




RAND
LOGISTICS, INC.



Rand Logistics, Inc. (NASDAQ: RLOG)
Third Quarter FY2015
Earnings Conference Call
February 05, 2015
8:30 a.m. ET

Forward-Looking Statements



This presentation contains forward-looking statements. For all forward-looking statements, we claim the protection of the Safe Harbor for Forward-Looking Statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy or are otherwise beyond our control and some of which might not even be anticipated. Future events and actual results, affecting our strategic plan as well as our financial position, results of operations and cash flows, could differ materially from those described in or contemplated by the forward-looking statements. Important factors that contribute to such risks include, but are not limited to, the effect of an economic downturn in certain of our markets; the weather conditions on the Great Lakes; and our ability to maintain and replace our vessels as they age.

For a more detailed description of these uncertainties and other factors, please see the "Risk Factors" section in Rand's Annual Report on Form 10-K as filed with the Securities and Exchange Commission on June 12, 2014.

Today's Hosts



- **Ed Levy**
Executive Vice Chairman
- **Joe McHugh**
Chief Financial Officer
- **Laurence Levy**
Executive Vice Chairman
- **Scott Bravener**
President of Lower Lakes

Business Environment and Operational Overview



■ Continued Trend of Improved Vessel Operating and Reliability Performance and Strong Customer Demand in Q3 FY 2015

- Operating income plus depreciation, amortization, loss on foreign exchange and lease termination expense of \$15.1 million, up 15.2% (+20.7% constant currency)
- Gains tempered by weakness in Canadian dollar
- New long term contractual business helping to rebalance commodity mix, leverage route network and improve trade pattern efficiencies
- Also benefitting from higher water levels, modest contractual price increases and improved reliability and operating metrics

■ Sailing Days down 0.7%, or 9 days, related to timing of vessel lay ups

- Fleet utilization of 98.6% versus 99.3%
- Delay time losses of 139 days (10.2% of Sailing Days) versus 178 days (13.0% of Sailing Days)

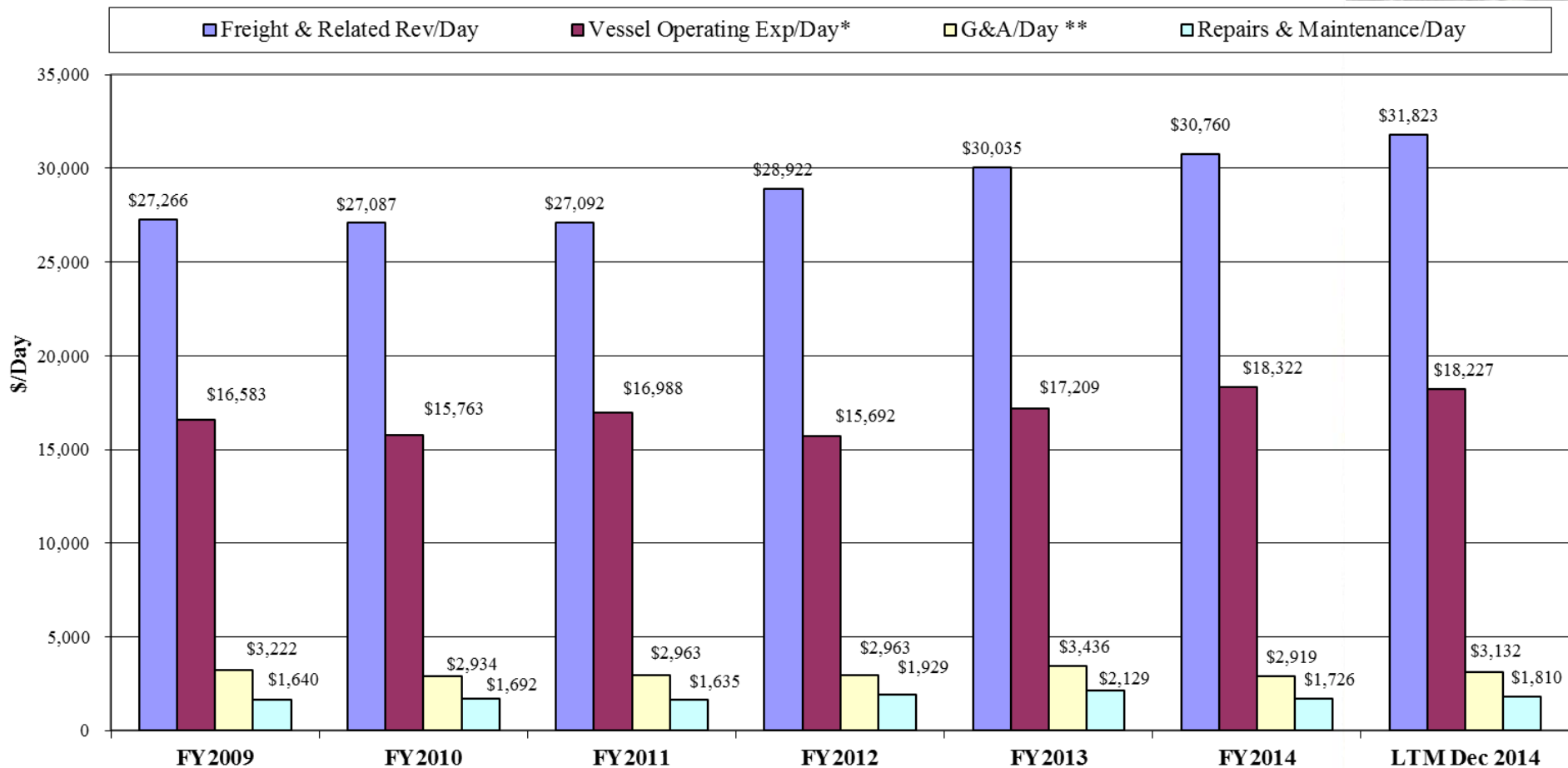
■ Customer Demand Remained Strong

Q3 FY 2015 HIGHLIGHTS:

