



2011 Conference – San Diego, CA

CIT Rail

Mike Keasling – Senior Vice President, Leasing

March 13, 2011

CIT Rail Overview

Market Drivers

New Car Trends

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New Car Trends

CIT Rail - Overview

CIT Rail Value Proposition...

- **Diverse fleet**
 - Over 100,000 railcar fleet, covering most industrial sectors.

Grain Hoppers

Tank Cars

Coal Cars

Mill Gondolas

Boxcars

Cement/Sand Hoppers

Centerbeam Flatcars

Plastic Pellet Cars

Pressure Differential Hoppers

Locomotives

CIT Rail - Overview

CIT Rail Value Proposition...

- Diverse fleet
- **Agriculture sector is core**
 - Almost 19,000 grain covered hoppers, 85% 286 GRL

Grain Hoppers

Tank Cars

Coal Cars

Mill Gondolas

Boxcars

Cement/Sand Hoppers

Centerbeam Flatcars

Plastic Pellet Cars

Pressure Differential Hoppers

Locomotives

CIT Rail - Overview

CIT Rail Value Proposition...

- Diverse fleet
- Agriculture sector is core
- **High quality fleet**
 - Fleet age is half of industry average, over 90% 286 GRL

Grain Hoppers

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Cement/Sand Hoppers

Centerbeam Flatcars

Plastic Pellet Cars

Pressure Differential Hoppers

Locomotives

CIT Rail - Overview

CIT Rail Value Proposition...

- Diverse fleet
- Agriculture sector is core
- High quality fleet
- **Value customer relationships**
 - Emphasis on flexibility for win-win relationships

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Locomotives

CIT Rail - Overview

CIT Rail Value Proposition...

- Diverse fleet
- Agriculture sector is core
- High quality fleet
- Value customer relationships
- **Industry commitment**
 - Investment in fleet, maintain high quality fleet

Grain Hoppers

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Locomotives

CIT Rail - Overview

CIT Rail Value Proposition...

- Diverse fleet
- Agriculture sector is core
- High quality fleet
- Value customer relationships
- Industry commitment
- **Leader in the industry**
 - 3rd largest leasing fleet

