



Alaska Railroad Corporation *News Release*

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Alaska Railroad releases 2011 Annual Report *Corporation improves freight business diversification*

ANCHORAGE, Alaska – The Alaska Railroad Corporation (ARRC) released its 2011 annual report today, with audited financial statements showing \$13.4 million net income on total revenues of \$185.7 million.

Part of this success comes from a more diversified customer base. Despite a decline in some legacy lines of business, freight train revenue increased 12.7% thanks to expanded coal exports and a 3% volume increase in interline (barge-rail) railcar traffic from Seattle and Canada. Likewise, passenger revenue rose by 7.7% as ridership grew from 405,000 in 2010 to 413,000 in 2011. Beyond train operations, ARRC real estate leasing and permitting provided reliable net income of \$8.5 million, which remains crucial to meeting the ARRC mandate to remain self-sufficient.

While owned by the State of Alaska, ARRC receives no state money to support operations. Net income is used to fund capital investments, match federal dollars, and support workforce programs. ARRC continued to meet its mandate to support statewide economic development with strong partnerships that moved two major rail extension projects from the environmental phase into design and construction. The Northern Rail Extension, supported by state and federal funding, began construction on Phase One, a bridge over the Tanana River at Salcha; and in Southcentral Alaska, the Port MacKenzie Rail Extension, funded by the State of Alaska, began final design, permitting, and land acquisition in 2011. Both projects hold tremendous potential for new commerce.

“Maintaining a solid financial footing and investing intelligently in our infrastructure are key to keeping our promises to the people of Alaska,” said President & CEO Chris Aadnesen. “This new year is no different. The Alaska Railroad will continue to be fiscal stewards and to advance projects and programs that benefit Alaskans.”

In line with efforts to continually improve environmental stewardship, the annual report will be produced electronically only. The report is available on the ARRC website at:

<http://www.alaskarailroad.com/corporate/AboutARRC/ReportsPolicies/AnnualReports/tabid/466/Default.aspx>

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