Tonnage hauled:	+ 13.8%
Salt tonnage :	+71%
Aggregates tonnage:	+9%
Iron ore tonnage:	+29%
Freight and Related Revenue:	+5.3%
Sailing Days:	-0.7% / 9 days
Vessels Operated:	15
Fleet Utilization:	98.6%
Vessel operating costs/day:	-8.3%
Vessel margin/day :	\$13,633
Op Income + D&A + loss on FX and lease termination expense*	+20.7%

* Assuming constant currency

Summary Historical Financial Results



	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	LTM Dec 2014
Sailing Days	3,148	3,143	3,338	3,721	3,922	4,166	4,098
# of Vessels	12	12	12	14	16	15	15

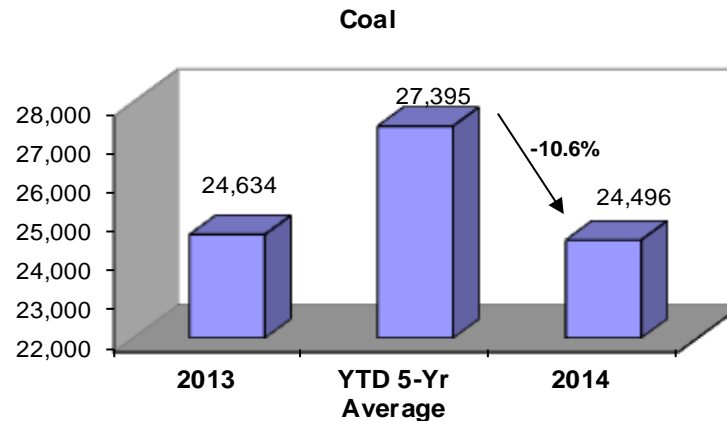
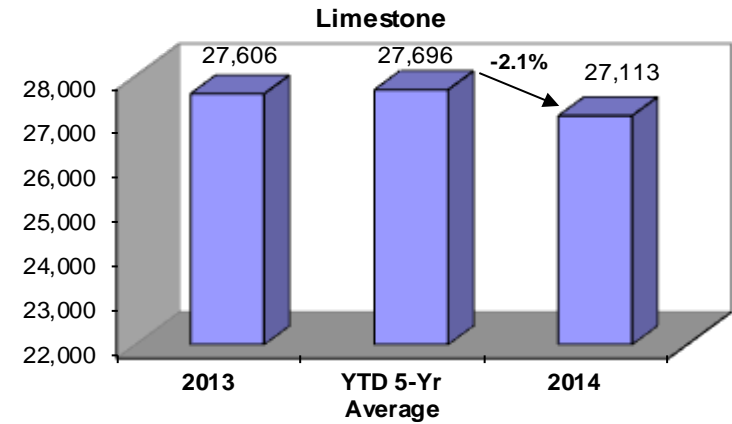
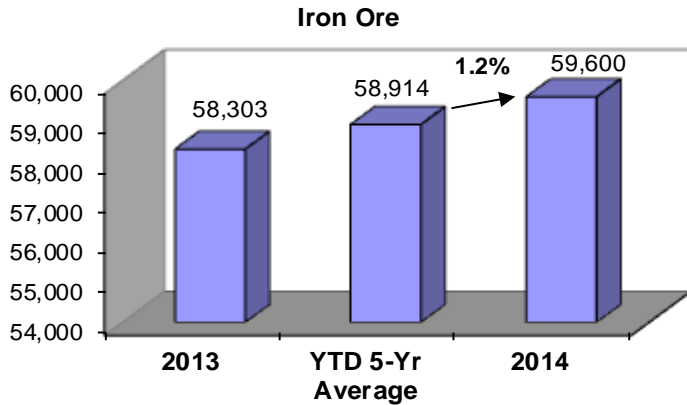
* **Vessel Operating Exp** is net of fuel surcharge revenue

** **G&A** excludes Lender Amendment Fee in FY2010

Business Environment and Operational Overview



Great Lakes Dry-Bulk Cargo Carriage – December YTD (net tons in thousands)

