YRC Worldwide Inc.
Form 424B5
December 10, 2013
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-190079

Prospectus Supplement

(To Prospectus Dated August 29, 2013)

Up to 3,000,000 Shares

YRC Worldwide Inc.

Common Stock

This prospectus supplement relates to the issuance and sale of up to 3,000,000 shares of our common stock from time to time through our sales agent, MLV & Co., LLC. These sales, if any, will be made pursuant to the terms of a sales agreement, as entered into between us and the sales agent.

Sales of shares of our common stock under this prospectus supplement, if any, may be made by any method deemed to be an at the market offering as defined in Rule 415 under the Securities Act of 1933, or the Securities Act, which includes sales made directly on NASDAQ, the existing trading market for our common stock sales made to or through a market maker other than on an exchange or otherwise, in negotiated transactions at market prices, and/or any other method permitted by law. The sales agent will make all sales on a best efforts basis using commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between the sales agent and us.

Our common stock trades on the NASDAQ Global Select Market (NASDAQ) under the symbol YRCW. On December 9, 2013, the last reported sales price of our common stock on NASDAQ was $10.00 per share.

The compensation to the sales agent for sales of common stock sold pursuant to the sales agreement will be an aggregate of 3% of the gross proceeds of the sales price of common stock sold. The net proceeds from any sales under this prospectus supplement will be used as described under Use of Proceeds. The net proceeds that we receive from sales of our common stock will depend on the number of shares actually sold and the offering price of such shares. There is no arrangement for the net proceeds to be received in an escrow, trust or similar account.

In connection with the sale of common stock on our behalf, the sales agent may be deemed to be an underwriter within the meaning of the Securities Act, and the compensation of the sales agent may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to the sales agent against certain liabilities, including liabilities under the Securities Act.

You should read carefully and consider the Risk Factors beginning on page S-3 of this prospectus supplement, page 4 of the accompanying prospectus, and the risk factors described in other documents incorporated by reference herein.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is December 10, 2013.

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Prospectus Supplement

Prospectus

You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined. This prospectus supplement may add to, update or change information in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement or the accompanying prospectus.

If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us, the shares being offered and other information you should know before investing in our common stock.

You should rely only on this prospectus supplement, the accompanying prospectus and the information incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the sales agent has not, authorized anyone to provide you with information that is in addition to or different from that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the sales agent is not, offering to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than as of the date of this prospectus supplement or the accompanying prospectus, as the case may be, or in the case of the documents incorporated by reference, the date of such documents regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of our common stock. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

All references in this prospectus supplement or the accompanying prospectus to YRCW, the Company, we, us, or mean YRC Worldwide Inc. and its subsidiaries, unless we state otherwise or the context otherwise requires.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus supplement and the accompanying prospectus are part of a Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the Securities Act), which we have filed with the SEC to register the shares of common stock offered hereby. This prospectus supplement does not contain all of the information in the registration statement and its exhibits. For further information regarding us and our securities, please see the registration statement and our other filings with the SEC, including our annual, quarterly and current reports and proxy statements, which you may read and copy at the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

Our common stock is traded on NASDAQ under the symbol YRCW.

Our SEC filings are also available to the public on the SEC s internet website at http://www.sec.gov and on our website at http://www.yrcw.com. Information contained on our internet website is not a part of this prospectus.

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INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus supplement, which means that we can disclose important information about us by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this prospectus supplement. This prospectus supplement incorporates by reference the documents and reports listed below (other than portions of these documents that are either (1) described in paragraph (e) of Item 201 of Registration S-K or paragraphs (d)(1)-(3) and (e)(5) of Item 407 of Regulation S-K promulgated by the SEC or (2) furnished under Item 2.02 or Item 7.01 of a Current Report on Form 8-K (including any exhibits included with such items)):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the SEC on February 21, 2013, including the information specifically incorporated in our Annual Report on Form 10-K from our Definitive Proxy Statement on Schedule 14A filed with the SEC on March 20, 2013;

- our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, June 30 and September 30, 2013 filed with the SEC on May 3, August 7 and November 12, 2013, respectively;

- our Current Reports on Form 8-K filed with the SEC on March 19, September 20, December 3 and December 9, 2013; and

- the description of the number of authorized shares of our capital stock as set forth in Exhibit 3.1 to our Current Report on Form 8-K filed with the SEC on December 1, 2011, and the description of our common stock, par value $0.01 per share, contained in our Registration Statement on Form 10 filed with the SEC under the Exchange Act of 1934, as amended (the Exchange Act) (Commission File No. 1-2255).

We also incorporate by reference the information contained in all other documents we file with the SEC pursuant to Sections 13 (a), 13(c), 14 or 15(d) of the Exchange Act (other than portions of these documents that are either (1) described in paragraph (e) of Item 201 of Registration S-K or paragraphs (d)(1)-(3) and (e)(5) of Item 407 of Regulation S-K promulgated by the SEC or (2) furnished under Item 2.02 or Item 7.01 of a Current Report on Form 8-K, unless otherwise indicated therein) after the date of this prospectus and prior to the termination of the offerings under this prospectus supplement. The information contained in any such document will be considered part of this prospectus supplement from the date the document is filed with the SEC.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference in this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

If you make a request for such information in writing or by telephone, we will provide you, without charge, a copy of any or all of the information incorporated by reference into this prospectus supplement. Any such request should be directed to:

Michelle A. Friel

Corporate Secretary

YRC Worldwide Inc.

