

RAND

LOGISTICS, INC.



Rand Logistics, Inc.
NASDAQ: RLOG
Investor Presentation
September 7, 2011



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 the economic downturn in 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 29, 2011.



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Executive Summary

Introduction



- **Laurence S. Levy, Chairman & Chief Executive Officer**
 - Chairman of Hyde Park Holdings, an investment firm specializing in private equity investments since 1986
 - History of acquiring and building businesses, primarily in the logistics and infrastructure markets
- **Edward Levy, President**
 - 9 years as a Managing Director of CIBC World Markets Corp.
 - 6 years of actively managing a private equity fund for CIBC
 - 4 years as Co-head of CIBC's Leveraged Finance Group
- **Captain Scott F. Bravener, Director & President**
 - More than 15 years as Lower Lakes' President and CEO
 - Over 25 years experience in Great Lakes shipping industry
- **Joseph W. McHugh Jr., Chief Financial Officer**
 - Over 25 years of CFO/Controllershship experience in middle market manufacturing and service companies
 - Significant experience in closing complex financings, acquisitions and divestitures, as well as SEC and Lender Financial Reporting
- Management and Directors collectively own approximately 13% of the Company

Company Overview

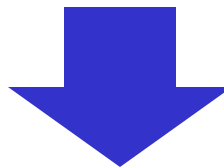


- Leading provider of dry bulk commodities freight shipping services throughout the Great Lakes.
- Over 95% of business under long-term contract insulates from any significant pricing pressure.
- High barriers to entry.
- Increasing market share, due to cost-efficient operating model, size and composition of fleet (i.e. river class, bow booms) and scheduling flexibility.
- Strategy of diversifying and balancing products carried and end markets served.
- Fuel surcharges protect against rising fuel prices.
- Strong track record of accretive acquisitions.

Recent Developments



<u>DATE</u>	<u>EVENT</u>	<u>STATUS</u>
Feb 2011	KKIS Acquisition (2 vessels)	<ul style="list-style-type: none">– Integration complete– Vessels performing better than projected
May 2011	Michipicoten Engine Repowering	<ul style="list-style-type: none">– Vessel operating consistent with expectations
July 2011	Maritime Trader Acquisition (1 vessel)	<ul style="list-style-type: none">– Acquisition complete– Vessel sailed August 6, 2011



- **Management believes the July 2011 acquired vessel will be fully utilized in servicing identified existing and new customer demand**



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Investment Highlights

Favorable Asset Mix



Self-Unloading Bulk Carriers (12)

- Most efficient means of shipping on the Great Lakes.
- Faster to load and unload; no on-shore operators; ideal for short hauls.
- Represents over 85% of Rand's capacity.



Bulk Carriers (3)

- Ideal for long duration grain shipments and iron ore backhaul.
- Cheaper to operate over long distances; requires land-side operators to unload.
- Limited market competition, 19 Canadian vessels versus 120 two decades ago.



