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YRC 2Q Loss Narrows On Lower Expenses; Shipments Fall

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YRC Worldwide Inc.'s (YRCW) second-quarter loss narrowed on lower expenses, while the ailing trucking company still reported lower revenue and shipments again fell for its national and regional businesses.

The company has been struggling under a heavy debt load, compounded in recent years by once-surging fuel costs, then a slump in shipments due to the recession and fears about the company's ability to remain in business. But last month, YRC said volume rebounded strongly in the second quarter from early this year, as it benefits from the ongoing U.S. economic recovery.

YRC, the largest independent less-than-truckload carrier in the U.S., posted a loss of \$9.5 million, or a penny a share, compared with a year-earlier loss of \$309 million, or \$5.20 a share. The latest results included a \$83 million equity-based compensation expense related to the company's March union equity-based awards.

Revenue declined 8.7% to \$1.12 billion on a 15% decline for the company's national segment. Revenue grew 4% in the regional business and was up 2.4% for truckload.

Analysts polled by Thomson Reuters expected a loss of 8 cents a share on revenue of \$1.2 billion.

Total operating expenses declined 30%.

Per-day shipments for the company's national segment were down 19%, with the regional business seeing a 3.1% decrease. Shipments slumped by 37% and 22%, respectively, a year ago.

In June, YRC said it agreed to sell a portion of its logistics business to private-equity firm Austin Ventures LP for \$37 million. The transaction was part of an effort to focus on its core trucking operations.

Shares rose 5% to 43 cents in premarket trading, and were down 51% this year as of Monday's close. The shares began to slump in 2007.

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