10990 Roe Avenue

Overland Park, Kansas 66211

(913) 696-6100

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PROSPECTUS SUPPLEMENT SUMMARY

This summary contains a general overview of the information contained or incorporated by reference in this prospectus supplement. This summary may not contain all of the information that is important to you, and it is qualified in its entirety by the more detailed information and financial statements and related notes, as filed with the SEC and incorporated by reference in this prospectus supplement and the accompanying prospectus. You should carefully consider the information contained in or incorporated by reference in this prospectus supplement and accompanying prospectus, including the information set forth under the heading Risk Factors in this prospectus supplement and accompanying prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the SEC on February 21, 2013 and in our Quarterly Reports on Form 10-Q for the three months ended March 31, June 30 and September 30, 2013 filed with the SEC on May 3, August 7 and November 12, 2013, respectively.

Our Company

YRC Worldwide is a holding company that, through wholly owned operating subsidiaries and its interest in a Chinese joint venture, offers its customers a wide range of transportation services. We have one of the largest, most comprehensive less-than-truckload (LTL) networks in North America with local, regional, national and international capabilities. Through our team of experienced service professionals, we offer expertise in heavyweight shipments and flexible supply chain solutions, ensuring customers can ship industrial, commercial and retail goods with confidence. Our reporting segments include the following:

YRC Freight is the reporting segment focused on business opportunities in national, regional and international services. YRC Freight provides for the movement of industrial, commercial and retail goods, primarily through centralized management and customer facing organizations. This segment includes our LTL subsidiary YRC Inc. (YRC Freight) and Reimer Express (YRC Reimer), a subsidiary located in Canada that specializes in shipments into, across and out of Canada. In addition to the United States and Canada, YRC Freight also serves parts of Mexico, Puerto Rico and Guam.

Regional Transportation is the reporting segment for our transportation service providers focused on business opportunities in the regional and next-day delivery markets. Regional Transportation is comprised of USF Holland (Holland), New Penn Motor Express (New Penn) and USF Reddaway (Reddaway). These companies each provide regional, next-day ground services in their respective regions through a network of facilities located across the United States, Canada, Mexico and Puerto Rico.

In 2011 and 2010, we reported Truckload as a separate segment, which consisted of Glen Moore, a former domestic truckload carrier. On December 15, 2011, we sold the majority of Glen Moore s assets to a third party and concluded its operations.

YRC Worldwide Inc. was incorporated in Delaware in 1983, and we are headquartered in Overland Park, Kansas. We employed approximately 32,000 people as of December 31, 2012. The mailing address of our headquarters is 10990 Roe Avenue, Overland Park, Kansas 66211, and our telephone number is (913) 696-6100. Our Internet website is www.yrcw.com. Information contained on our website is not part of this prospectus supplement.

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The Offering

The following summary contains basic information about our common stock and the offering and is not intended to be complete. It does not contain all the information that may be important to you. For a more complete understanding of our common stock, you should read the section of the accompanying prospectus entitled Description of Our Capital Stock.

Issuer	YRC Worldwide Inc.
Common Stock Offered	Up to 3,000,000 shares.
Manner of Offering	At the market offering that may be made from time to time on NASDAQ or other market for our common stock in the United States through MLV & Co., LLC as our sales agent. See Plan of Distribution on page S-23 of this prospectus supplement.
Risk Factors	Your investment in our common stock involves substantial risks. You should consider the Risk Factors included and incorporated by reference in this prospectus supplement and the accompanying prospectus, including the risk factors incorporated by reference from our filings with the SEC.
Use of Proceeds	We intend to use the net proceeds from this offering for the repayment of a portion of the $69.4 million aggregate principal amount of our 6% Convertible Senior Notes due 2014 (the 6% Notes) on or prior to their scheduled maturity on February 15, 2014 and thereafter for general corporate and working capital purposes, which may include the repayment of indebtedness. See Use of Proceeds on page S-18 of this prospectus supplement.
NASDAQ Symbol	YRCW

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RISK FACTORS

An investment in our common stock involves risks. Before deciding whether to purchase any shares of common stock, you should consider the risks discussed below or elsewhere in this prospectus supplement or the accompanying prospectus, including those set forth under the heading Forward-Looking Statements and in our filings with the SEC that we have incorporated by reference in this prospectus supplement. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations.

Any of the risks discussed below or elsewhere in this prospectus supplement or the accompanying prospectus or in our SEC filings incorporated by reference, and other risks we have not anticipated or discussed, could have a material adverse effect on our business, financial condition and results of operations. In that case, the trading price of our common stock could decline substantially.

Business Risks

We are a holding company and we are dependent on the ability of our subsidiaries to distribute funds to us.

We are a holding company and our subsidiaries conduct substantially all of our consolidated operations and own substantially all of our consolidated assets. Consequently, our cash flow and our ability to make payments on our indebtedness substantially depends upon our subsidiaries cash flow and payments of funds to us by our subsidiaries. Our subsidiaries ability to make any advances, distributions or other payments to us may be restricted by, among other things, debt instruments, tax considerations and legal restrictions. If we are unable to obtain funds from our subsidiaries as a result of these restrictions, we may not be able to pay principal of, or cash interest on, our indebtedness when due, and we cannot assure you that we will be able to obtain the necessary funds from other sources.