Note: Vessel counts include both River Class and Mid Class vessels

High Barriers to Entry

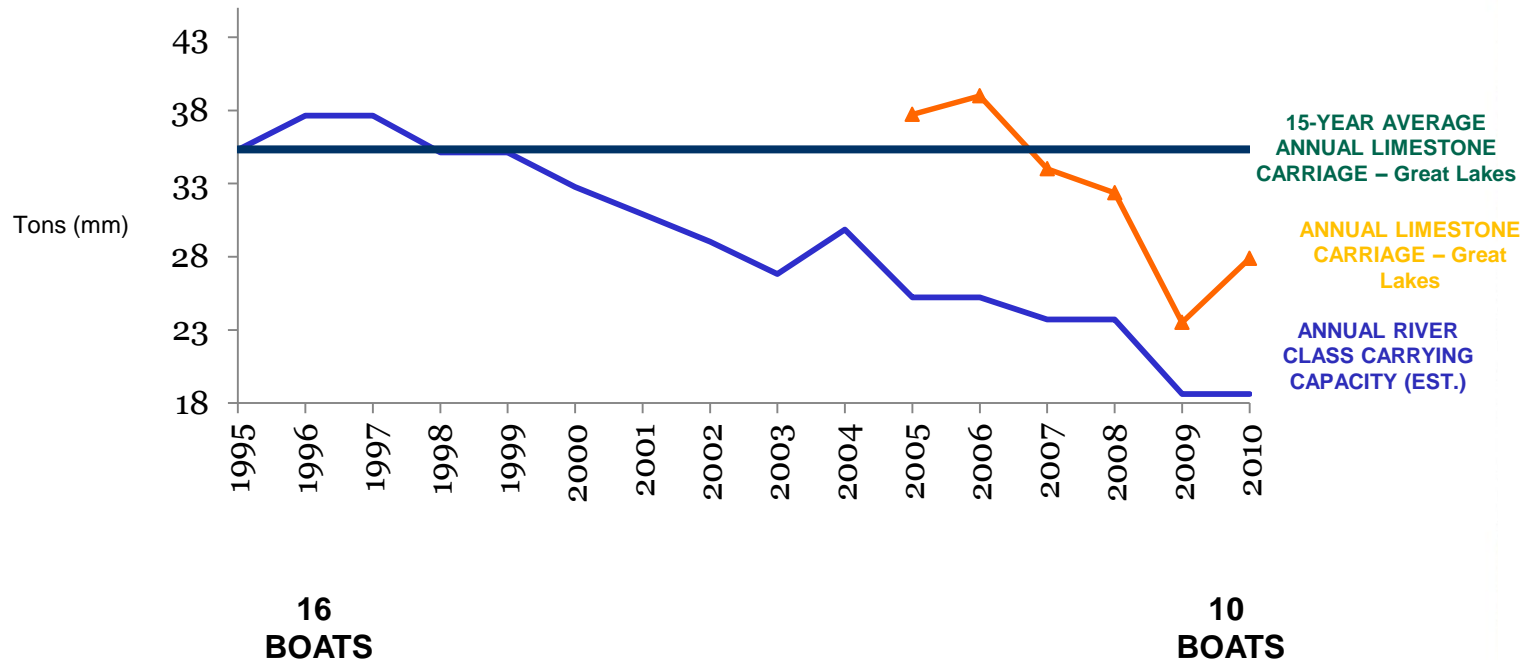


- Jones Act
 - Limits competition to domestically constructed vessels and local operators.
- Jones Act Compliant New Builds Not Economically Feasible
 - Current freight rates and construction costs do not justify investment.
 - Last self-propelled Great Lakes vessel built 20 years ago.
 - Fresh water use extends vessel life.
- Foreign builds for Canadian flagged river class market not economically feasible.

Favorable Market Demand Imbalance



Annual Self-Unloader River Class Carrying Capacity versus Great Lakes Flag Limestone Carriage



Leading Self-Unloader Market Share



U.S. Flag Great Lakes
River Class Fleets



Rand



American Steamship



Interlake Steamship



Key Lakes, Inc.



