



***Florida East Coast***  
RAILWAY



**INTERMODAL LINKAGE**












**ROBERT HATFIELD**

**FEC RAILWAY**

# FEC Ownership



- Fortress Investment Group is a leading investor in transportation and other infrastructure assets
- Fortress funds have acquired transportation & infrastructure companies with \$15 billion of assets since 2002

	Business	Total Assets <sup>(1)</sup>
	Aircraft Leasing	\$4.9bn
	Intermodal Chassis	\$1.7bn
	Container Leasing	\$1.1bn
	Containership Leasing	\$1.0bn
	Short Line Railroad	\$1.6bn
	Class II Railroad	\$0.9bn
	Cell Towers	\$2.3bn
	Cell Towers	\$0.02bn
Spectrum	Communications Infrastructure	\$0.03bn
	Solar Power Plant	\$0.1bn
MS Hub	Natural Gas Storage	\$0.05bn
	Petrochemical Storage	\$0.2bn
	Propane Distribution	\$0.4bn
Aerofort	Aircraft Financing	\$0.003bn
<b>TOTAL</b>		<b>\$14.9bn</b>

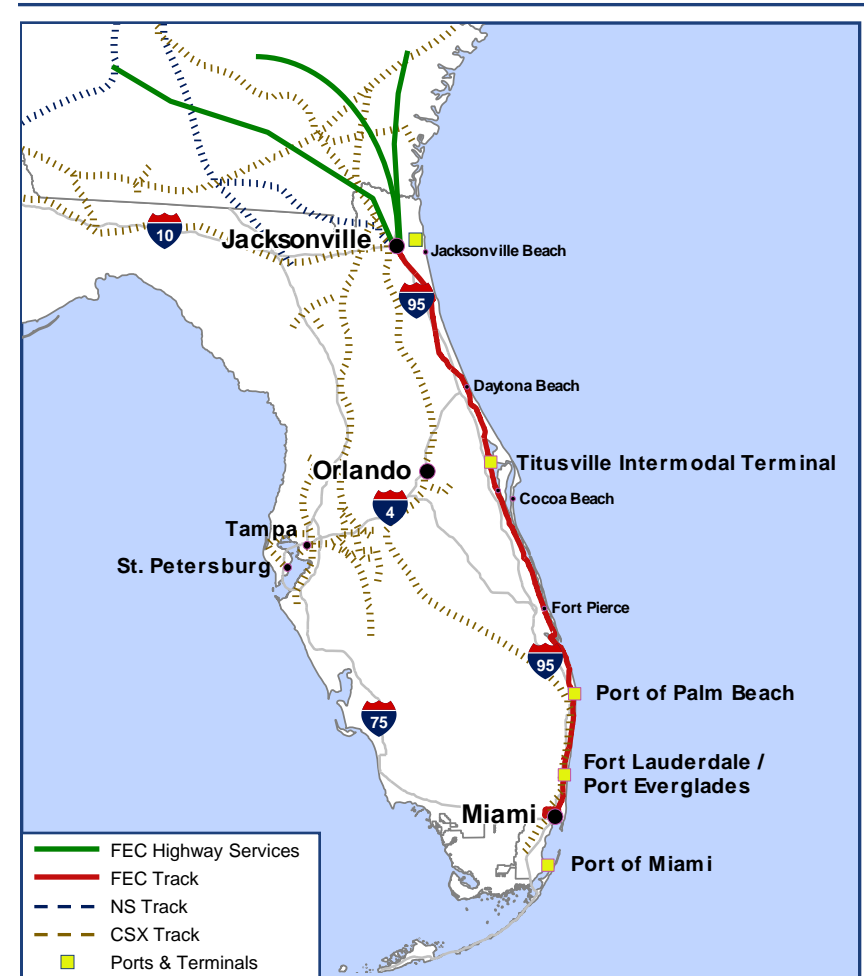
1) As of 12/31/10 for current investments and estimated at disposition for realized investments