We are subject to general economic factors that are largely out of our control, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to a number of general economic factors that may adversely affect our business, financial condition and results of operations, many of which are largely out of our control. These factors include recessionary economic cycles and downturns in customers business cycles and changes in their business practices, particularly in market segments and industries, such as retail and manufacturing, where we have a significant concentration of customers. Economic conditions may adversely affect our customers business levels, the amount of transportation services they need and their ability to pay for our services. Because a portion of our costs are fixed, it may be difficult for us to quickly adjust these fixed costs proportionally with fluctuations in volume levels. Customers encountering adverse economic conditions represent a greater potential for loss, and we may be required to increase our reserve for bad-debt losses. Further, we depend on our suppliers for equipment, parts and services that are critical to our business. A disruption in the availability of these supplies or a material increase in their cost due to adverse economic conditions or financial constraints of our suppliers could adversely impact our business, results of operations and liquidity.

We are subject to business risks and increasing costs associated with the transportation industry that are largely out of our control, any of which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to business risks and increasing costs associated with the transportation industry that are largely out of our control, any of which could adversely affect our business, financial condition and results of operations. The factors contributing to these risks and costs include weather, excess capacity in the transportation industry, interest rates, fuel prices and taxes, fuel surcharge collection, terrorist attacks, license and registration fees, insurance premiums and self-insurance levels, difficulty in recruiting and retaining qualified drivers, the risk of widespread disruption of our technology systems, and increasing equipment and operational costs. Our

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results of operations may also be adversely affected by seasonal factors. Further, the future availability and support available for our current technology may make it necessary for us to upgrade or change these systems, which may be costly and could disrupt of reduce the efficiency of our operations.

We operate in a highly competitive industry, and our business will suffer if we are unable to adequately address potential downward pricing pressures and other factors that could have a material adverse effect on our business, financial condition and results of operations.

Numerous competitive factors could adversely affect our business, financial condition and results of operations. These factors include the following:

- We compete with many other transportation service providers of varying sizes and types, some of which have a lower cost structure, more equipment and greater capital resources than we do or have other competitive advantages;

- Some of our competitors periodically reduce their prices to gain business, especially during times of reduced growth rates in the economy, which limits our ability to maintain or increase prices or maintain or grow our business;

- Our customers may negotiate rates or contracts that minimize or eliminate our ability to offset fuel price increases through a fuel surcharge on our customers;

- Many customers reduce the number of carriers they use by selecting so-called core carriers as approved transportation service providers, and in some instances, we may not be selected;

- Many customers periodically accept bids from multiple carriers for their shipping needs, and this process may depress prices or result in the loss of some business to competitors;

- The trend towards consolidation in the ground transportation industry may create other large carriers with greater financial resources and other competitive advantages relating to their size;

- Advances in technology require increased investments to remain competitive, and our customers may not be willing to accept higher prices to cover the cost of these investments; and

- Competition from non-asset-based logistics and freight brokerage companies may adversely affect our customer relationships and prices.

If we are unable to extend our existing union agreements, we may be unable to refinance or restructure the portions of our debt which mature in 2014, which would have a material adverse effect on our business, financial condition and results of operations. Any deterioration in our relationship with our unions could also place us at a

disadvantage relative to our nonunion competitors.

Virtually all of our operating subsidiaries have employees who are represented by the International Brotherhood of Teamsters (IBT). These employees represent the majority of our workforce at December 31, 2012. Salaries, wages and employee benefits compose over half of our operating costs.

Each of our YRC Freight, New Penn, and Holland subsidiaries employ most of their unionized employees under the terms of a common national master freight agreement with the IBT, as supplemented by additional regional supplements and local agreements, a significant majority of which will expire on March 31, 2015. On December 9, 2013, we announced that local IBT union leaders had voted to submit for employee ratification an agreement to extend our current IBT agreement by five years (the IBT Agreement). Approval of the IBT Agreement requires that 50% plus one of our bargaining unit employees vote in favor. We anticipate that the ratification process will be completed on January 8, 2014 and expect the IBT will announce results soon thereafter.

The effectiveness of the ratification is also conditioned on our retiring at least 90% of the aggregate outstanding principal amount of the Series A Notes and Series B Notes through any combination of the following options: (i) by converting to equity, (ii) by retiring through the proceeds of one or more equity offerings or (iii) by setting aside a sufficient amount of cash to redeem at maturity. Additionally, the ratification is conditioned on our making reasonable efforts to refinance our amended and restated credit agreement, including our ABL first-out delayed draw term loan facility and our ABL last-out term loan facility, on terms that are better taken as a whole than are currently in existence.

There can be no assurance that our employees will ratify the IBT Agreement or, if they do, that we will otherwise be able to satisfy the other conditions to its effectiveness, many of which are outside of our control. If the IBT Agreement is not ratified or the other conditions are not satisfied, we may be unable to restructure or refinance the portions of our debt which will mature in September of 2014 and March of 2015. See Liquidity Risks We face significant liquidity challenges in the near term, which could adversely affect our financial condition. If we are unable to restructure or refinance our maturing debt, we will not have sufficient liquidity to repay the amounts owed. This would require us to restructure our entire capital structure, which would materially and adversely affect our financial condition and our ability to continue to operate our business in the ordinary course.

Our subsidiaries are regularly subject to grievances, arbitration proceedings and other claims concerning alleged past and current non-compliance with applicable labor law and collective bargaining agreements.

Neither we nor any of our subsidiaries can predict the outcome of any of these matters. These matters, if resolved in a manner unfavorable to us, could have a material adverse effect on our business, financial condition, liquidity and results of operations, and place us at a disadvantage.

Our pension expense and funding obligations could increase significantly and have a material adverse effect on our business, financial condition and results of operations.

Our future funding obligations for our U.S. single-employer defined benefit pension plans qualified with the Internal Revenue Service (the IRS) depend upon their funded status, the future performance of assets set aside in trusts for these plans, the level of interest rates used to determine funding levels and actuarial experience and any changes in government laws and regulations.

