Trends in Intermodal Freight Transport

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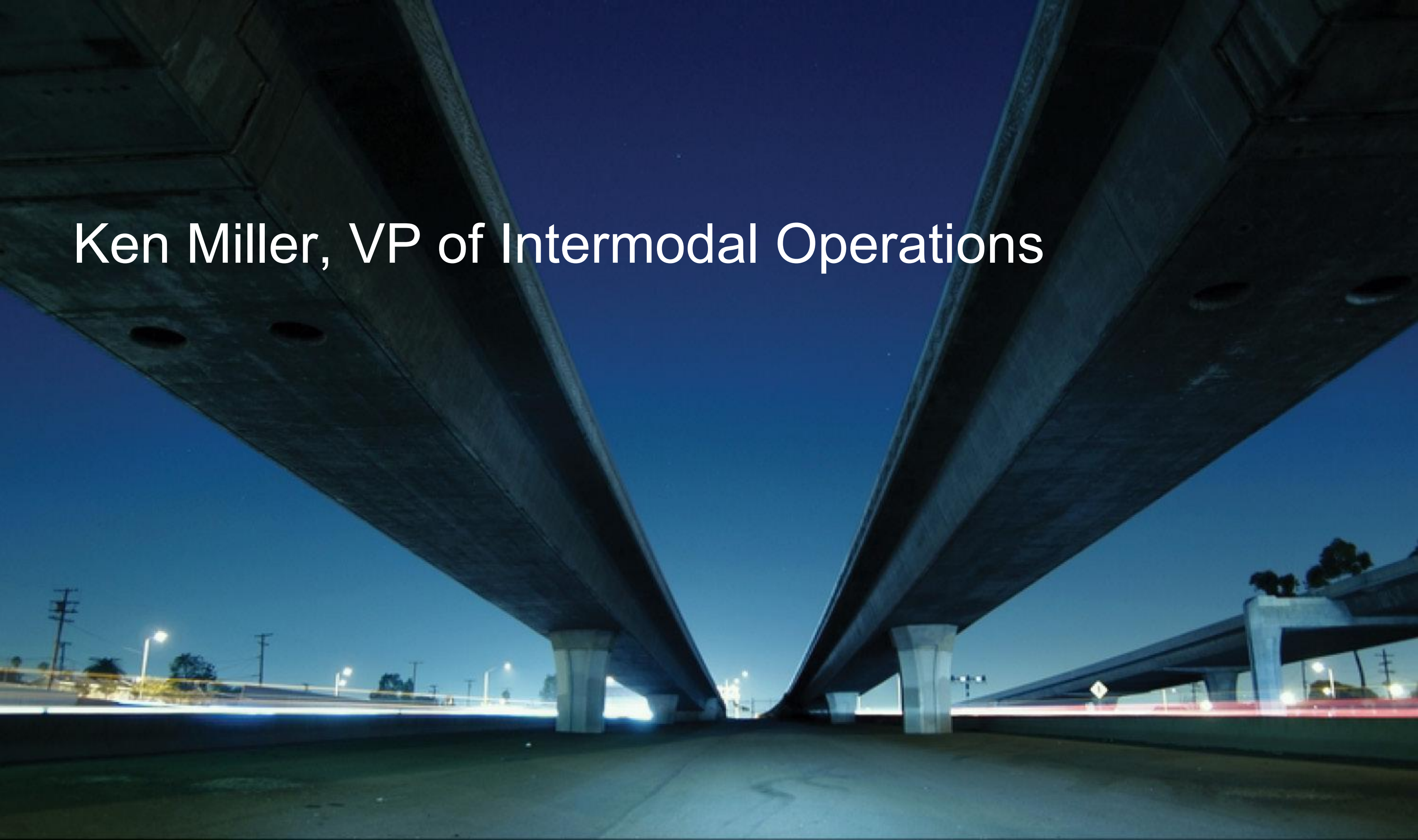