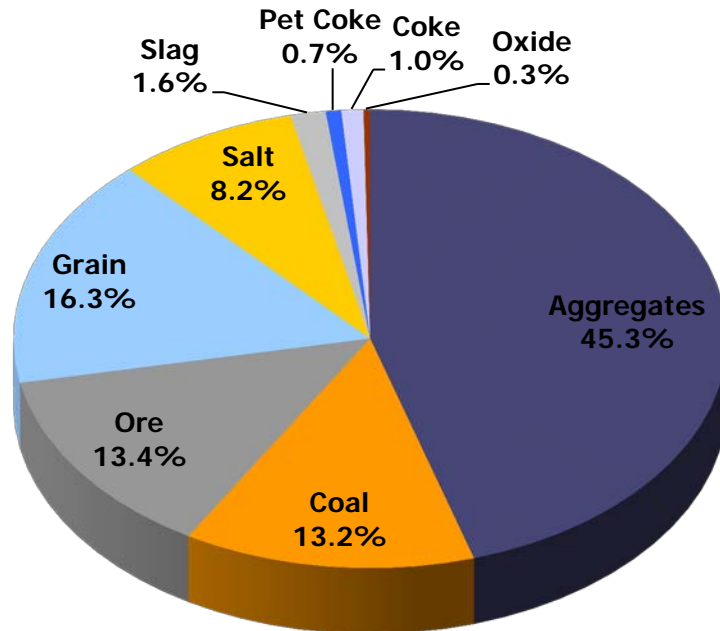


Rand total tonnage for Q3 FY2015 increased by 13.8% year-over-year, excluding outside voyage charter.

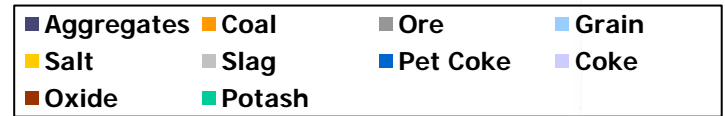
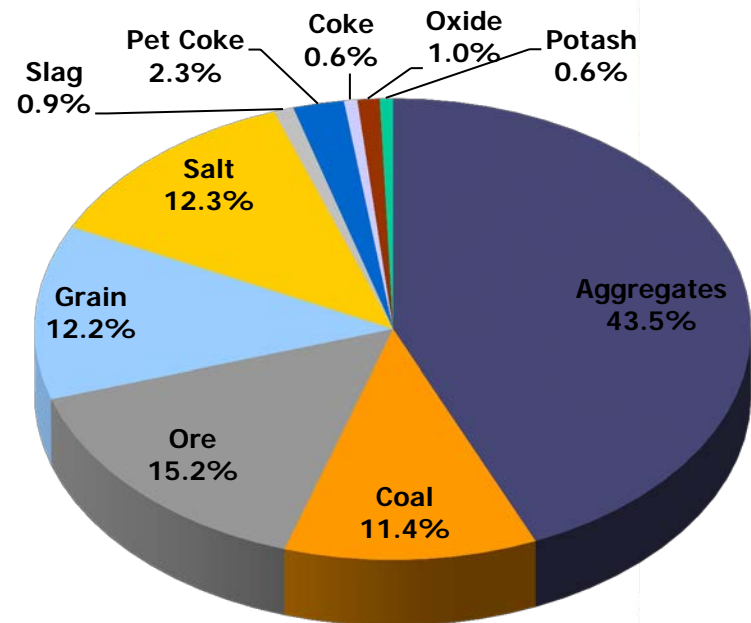
Rand Tonnage By Cargo