Our subsidiaries began making contributions to most of the multi-employer pension funds (the funds) for the month beginning June 1, 2011 at the rate of 25% of the contribution rate in effect on July 1, 2009. A fund that did not allow the Company s subsidiaries to begin to make contributions at a reduced rate to the fund elected to either (i) apply the amount of the contributions toward paying down previously deferred contributions under our Contribution Deferral Agreement, or (ii) have the amount of the contributions placed in escrow until such time when the fund is able to accept re-entry at the reduced rate.

If the funding of the funds does not reach certain goals (including those required not to enter endangered or critical status or those required by a fund s funding improvement or rehabilitation plan), our pension expenses and required cash contributions could further increase upon the expiration of our collective bargaining agreements and, as a result, could materially adversely affect our business, financial condition and results of operations. Decreases in investment returns that are not offset by contributions could also increase our obligations under such plans.

We believe that based on information obtained from public filings and from plan administrators and trustees, our portion of the contingent liability in the case of a full withdrawal or termination from all of the multi-employer pension plans would be an estimated $10 billion on a pre-tax basis. If we were subject to withdrawal liability with respect to a plan, ERISA provides that a withdrawing employer can pay the obligation in a lump sum or over time based upon an annual payment that is the product of the highest contribution rate to the relevant plan multiplied by the average of the three highest consecutive years measured in contribution base units, which, in some cases, could be up to 20 years. Even so, our applicable subsidiaries have no current intention of taking any action that would subject us to payment of material withdrawal obligations, however we cannot provide any assurance that such obligations will not arise in the future which would have a material adverse effect on our business, financial condition, liquidity and results of operations.

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Ongoing self-insurance and claims expenses could have a material adverse effect on our business, financial condition and results of operations.

Our future insurance and claims expenses might exceed historical levels. We currently self-insure for a majority of our claims exposure resulting from cargo loss, personal injury, property damage and workers compensation. If the number or severity of claims for which we are self-insured increases, our business, financial condition and results of operations could be adversely affected, and we may have to post additional letters of credit or cash collateral to state workers compensation authorities or insurers to support our insurance policies, which may adversely affect our liquidity. If we lose our ability to self insure, our insurance costs could materially increase, and we may find it difficult to obtain adequate levels of insurance coverage.

We have significant ongoing capital expenditure requirements that could have a material adverse effect on our business, financial condition and results of operations if we are unable to generate sufficient cash from operations.

Our business is capital intensive. Our capital expenditures focus primarily on revenue equipment replacement, land and structures and investments in information technology. In light of our operating results over the past few years and our liquidity needs, we have deferred certain capital expenditures and expect to continue to do so for the foreseeable future, including the next twelve months. As a result, the average age of our fleet has increased and we will need to update our fleet periodically. If we are unable to generate sufficient cash from operations to fund our capital requirements, we may have to limit our growth, utilize our existing liquidity, or enter into additional financing arrangements, including leasing arrangements, or operate our revenue equipment (including tractors and trailers) for longer periods resulting in increased maintenance costs, any of which could reduce our operating income. If our cash from operations and existing financing arrangements are not sufficient to fund our capital expenditure requirements, we may not be able to obtain additional financing at all or on terms acceptable to us. In addition, our credit facilities contain provisions that limit our level of annual capital expenditures.

We operate in an industry subject to extensive government regulations, and costs of compliance with, or liability for violation of, existing or future regulations could significantly increase our costs of doing business.

The U.S. Departments of Transportation and Homeland Security and various federal, state, local and foreign agencies exercise broad powers over our business, generally governing such activities as authorization to engage in motor carrier operations, safety and permits to conduct transportation business. Our drivers are also subject to hours-of-service rules from the Federal Motor Carrier Safety Administration (FMCSA). In the future, we may become subject to new or more restrictive regulations that the FMSCA, Departments of Transportation and Homeland Security, the Occupational Safety and Health Administration, the Environmental Protection Agency or other authorities impose, including regulations relating to engine exhaust emissions, the hours of service that our drivers may provide in any one time period, security and other matters. Compliance with these regulations could substantially impair equipment productivity and increase our costs.

We are subject to various environmental laws and regulations, and costs of compliance with, or liabilities for violations of, existing or future laws and regulations could significantly increase our costs of doing business.

Our operations are subject to environmental laws and regulations dealing with, among other things, the handling of hazardous materials, underground fuel storage tanks and discharge and retention of storm water. We operate in industrial areas, where truck terminals and other industrial activities are located, and where groundwater or other forms of environmental contamination may have occurred. Our operations involve the risks of fuel spillage or seepage, environmental damage and hazardous waste disposal, among others. If we are involved in a spill or other accident involving hazardous substances, or if we are found to be in violation of applicable environmental laws or regulations, it could significantly increase our cost of doing business. Under specific environmental laws and regulations, we could be held responsible for all of the costs relating to any contamination at our past or present terminals and at third-party waste disposal sites. If we fail to comply with applicable environmental laws and regulations, we could be subject to substantial fines or penalties and to civil and criminal liability.

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In addition, as climate change initiatives become more prevalent, federal, state and local governments and our customers are beginning to promulgate solutions for these issues. This increased focus on greenhouse gas emission reductions and corporate environmental sustainability may result in new regulations and customer requirements that could negatively affect us. This could cause us to incur additional direct costs or to make changes to our operations in order to comply with any new regulations and customer requirements, as well as increased indirect costs or loss of revenue resulting from, among other things, our customers incurring additional compliance costs that affect our costs and revenues. We could also lose revenue if our customers divert business from us because we haven t complied with their sustainability requirements. These costs, changes and loss of revenue could have a material adverse effect on our business, financial condition, liquidity and results of operations.