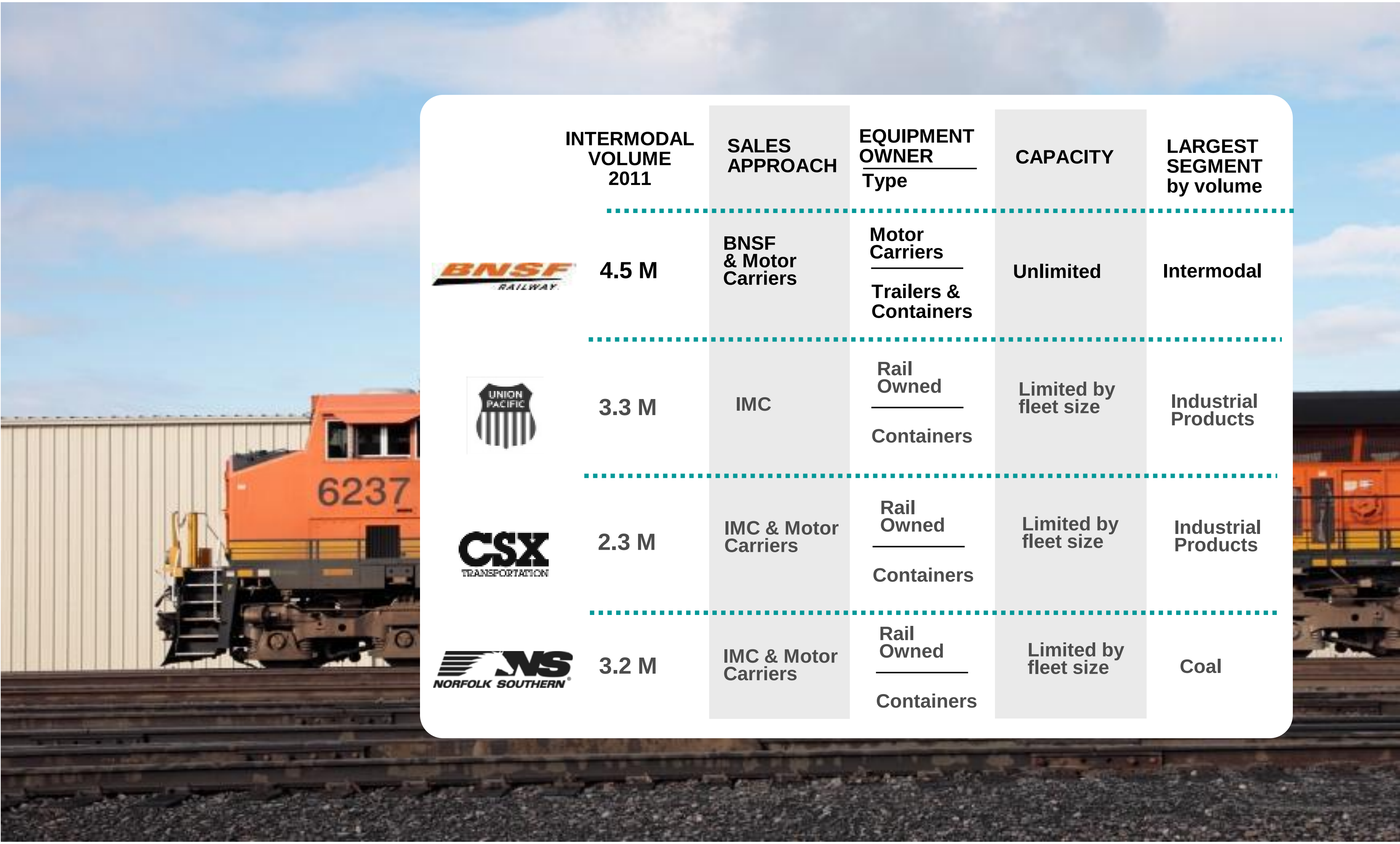
SINGLE SOURCE • INTERMODAL • DEDICATED • FINAL MILE • TRUCKLOAD • LESS THAN TRUCKLOAD • REFRIGERATED • FLATBED • EXPEDITED