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Locomotives

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Market Drivers

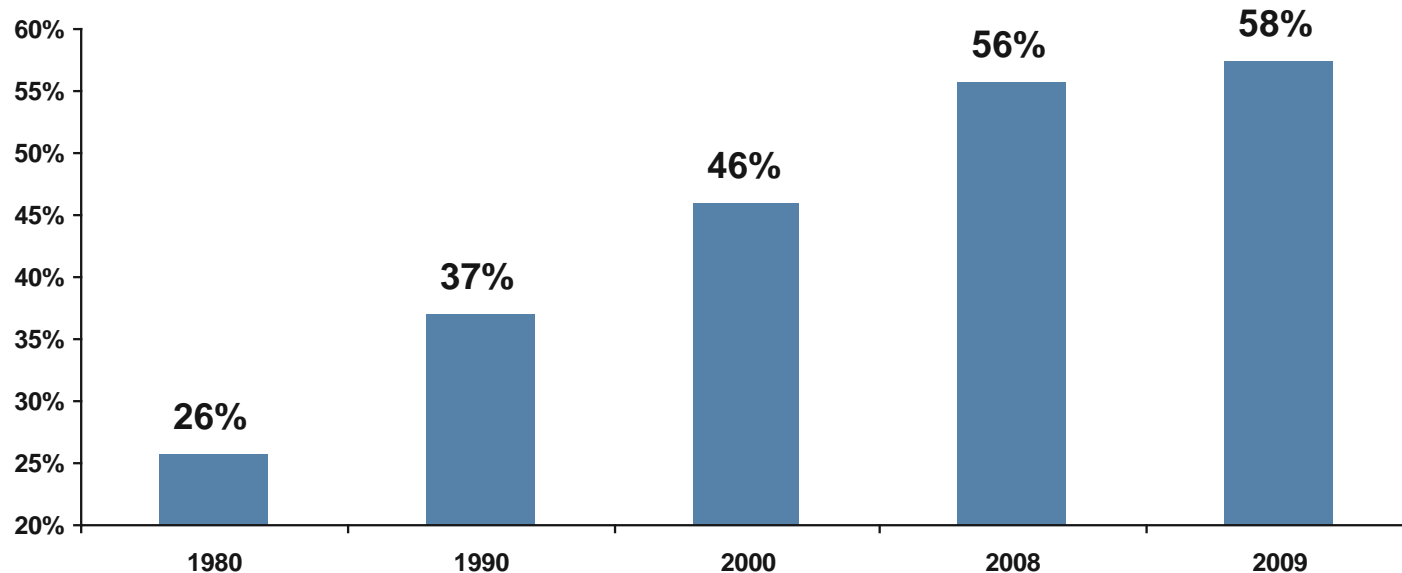
New Car Trends

CIT Rail - Market Drivers

U.S. Rail Equipment Ownership Trends...

- Rail carriers have shifted ownership to private owners in looking for ways to simplify operational and capital focus.
- Shippers also look to focus resources/capital on core operations and to enhance fleet management.
- Leasing allows for flexibility in right-sizing railcar fleets and freeing capital for other growth initiatives.

U.S. Rail Equipment: Percentage Privately Owned



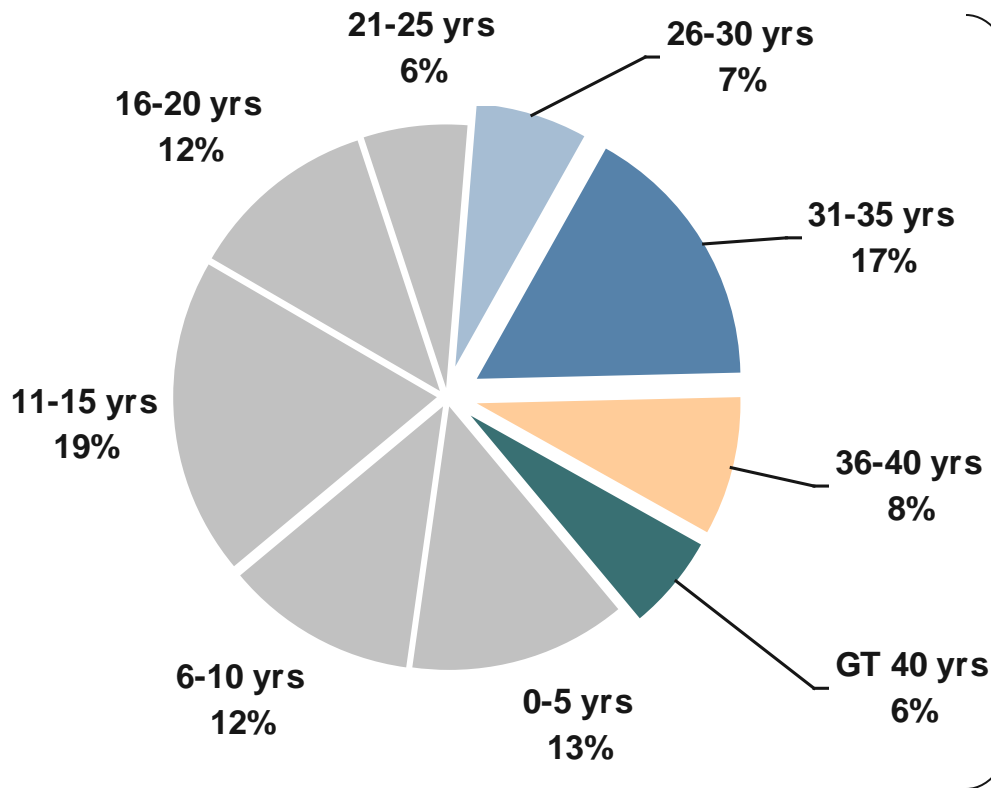
Source: AAR



CIT Rail - Market Drivers

The Aging North American Fleet...