Our business may be harmed by anti-terrorism measures.

In the aftermath of the terrorist attacks on the United States, federal, state and municipal authorities have implemented and are implementing various security measures, including checkpoints and travel restrictions on large trucks. Although many companies will be adversely affected by any slowdown in the availability of freight transportation, the negative impact could affect our business disproportionately. For example, we offer specialized services that guarantee on-time delivery. If the security measures disrupt or impede the timing of our deliveries, we may fail to meet the needs of our customers, or may incur increased expenses to do so. We cannot assure you that these measures will not significantly increase our costs and reduce our operating margins and income.

The outcome of IRS audits to which the Company and its subsidiaries are a party could have a material adverse effect on our businesses, financial condition and results of operations.

The IRS may issue adverse tax determinations in connection with its audit of our prior year tax returns. See the Income Taxes footnote to our consolidated financial statements included in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that are incorporated by reference into this prospectus. We may incur significant expenses defending ourselves in these audits. We may be required to pay significant taxes and/or interest to resolve these audits. These costs could have a material adverse effect on our businesses, financial condition, liquidity and results of operations.

Current or future litigation may adversely affect our business, financial condition, liquidity or results of operations.

We have been and continue to be involved in legal proceedings, claims and other litigation that arise in the ordinary course of business. Litigation may be related to labor and employment, competitive matters, personal injury, property damage, safety and contract compliance, environmental liability, our past financial restructurings and other matters. We are currently subject to litigation in connection with modifications to our national master freight agreement with the IBT and putative class action litigation in connection with our financial restructuring in 2009. We discuss legal proceedings in the Commitments, Contingencies and Uncertainties footnote to our consolidated financial statements included in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that are incorporated by reference into this prospectus. Some or all of our expenditures to defend, settle or litigate these matters may not be covered by insurance or could impact our cost and ability to obtain insurance in the future. Litigation can be expensive, lengthy and disruptive to normal business operations, including to our management due to the increased time and resources required to respond to and address the litigation. The results of complex legal proceedings are often uncertain and difficult to predict. An unfavorable outcome of any particular matter or any future legal proceedings could have a material adverse effect on our business, financial condition, liquidity or results of operations. In the future, we could incur judgments or enter into settlements of claims that could harm our financial position, liquidity and results of operations.

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We may not obtain further benefits and cost savings from operational changes and performance improvement initiatives.

In response to our business environment, we initiated operational changes and process improvements to reduce costs and improve financial performance. The changes and initiatives include evaluating management talent, reducing overhead costs, closing redundant facilities, making upgrades to our technology, eliminating unnecessary activities and implementing changes of operations under our labor agreements. There is no assurance that these changes and improvements will be successful, that their implementation may not have an adverse impact on our operating results or that we will not have to initiate additional changes and improvements in order to achieve the projected benefits and cost savings.

We may be unable to remedy declines in service levels at YRC Freight, which may lead to further declines in operational performance.

In May 2013, our YRC Freight reporting segment commenced its plan to optimize its freight network. This optimization reduced the number of handling and relay locations. In the third quarter of 2013, driven, in part, by a decline of our service levels due to driver shortages and transition issues related to the network optimization plan, our YRC Freight reporting segment experienced decreases in our year-over-year financial performance and relative to our management forecast.

As a consequence of YRC Freight s performance, we made leadership changes in late September. Our renewed objective is to increase process discipline, execution and accountability at YRC Freight. Going forward, our focus will be on growing the business by aggressively pursuing new and profitable accounts while controlling our costs and improving our service levels. If we are unable to improve performance at YRC Freight in the near term, however, it may continue to have an adverse impact on our operating results and prevent us from achieving the intended benefits and cost savings of our optimization plan.

Our actual operating results may differ significantly from our projections.

From time to time, we use projections regarding our future performance. These projections, which are forward-looking statements, are prepared by our management and are qualified by, and subject to, the assumptions and the other information contained or referred to under the caption Forward-Looking Statements in this prospectus supplement or in similar cautionary statements regarding forward-looking statements in our filings with the SEC, the risk factors contained in this prospectus supplement, the accompanying prospectus and the risk factors included in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that we file with the SEC. Our projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our registered public accountants nor any other independent expert or outside party compiles or examines the projections and, accordingly, no such person expresses any opinion or any other form of assurance with respect thereto.

Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change.

Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions and estimates relating to the projections furnished by us will not materialize or will vary significantly from actual results. Accordingly, our projections are only an estimate of what management believes is realizable as of the date of release.

Actual results will vary from the projections and the variations may be material. Investors should also recognize that the reliability of any forecasted financial data diminishes the farther in the future that the data is projected. In light of the foregoing, investors are urged not to rely upon, or otherwise consider, our projections in making investment decisions in respect of our securities.

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Any failure to successfully implement our operating strategy, the failure of some or all of the assumptions and estimates relating to the projections used by us or the occurrence of any of the adverse events or circumstances described under the caption Risk Factors in this prospectus supplement, the accompanying prospectus and in our other filings with the SEC could result in the actual operating results being different from the projections, and such differences may be adverse and material.

Liquidity Risks

Our substantial indebtedness and cash interest payment obligations, lease obligations and pension funding obligations could adversely affect our financial flexibility and our competitive position.