Q3 FY2014



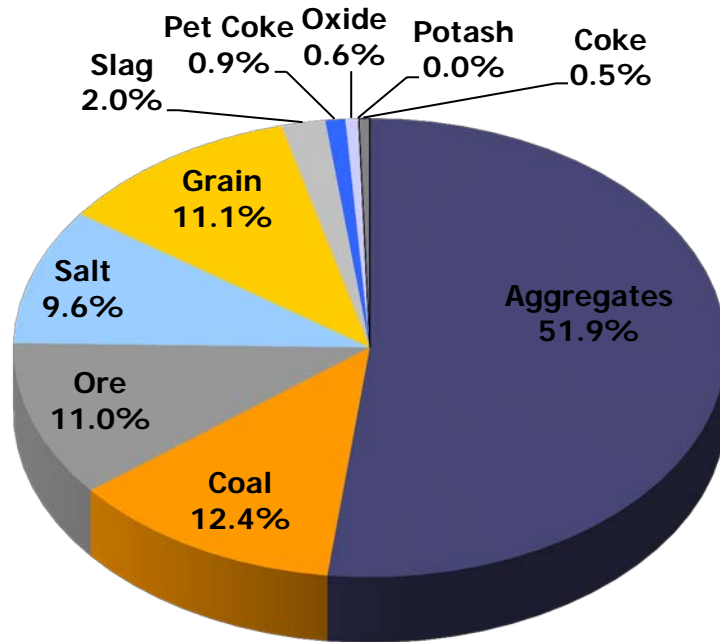
Q3 FY2015



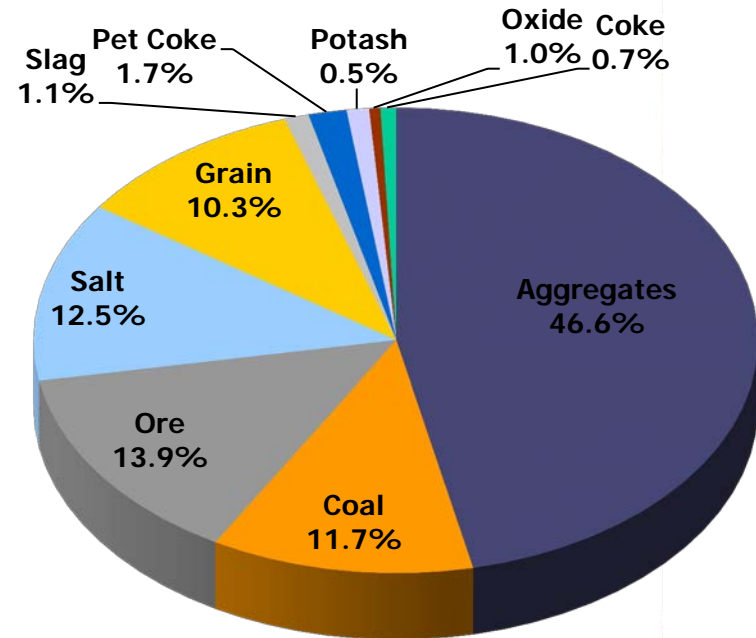
Rand Tonnage By Cargo YTD



Dec YTD FY2014



Dec YTD FY2015

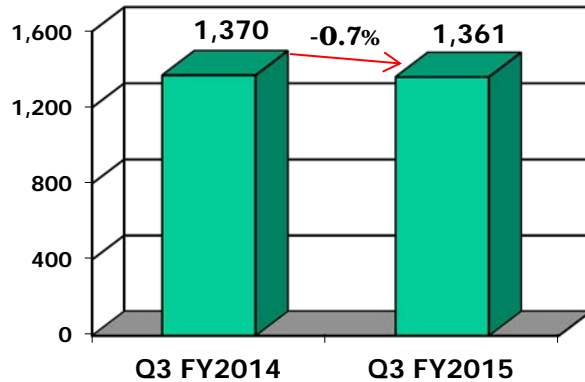


Key Metrics

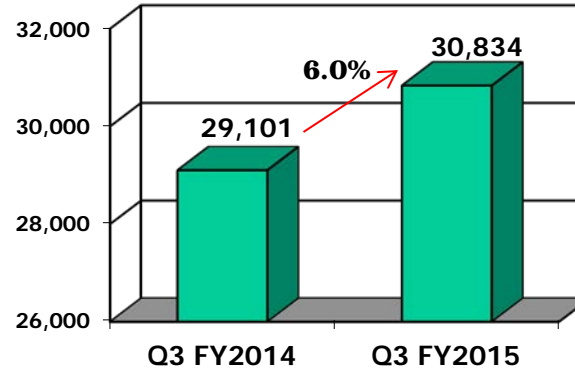


Q3 FY2015 vs. Q3 FY2014

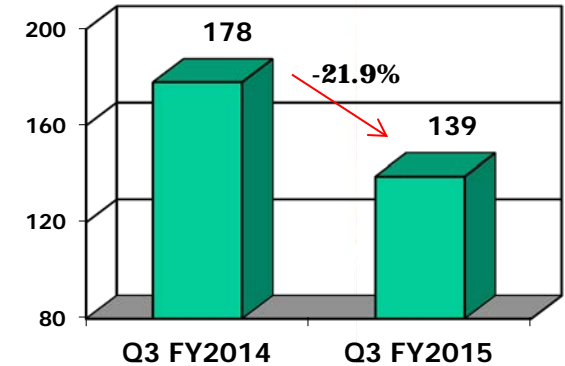
Sailing Days



Freight & Related Revenue per Day



Delay Days



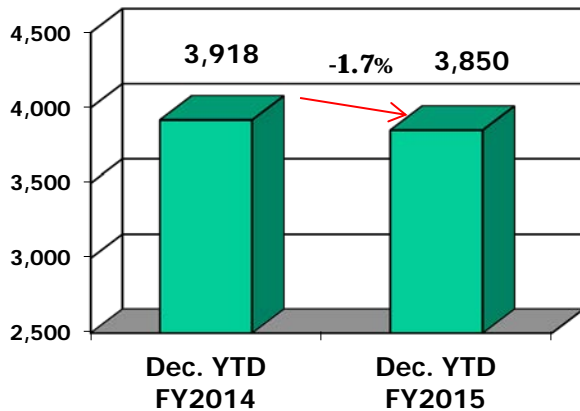
- Our vessel utilization decreased from 99.3% in Q3 FY2014 to 98.6% in Q3 FY2015 of the theoretical maximum of 1,380 Sailing Days.
- Delay days measure the lost time incurred by our vessels while in operation. This measure includes inclement weather, dock delays, traffic congestion, vessel mechanical delays and other varied delays.
- Our lost time factor, which is delay days as a percentage of Sailing Days, decreased from 13.0% in Q3 FY2014 to 10.2% in Q3 FY2015.

