

Wheeling & Lake Erie Railway

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Introduction

- WLE History
- WLE Today
 - Company Overview
 - Fleet
 - Infrastructure
 - Safety
 - Cost Savings
- Steel Industry
 - Steel Products
 - Raw Materials
 - Outlook



History

- April 6, 1871
 - First built as a 3 ft (914 mm) narrow gauge line between Norwalk and Huron, Ohio
 - Unable to attract regular traffic, or financing for expansion, and had closed within two years
- 1880
 - With investment by railroad financier Jay Gould and financial reorganization, the line was converted to standard gauge
- 1904
 - Alliance made with WLE and what is today known as PWV and ran first train from Ohio into Pittsburgh



History – Continued

- 1949
 - The WLE was leased by the Nickel Plate Road (NKP)
- 1964
 - The Nickel Plate Road merged with Norfolk and Western Railway
 - The Norfolk and Western Leased the Pittsburgh and West Virginia Railway (P&WV)
- 1982
 - Norfolk and Western merged with the Southern Railway, forming the Norfolk Southern Railway (NS)



History – Continued

- May 18, 1990
 - Norfolk Southern Railway sold portions of their lines in Ohio and Pennsylvania, including most of the original lines of the former WLE, the Akron, Canton and Youngstown Railroad (ACY) and the Pittsburgh and West Virginia Railway (PWV) to a new regional railroad, taking the name of the Wheeling and Lake Erie Railway (AAR reporting marks WE) that operates today.
- The only portions of the original WLE not owned by the current WE
 - NS line west of Bellevue, (though WE now has trackage rights to Toledo on this line, obtained after the Conrail split in 1999);
 - Former Cleveland Division line south of Harmon (Brewster) that was sold to Ohio Central Railway (OHCR) by NS in 1986
 - Huron, Ohio, docks trackage



Today

- Largest Ohio Based Railroad
- Class II Regional Railroad
- 840 miles of Track
 - Ohio
 - Pennsylvania
 - West Virginia
- Employ over 400 people
- Over 140,000 carloads annually

3 Class I Connections

- CSXT
- NS
- CN

14 Shortline Connections

- Akron Barberton Cluster Railway (AB)
- Allegheny Valley Railroad (AVR)
- Ann Arbor Railroad (AA)
- Ashland Railway, Inc. (ASRY)
- Chicago, Ft. Wayne and Eastern Railroad (CFE)
- Cleveland Works Railway Company (CWRO)
- Newburgh and South Shore Railroad Company (NSR)
- Indiana and Ohio Railway Company (IORY)
- Lorain and West Virginia Railway
- Nimishillen and Tuscarawas Railway (NTRY)
- Ohi-Rail Corporation (OHIC)
- Ohio Central Railroad, Inc. (OHCR)
- R J Corman Railroad Company
- Southwest Pennsylvania Railroad (SWP)
- Union Railroad Company (URR)

Fleet



- Fleet of 60 Locomotives
- Locomotive and Car Repair Shop
- Own and Lease 2,400 railcars
 - Recently purchased
 - 150 New Open Top Hoppers
 - Ore and Coke Service

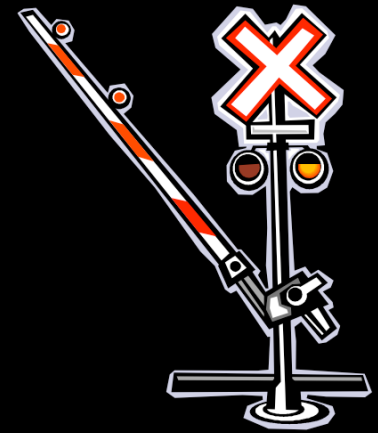
Infrastructure



- In the last 5 years we have invested over \$25 million into our track infrastructure
 - 40 mph on all mainline tracks
 - Track Rated for:
 - 286,000 lbs gross weight
 - Plate F type railcars

Safety

- WLE is consistently among the top rated railroads nationally for safety in our category
- The industry as a whole is dedicated to safety.
 - last year the train accident and grade crossing accident rates were the lowest in history.
- The number of fatalities from all rail related incidents was the lowest in history
- The employee injury rate was the second lowest in history, missing the record set in 2006 by just one percent.
- Employee injury rates have fallen more than 80 percent since 1980.