North American Railcar Age Distribution

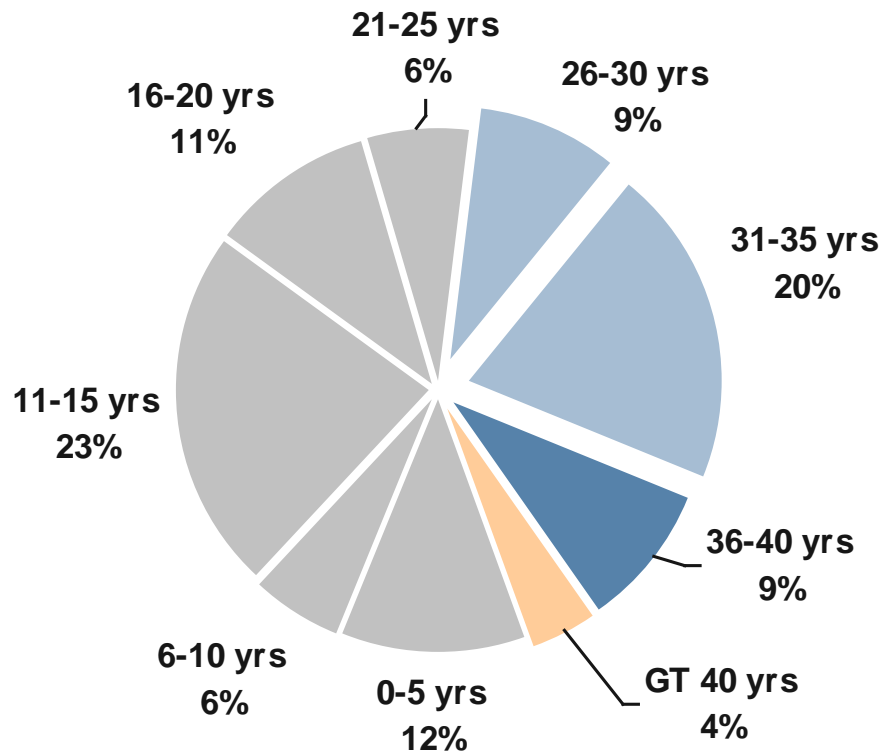


- Approximately 1.5MM railcars in North American fleet.
- While fleet average age is 21 years...
 - Greater than 35 years old 234,000
 - 30 – 35 years old 274,000
 - 25 – 30 years old 107,000
- Over 600,000 railcars or 40% of the N.A. fleet is over 25 years old.
- Older cars are more expensive to operate, both in terms of efficiency and maintenance.
- Significant railcar replacement cycle is supporting railcar demand.

CIT Rail - Market Drivers

The Aging Covered Hopper Fleet...