As of September 30, 2013, we had $1,361.0 million in aggregate principal of outstanding indebtedness, which may increase over time as $209.0 million in aggregate principal amount of our debt as of September 30, 2013 is held in the form of senior convertible secured notes which accrues paid-in-kind interest. We also have, and will continue to have, significant lease obligations. We plan to procure substantially all of our new revenue equipment using operating leases in 2014 and beyond. As of September 30, 2013, our minimum rental expense under operating leases for the remainder of the year is $13.3 million. As of September 30, 2013, our operating lease obligations through 2025 totaled $165.6 million and are expected to increase as we lease additional revenue equipment. As of September 30, 2013, we expect our funding obligations in the remainder of 2013 under our single-employer pension plans and the multi-employer pension funds will be approximately $13.7 million and $22.5 million, respectively. Our substantial indebtedness, lease obligations and pension funding obligations could have a significant impact on our business.

For example, it could:

- increase our vulnerability to adverse changes or sustained slow growth in general economic, industry and competitive conditions;

- require us to dedicate a substantial portion of our cash flow from operations to make payments on our indebtedness, leases and pension funding obligations, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;

- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- restrict us from taking advantage of business opportunities;

- make it more difficult to satisfy our financial obligations;

- place us at a competitive disadvantage compared to our competitors that have less debt, lease obligations, and pension funding obligations; and limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other general corporate purposes on satisfactory terms or at all.

In addition, the indenture governing our Series B Notes and our credit facilities contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our indebtedness.

Despite current indebtedness levels, we and our subsidiaries may still be able to incur more debt. This could increase the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur additional indebtedness in the future. Although covenants under the indenture governing the Series B Notes, our amended and restated credit agreement and other agreements limit our ability and the ability of our present and future subsidiaries to incur additional indebtedness, the terms of the indenture governing the Series B Notes, our amended and restated credit agreement and other agreements do permit us to incur additional indebtedness or other obligations under certain circumstances. To the extent that we incur additional indebtedness or such other obligations, the risks associated with our substantial indebtedness described above, including those affecting our ability to service our debt, will increase.

Our ability to make payments on and to refinance our indebtedness and to fund working capital needs and capital expenditures will depend on our ability to generate cash in the future.

Our ability to generate cash in the future, to a certain extent, is subject to general economic, financial, competitive, business, legislative, regulatory and other factors that are beyond our control. If we are unable to meet our debt service obligations under our existing and future indebtedness, the holders of such indebtedness would have the right, following any applicable cure period, to cause the entire principal amount thereof to become immediately due and payable. If our outstanding indebtedness was accelerated, our assets will likely not be sufficient to repay in full the money owed.

We have a considerable amount of indebtedness, of which $69.4 million matures on February 15, 2014, $325.5 million matures on September 30, 2014 and $664.7 million matures on March 31, 2015. We intend to restructure or refinance the portions of our debt which will mature in September of 2014 and March of 2015. Our ability to refinance our indebtedness will depend on the condition of the capital markets and our financial condition. Our recent operating results may have an adverse effect on our ability to complete such restructuring or refinancing. The refinancing of these debt obligations is outside of our control and there can be no assurance that such transactions will occur, or if it does occur, on what terms. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments, including the indentures governing the convertible notes, and the credit agreement governing our credit facilities, may limit or prevent us from taking any of these actions.

In connection with its audit of our financial statements for the year ending December 31, 2013, our independent registered public accounting firm will analyze our liquidity and our ability to continue as a going concern, taking into consideration, among other things, our need to restructure or refinance our near-term maturing debt. In the event we are not able to restructure or refinance our near-term maturing debt before filing our 2013 Form 10-K, our independent registered public accounting firm s audit report accompanying our audited financial statements for the year ending December 31, 2013 may include going concern language. Such going concern language could harm our credit rating and our ability to refinance our near-term maturing debt or otherwise obtain additional financing on acceptable terms. The occurrence of any of these events could have an adverse effect, which could be material, on our financial condition and liquidity.

In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance or restructure our obligations on commercially reasonable terms or at all, would have an adverse effect, which could be material, on our business, financial condition, liquidity and results of operations.

We incurred net losses in each of fiscal 2012, 2011 and 2010 and for the nine-month period ended September 30, 2013. We may not obtain the projected benefits and cost savings from productivity and efficiency initiatives. If we incur future net losses we may need additional capital to meet our future cash requirements and execute our business strategy.

Our business experienced net losses in each of fiscal 2012, 2011 and 2010 and for the nine-month period ended September 30, 2013. Net losses in fiscal 2012, 2011 and 2010 were $136.5 million, $354.4 million and

$327.8 million, respectively. Net loss was $84.0 million for the nine-months ended September 30, 2013. Contributing factors to our net losses in fiscal 2012, 2011 and 2010 were the challenges facing transportation services generally as a result of the prolonged slow economic recovery, competitive pressures in the LTL industry stemming from excess capacity that resulted in lower profit margins, interest expense and financing costs, and our operating cost structure. In each of 2009 and 2011, we implemented financial restructurings to improve our balance sheet and to provide additional operating liquidity. Since our restructuring in 2011, our senior management team and board of directors have put strategies in place that are focused on driving productivity and efficiency improvements. These efforts have been concentrated on improving pricing and shipping volumes as well as customer mix, redeploying shared services and, in turn, driving more autonomy, responsibility and accountability to our operating companies, streamlining operations and our transportation network, and divesting non-core assets. There is no assurance that these changes and improvements will be successful, that their implementation will have a positive impact on our operating results or that we will not have to initiate additional changes and improvements in order to achieve the projected benefits and cost savings. For example, our recently reported operating results have been adversely affected by driver shortages and challenges in implementing our network optimization. If we incur future net losses, we may experience liquidity challenges and we may need to raise additional capital to meet our future cash requirements and to execute our business strategy.

