

THE ROAD TO LONG-TERM
JOB CREATION
IS MORE THAN JUST A ROAD.



NORTH CAROLINA
RAILROAD
C O M P A N Y



**NCRR is helping build a strong economy
that benefits the people of North Carolina.**

We do this most visibly with steel and wood.

Even more important, we do it through careful management, effective collaborations, strategic thinking, and a clear plan for the future.

WHO WE ARE

Our Mission

To develop the unique NCRR assets for the good of the people of North Carolina, our single shareholder

Our Vision

To improve our state by enabling freight to grow business, expanding rail to move people, and investing in North Carolina



WHO WE ARE

We've been an essential part of a comprehensive transportation system for 166 years

- Unique Private/Public Structure
 - Private corporation with stock owned by the state
- Trackage-Rights Agreement Results in Revenue-Generation for Economic Development Investments
 - Approximately \$12 million annually in infrastructure and economic development capital to NCRR
- Operates with Private, Non-Taxpayer Money
 - Receives no state appropriations
- Part of Tax Base
 - Generates nearly \$2 million in local property tax revenue annually
- Pays \$4 Million Annual Dividend to Support Rail Projects



WHO WE ARE

We're devoted to developing and managing our 317-mile corridor in ways that:

- create jobs
- retain existing industry
- help grow the economy, and
- maximize its value to the people of North Carolina.



WHO WE ARE

- **Managing** 317-mile, 200-foot wide corridor from Charlotte to Morehead City – an irreplaceable asset for N.C.
- **Identifying** rail-served industrial sites **statewide** to increase N.C.'s competitive position with the goal of spurring economic development
- **Building** rail improvements, infrastructure, stations, and **investing** in properties. Since 2000, NCRR has invested more than \$80 million to improve the railroad.
- **Partnering** with transportation and economic development organizations in new ways to expand freight rail service in NC and create jobs



WHO WE ARE



ECONOMIC IMPACT



Sanderson Farms

- More than 100 customers utilize freight rail on the NCRR line
- 19% of freight car loads begin or end on NCRR line
- 11.4 million tons of freight originates or terminates on NCRR line



ECONOMIC DEVELOPMENT



Cambro – Alamance County

- \$750,000 investment by NCRR
- 100 jobs
- \$34 M in industry investments

Asbury Carbons – Robeson County

- \$50,000 investment by NCRR
- \$250,000 from dividend to NCDOT
- 25 jobs
- \$8 M in industry investments