**North American Covered Hopper Age Distribution
(over 4,000 cu. ft. capacity only)**

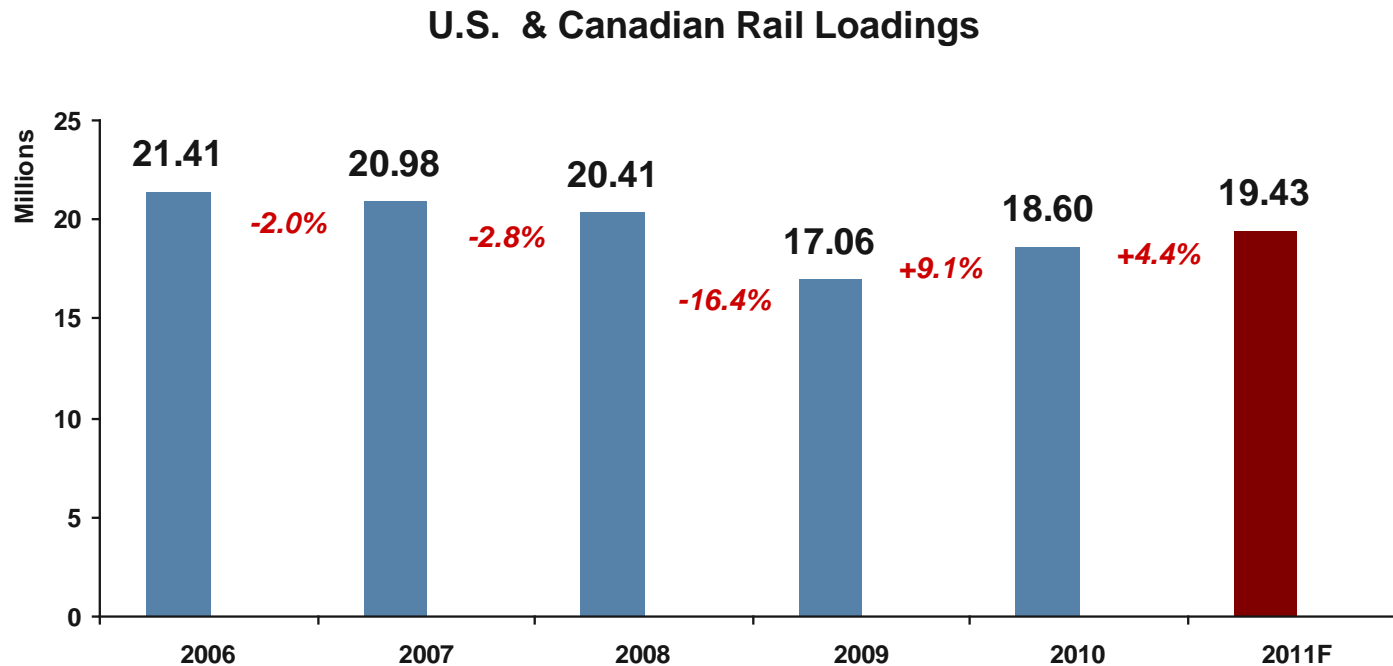


- Approximately 428,000 covered hoppers over 4,000 cu. ft capacity in North America.
- While fleet average age is 21 years...
 - Greater than 35 years old 56,000
 - 31 – 35 years old 87,000
 - 26 – 30 years old 38,000
 - ~182,000 (43%) over 25 years old
- 174,000 covered hoppers built over the past 15 years.
- Approximately 145,000 railcars or 34% of covered hopper fleet are aging 4427/4750 vintage (C113s).
- Significant railcar replacement cycle is still ahead.

CIT Rail - Market Drivers

Rail Loading Trends...

- Industrial production declined 15% from peak to trough.
- The Great Recession resulted in unprecedented decline in rail loadings in 2009.