Key Metrics YTD

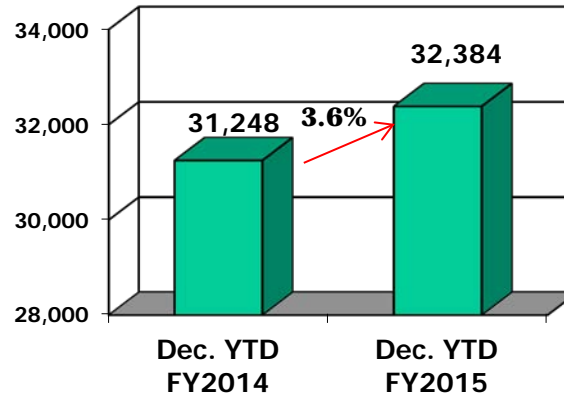


Nine Months Ended December FY2014 vs. December FY2015

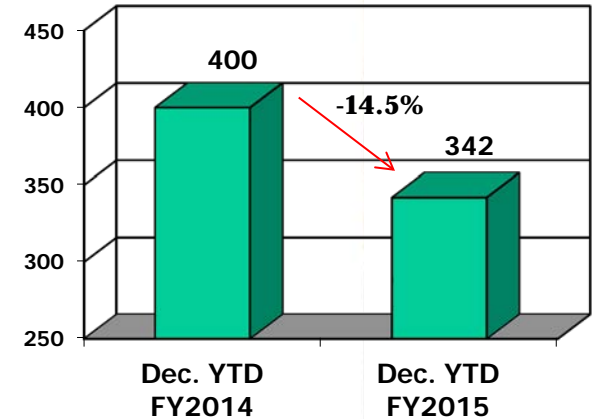
Sailing Days



Freight & Related Revenue per Day



Delay Days



- Our vessel utilization decreased from 95.0% for December YTD FY2014 to 93.3% for December YTD FY2015 of the theoretical maximum of 3,850 Sailing Days.
- Delay days measure the lost time incurred by our vessels while in operation. This measure includes inclement weather, dock delays, traffic congestion and vessel mechanical delays.
- Our lost time factor, which is delay days as a percentage of Sailing Days, decreased from 10.2% for Dec. YTD FY2014 to 8.9% for Dec. YTD FY2015.

Financial Overview



	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013
Sailing Days	1,361	1,370
Freight & Related Revenue/Sailing Day	\$30,834	\$29,101
(Vessel Operating Expenses less Fuel and Other Surcharge Revenue)/Sailing Day	\$17,166	\$17,426
G&A (in millions)	\$3.5	\$2.9
Average F/X Rate	\$0.881 USD per CAD	\$0.953 USD per CAD

Financial Overview

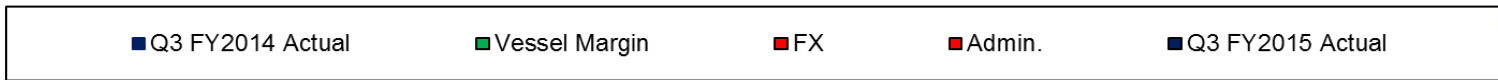
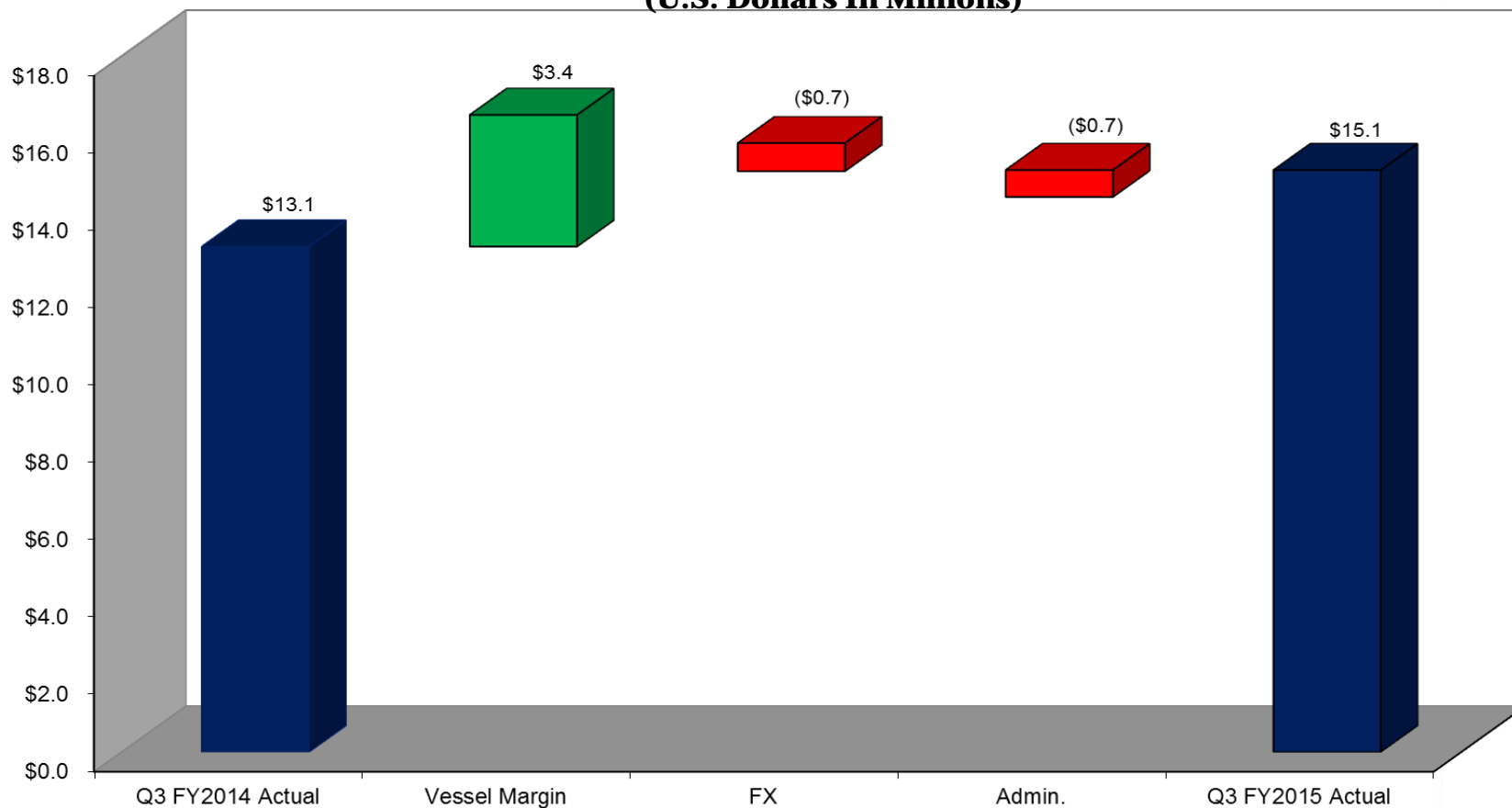