Canadian Flag Great Lakes
River Class Fleets



Rand



Algoma Central



Upper Lakes Shipping

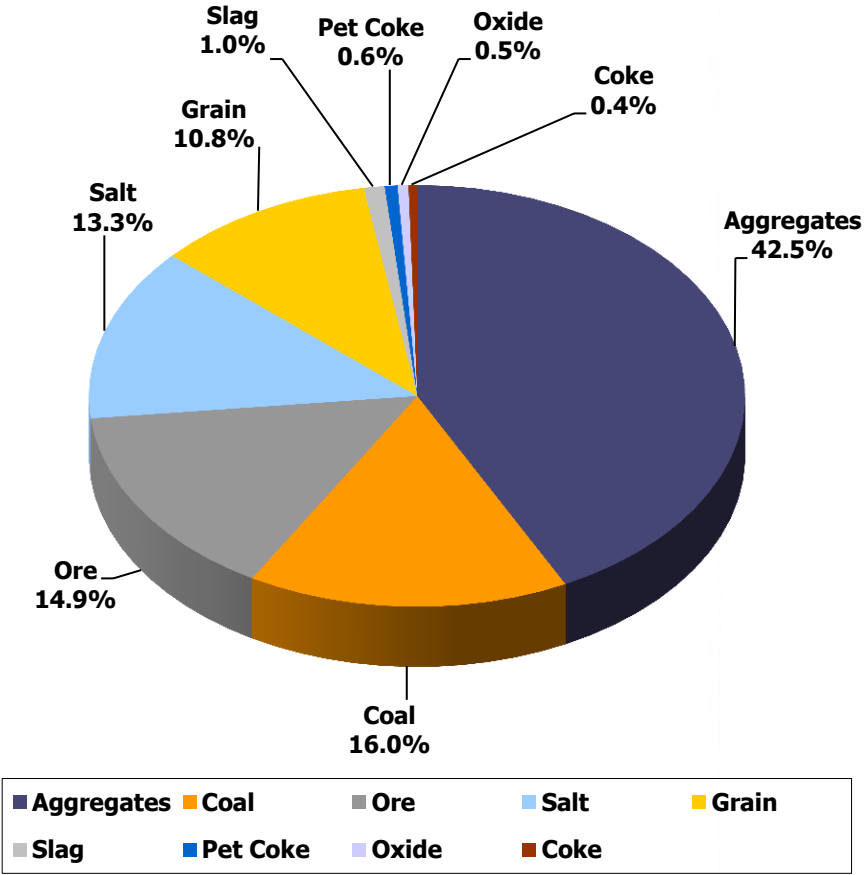


Diversified Freight & Customers

Long-term contracts provide insulation from any significant pricing pressure.

Sample Key Customers:

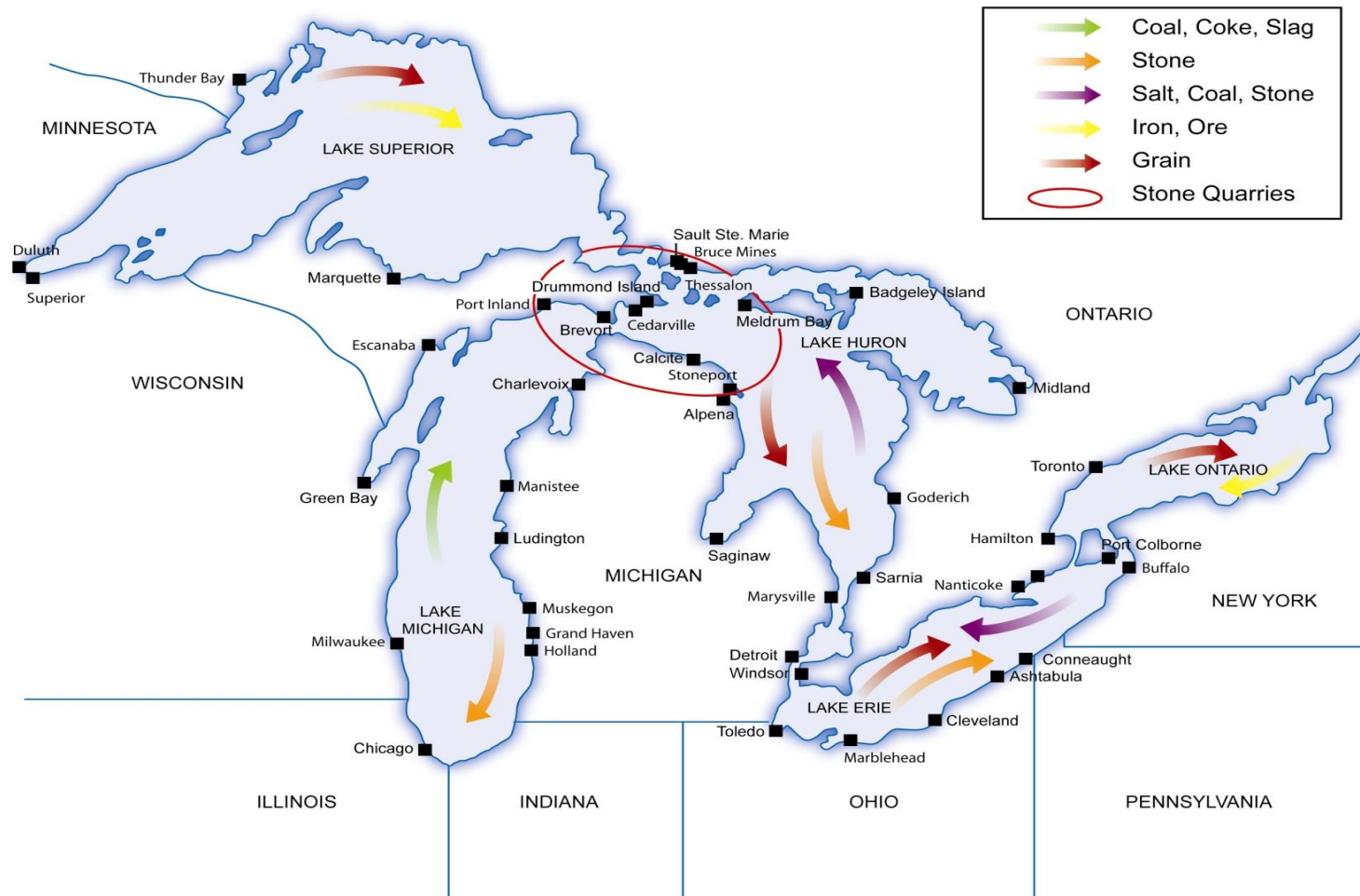
Cargo Mix FY2011



Able to Leverage Customer Network



Existing customer network based on long-term relationships create operating efficiencies and limits competitor penetration