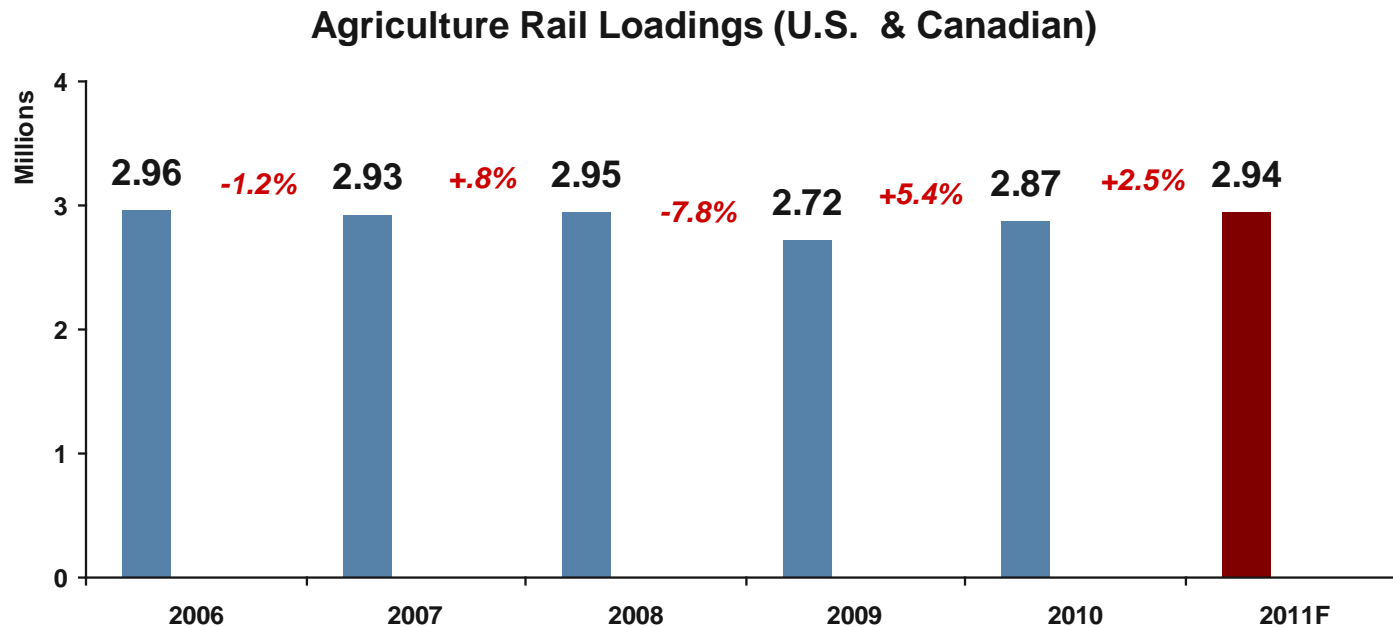


Source: AAR

CIT Rail - Market Drivers

Agriculture Rail Loads...

- Agriculture sector has been stronger than most sectors throughout The Great Recession.
 - 2009 Rail Loading Chg: Coal -11%, Chemicals -12%, Forest Products -23%, Metals -38%.
- Agriculture sector has been leader during the recovery.
- Rail loadings for Agriculture sector in 2011 should match pre-recession levels.



Source: AAR

CIT Rail Overview

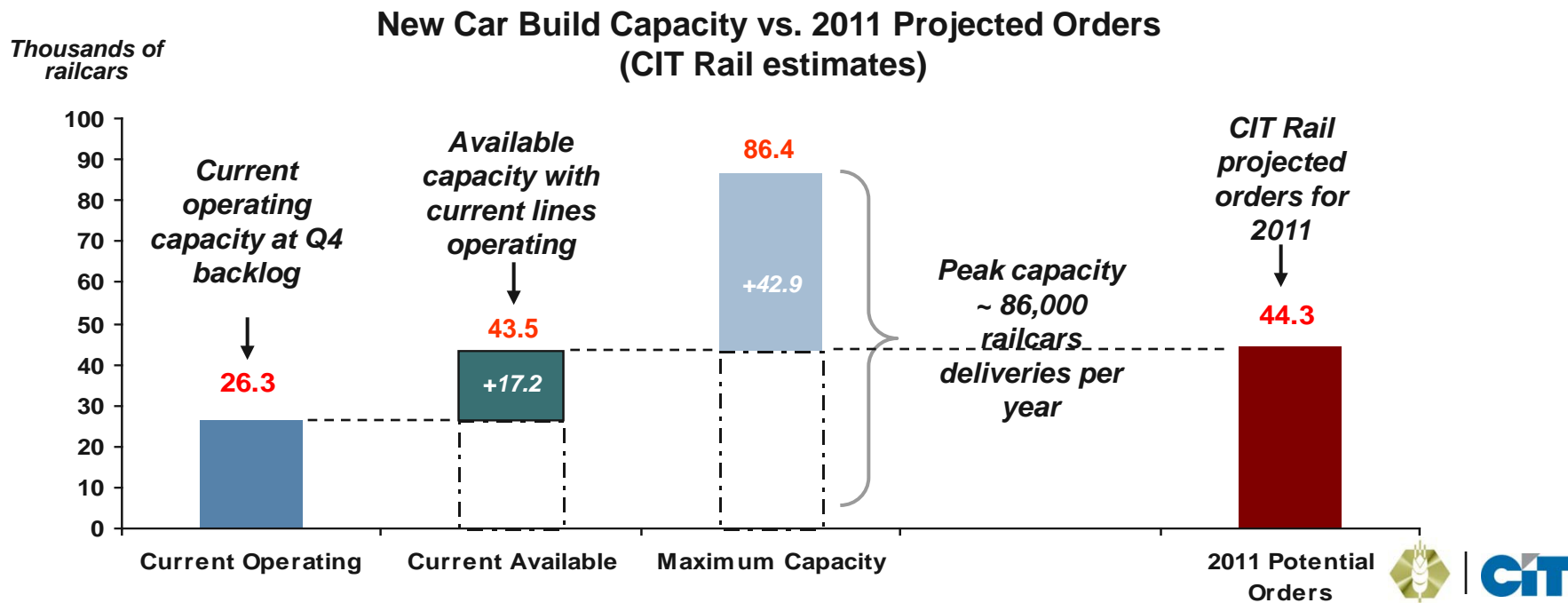
Market Drivers

New Car Trends

CIT Rail - New Car Trends

New car supply & demand...