	Nine Months Ended December 31, 2014	Nine Months Ended December 31, 2013
Sailing Days	3,850	3,918
Freight & Related Revenue/Sailing Day	\$32,384	\$31,248
(Vessel Operating Expenses less Fuel and Other Surcharge Revenue)/Sailing Day	\$18,218	\$18,321
G&A (in millions)	\$9.7	\$9.0
Average F/X Rate	\$0.905 USD per CAD	\$0.964 USD per CAD

Financial Overview



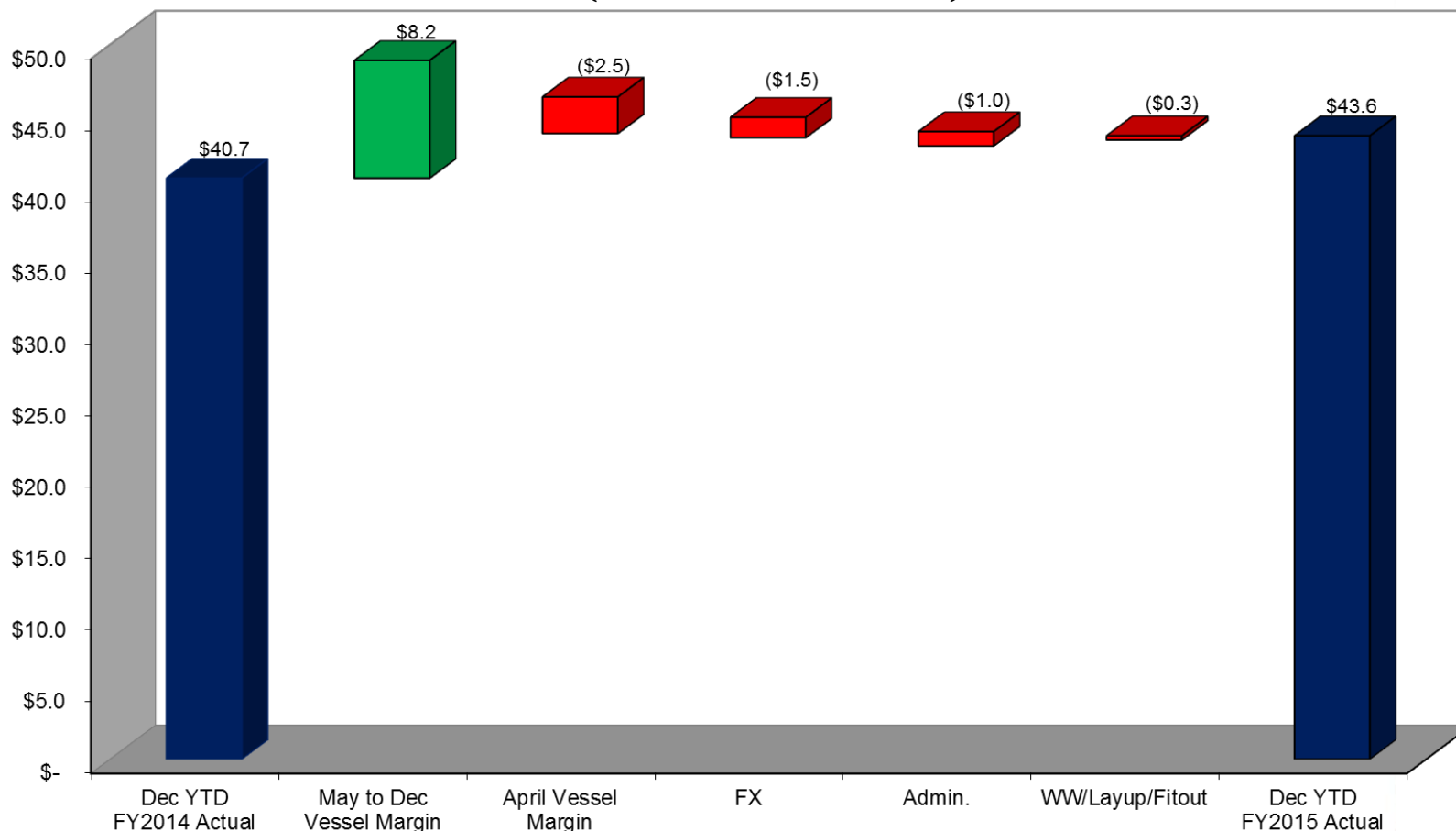
Operating Income Plus Depreciation, Amortization, Loss (Gain) on Foreign Exchange and Loss on Termination of Vessel Lease Q3 FY2015 vs. Q3 FY2014 Bridge (U.S. Dollars In Millions)



