

# Rand Logistics, Inc.

## RAND LOGISTICS REPORTS FISCAL YEAR 2013 FINANCIAL RESULTS

### *2013 Sailing Season off to a Solid Start*

New York, NY – June 12, 2013 - Rand Logistics, Inc. (NASDAQ: RLOG) (“Rand”) today announced its financial results for the fiscal year ended March 31, 2013. This includes results for the Company’s fiscal fourth quarter, in which, due to the closing of the canal system and winter weather conditions on the Great Lakes, the majority of the Company’s fleet does not operate. In addition, repair and maintenance costs are incurred in the fiscal fourth quarter to prepare the fleet for the upcoming sailing season. As a result, fiscal fourth quarter operating results are significantly lower than for the first three quarters of our fiscal year.

#### **Fiscal Year Ended March 31, 2013**

#### **Versus Fiscal Year Ended March 31, 2012 Financial Results**

- Total revenue increased by 6.0% to \$156.6 million from \$147.8 million. This increase was primarily attributable to higher freight revenue, partially offset by reduced fuel surcharges and the effect of the slightly weaker Canadian dollar.
- Marine freight revenue (excluding fuel and other surcharges, and outside charter revenue) increased by 9.5% to \$117.8 million from \$107.6 million. This increase was primarily attributable to contractual price increases and 201 net additional sailing days primarily due to the two vessels introduced in the 2012 sailing season.
- Marine freight revenue per Sailing Day increased by 3.8% to \$30,035 from \$28,922. This increase was offset by certain delivery pattern inefficiencies and an approximately 34% decrease in salt tonnage hauled due to an abnormally dry 2012 winter in the Great Lakes region.
- Vessel operating expenses increased by 7.8% to \$104.9 million from \$97.3 million. This increase was attributable to three additional vessels acquired in fiscal 2012.
- Operating income plus depreciation and amortization decreased by 9.3% to \$28.3 million from \$31.2 million.

#### **Management Comments**

Laurence Levy, Executive Chairman of Rand, commented, “As we have previously discussed, operating incidents on two of our vessels in addition to a nominal contribution from the two vessels we acquired in the third quarter of fiscal 2012 adversely impacted fiscal 2013 results. In the aggregate, however, the operating results of our remaining 12 vessels exceeded their budget and vessel margin per day on all 16 vessels equaled \$10,697, the second highest in the Company’s history. During fiscal 2013, management has implemented certain action items which included completing the rebuild and expansion of the engineering team in response to the growth of the fleet, implementing and reinforcing a number of best practice operating protocols and designing an incentive program tied to minimizing operating incidents. In light of the disappointing performance, no bonuses were payable for fiscal 2013, compensation for the senior executive team was reduced and base salary increases were capped at no more than 2% in fiscal 2014.”

Scott Bravener, President of Lower Lakes, stated, “We have begun to see marked improvements in the operating performance of our fleet in the current sailing season, which we believe is the result of many of the changes in operating procedures that have been implemented over the past couple of years. For the period ended May 31, 2013, we have not lost any sailing days due to incidents compared to 49 lost days for the comparable period last season. Vessel operating delays due to mechanical issues declined by 49%, or 16.3 days, versus the comparable period last year. The decrease in vessel operating delays, however, has been offset by higher than anticipated weather and traffic delays versus the same period one year ago.”

Laurence Levy concluded, "We believe that fiscal 2014 is off to a solid start. Looking ahead, we are targeting key business opportunities that are well suited to our fleet, allow for future growth, and will be accretive to our profitability. Notwithstanding the challenges that we faced over the past year, the fundamentals of our business remain intact, including our efficient operating structure, our non-duplicatable asset portfolio and our extensive customer network. We believe that these attributes will allow us to continue to create long term stockholder value."

### **Conference Call**

Management will host a conference call to discuss these results at 8:30 a.m. ET on Wednesday, June 12, 2013. Interested parties may participate in the conference call by dialing 877-218-9317 (706-758-6006 for international callers), Conference ID#78583843. Please dial in 10 minutes before the call is scheduled to begin.

A telephonic replay of the conference call may be accessed approximately two hours after the completion of the call through August 12, 2013. Dial 855-859-2056 (404-537-3406 for international callers), Conference ID#78583843 to access the phone replay.

The conference call will be webcast simultaneously on the Rand Logistics, Inc. website at [www.randlogisticsinc.com/presentations.html](http://www.randlogisticsinc.com/presentations.html). The webcast replay will be archived for 12 months.

### **About Rand Logistics**

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 four conventional bulk carriers and twelve self-unloading bulk carriers including four tug/barge units. 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 Coasting Trade Act – which reserves domestic waterborne commerce to Canadian registered and crewed vessels that operate between Canadian ports.

### **Forward-Looking Statements**

This press release 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 filed with the Securities and Exchange Commission on June 12, 2013.