- Industry is currently operating at about 30% (~26,300 deliveries per year) of peak capacity.
- With current lines operating, industry can expand to approximately 44,000 deliveries per year.
- CIT estimates that new car orders could exceed 44,000 railcars for 2011.
- To add manufacturing capacity above 44,000 deliveries requires closed lines to be brought back on line ~ more expensive capacity (ramp-up cost and margin).

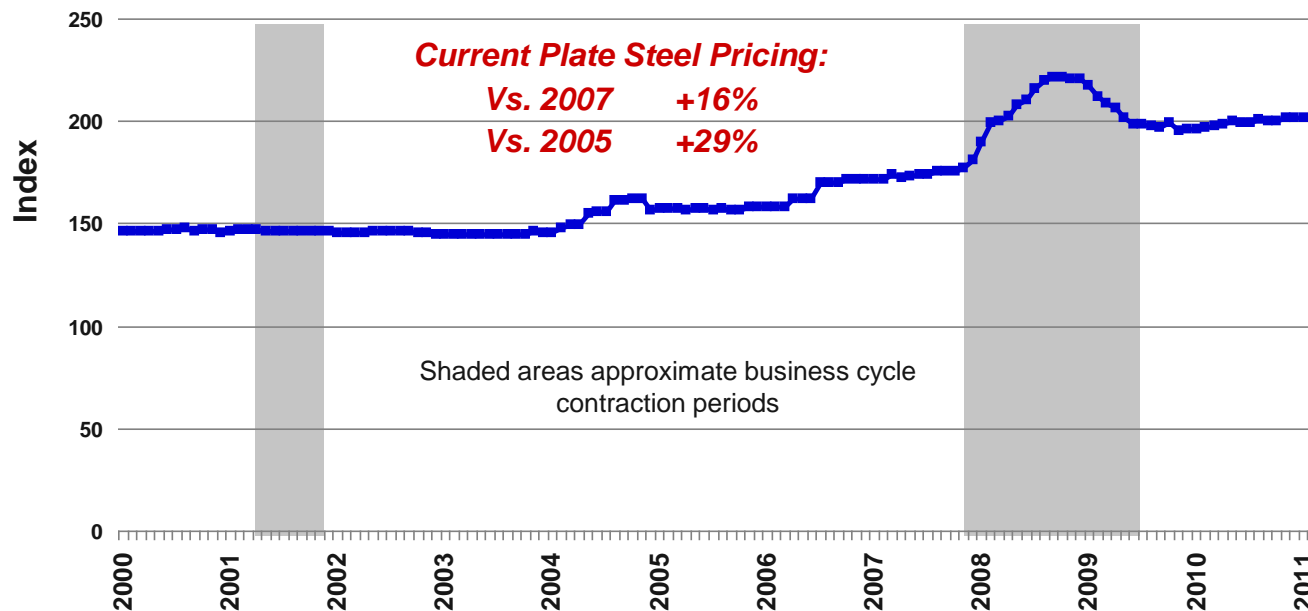


CIT Rail - New Car Trends

New car supply & demand...

- Increases in the price of steel have supported higher new car costs since 2004.
- Plate steel prices declined 12% during the current economic downturn, but have stabilized since mid-2009.
- Current plate steel pricing remains considerably above pre-recession levels.
- Fundamentals support higher new car costs as economic recovery continues.

Fabricated Steel Plate Price Index Since 2000



CIT Rail's Investment in 2011...

- CIT Rail recently committed to build 3,500 railcars for 2011 delivery.
- Targeted for agriculture, mineral and mining, and energy sectors.
- Combination of covered hoppers and tank cars.
- Market demand will determine final mix.

CIT Rail - New Car Trends

Recap...

- Recovery is continuing, transitioning to expansion.
- Agriculture sector has been the strongest sector throughout recession.
- Steel prices and manufacturing capacity will likely lead to higher new railcar costs.
- CIT Rail's recent new car order reinforces our commitment to offer high quality assets to support the industry.



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National
Grain and Feed
Association