# 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

## FEC Rail Corridor



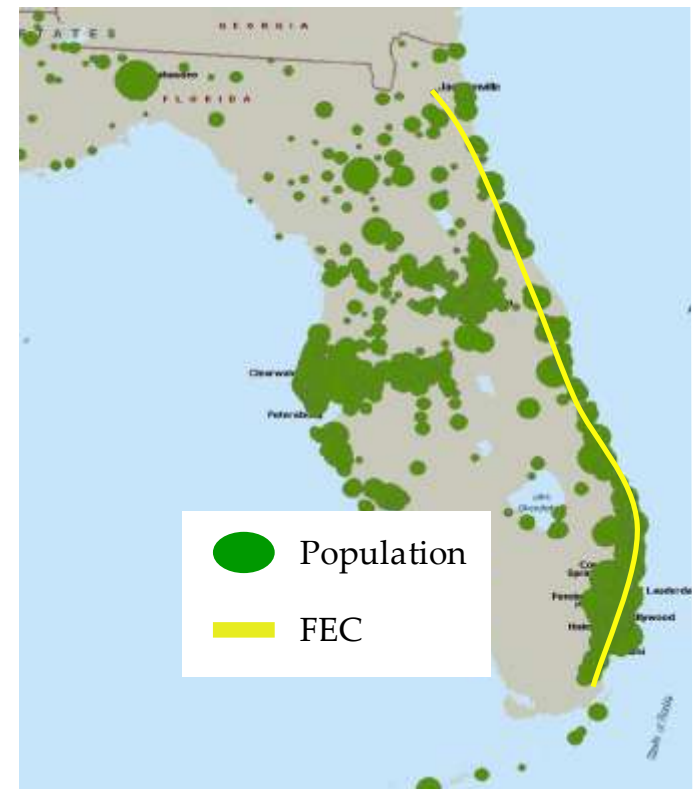
# Florida Market Overview



## Key Florida Attributes

- **Large Consumer Market**
  - 4<sup>th</sup> largest state economy in the U.S. (by GDP) <sup>(1)</sup>
  - Nearly 19 million residents <sup>(2)</sup>
  - More than 81 million out-of-state visitors annually <sup>(2)</sup>
- **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 (Ports of Miami and Everglades)

