

Despite An Adverse Economy And A Significant Decline In Dry Bulk Shipping Volumes On The Great Lakes, Rand Logistics, Inc. Generated Record Profitability In 2009



**Services
Shipping
(RLOG-NASDAQ)**



**Laurence S. Levy
Chairman and CEO**

BIO:

Laurence S. Levy has been Chairman of our Board of Directors and our Chief Executive Officer since our inception. Mr. Levy founded the predecessor to Hyde Park Holdings, LLC in July 1986 and has since served as its Chairman. Hyde Park Holdings, LLC is an investor in middle market businesses. Mr. Levy serves as an officer or director of many companies in which Hyde Park Holdings, LLC or its affiliates invests. Presently, these companies include: Ozburn-Hessey Logistics LLC, a national logistics services company, of which Mr. Levy is a director; Derby Industries LLC, a sub-assembly business to the appliance, food and transportation industries, of which Mr. Levy is Chairman; Regency Affiliates, Inc., a company traded on the Pink Sheets, of which Mr. Levy is Chairman, Chief Executive Officer and President; and Warehouse Associates L.P., a provider of warehouse and logistics services, of which Mr. Levy is Chairman. Mr. Levy is also Chairman of the Board of Essex Rental Corp., an OTC bulletin board company and one of North America's

largest providers of lattice-boom crawler crane and attachment rental services.

In addition, from March 1997 to January 2001, Mr. Levy served as Chairman of Detroit and Canada Tunnel Corporation, a company which operates the toll tunnel between Detroit, Michigan and Windsor, Ontario, and from August 1993 until May 1999, Mr. Levy served as Chief Executive Officer of High Voltage Engineering Corporation, a diversified industrial and manufacturing company.

Mr. Levy received a Bachelor of Commerce degree and a Bachelor of Accountancy degree from the University of Witwatersrand in Johannesburg, South Africa. He is qualified as a Chartered Accountant (South Africa). Mr. Levy received a Master of Business Administration degree from Harvard University and graduated as a Baker Scholar.

Company Profile:

Rand Logistics, Inc. is a leading provider of bulk freight shipping services throughout the Great Lakes region. Through its subsidiaries, the Company operates a fleet of ten self-unloading bulk carriers, including eight River Class vessels and one River Class integrated tug/barge unit, and three conventional bulk carriers, of which one is operated under a contract of af-freightment. The Company is the only carrier able to offer significant domestic port-to-port services in both Canada and the U.S. on the Great Lakes. The Company's vessels operate under the U.S. Jones Act -- which reserves domestic waterborne commerce to vessels that are U.S. owned, built and crewed, -- and the Canada Marine Act -- which requires only Canadian commissioned ships to operate between Canadian ports.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Levy, you founded Rand Logistics; what has changed in the last few years?

Mr. Levy: When we first acquired Lower Lakes Towing Ltd., it was a small business operating River Class vessels on the Great Lakes. Since that initial investment in 2006, we have done two significant add-on acquisitions of vessels and we have significantly enhanced the operational capability of the company, enabling it to function effectively as a publicly listed company. We think collectively, all of these factors are reflected in the fact that since our initial investment in the company we have more than tripled the operating cash flow that the company generates.

CEOCFO: What services are you providing today and who is using your services?

Mr. Levy: We operate twelve vessels on the Great Lakes that generally function in the River Class segment. Ten of our vessels have self-unloading capabilities. We focus on the transportation of bulk commodities such as limestone, coal, salt, grain, and iron ore. We focus solely on the Great Lakes market and 95% of our business is under long-term contract with our customers. Long term is defined as three to five years and those contracts will in general include annual price adjustments as well as fuel surcharge pass-through.

CEOCFO: Are self-loading vessels unusual or typical today?

Mr. Levy: It is a technology that is specifically focused on Great Lakes shipping. So you do not tend to find it anywhere else off the lakes, and it is very effective

for shipping on the Great Lakes because you require no shore-side assistance to load the vessel or unload the vessel. Therefore, we can be very efficient and operate 24 hours a day since we require no shore-side assistance.

CEOCFO: Why is it unique about shipping on the Great Lakes?

Mr. Levy: Based on the nature of the trading on the Great Lakes we are transporting dry bulk commodities over in the context of things these relatively short distances. It tends to be a very effective way of operating and we have the ability to load and unload the vessels during the evening hours when there is not shore-side assistance and even during daytime hours when our customers are operating.