We face significant liquidity challenges in the near term, which could adversely affect our financial condition.

Our ability to continue as a going concern over the next twelve months is dependent on a number of factors, many of which are outside of our control. In the near term, we must repay or refinance our 6% Notes prior to February 1, 2014 in order to comply with the terms of our amended and restated credit agreement and thereafter we will need to refinance or restructure our other debt obligations prior to their upcoming maturities in 2014 and 2015. We do not currently have sufficient liquidity to repay the 6% Notes without raising additional capital. We believe that we will be unable to raise additional capital until the IBT Agreement becomes effective, which will require us to first satisfy the conditions to its effectiveness, which include, among other things, retiring at least 90% of the aggregate outstanding principal amount of the Series A Notes and the Series B Notes. Many of these conditions are outside of our control, and there can be no assurance that we will be able to satisfy them.

Other factors affecting our ability to refinance or restructure our debt include:

- achieving forecasted results in order to comply with covenants and other terms of our credit facilities so as to have access to the borrowings available to us under our credit facilities;

- securing suitable lease financing arrangements to replace revenue equipment;

- generating operating cash flows that are sufficient to meet the minimum cash balance requirement under our credit facilities, cash requirements for pension contributions to our single-employer pension plan and our multi-employer pension funds, cash interest and principal payments on our funded debt, payments on our equipment leases, letter of credit fees under our credit facilities and for capital expenditures or additional lease payments for new revenue equipment.

There can be no assurance that management will be successful or that such plans will be achieved.

If we are unable to satisfy the conditions to the IBT Agreement and thereafter raise additional capital to repay the 6% Notes, we may be required to restructure our entire capital structure. Any such restructuring process could materially and adversely affect our financial condition and our ability to continue to operate our business in the ordinary course.

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Restrictive covenants in the documents governing our existing and future indebtedness may limit our current and future operations, particularly our ability to respond to changes in our business or to pursue our business strategies.

The documents governing our existing indebtedness contain, and the documents governing any future indebtedness will likely contain, a number of restrictive covenants that impose significant operating and financial restrictions, including restrictions on our ability to take actions that we believe may be in our interest. The documents governing our existing indebtedness, among other things, limit our ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends on or make distributions in respect of capital stock or make certain other restricted payments or investments;
- enter into agreements that restrict distributions from restricted subsidiaries;
- sell or otherwise dispose of assets, including capital stock of restricted subsidiaries;
- enter into transactions with affiliates;
- create or incur liens;
- enter into sale/leaseback transactions;
- merge, consolidate or sell substantially all of our assets;
- make investments and acquire assets; and
- make certain payments on indebtedness.

The restrictions could adversely affect our ability to:

- finance our operations;
- make strategic acquisitions or investments or enter into alliances;

- withstand a future downturn in our business or the economy in general;
- engage in business activities, including future opportunities, that may be in our interest; and
- plan for or react to market conditions or otherwise execute our business strategies.

Our ability to obtain future financing or to sell assets could be adversely affected because substantially all of our assets have been secured as collateral for the benefit of the holders of our indebtedness.

Our failure to comply with the covenants in the documents governing our existing and future indebtedness could materially adversely affect our financial condition and liquidity.

The documents governing our indebtedness contain financial covenants, covenants requiring us to take certain actions and negative covenants restricting our ability to take certain actions. If we are unsuccessful in meeting our financial covenants, we will need to seek an amendment or waiver from our lenders or otherwise we will be in default under our credit facilities, which would enable lenders thereunder to accelerate the repayment of amounts outstanding and exercise remedies with respect to collateral. If our lenders under our credit facilities demand payment, we will not have sufficient cash and cash flows from operations to repay such indebtedness. In addition, a default under our credit facilities or the lenders exercising their remedies thereunder would trigger cross-default provisions in our other indebtedness and certain other operating agreements. Our ability to amend our credit facilities or otherwise obtain waivers from our lenders depends on matters that are outside of our control and there can be no assurance that we will be successful in that regard. In addition, any covenant breach or event of default could harm our credit rating and our ability to obtain additional financing on acceptable terms. The occurrence of any of these events could have a material adverse effect on our financial condition and liquidity.

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Risks Related to this Offering and Our Common Stock

The price of our common stock may fluctuate significantly, and this may make it difficult for you to resell our common stock when you want or at prices you find attractive.

The market price for our common stock has been highly volatile and subject to wide fluctuations. During the period from July 22, 2011 following the completion of our restructuring until December 9, 2013, the market price of our common stock ranged from $303.00 (as adjusted to give retroactive effect to our December 1, 2011 one-for-three hundred reverse stock split) to $4.56 per share. From January 1, 2013 to December 9, 2013, the market price of our common stock ranged from $5.75 to $36.99 per share. The closing market price of our common stock on December 9, 2013 was $10.00 per share. We expect the market price of our common stock to continue to be volatile and subject to wide fluctuations in response to a wide variety of factors, including the following:

- fluctuations in stock market prices and trading volumes of securities of similar companies;
- general market conditions and overall fluctuations in U.S. equity markets;
- variations in our operating results, or the operating results of our competitors;
- changes in our financial guidance or securities analysts estimates of our financial performance;
- changes in accounting principles;
- sales of large blocks of our common stock, including sales by our executive officers, directors and significant stockholders;
- additions or departures of any of our key personnel;
- announcements related to litigation;
- changing legal or regulatory developments in the U.S. and other countries; and
- discussion of us or our stock price by the financial press and in online investor communities.