## Population Density Along FEC Corridor



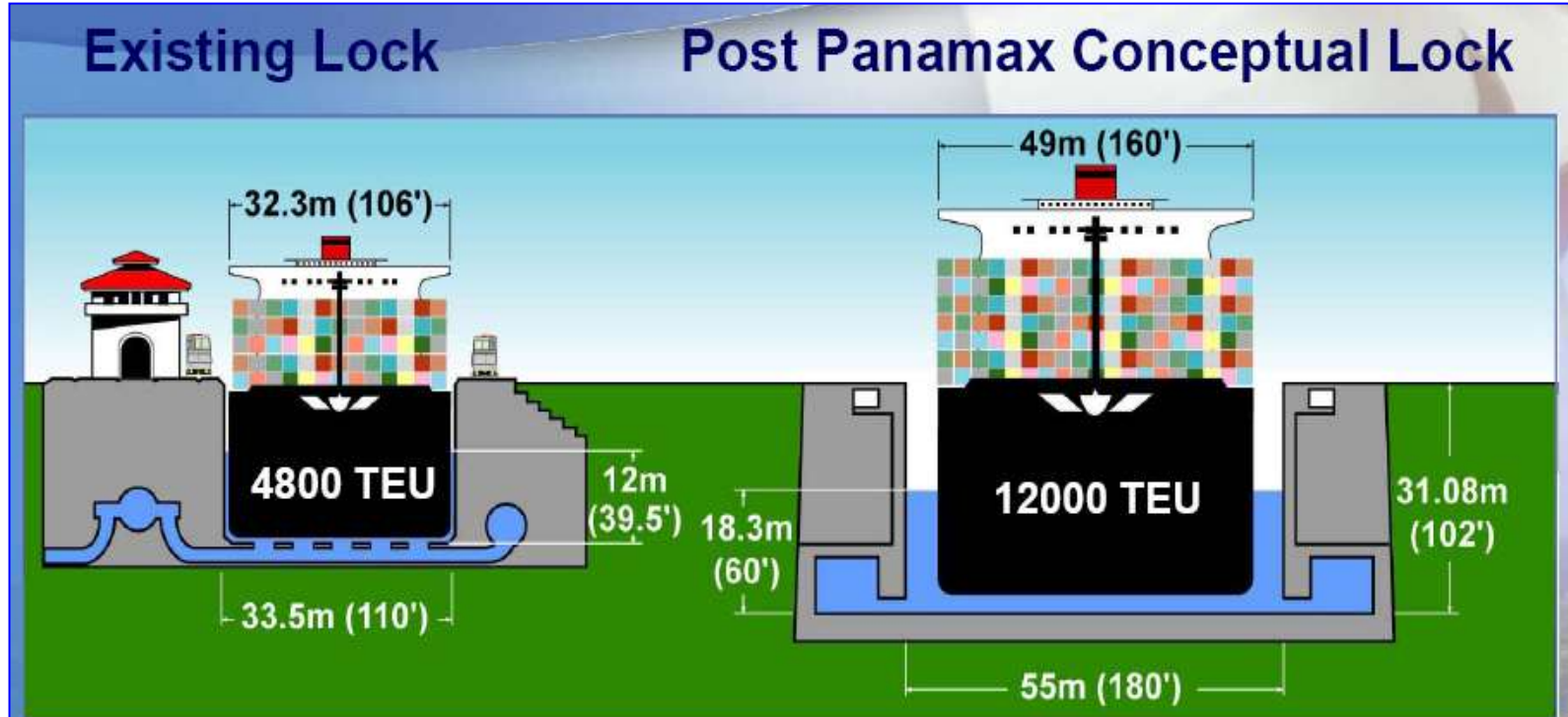
(1) Bureau of Economic Analysis

(2) Florida Chamber Foundation and Florida Department of Transportation report (December 2010)

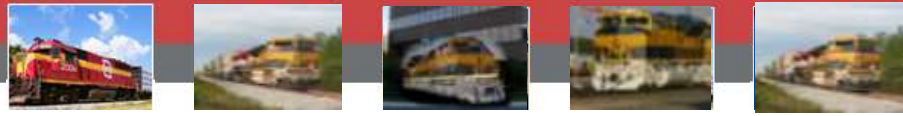
# The Asian Market Opportunity



- Panama Canal expansion will allow larger vessel passage (expected completion in 2014)
  - 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)



# PANAMA CANAL ROUTE, SOUTH FLORIDA PORTS & FEC: PATH OF LEAST RESISTANCE



## SHIFTING FROM LAND-BRIDGE TO REVERSE LAND BRIDGE

**SOUTHERN CALIFORNIA (UP, BNSF)**

Price-Inflation Trend:

- Alameda Corridor Fees
- Rising Drayage Fees
- Environmental Fees
- Rising Rail Prices

OVER-UTILIZED ROUTE:

- Captive UP & BN Rail Route
- Westbound Empty Fixed Cost
- Congestion & Capacity Issues

