Thank You for Your Shared Sacrifice

- We appreciate and respect the sacrifices our employees have made to keep YRC Worldwide moving forward.
- The simple fact is that without your help, we would not be in business today.

We Have Made Real Progress Together

- Since James Welch returned to the company as CEO, YRC Worldwide has had a new management team and a renewed focus on our core business: North American LTL union trucking operations.
- Aggressive cost controls have been implemented across the organization – from cutting corporate executive positions and wasteful marketing sponsorships, to the closing of a duplicative corporate headquarters.
- Since concessions in 2009, our operating companies have paid billions in Teamster employee wages and continue to provide industry-leading health care benefits for 28,000 families.

The Competitive Landscape is Very Challenging

- We operate in an overwhelmingly non-union LTL industry: Since 1985, the market share of union carriers has decreased from 61% to just 31%, while YRC Worldwide’s market share has dropped from 42% to 17%.
- In that same time, the market share of non-union carriers has jumped 337%.

We Are In a Difficult Financial Situation

- In 2012 YRC Worldwide lost $152 million, and in the first half of 2013, we have lost an additional $54 million.
- Furthermore, the previous management team’s spending spree saddled us with crushing debt of $1.4 billion – nearly as much as all of our publicly-traded competitors combined.
- This massive debt costs us $150 million in interest payments annually – more than all our publicly-traded competitors combined – and it is strangling the company.
- Debt principal repayments become due starting on February 15 ($69 million), with an additional $1 billion of the total $1.4 billion due in late 2014 and early 2015.
- Shareholders are concerned about our future. Our stock price has declined nearly 75% since July.

Refinancing Our Debt is The Solution – But We Must Act Now

- Refinancing can lead to lower interest payments and can reduce the Company’s overall debt.
- Refinancing can free up cash to repay remaining debt and invest in our business to help us stay competitive.
- Without a refinancing, we cannot satisfy all of our debt obligations that come due in the next 17 months.
- Refinancing typically takes approximately 90 days to complete, and it must be completed before the first of our debt repayments becomes due – so we must start the refinancing process by November 15.

What This Means For You: A Longer Labor Agreement and Improved Performance

- Our lenders will not refinance our debt unless we have a 5-year labor agreement along with an improved cost structure and operational performance.
- As a result, YRC Worldwide is asking for:
  - A labor agreement that extends into 2019
  - Predictable future wage and benefit increases.
  - Improved operational efficiencies and reduced absenteeism.

We Want to Continue Working Together

- By continuing our partnership, we can preserve 26,000 good union trucking industry jobs that provide nearly 100,000 people in union families with their livelihoods.

If you have further questions, please email DriveOnTogether@yrw.com
October 30, 2013

Dear Fellow Employee -

I hope you take the time to read this letter in its entirety.

Thanks to the shared sacrifice and continued hard work of employees at YRC Freight, New Penn, Holland and Reddaway, 32,000 families depend on YRC Worldwide for their livelihoods. We've demonstrated real progress, and you should all take pride in our collective efforts.

Unfortunately, while things have improved, we still have significant work to do, and I want to make you aware of a specific challenge we are now facing.

The numerous missteps made prior to 2011 by YRC Worldwide's previous management team left us with an enormous amount of debt - almost $1.4 billion - resulting in huge interest payments each and every month. As a result, after we pay wages, benefits and our regular operating expenses, these interest payments consume all of our remaining cash and then some, and do not leave us money to reinvest back into our business. To add to the challenge, these debts will begin coming due in early 2014, and we have limited options and a tight timeframe for addressing them.

In the past, some companies in our position have simply declared bankruptcy. We have all worked too hard and sacrificed too much to go that route and lose some of the industry's best jobs. The better path is to refinance the debt before the due dates are upon us. In doing so, we should be able to improve our cash flow and be in a far better position to invest in the company and compete in an industry that is now dominated by non-union LTL companies.

Any potential refinancing of our debt will require the help of our employees. In particular, our lenders have made it clear the combined company needs to be performing better than it is today, and that we need a labor agreement with our Teamster employees that extends beyond our current expiration and any new debt maturities, and increases our competitiveness, before any refinancing can be completed.

I believe this is the path we should take because your job is worth saving. Management has asked the IBT to work with us to support our refinancing efforts as an important next step in our turnaround. The time is now. The closer we get to our debt payment due dates, the less control we will have over our own destiny.

We'll be talking about these issues a lot in the days ahead, and you have my commitment to keep you informed. Wherever you work in the YRC Worldwide family, it's important you fully understand the challenges we face and make informed choices.

Let's work together to continue our progress and ensure a bright future for our Company, our 32,000 employees, and their families.

Thank you and I look forward to speaking with you soon.

James L. Welch
CEO
YRC Worldwide
YRC WORLDWIDE’S DEBT: WHY DO WE NEED TO REFINANCE?

We have nearly as much debt as all our publicly-traded competitors **COMBINED**...

**DEBT**

$1,600,000,000

$1,400,000,000

$1,200,000,000

$1,000,000,000

$800,000,000

$600,000,000

$400,000,000

$200,000,000

$0

**YRC Worldwide**

**Competitors**

$1.4 B

$1.5 B

AND, we pay more in interest payments.

**ANNUAL INTEREST PAYMENTS**

$160,000,000

$140,000,000

$120,000,000

$100,000,000

$80,000,000

$60,000,000

$40,000,000

$20,000,000

$0

**YRC Worldwide**

**All Competitors COMBINED**

$150.9 M

$92.6 M

**THE BOTTOM LINE:** The old management team went on a spending spree with the corporate equivalent of a credit card – **and now we’re paying for it.**

That’s more than $150 million every year going into the pockets of our lenders, rather than being invested in the company OR in you.

Our jobs are among the best in the industry, but they could be even better – and refinancing this debt will help us get there.
WHY EXTEND OUR LABOR AGREEMENT?

YRC Worldwide currently pays more than $150 million in interest on its more than $1.4 billion in outstanding debt... EVERY YEAR

...And all of that debt is about to come due

So, YRC Worldwide has turned to lenders to help refinance its debt and reduce its annual interest payments...

...But in order to refinance, the company must reach a labor agreement with the union that extends beyond March 31, 2015 and increases our competitiveness.

SO WE HAVE 2 OPTIONS

Extend labor agreement and increase competitiveness, thereby reducing interest payments and giving company flexibility and breathing room to survive...

Market rumors, uncertainty, and customers leave — and when we lose shipments, Teamsters lose jobs.

Which Option Should Your Union Choose?

YRC Holland Reddaway New Penn
Which Route Do You Want to Take?

- Agreement Reached
- Potential Refinancing
- Market Competitive Wages and Benefits
- Improved Operations
- A Future for Our Company

Rumors of YRCW Bankruptcy

Customers Flee

Hundreds of Millions of Dollars in Debt Comes Due