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Financial Review

Business Economic Model Metrics

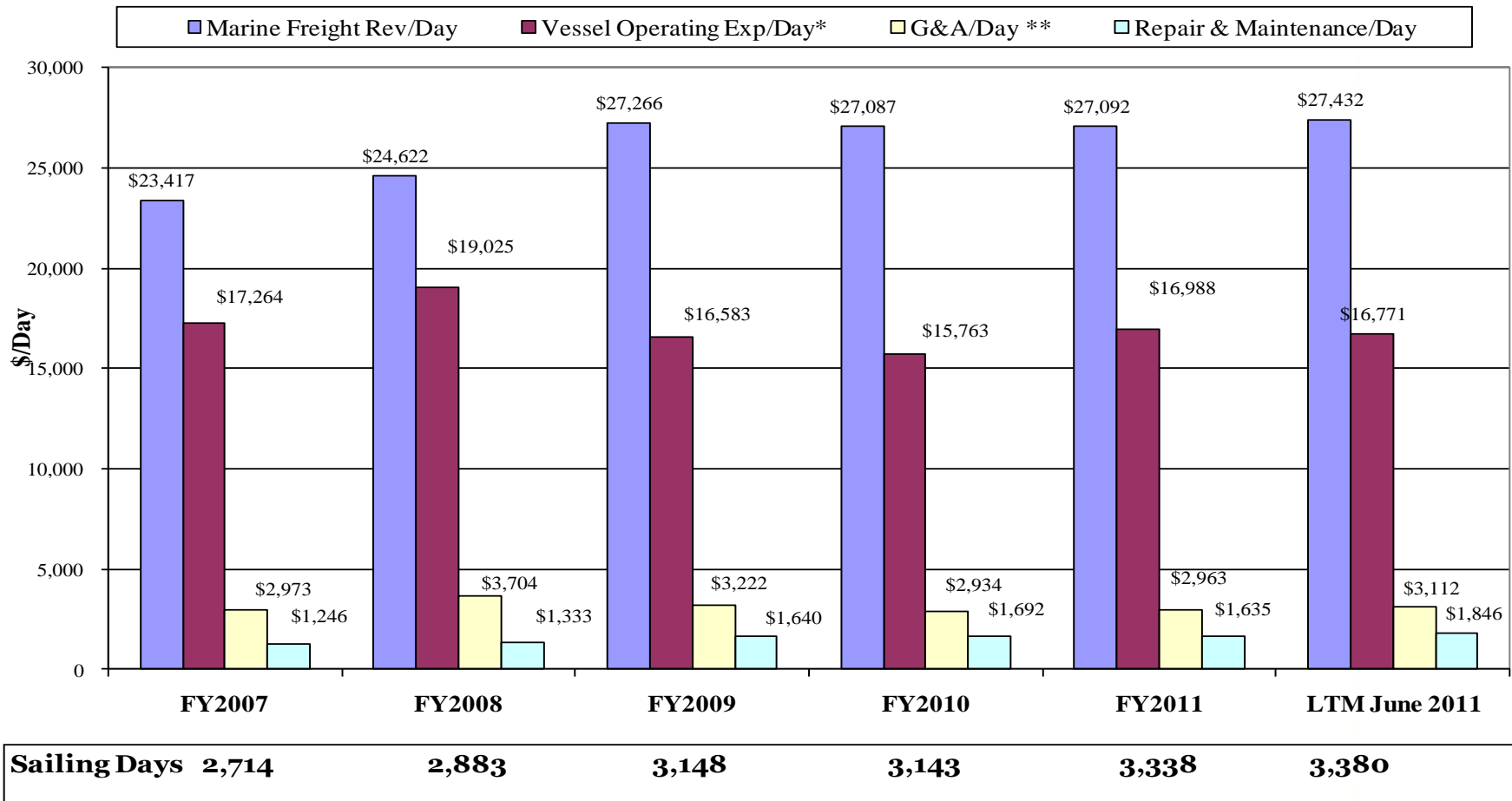


	12 Months Ended <u>March 31, 2011</u>	3 Months Ended <u>June 30, 2011</u>	3 Months Ended <u>June 30, 2010</u>
Sailing Days	3,338	1,065	1,023
Freight Revenue/Sailing Day	\$27,092	\$28,821	\$27,767
Vessel Operating Expenses less Fuel and Other Surcharge Revenue/Sailing Day	\$16,988	\$16,192	\$16,875
Repairs and Maintenance Expenses/Sailing Day	\$1,635	\$776	\$43
G&A (in millions)	\$9.9	\$3.0	\$2.4
Average F/X Rate	\$0.984USD/CAD	\$1.033USD/CAD	\$0.973USD/CAD

Summary Historical Financial Results



- Consistently generating profit growth from operational improvements across the fleet and capital expenditures in prior periods



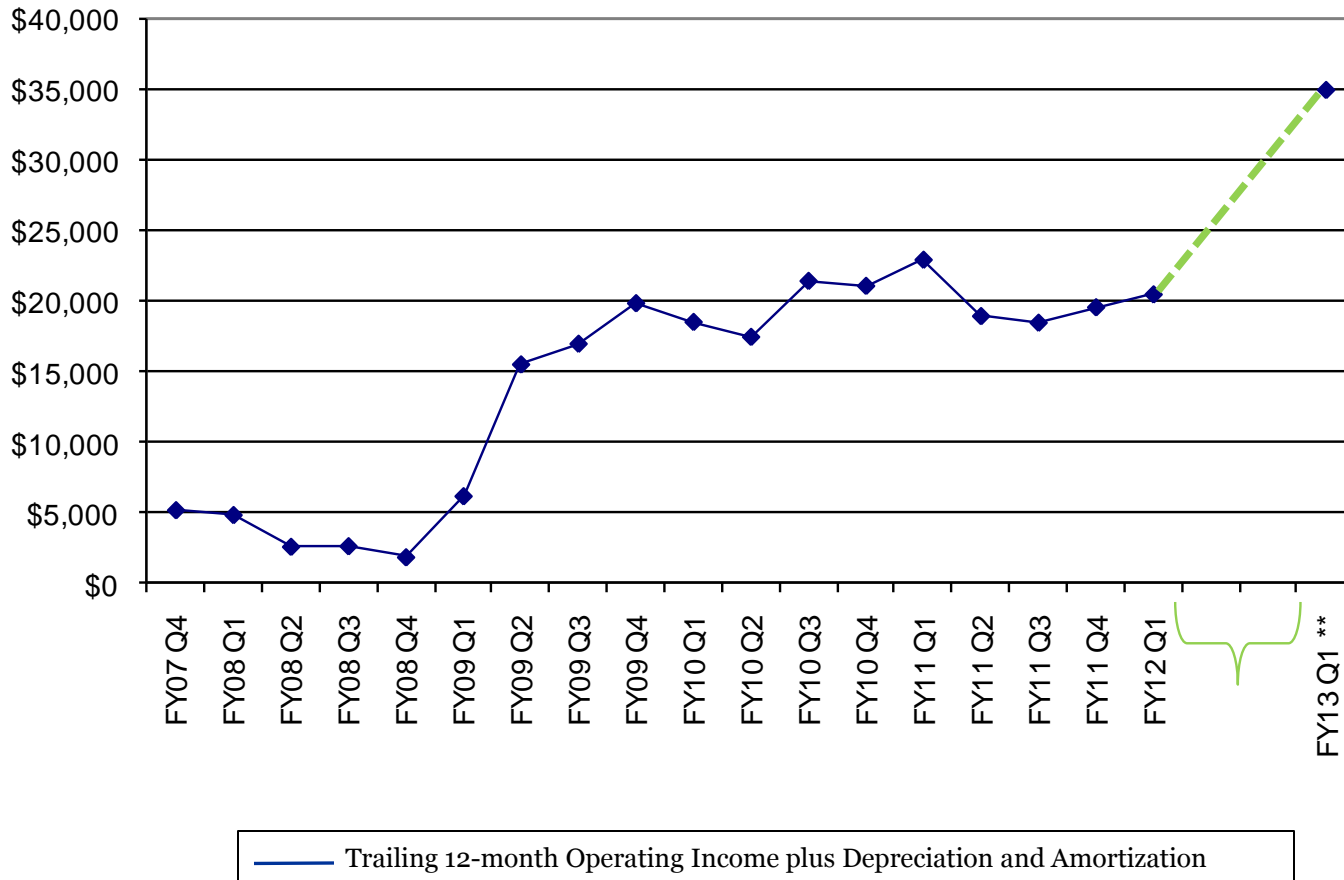
* **Vessel Operating Exp** is net of fuel surcharge revenue