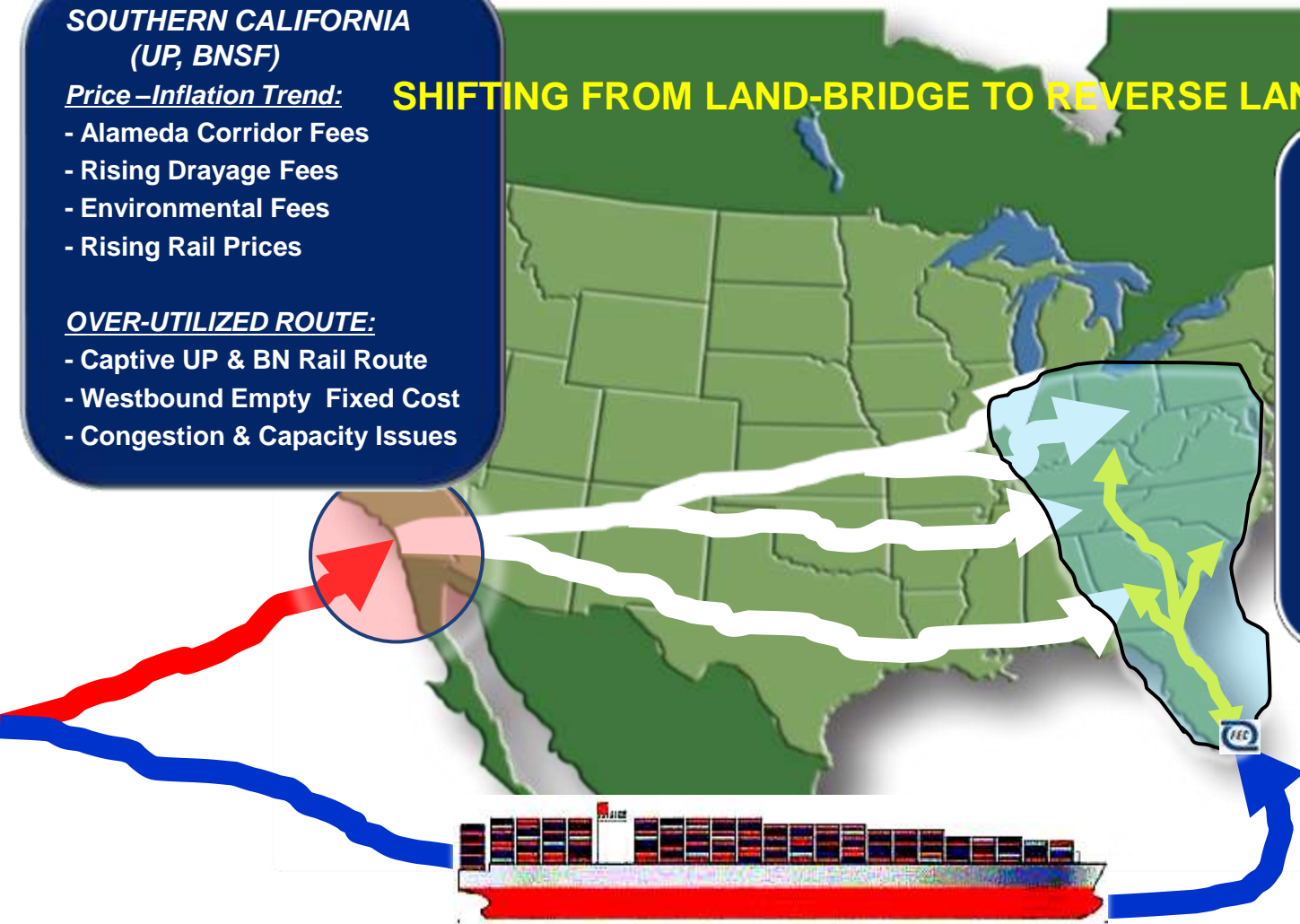
**SOUTH FLORIDA (FEC-JAX-CSX/NS)**

Price-Stability:

- No ICTF corridor Fees
- Competitive Drayage
- No Environmental Fees
- Competitive Rail Prices

UNDER-UTILIZED ROUTE:

- FEC & Connections to CSX / NS
- Surplus Capacity ( 4 SB-to-1 NB )
- NB Rail Lane Emphasis Imports
- SB Loaded Export Opportunity



# FEC Poised for Larger vessels through Canal with Ample Capacity & Time-to-Market Efficiencies



- FEC is strategically positioned to provide timely and cost effective solutions to service Florida and other parts of the Southeast
  - Abundant northbound rail capacity
  - Ability to provide door-to-door services via internal drayage system
- Strong rail relationships (Interline agreements with CSX and Norfolk Southern)
- Truck-like service offerings:
  - **Next Day: Central/North Florida & South Georgia**

