our business to Yellow fourfold but we are recommending them to our customers.”*

- Francisco Miranda, Distribution Center Manager for a manufacturer of electrical components

*“Roadway’s presence with large box retailers and the new velocity network provides the speed to market that we require.”*

- Management at a world leader in small household products

*“Because of velocity we are able to use Roadway for the first time. They are providing timely delivery for us to Home Depot stores across the northeast.”*

- Management at a manufacturer of home furnishing and home improvement products

# Other Company Initiatives



- **YRC Regional Transportation network optimization**
  - New and improved design at Holland and Reddaway has resulted in significant efficiencies
  - Additional phases planned at Holland to improve growth and further efficiencies
  - No geographic changes to service coverage
- **Completed acquisition of Jiayu Logistics**
  - One of the largest providers of TL and LTL ground transportation services in China
  - Over 30,000 customers, 200 locations and a network of more than 3,000 vehicles
  - Since the original announcement in December, Jiayu volumes have increased 28%

# Third Quarter Earnings Update



- **Economy has softened further**
  - Quarter started slowly and has progressively weakened
  - Impact on volume levels and pricing across operating companies
- **Internal actions create short-term costs but long-term benefits**
  - Early investments in combining the National companies
  - Reorganization costs to further streamline back-office functions
- **Earnings expectations revised**
  - Curtailment gain from nonunion retirement plans unchanged at approximately \$.70 per share
  - Reorganization costs of about \$.06 to \$.08 per share
  - Expect a modest loss in the third quarter from core operations

# Financial Position



- **We remain well within our debt covenants**
  - Expect leverage ratio below 3.5x; the trigger for additional collateral
  - Covenant currently allows up to 3.75x
- **Borrowing capacity in excess of \$600 million**
- **Upcoming debt maturities**
  - Near-term maturities to be settled through a combination of existing credit facilities and free cash flow
  - We continue to evaluate the capital markets to address future maturities and diversify our capital structure

# Forward-Looking Statements



- Pages 4, 8, 11 and 12 of this presentation contain 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. The words “projected,” “expect,” and similar expressions are intended to identify forward-looking statements.
- The company’s actual future results and earnings per share could differ materially from those projected in such forward-looking statements because of a number of factors, including (among others) inflation, inclement weather, price and availability of fuel, sudden changes in the cost of fuel or the index upon which the company bases its fuel surcharge, competitor pricing activity, expense volatility, including (without limitation) expense volatility due to changes in rail service or pricing for rail service, ability to capture cost reductions, including (without limitation) those cost reduction opportunities arising from acquisitions, 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, including the company’s Annual Report on Form 10-K for the year ended December 31, 2007.
- The company’s expectations regarding its operating income improvement due to the integration of Yellow Transportation and Roadway and the timing of achieving that improvement and the company’s expectations regarding the velocity network savings could differ materially from those projected in such forward-looking statements based on a number of factors, including (among others) the factors identified in the immediately preceding paragraph, the ability to identify and implement cost reductions in the time frame needed to achieve these expectations, the success of the company’s operating plans, the need to spend additional capital to implement cost reduction opportunities, including (without limitation) to terminate, amend or renegotiate prior contractual commitments, the accuracy of the company’s estimates of its spending requirements, the occurrence of any unanticipated acquisition opportunities, changes in the company’s strategic direction and the need to replace any unanticipated losses in capital assets.
- The company’s expectation regarding its compliance with the company’s credit agreement is only the company’s expectation regarding such compliance. The ability of the company to comply with the terms of its credit agreement could be affected by a number of factors, including (among others) the factors identified in the two preceding paragraphs, the timing of the company’s cash receipts and expenditures and the lack of any unanticipated liabilities maturing, contingent or otherwise.