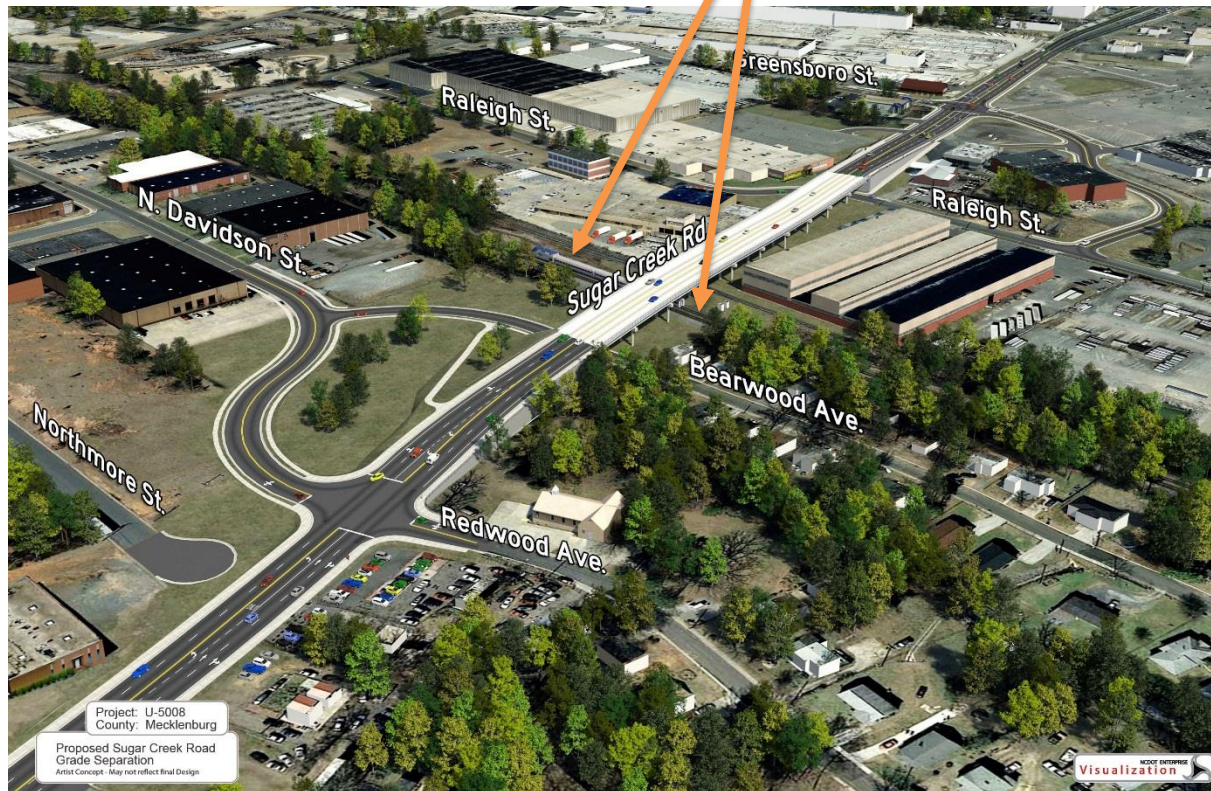
ECONOMIC DEVELOPMENT

LARGE MANUFACTURING SITES



CAPITAL INVESTMENT

NCRR Rail Line



- Bridges (height, width, and weight restrictions)
- Underpasses (safety)
- New passing and main tracks (capacity)
- Control signals (efficiency)

Sugar Creek Road Overpass, Charlotte, \$10 Million



CRABTREE CREEK BRIDGE



- Replacing 1927 single-track bridge with double-track
- Increased capacity for future freight and passenger service
- Shared funding with Town:
NCRR - \$6.9M; Morrisville - \$1M
- Begin design 1st quarter 2016;
Complete construction 2017

CAPITAL INVESTMENT



Trent River Bridge, New Bern



Military Cargo in Kinston

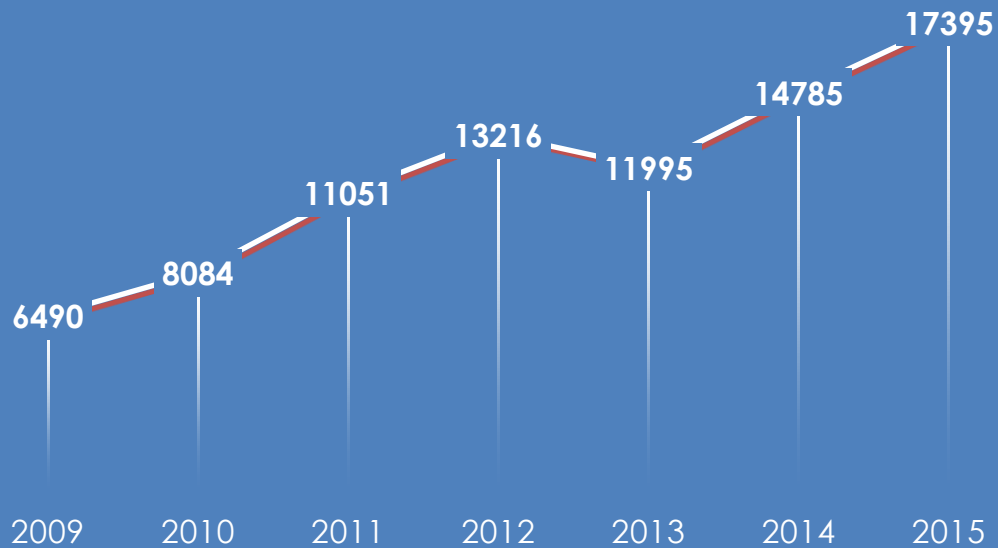
CAPITAL INVESTMENT



Hartsoe Siding, Lenoir County, 2 miles



TOTAL CARLOAD MOVEMENTS IN SELMA



FINANCIAL UPDATE

SELECTED FINANCIAL DATA*

	September 30, 2015	September 30, 2014
Total Current Assets	\$6,253,734	\$4,691,405
Net Property and Equipment	\$75,366,563	\$79,231,440
Total Assets	\$168,509,001	\$163,733,167
	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Total Operating Income	\$13,101,011	\$13,419,391
Total Expenses (excluding depreciation)	\$4,653,091	\$4,226,861
Total Income Before Depreciation	\$8,856,058	\$11,250,755
Annual Dividends Paid	\$3,717,995	\$3,654,157

*Nine-month data is unaudited. 2014 audited annual financial reports are at www.ncrr.com



RAIL INDUSTRY UPDATE

Carloads Carried

	2015 Numbers	% change from 2014
U.S. CLASS I RAILROADS		
BNSF Railway	5,298,037	-0.6
CSX	3,926,795	-6.6
Kansas City Southern	721,594	-3.2
Norfolk Southern	3,604,177	-5.8
Union Pacific	5,146,347	-8.5
CANADIAN CLASS I RAILROADS		
CN	3,235,510	-8.5
Canadian Pacific	1,665,994	-3.6
MEXICAN RAILROADS		
Ferrocarril Mexicano S.A. de C.V.	812,212	3.5
Kansas City Southern de México	509,598	-1.0

