January 3, 2011

Happy New Year!

Last year was another tough one for the economy, but I’m glad to report our business grew as our customers continued to invest in rail infrastructure. We worked in 43 states and 7 provinces to provide our services to a record number of customers across North America. Our success continues to be built on the quality of services we provide, which is a reflection of you, our employees. Each of you is RailWorks to our customers. My thanks and congratulations to each one of you for a tremendous year of accomplishment.

Our most significant achievement — the one that makes me proudest — is the continued improvement of our safety performance. We reduced our incident rate by 13% to 2.57 and our lost-work-time incident rate by 26% to 0.93. At the same time we increased our man hours worked by 8%! Together we made RailWorks a safer place to work. That is one of our core Values and an important obligation to not only each other but also to our customers; it’s simply the right thing to do!

During 2010 we completed many significant transit and railroad projects, many of which were for longtime customers:

- The UP Joliet Intermodal Yard in Illinois,
- Corona Yard and the Chamber Street Interlocking projects for New York City Transit,
- Automated People Mover projects at Dulles and Miami International Airports,
- Tacoma-to-Lakewood Commuter Rail and Yard Expansion projects for Sound Transit in Seattle,
- The Green Line LRT expansion for DART in Dallas,
- Signals for the VIA Rail Chatham Subdivision in Canada, and,
- Our first positive train control project for Amtrak in Michigan.

Just as important as the new construction is the rehabilitation and maintenance work we performed in 2010 for more than 900 customers. In the past year, we also secured several major long-term projects and collaborated with our customers on projects planned for 2011.

Looking ahead, our business looks bright as we continue to see signs of an improving economy and an increasing investment in rail transportation throughout North America. We are working on teams pursuing major transit projects, including many of the high-speed rail projects reported in the news. At the same time, our industry has been "discovered" and we are seeing more competition than we have in the past.

During 2011 we will continue to make our business stronger and better by focusing on our core Values:

- **Customer Focus** - Listening to our customers’ needs, objectives and concerns,
- **Employee Focus** - Treating our employees with respect, providing them with a safe workplace, training and opportunities,
- **Industry Leadership** - Developing new and innovative ways to work; good enough is never good enough, and above all,
- **Integrity** - Conducting all aspects of our business in an ethical manner.

I appreciate the dedication you bring to your work and look forward to making 2011 another year of proud accomplishments for RailWorks. My best personal wishes to you and your families for a Healthy and Happy New Year!

Jeffrey M. Levy  
President & CEO