### **CONTACT:**

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**-OR-**

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--financial tables to follow--

<b>RAND LOGISTICS, INC.</b>				
<b>Consolidated Statements of Operations</b>				
<b>(U.S. Dollars 000's except for Shares and Per Share data)</b>				
		Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011
<b>REVENUE</b>				
Freight and related revenue	\$	117,797	\$ 107,618	\$ 90,433
Fuel and other surcharges		37,404	38,886	20,471
Outside voyage charter revenue		1,437	1,321	7,074
<b>TOTAL REVENUE</b>		<b>156,638</b>	<b>147,825</b>	<b>117,978</b>
<b>EXPENSES</b>				
Outside voyage charter fees		1,447	1,312	7,052
Vessel operating expenses		104,896	97,274	77,177
Repairs and maintenance		8,350	7,179	5,456
General and administrative		13,477	11,024	9,892
Depreciation		15,373	11,581	7,684
Amortization of drydock costs		3,497	3,048	2,779
Amortization of intangibles		1,310	1,319	1,192
Loss (gain) on foreign exchange		186	(159)	(18)
		148,536	132,578	111,214
<b>OPERATING INCOME</b>		<b>8,102</b>	<b>15,247</b>	<b>6,764</b>
<b>OTHER (INCOME) AND EXPENSES</b>				
Interest expense		10,171	9,327	5,737
Interest income		(9)	(6)	(43)
Loss from a loss contingency on guaranty		-	-	1,280
Gain on interest rate swap contracts		(1,087)	(771)	(465)
Loss on extinguishment of debt		3,339	-	-
		12,414	8,550	6,509
<b>(LOSS) INCOME BEFORE INCOME TAXES</b>		<b>(4,312)</b>	<b>6,697</b>	<b>255</b>
<b>(RECOVERY) PROVISION FOR INCOME TAXES</b>				
Current		(134)	208	(14)
Deferred		(359)	(1,634)	154
		(493)	(1,426)	140
<b>NET (LOSS) INCOME BEFORE PREFERRED STOCK DIVIDENDS</b>		<b>(3,819)</b>	<b>8,123</b>	<b>115</b>
<b>PREFERRED STOCK DIVIDENDS</b>		<b>3,173</b>	<b>2,806</b>	<b>2,360</b>
<b>NET (LOSS) INCOME APPLICABLE TO COMMON STOCKHOLDERS</b>	<b>\$</b>	<b>(6,992)</b>	<b>\$ 5,317</b>	<b>\$ (2,245)</b>
Net (loss) income per share basic and diluted	\$	(0.39)	\$ 0.33	\$ (0.16)
Weighted average shares basic and diluted		17,740,372	16,336,930	13,632,961

<b>RAND LOGISTICS, INC.</b>				
<b>Consolidated Balance Sheets</b>				
<b>(U.S. Dollars 000's except for Shares and Per Share data)</b>				
			March 31, 2013	March 31, 2012
<b>ASSETS</b>				
<b>CURRENT</b>				
	Cash and cash equivalents	\$	848	\$ 5,563
	Accounts receivable		5,486	5,343
	Income tax receivable		113	-
	Loan to employee		250	-
	Prepaid expenses and other current assets		7,842	6,510
	Deferred income taxes		262	284
Total current assets			14,801	17,700
PROPERTY AND EQUIPMENT, NET			219,084	200,862
LOAN TO EMPLOYEE			-	250
OTHER ASSETS			1,050	1,528
DEFERRED INCOME TAXES			2,203	1,318
DEFERRED DRYDOCK COSTS, NET			10,895	9,879
INTANGIBLE ASSETS, NET			12,612	16,101
GOODWILL			10,193	10,193
Total assets		\$	270,838	\$ 257,831
<b>LIABILITIES</b>				
<b>CURRENT</b>				
	Bank indebtedness	\$	5,997	\$ -
	Accounts payable		21,697	19,301
	Accrued liabilities		21,316	18,175
	Interest rate swap contracts		-	1,088
	Income taxes payable		-	76
	Deferred income taxes		173	418
	Current portion of deferred payment liability		431	431
	Current portion of long-term debt		3,630	9,686
Total current liabilities			53,244	49,175
LONG-TERM PORTION OF DEFERRED PAYMENT LIABILITY			1,631	2,063
LONG-TERM DEBT			139,760	123,915
OTHER LIABILITIES			253	242
DEFERRED INCOME TAXES			3,532	3,091
Total liabilities			198,420	178,486
<b>COMMITMENTS AND CONTINGENCIES</b>				
<b>STOCKHOLDERS' EQUITY</b>				
	Preferred stock, \$.0001 par value, Authorized 1,000,000 shares, Issued and outstanding 300,000 shares		14,900	14,900
	Common stock, \$.0001 par value, Authorized 50,000,000 shares, Issuable and outstanding 17,860,266 shares		1	1
	Additional paid-in capital		89,077	87,853
	Accumulated deficit		(32,341)	(25,349)
	Accumulated other comprehensive income		781	1,940
Total stockholders' equity			72,418	79,345
Total liabilities and stockholders' equity		\$	270,838	\$ 257,831

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