5,146,347

-8.5% CHANGE



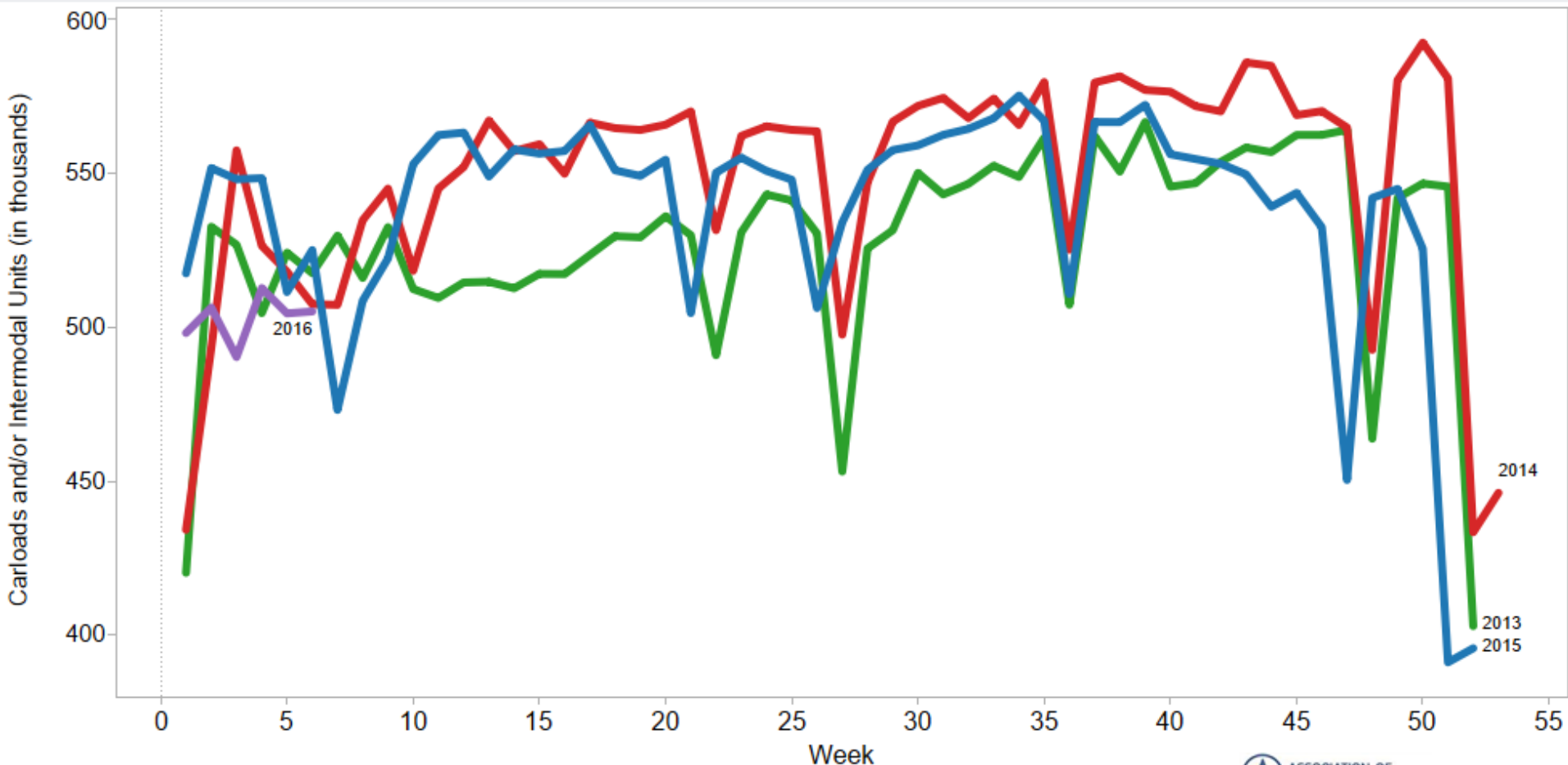
BUILDING AMERICA®

Cumulative, 52 weeks 2015 • Source: AAR Policy and Economics Department



TRACKING RAIL TRAFFIC BY WEEK

United States** | Total Carloads & Intermodal
Originated Rail Traffic



*Canada - Figures for Canada include the U.S. operations of Canadian railroads...

ASSOCIATION OF
AMERICAN RAILROADS

NORTH CAROLINA
RAILROAD
COMPANY

NCRR will continue its commitment to North Carolina by:

- enabling freight to grow business
- expanding rail to move people
- investing in North Carolina



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