A **FORTUNE 500** COMPANY

SERVICE REVIEW: MARKET SHARE

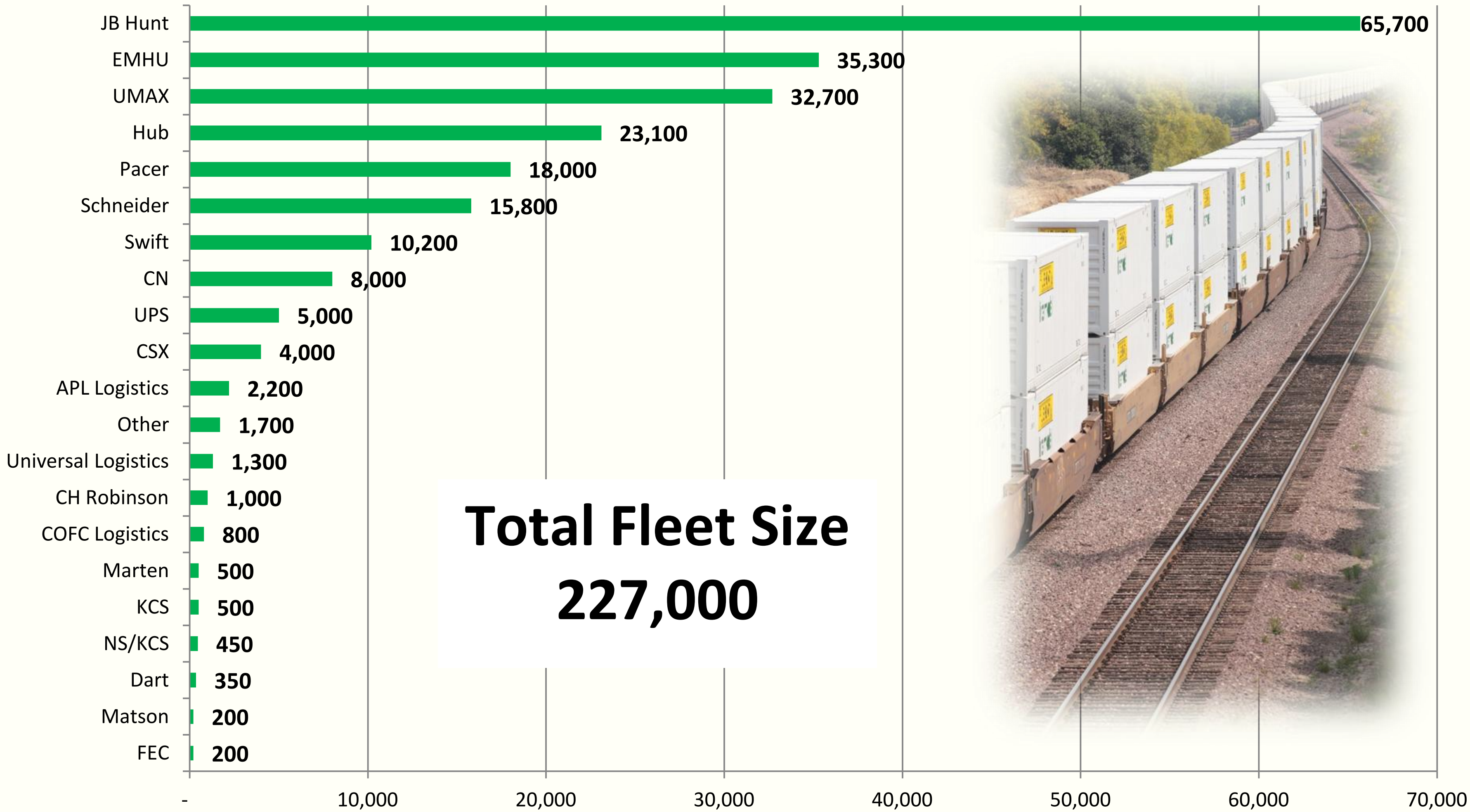
- Market overview (segment specific)
  - Market size: $12 Billion
  - Capacity: 205,000 53-foot Containers
  - Industry outlook: Growing at > 7%
- Our position
  - 25 - 28% of overall market (revenue and/or capacity)
- Opportunities
  - ***Highway Conversion***
  - Customer Deliveries
  - New Services – Canada/Mexico/Eastern Network Expansion
- Roadblocks
  - Market Share
  - Competitor Actions

Intermodal Rail Carrier Industry Comparison



	INTERMODAL VOLUME 2011	SALES APPROACH	EQUIPMENT OWNER / Type	CAPACITY	LARGEST SEGMENT by volume
BNSF RAILWAY	4.5 M	BNSF & Motor Carriers	Motor Carriers / Trailers & Containers	Unlimited	Intermodal
UNION PACIFIC	3.3 M	IMC	Rail Owned / Containers	Limited by fleet size	Industrial Products
CSX TRANSPORTATION	2.3 M	IMC & Motor Carriers	Rail Owned / Containers	Limited by fleet size	Industrial Products
NORFOLK SOUTHERN	3.2 M	IMC & Motor Carriers	Rail Owned / Containers	Limited by fleet size	Coal