Financial Overview

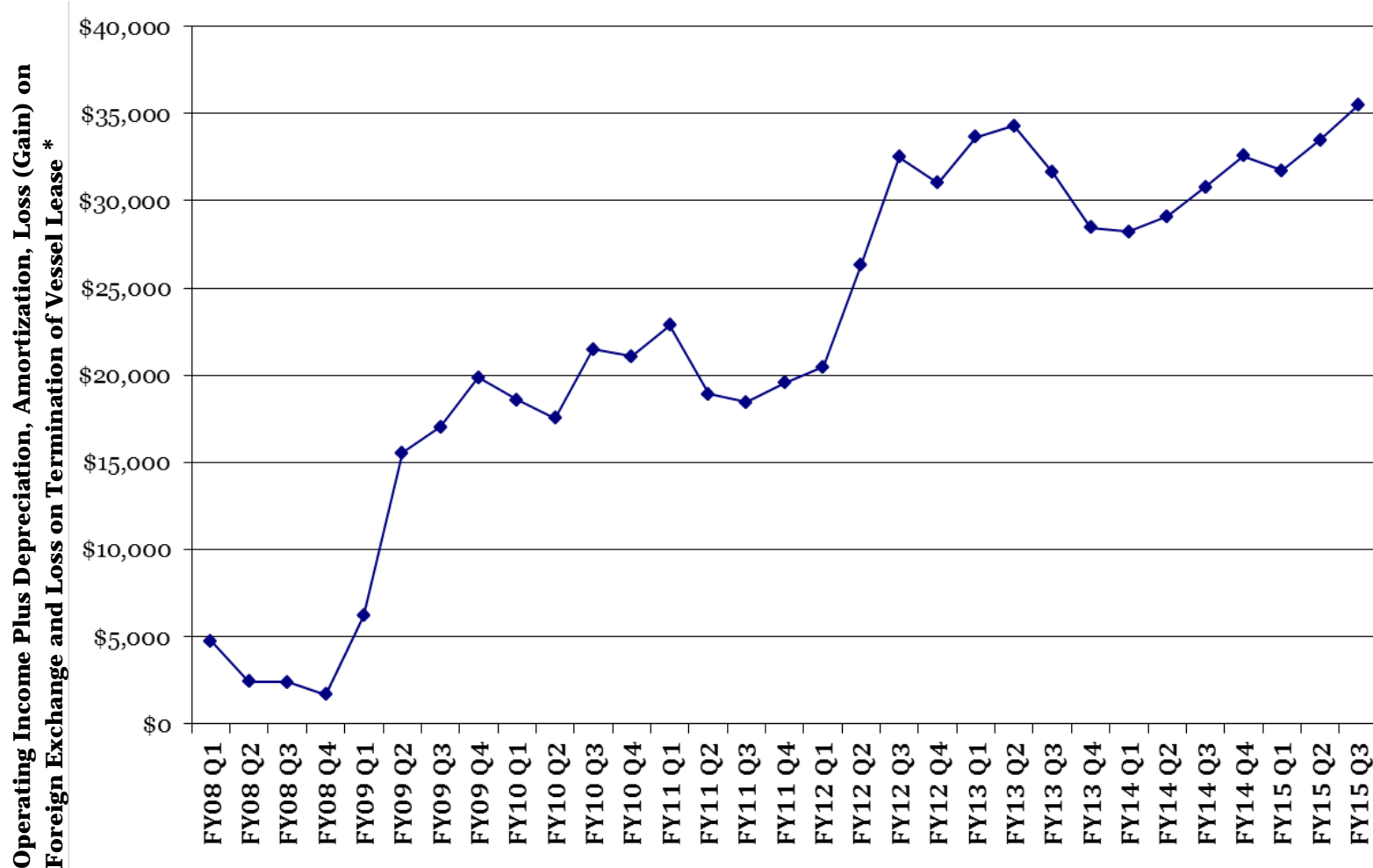


Operating Income Plus Depreciation, Amortization, Loss (Gain) on Foreign Exchange and Loss on Termination of Vessel Lease
Dec. YTD FY2015 vs. Dec. YTD FY2014 Bridge
(U.S. Dollars In Millions)



■ Dec YTD FY2014 Actual	■ May to Dec Vessel Margin	■ April Vessel Margin	■ FX
■ Admin.	■ WW/Layup/Fitout	■ Dec YTD FY2015 Actual	

Trailing Operating Income plus D&A, Loss (Gain) on FX and Loss on Termination of Vessel Lease



— Trailing Four Quarters Operating Income plus Depreciation, Amortization, Loss (Gain) on Foreign Exchange and Loss on Termination of Vessel Lease

* Excludes Lender Amendment Fee of \$446K incurred in FY2010 and acquisition related costs in FY2011

Non-GAAP Financial Measure/Financial Tables (U.S. Dollars 000's except per day statistics)