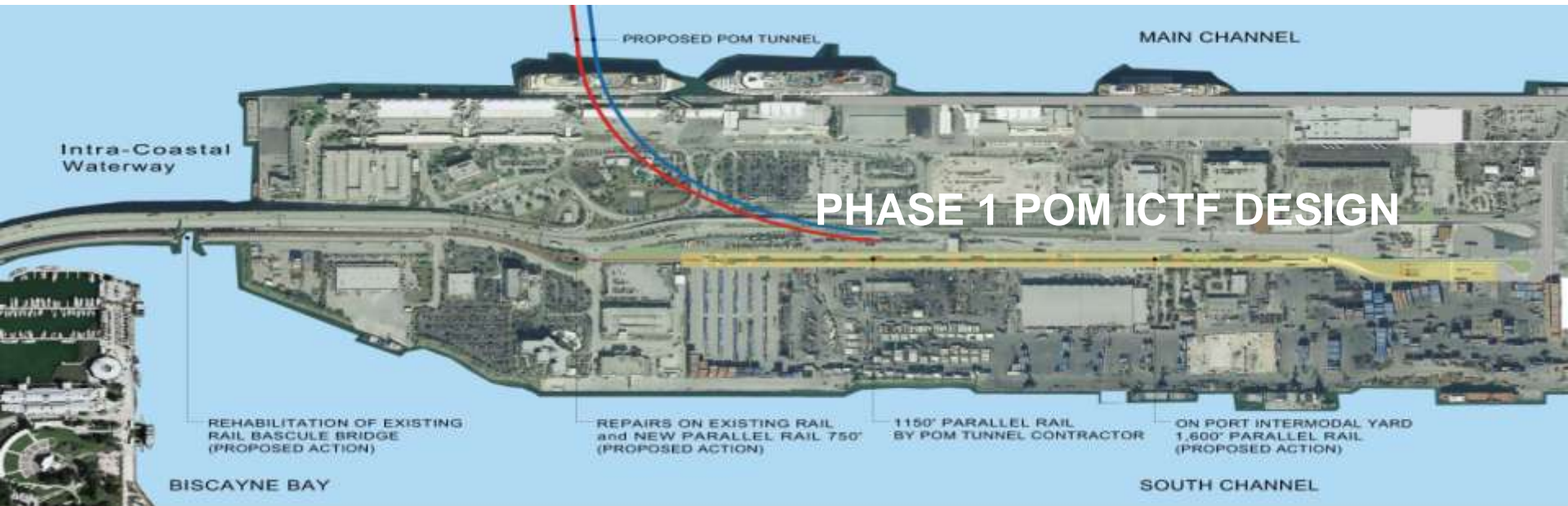
- **2nd AM: Atlanta & Charlotte**

- **3rd /4th AM:**

- Chicago
- Dallas
- Memphis
- Ohio Valley
- New York

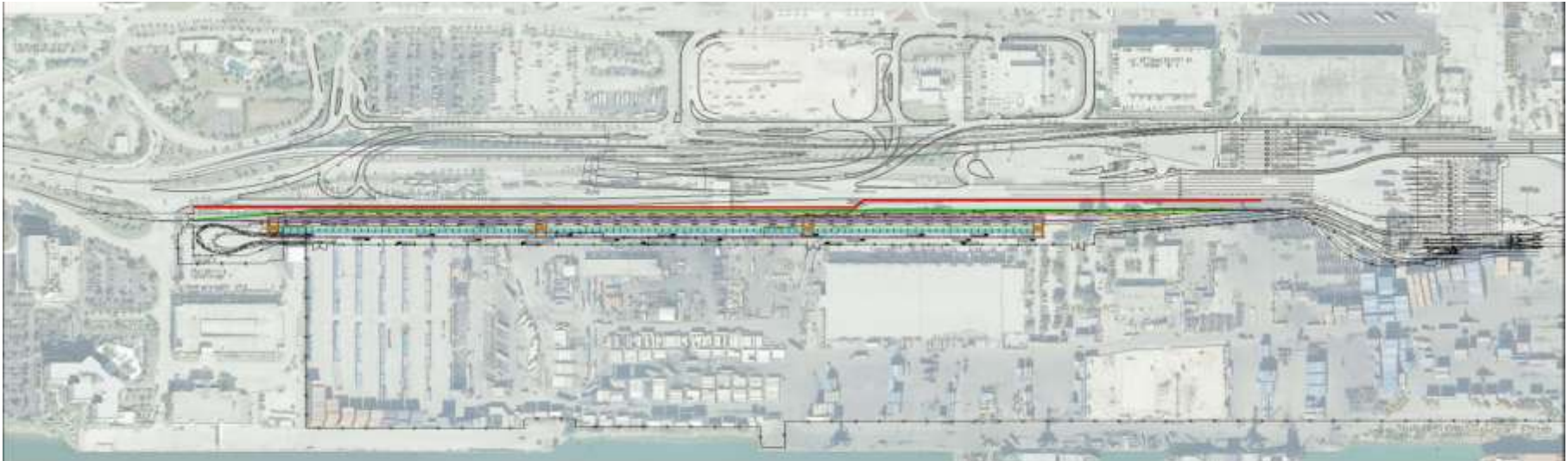


# COFC Shuttle trains will be run between POM & FEC, then also connect with existing FEC Local, CSX & NS Northbound COFC Trains to inland markets





# Phase 2 of FEC-POM ICTF increases future operational capacity with use of wider-span gantries and additional tracks



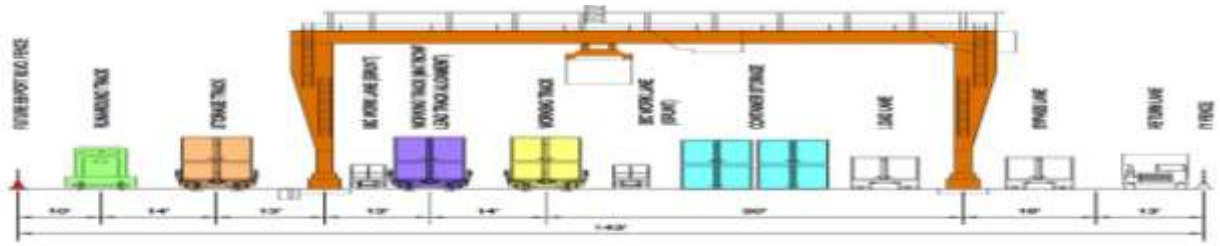
**LEGEND**



---+---+ EXISTING SEABOARD MARINE FENCE LINE  
 ---+---+ FUTURE FENCE LINE

- R-1 (RUNAROUND TRACK)
- S-1 STORAGE TRACK
- W-1 (WORKING TRACK)
- W-2 (WORKING TRACK)