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

Trailing 12-month Operating Income Before D&A



Operating Income Plus Depreciation and Amortization*



* Excludes Lender Amendment Fee of \$446K incurred in FY2010 and \$1.2 million of acquisition related costs in FY2011

** Based on full year of operation of the Michipicoten but excluding impact from July 2011 vessel acquisition

Growth Initiatives – Vessel Repowering



- SS Michipicoten repowering project, which began in December 2010 was completed at the end of May 2011.
- We are expecting an unlevered ROIC in the mid-teens on this investment. The project benefits include:
 - Reduced manning
 - Lower fuel costs
 - Greater speed
 - Maintenance holiday
- Including this repowering project, over the past six years, Rand has invested more than \$70 million of capital into its vessels to improve their efficiency and extend their useful life

Growth Initiatives - KKIS Acquisition



- We recently announced the acquisition of two Jones Act compliant, self-unloading integrated tug/barge units from KK Integrated Shipping.
- The acquisition of these vessels allows us to continue modernizing our fleet and expand at a price well below replacement cost.
- These vessels are in excellent structural condition and their addition to our fleet does not require us to add any shore side SG&A.
- Given our current order book as well as additional customer demand expected in conjunction with the KKIS acquisition, the two vessels are currently fully contractually booked for the upcoming sailing season.
- The acquisition was structured with \$35.5 million cash paid at closing, (including \$31.0 million financed with third party debt), \$5.1 million of attractively priced junior seller paper and 1.306 million shares of the Company's common stock.
- We expect that this acquisition will add between \$.25 to \$.30 in free cash flow per common share for our fiscal year ending March 31, 2012.