FY2015 - Q3

	FY2015 Actual	FY2014 Actual	Increase/(Decrease)		FX Impact (Unfavorable)/Favorable	Constant Currency Increase/(Decrease) ¹	
			Change \$	Change %	Change \$	Change \$	Change %
			Average Fx Rate	0.881	0.953		
Sailing Days	1,361	1,370	(9)	-0.7%			
Financial Highlights (US\$ '000s)							
Freight and Related Revenue	\$41,965	\$39,868	\$2,097	5.3%	(\$1,853)	\$3,950	9.9%
Total Revenue	\$49,065	\$49,899	(\$834)	-1.7%	(\$2,296)	\$1,462	2.9%
Vessel Margin	\$18,554	\$16,018	\$2,536	15.8%	(\$871)	\$3,407	21.3%
General & Admin Expense	\$3,498	\$2,947	\$551	18.7%	(\$146)	\$697	23.7%
Operating income plus depreciation, amortization of drydock costs, amortization of intangibles, loss (gain) on foreign exchange and loss on termination of vessel lease ²	\$15,056	\$13,071	\$1,985	15.2%	(\$725)	\$2,710	20.7%
Per Day Statistics							
Freight and Related Revenue/Day	\$30,834	\$29,101	\$1,733	6.0%	(\$1,362)	\$3,095	10.6%
Total Revenue/Day	\$36,051	\$36,423	(\$372)	-1.0%	(\$1,687)	\$1,315	3.6%
Vessel Margin/Day	\$13,633	\$11,692	\$1,941	16.6%	(\$638)	\$2,579	22.1%

Non-GAAP Reconciliation (US\$ '000s)		
Vessel Margin	\$18,554	\$16,018
General & Admin Expense	\$3,498	\$2,947
Operating income plus depreciation, amortization of drydock costs, amortization of intangibles, loss (gain) on foreign exchange and loss on termination of vessel lease ²	\$15,056	\$13,071
Loss (Gain) on foreign exchange ²	\$290	(\$6)
Loss on termination of vessel lease	\$2,660	\$0
Depreciation, Amortization of Drydock & Intangibles	\$5,749	\$5,403
Operating Income	\$6,357	\$7,674

Note:

1. The constant currency information presented is calculated by translating current period results using prior period foreign currency exchange rates.

2. Loss (gain) on foreign exchange during the three month period ended December 31, 2014 was primarily a non-cash loss on translation of approximately \$34.2 million USD denominated debt incurred in March 2014 and carried on the balance sheet of the Canadian subsidiary.

Non-GAAP Financial Measure/Financial Tables (U.S. Dollars 000's except per day statistics)



FY2015 - Dec 2014 YTD

	FY2015 Actual	FY2014 Actual	Increase/(Decrease)		FX Impact (Unfavorable)/Favorable	Constant Currency Increase/(Decrease) ¹	
			Change \$	Change %	Change \$	Change \$	Change %
Average Fx Rate	0.905	0.964					
Sailing Days	3,850	3,918	(68)	-1.7%			
Financial Highlights (US\$ '000s)							
Freight and Related Revenue	\$124,680	\$122,428	\$2,252	1.8%	(\$4,277)	\$6,529	5.3%
Total Revenue	\$146,644	\$148,841	(\$2,197)	-1.5%	(\$5,279)	\$3,082	2.1%
Vessel Margin	\$53,317	\$49,734	\$3,583	7.2%	(\$1,804)	\$5,387	10.8%
General & Admin Expense	\$9,697	\$9,023	\$674	7.5%	(\$324)	\$998	11.1%
Operating income plus depreciation, amortization of drydock costs, amortization of intangibles, loss (gain) on foreign exchange and loss on termination of vessel lease ²	\$43,620	\$40,711	\$2,909	7.1%	(\$1,483)	\$4,392	10.8%
Per Day Statistics							
Freight and Related Revenue/Day	\$32,384	\$31,248	\$1,136	3.6%	(\$1,112)	\$2,248	7.2%
Total Revenue/Day	\$38,089	\$37,989	\$100	0.3%	(\$1,372)	\$1,472	3.9%
Vessel Margin/Day	\$13,849	\$12,694	\$1,155	9.1%	(\$468)	\$1,623	12.8%
Non-GAAP Reconciliation (US\$ '000s)							
Vessel Margin	\$53,317	\$49,734					
General & Admin Expense	\$9,697	\$9,023					
Operating income plus depreciation, amortization of drydock costs, amortization of intangibles, loss (gain) on foreign exchange and loss on termination of vessel lease ²	\$43,620	\$40,711					
Loss (Gain) on foreign exchange	\$753	\$54					
Loss on termination of vessel lease	\$2,660	\$0					
Depreciation, Amortization of Drydock & Intangibles	\$17,447	\$16,291					
Operating Income	\$22,760	\$24,366					

Note:

1. The constant currency information presented is calculated by translating current period results using prior period foreign currency exchange rates.

2. Our results for the nine month period ended December 31, 2014 reflect the effects of the harshest winter experienced on the Great Lakes in approximately thirty years and the resultant late start of the 2014 sailing season. Operating income plus depreciation, amortization of drydock costs, amortization of intangibles and loss on foreign exchange was \$3.0 million lower in April 2014 than in April 2013.

Fiscal Year 2015 Insights and Outlook



- **Sharpening Focus on Return on Invested Capital**
 - Capitalizing on IT investments
 - Formalizing ROIC parameters for contract terms and pricing
 - Continuing to improve reliability and operating efficiency metrics
 - Rationalizing costs
 - Increasing self sufficiency relating to ship repair and maintenance
 - Introducing newest vessel
- **Terminated Bareboat Charter Agreement for McKee Sons**
- **Strengthened Board with New Independent Industry Veterans**