Safety – Continued

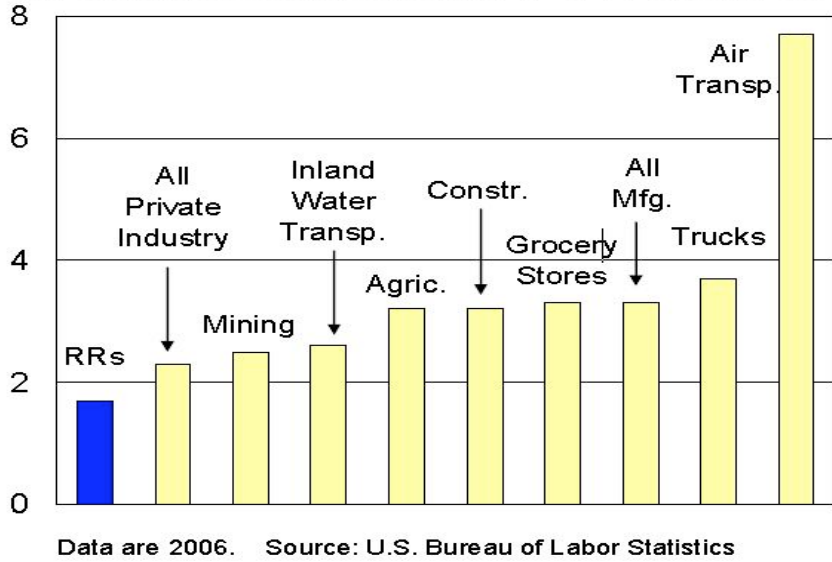
- An employee of a grocery store is more likely to be injured on the job than an employee of a railroad
- In fact, railroads today are safer than most other industries. Moreover, rail safety is continually improving.
- 2007 was, overall, the safest year ever for railroads:
 - The train accident rate was the lowest ever, down 71 percent since 1980.
 - The grade crossing collision rate was the lowest ever, down 77 percent since 1980.
 - The employee injury rate was the second lowest ever, down 80 percent since 1980.



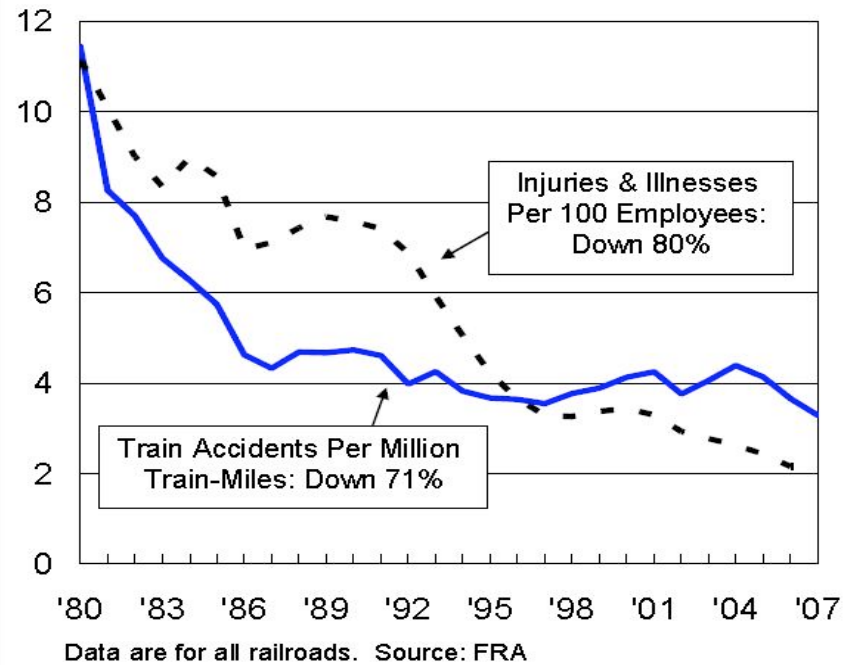
Safety – Continued

RRs Are Safer Than Most Other Industries

(Lost Workday Injury Rates Per 100 Employees)



Rail Accident & Injury Rates Have Plunged



Cost Savings



- One rail car replaces four truckloads
- Rail transportation is two to four times more fuel efficient than truck on a per ton mile basis.
- WLE competitive edge is based primarily due to having the benefit of direct interchange with three Class I railroads:
 - CSXT
 - NS
 - CN
- This enables us to shop the freight rates for our customer



Efficiency by Rail



One standard railcar can carry up to 100 tons of densely packed freight.