In addition, the stock markets from time to time experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies and that may be extreme. These fluctuations may adversely affect the trading price of our common stock, regardless of our actual operating performance.

We issued a substantial number of notes convertible into our common stock in connection with our July 2011 financial restructuring, which could lead to significant sales of our common stock.

On July 22, 2011, we completed our financial restructuring. In connection with our restructuring, we issued a substantial number of shares of our common stock. We also issued $140.0 million in aggregate principal amount of our 10% Series A Convertible Senior Secured Notes due 2015 (Series A Notes) and $100.0 million in aggregate principal amount of our 10% Series B Convertible Senior Secured Notes due 2015 (the Series B Notes and, together with the Series A Notes, the convertible notes). Our Series A Notes were convertible into our common stock beginning after July 22, 2013 at the conversion price per share of $34.0059 and a conversion rate of 29.4067 common shares per $1,000 of Series A Notes. As of September 30, 2013, there was $173.5 million in aggregate principal amount of Series A Notes outstanding that are convertible into approximately 5.6 million shares of our common stock. Our Series B Notes are convertible into our common stock, at any time, at the conversion price per share of approximately $18.5334 and a conversion rate of 53.9567 common shares per $1,000 of the Series B Notes (such conversion price and conversion rate applying also to the Series B Notes make whole premium). As of September 30, 2013, the effective conversion price and conversion rate for our Series B Notes due 2015 (after taking into account the make whole premium) was $16.0056 and 62.4781 common shares per $1,000 of Series B Notes, respectively. As of September 30, 2013, there was $68.2 million of Series B Notes outstanding that are convertible into approximately 4.3 million shares of our common stock (including a make whole premium for our Series B Notes payable in common stock), after giving effect to Series B Notes that have already been converted into our common stock.

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We cannot predict what the demand for our common stock will be in the future, how many shares of our common stock will be offered for sale or be sold in the future, or the price at which our common stock will trade in the future. Some of our investors may not be able to or may be unwilling to hold equity securities and may therefore seek to sell their shares of common stock or the shares of common stock they receive upon conversion of the convertible notes. There are no agreements or other restrictions that prevent the sale of a large number of our shares of our common stock. The issuance of the shares of common stock upon the conversion of the convertible notes has been registered with the SEC. As a consequence, those securities and the common stock into which they are convertible will, in general, be freely tradable. Sales of a large number of such securities or shares of common stock in the future could materially depress the trading price of such securities or our common stock.

Future issuances of our common stock or equity-related securities in the public market could adversely affect the trading price of our common stock and the value of the convertible notes and our ability to raise funds in new stock offerings.

In the future, we may issue significant numbers of additional shares of our common stock to raise capital or in connection with a restructuring or refinancing of our maturing indebtedness. One of the conditions to the effectiveness of the IBT Agreement is that we retire at least 90% of the aggregate outstanding principal amount of the Series A Notes and the Series B Notes, probably through a debt-for-equity exchange. Such an exchange would, if successful, substantially dilute the ownership of our existing stockholders. In the event we are unable to meet the conditions to effectiveness of the IBT Agreement, then we will likely need to restructure our entire capital structure. Such a restructuring process would, among other things, likely result in substantial dilution, or even the complete cancellation, of the ownership of our existing stockholders. We also cannot predict what the demand for our common stock will be following any debt-for-equity exchange, how many shares of our common stock will be offered for sale or be sold following any such exchange or the price at which our common stock will trade following any such exchange. Sales of a large number of shares of common stock after any such exchange could materially depress the trading price of our common stock.

In addition, shares of our common stock are reserved for issuance on conversion of our convertible notes, exercise of outstanding stock options and vesting of outstanding share units. As of September 30, 2013, we had outstanding options to purchase an aggregate of 834,400 shares of common stock, outstanding share units representing the right to receive a total of 766,900 shares of common stock upon vesting and an aggregate of 937,127 shares of our common stock was reserved for future issuance under our 2011 Incentive and Equity Award Plan (the 2011 Plan). We have registered under the Securities Act all of the shares of common stock that we may issue upon the exercise of our outstanding options and the vesting of outstanding share units and on account of future awards made under the 2011 Plan. All of these registered shares can be freely sold in the public market upon issuance, except for shares issued to our directors and executive officers, which sales are subject to certain volume restrictions. If a large number of these shares are sold in the public market, the sales could reduce the trading price of our common stock.

We cannot predict the size of future issuances or the effect, if any, that such issuances may have on the market price for our common stock. Sales of significant amounts of our common stock or equity-related securities in the public market, or the perception that such sales may occur, could adversely affect prevailing trading prices of our common stock and the value of the convertible notes and could impair our ability to raise capital through future offerings of equity or equity-related securities. Further sales of shares of our common stock or the availability of shares of our common stock for future sale, including sales of our common stock by investors who view the convertible notes as a more attractive means of equity participation in our Company or in connection with hedging and arbitrage activity that may develop with respect to our common stock, could adversely affect the trading price of our common stock.

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We are subject to restrictions on paying dividends on our common stock and we do not intend to pay dividends on our common stock in the foreseeable future.

We do not anticipate that we will be able to pay any dividends on shares of our common stock in the foreseeable future. We intend to retain any future earnings to fund operations, to service debt and to use for other corporate needs. In addition, our amended and restated credit agreement restricts the payment of dividends on our common stock other than in additional shares of our common stock.

We can issue shares of preferred stock that may adversely affect your