Estimated 53' Domestic Fleet by Owner



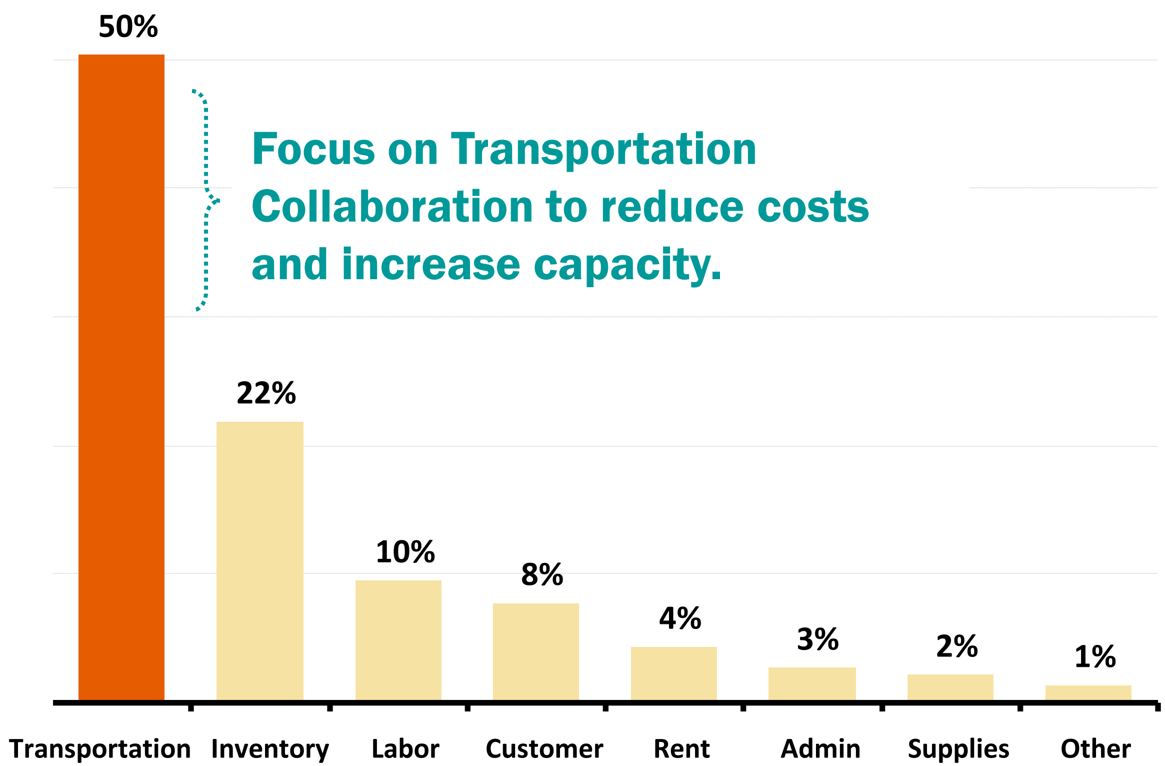
Total Fleet Size

227,000

Supply Chain Opportunities

Transportation is generally the greatest cost in the supply chain.

LOGISTICS COST BREAKDOWN



Source: Establish, Inc/Herbert W. Davis and Company 2006 Database

Today's Supply Chain Landscape

- Shippers are looking for partners with flexible, comprehensive, value added solutions
- Steadily increasing freight demand
- Truckload capacity continues to tighten
- Supply/demand balance becoming an issue
- Intermodal volumes continue to rise and take highway share
- Diesel prices remain elevated

Top Supply Chain Challenges *(Next 2-5 Years)*

- Tightening driver market
- Government regulations
  - CSA EOBR mandates Hours of Service CARB
- Aging equipment leads to replacement at higher cost basis
- Highway infrastructure – congestion and deterioration
- Access to capital
- Fuel
- Managing Budgets

Intermodal Benefits Are Driving Change

Shippers, Carriers, Environment

- Economical
- Expanding capacity
- Greener shipping
- Less congestion
- Better jobs

So Why Hasn't More Freight Been Converted?

Some Shippers Say…

- "I had a bad experience with Intermodal 15 years ago."
- "Shipping requirements won't allow Intermodal."
- "Intermodal transit is slow and variable."
- "Won't work for my customers."