

ALASKA RAILROAD CORPORATION



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Alaska Railroad Releases 2002 Annual Report

The Alaska Railroad Corporation (ARRC) released its 2002 Annual Report today, reporting a best-ever personnel safety record and doubling budgeted net earnings despite a slight decrease in revenues.

The report shows net earnings for 2002 were \$8.9 million on total revenues of \$105.7 million. Slight increases in passenger services and real estate partially offset a decline in freight revenues, and some one-time operational reimbursements also contributed to the healthy bottom line.

“2002 marked the railroad’s first full year with Pat Gamble as President & CEO,” John Binkley, ARRC Chairman of the Board, said. “Under Pat’s leadership the railroad team met with tremendous success, exceeding our goals of increased safety, outstanding customer service, and improved profitability.”

In achieving its lowest injury record ever, the ARRC also saw significant cost savings stemming from improved productivity, reduced lost-time costs, and lower workers compensation costs.

“Our positive financial picture developed in part because of the railroad’s marked safety improvement in 2002,” Pat Gamble, ARRC President & CEO, said. “Everyone at the railroad should be proud of that accomplishment.”

The ARRC, owned by the State of Alaska, is a self-sustaining company that receives no state funding.

An electronic copy of the annual report is available on the ARRC web site at:

www.AlaskaRailroad.com/corporate/annual_reports.html

Hard copies will be mailed shortly, and may be obtained by contacting Patrick Flynn at 907-265-2695.