FEC Overview

• 351 miles of mainline track
  − Only railroad along Florida’s east coast
  − Unparalleled link between Florida rail traffic and nation’s rail network
• Most direct and efficient North/South mode for transporting multiple types of freight
  − Competitive advantage over motor carriers due to highly congested roadways and challenging trucking environment
• Attractive freight mix
  − Intermodal containers and trailers
  − Carload
    • Crushed rock (aggregate)
    • Automobiles, food products and other industrial products
• Connect to national freight network via CSX and Norfolk Southern in Jacksonville
Florida Market Overview

Key Florida Attributes

- **Large Consumer Market**
  - 4th largest state economy in the U.S. (by GDP) (1)
  - Over 19 million residents (2)
  - More than 85 million out-of-state visitors annually (3)

- **Strategic Location**
  - Primary gateway to Latin America; accounts for more than one-third of all U.S. trade with Latin America
  - 3 of the nation’s 15 largest container seaports
  - Closest U.S. ports of call from Panama Canal (Port Miami and Everglades)

---

(1) Bureau of Economic Analysis
(2) Florida Chamber Foundation and Florida Department of Transportation report (December 2010)
FEC Mainline & Performance

• **Highest Quality of Infrastructure**
  – FRA Class IV Track (similar to Class 1’s) – 60 MPH capability (recent tests ran at 80 MPH)
  – Long-lasting concrete rail ties provide better support under high speed and heavy traffic than wooden ties
  – 30% of mainline is double-tracked
  – Mainline constructed of 136-pound per yard continuous welded rail
  – Combined Carload and Intermodal trains

• **On-Time Performance**
  – Best on-time service streak for UPS (2,000 Days without Service Failure)

• **Safety:**
  – Historically among the safest railroads in the US
Market Expansion

- New Intermodal terminal in Cocoa for next morning service between South/North Florida/Georgia and Central Florida
- New 2nd morning service between Nashville and South Florida on the Music City Xpress
- New 2nd morning service between North Carolina and South Florida on the Piedmont Xpress
- New Intermodal terminal in West Palm Beach to better service Palm Beach and Martin Counties
The Asian Market Opportunity

- Panama Canal expansion will allow larger vessel passage
  - Currently can accommodate 4,800 TEU vessels
  - Post expansion, Canal will accommodate 13,000 + TEU vessels which will allow for faster all-water times to the East Coast for the more cost efficient “large vessels” (larger vessels are 30% more cost efficient)

- Currently only 2 ports on the eastern seaboard with 50’ water depth

- **Over the last 3 years, the Port Miami received funding for over $1.0 billion in infrastructure improvements, which combined with the Panama Canal expansion, will make it a gateway for import/export activity**
  - On-dock rail restoration, with direct rail access to intermodal yard (FEC), and straight-track access to North Florida and beyond utilizing FEC Railway infrastructure *(Completion: 2nd half 2013)*
  - The Tunnel project will allow for better, and incremental access of freight flows in/out of the Port *(Completion: May 2014)*
  - 50’ dredge expected to be completed in 2015 in concert with the Panama Canal expansion project
Strategic Initiative: ICTF and near dock rail service at Port Everglades

- ICTF Groundbreaking Event took place on January 17th to announce the start of construction on a 42 acre Intermodal Container Transfer Facility

- Total Cost: $73M
  - FEC-State Loan and Cash ~ $35M
  - Broward County ~ $20M
  - State Grants ~ $18M

- Q1 2013 Update
  - Lease agreement with Broward County executed
  - ICTF design-build request has been awarded to The Milord Company
  - Received State Loan funding in Q3

- Estimated completion during the 1st half of 2014
50’ DEEP WATER ADVANTAGE

- Closest U.S. Port to Panama Canal
- Open Ocean Channel
- Efficient Vessel Piloting Operations
- Increased Vessel Turn Times
- Vessel Network Efficiencies
- Rail Connectivity to 70% Population

50’ FT. Deep Dredge in South Florida is a Game-Changer
Implementing on-dock rail service at Port Miami allows FEC to directly serve Port customers

- Only railroad with direct access to the Port
- Trains will be run directly from the Port to the FEC mainline

Total project cost $45-50 million

- Federal TIGER II grant ($23M)
- Florida DOT (up to $9M)
- Miami Dade County (up to $5M)
- FEC (up to $9M)

Q1 2013 Update

- Rail line lead to Port has been completed
- Bascule Bridge rehabilitation phase has begun
- Joint marketing program with the Port has begun

Estimated start up date: 2nd half 2013
Property will offer up to 1.5 million square feet of FTZ warehousing / distribution / transloading

Goal is to create a full-service logistics solution for import/export goods through Port Miami

- Connecting the major modes of transportation for the efficient movement of goods (Airport, Seaport, Rail, Trucking)
Creating Balanced Trade

- Import commodities include furniture and retail merchandise
- Miami can serve as a transshipment hub when Asian trade is dropped at Port Miami and then trans-loaded
- FEC and Port Miami is actively working with the largest exporters to China to re-fill Asia-bound containers; Products include soybeans, grain, scrap metal, paper, resins, frozen poultry, U.S.-manufactured automobiles, raw-baled cotton, and alternative fuels

A New Dawn for Florida and Asia

- FEC has engaged in joint marketing strategies with the south Florida ports
- Focusing on ocean carriers line companies, manufacturers, exporters, importers, 3PLs, supply chain, freight-forwarders, and custom house broker companies for the greatest market penetration
- FEC and the south Florida ports will help shippers to significantly reduce their transportation expenses, inventory investment and carbon emissions
Port/Rail Infrastructure for increased Market Reach – Now & Post Canal Expansion

**FASTEST CONNECTION WITH SOUTHEAST U.S. MARKETS**

In 2014 and beyond, a ~50-foot channel will make South Florida the most efficient entry and exit point for goods flowing between Asia and the Southeast U.S. And with on-dock rail facilities at both PortMiami and Port Everglades, Florida East Coast Railway — along with our interline rail connections — will deliver the convenience and efficiency of pier-to-ramp intermodal service.

For cargo shippers and ocean carriers that means reducing supply chain expense while increasing speed to market.

**TRANSIT TIME & COST ADVANTAGE**

- South Florida Ports are faster and less expensive into Orlando versus Port of Savannah

**GREATER MARKET PENETRATION**

- Post Panama Canal expansion completion, South Florida Ports will be positioned to be a focal point into Atlanta and other southeast markets for ocean carriers due to cost benefits, which will cascade down to Importers & Exporters

**STRATEGIC PORTS & INVESTMENTS**

- Port Miami – 50’ FT. Depth Completed end of 2014
- Port Everglades – 50’ FT. anticipated completion 2017
- Super-Post Panamax Cranes at both Ports
- Vessel Berthing & Bulkhead Expansion Plans
- Efficient, Short-Transit Port Channels
- Excellent Vessel Turn-Times
- Marine Terminal Efficiency plans
- Port Miami On-Dock Intermodal Rail 2nd half 2013
- Port Everglades Near Dock Intermodal Rail Q2 2014

CONTACT
David Banfield
(305) 889-5586

GET FASTER ACCESS TO CONSUMER MARKETS – IN 2014 AND TODAY.
FEC & The South Florida Logistics Center Spot-Light