CEOCFO: What is the competitive landscape for Rand?

Mr. Levy: We do have competitors, but we are fortunate that we are the largest operator in River Class shipping in both the United States flagged markets and the Canadian flagged markets. In the United States, our largest competitor is American Steamship, a division of GATX, and in Canada, our largest competitor is Algoma Central. However, we are the only competitor in this segment that operates under both the US flag and the Canadian flag and as I mentioned we are the largest operator in each of those markets, so we think that we are well positioned to be a value for our shareholders.

CEOCFO: What is your competitive edge?

Mr. Levy: There are several reasons why we believe customers choose us. First, we offer tremendous service and part of that is based on our operating team and the efforts that we have under our control, having the largest River Class fleet is clearly beneficial and then able to deliver effectively for our customers. Secondly we do have a low-cost operating structure and that enables us to pass on good value to our customers and all of this was particularly reflected in the 2009 shipping season. During that time period we saw the volume of production decline by as

much as 50% for many commodities on the Great Lakes. Whereas in contrast in our company our volume declined by only about 3.5% and we have indicated to the markets that for the year ended March 31, 2010, we anticipate generating record profitability from our company.

CEOCFO: What is financial picture like at the company today?

Mr. Levy: We believe that the company is in very good shape from a balance sheet perspective. We have continued to pay down our debt. We are in compliance with all covenants. We have sufficient liquidity. From an operational perspective, we are very optimistic about the upcoming shipping season, which begins April 1st. Even though we have finished the fiscal year 2010 year, which ended

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March 31st 2010 with what I described as record earnings, we anticipate that next year will be even better. This is primarily because we have increased the number of customers and new contracts such that approximately 300 of the shipping days that were not utilized during 2009, will be significant utilized during 2010.

CEOCFO: Is there a need for additional ships or new technology; what is coming up?

Mr. Levy: We are continuing to look for new opportunities to expand our company. We continue to look for sensible acquisitions that can create value for our shareholders, and when we do find them, we most certainly do intend to execute on them. In the interim, we do want to continue to improve the operating results generated by existing assets and maxi-

mize return on capital for our shareholders.

CEOCFO: Is the investment community paying attention to Rand?

Mr. Levy: We are a micro-cap stock and while we have seen an increase in attention to the company, we continue to believe that the company is under-followed and we believe as a result it is not being credited with the full valuation that we deserve. We are focusing attention on speaking to the investment community, speaking to investors, presenting at conferences with the objective of educating the investment community about what a fabulous asset we have at Rand.

CEOCFO: Do you think it is the industry itself that doesn't get much attention?

Mr. Levy: I suspect it is a combination of the fact that we are a micro-cap company and the fact that Great Lakes Shipping in the context of worldwide shipping is a niche market.

CEOCFO: Lay the case out for prospective investors; why pay attention to Rand Logistics?

Mr. Levy: We think we have a fabulous company at Rand. We have a strong sustainable market position where we are the largest supplier of River Class shipping, under both the US flag and Canadian flag. There are very significant barriers to entry in our market, specifically we have bought our vessels for approximately \$8 million each, and a replacement vessel today would cost approximately ten times that amount. Access to our markets are also limited by the Jones Act and the Canada Marine Act which makes competition by foreign vessels impractical. We are the low-cost operator within our market. So you put all these factors together and we believe that we have a phenomenal economic machine. This was demonstrated last year where despite the adverse economy and a significant decline of volumes on The Great Lakes, our company in contrast, generated record profitability and as we look forward we anticipate that that profitability is going to continue to increase

as we move into our next fiscal year and beyond.

CEOCFO: You have recently purchased stock in the company, which is a good sign; would you tell us more about that?

Mr. Levy: I have recently purchased stock as has our president Ed Levy, and that is driven by the fact that we are very optimistic about the long-term prospects

of Rand. We are both long-term investors and basically believe in the future of the company and want to generate a good return on our personal capital as well. We believe that the stock represents good value at the levels that we have acquired.

CEOCFO: Final thoughts, what should people reading about Rand Logistics remember most?

Mr. Levy: I would focus on the fact that we have phenomenal assets with high barriers to entry. Our customers have a significant need to use our services. We are a low-cost operator and as a result of these factors we generate a very good return on capital for our shareholders, which we believe will continue to increase as time goes on.



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