Fiscal Year 2012 Earnings Outlook

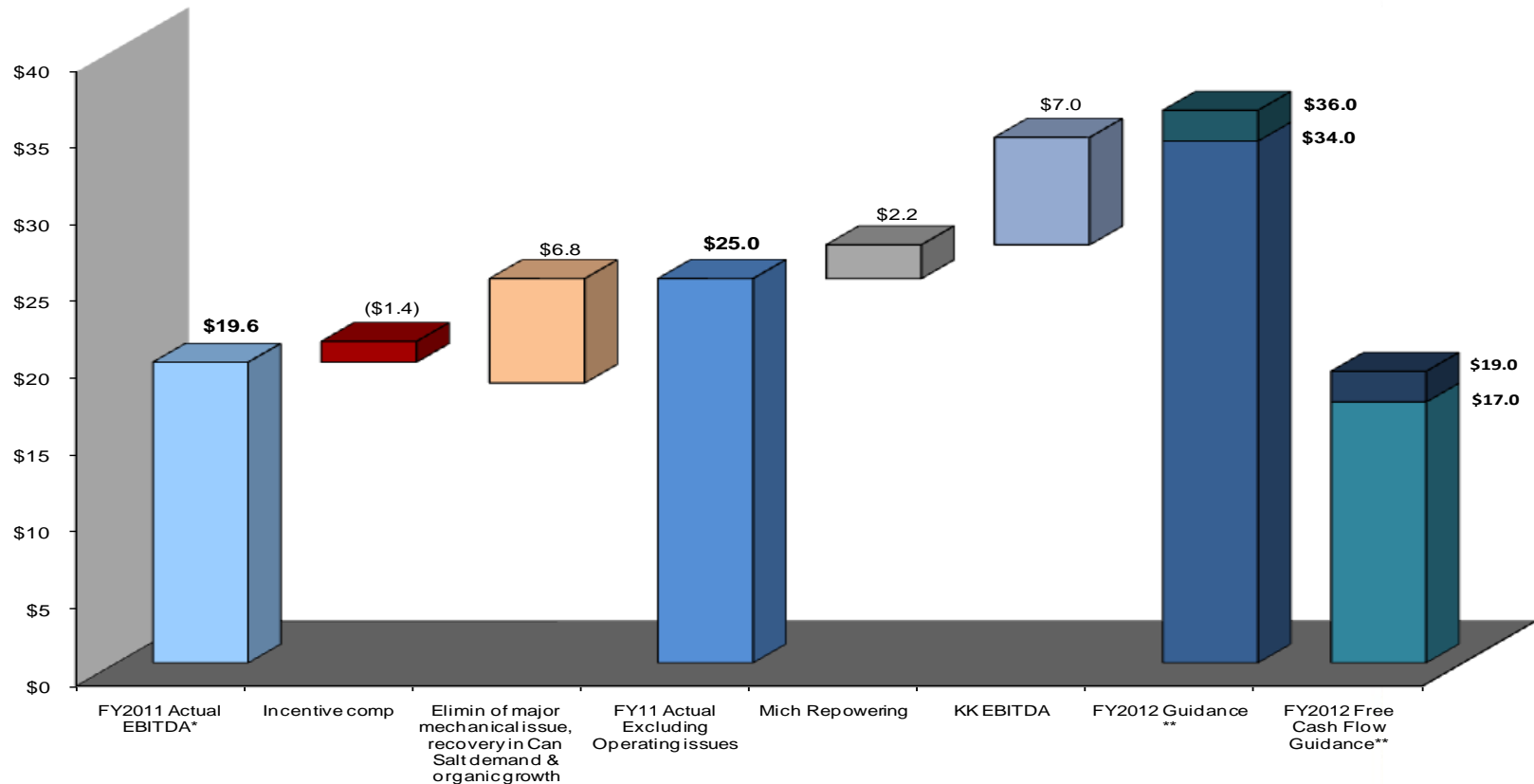


- The highly strategic KKIS acquisition and our vessel repowering is allowing us to optimize the utilization of our entire fleet and better serve the needs of our customer network.
- Assuming a full sailing season of the Michipicoten, we are projecting operating income plus depreciation and amortization will be between \$34 and \$36 million and that free cash flow per common share will be between \$1.15 and \$1.30 for the twelve months ending June 30, 2012.
- Potential to see free cash flow per common share increase by a further 10% for the year ending March 31, 2013 (before accounting for the July 2011 vessel acquisition).
- We remain committed to evaluating and pursuing a variety of in-market growth opportunities which will enhance our competitive position.

Earnings Bridge Analysis



- The following chart highlights the company's FY2011 financial results and provides FY2012 guidance



As of March 31, 2011, Rand had tax loss carry forward of \$43.0 Million

* Excludes \$1.2 million of acquisition related costs in FY2011

** Based on full year of operation of the Michipicoten

Capital Structure



(U.S. Dollars 000's)	March 31, 2011	June 30, 2011
Cash and cash equivalents	\$4,508	\$4,762
Total current assets	\$16,183	\$35,407
Total assets	\$215,510	\$235,811
Revolver outstanding (seasonal)	\$0	\$22,058
Long-term debt (includes current portion)	\$112,171	\$111,280
Preferred stock, \$.0001 par value		
Authorized 1,000,000 shares	\$14,900	\$14,900
Issued and outstanding 300,000 shares		
Total stockholders' equity	\$58,329	\$61,873
F/X Rate at the end of period	\$1.031USD/CAD	\$1.037USD/CAD