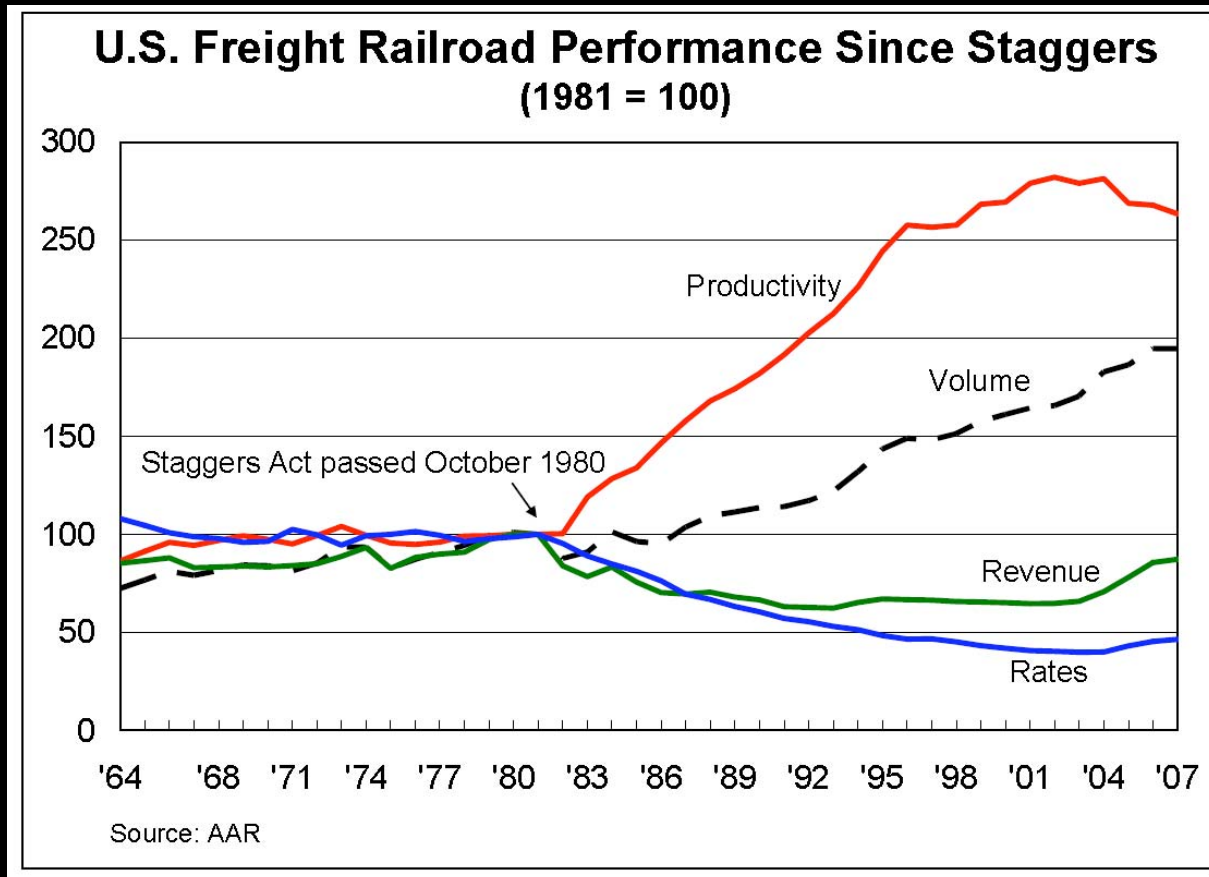
It would take four standard 18-wheelers to carry the same amount.

GRAPHIC: The Washington Post

Cost Savings



- Deregulation



Efficiency by Rail



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WLE Steel Industry

- Serve 6 Steel Mills
- Access to Lake Erie Port of Huron, OH
- Access to 3 River Ports
 - Warrenton River Terminal – Warrenton, OH
 - Bellaire Harbor Services – Bellaire, OH
 - Three Rivers Marine – Monessen, PA



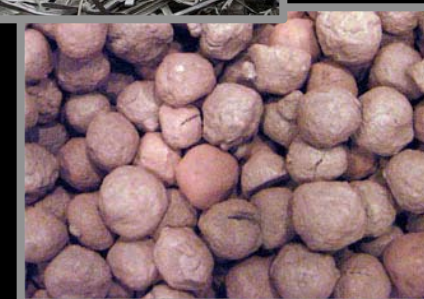
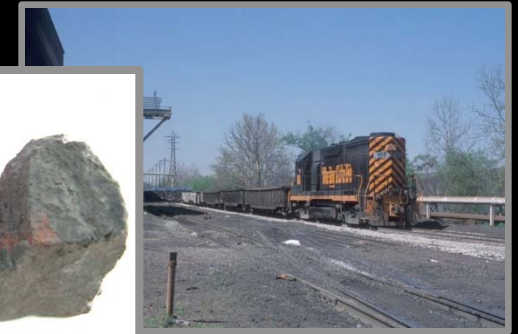
Steel Products

- Steel Rebar
- Steel Bars
- Steel Rods
- Steel Billets
- Steel Slabs
- Steel Rail
- Steel Channels
- Sheet Coil Steel
- Steel Pipe
- Tin Plate Coils
- Pig Iron
- Wire Coils
- Seamless Steel Tubing
- Hot-Rolled Sheet Coil
- Galvanized Sheet Steel Coil



Total Steel Carloads

	2007 Carloads
• Steel Products	22,498
• Coke	15,186
• Scrap Iron	14,752
• Iron Ore	7,260
• Dolomitic Limestone	870
• Pulverized Lime	20
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	60,586



Metals Market Outlook

- Dynamic Restructuring of the Metals Industry
- Downturn is not just Domestic but Global
- Steel Industry today has reduced the total blast furnace capacity and is not producing inventory
 - Manufacturers are only producing metals with orders in hand
 - Price levels should maintain at reasonable levels unlike past fire sale activities



Questions?



Wheeling & Lake Erie Railway