	LENGTH OF STRAIGHT TRACK	LENGTH OF USABLE TRACK	305' FIVE-WELL DOUBLE STACK RAIL CARS
R-1 (RUNAROUND TRACK)	2,800'	2,800'	9
S-1 STORAGE TRACK	2,800'	2,800'	8
W-1 (WORKING TRACK)	2,800'	2,450'	7
W-2 (WORKING TRACK)	2,450'	2,450'	



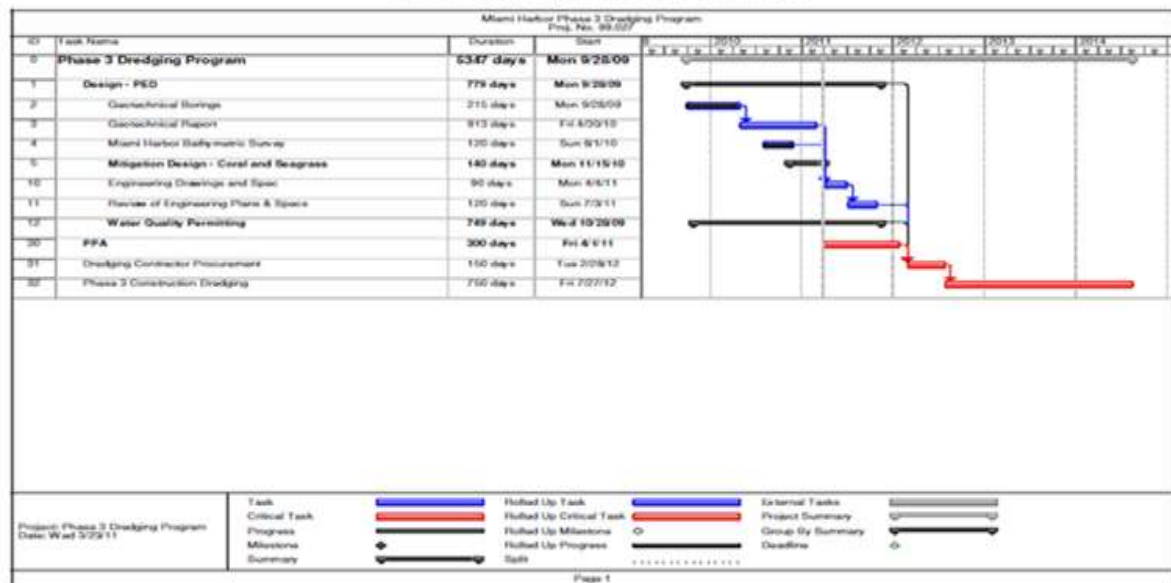
# Port of Miami 50' Dredge Time-Line is for 2014 Completion



## POM 50-ft Deep Dredge

The expansion of the Panama Canal to accommodate larger, Super Post-Panamax ships is estimated to be completed by 2014, permitting the canal to handle vessels of cargo capacity up to 12,000 + TEU's. The Port of Miami, as the closest port to the Panama Canal is ideally positioned to take advantage of this expansion. Once dredged to 50 ft., the Port will accommodate the larger, Super Post-Panamax vessels, allowing the Port to grow jobs by 3% a year and double cargo in 10 years. Currently, the Port of Miami supports 176,000 jobs and \$17 billion annually – and investment of \$75 million by Federal Government will allow creation of up to 33,000 jobs, increasing commerce exponentially.

Port of Miami Dredge Timeline



# FEC INT'L RECAP: The Right Place at the Right Time



- FEC is well positioned to create an efficient and timely supply chain model servicing the greater-Florida population:
  - Panama expansion & Latin America/Caribbean Market Growth Potential
  - Port of Miami 50' dredge for receiving 12,000 TEU and larger Super Post Panamax Container Ships
  - Port of Miami on-dock rail restoration to the FEC intermodal facility & South Florida Logistics Center
  - FEC on-dock rail access to Port Everglades (PEV)
  - FEC's 351 mile stretch of rail along the Florida east coast and Class 1 Rail Connections (CSX & NS)

