

2015 ANNUAL RIDERSHIP REPORT

LONG ISLAND RAIL ROAD

EXECUTIVE SUMMARY

The LIRR continued its strong ridership growth in 2015 finishing the year with 87.6 million passengers, which was 2.1% above the 2014 ridership. This marks the highest ridership in recent history - since the post war high number of 1949's 91.8 million passengers (breaking the previous modern record of 2008's 87.4 million passengers). The Commutation market showed a 2.1% ridership increase, as did the Non-Commutation market, which experienced a 2.0% ridership growth. The sustained growth in NYC's key job sectors, along with significant gains in discretionary trips (summer market, leisure travel, and sports & entertainment segment) and positive response to enhanced service contributed to the 2015 ridership growth.

2015 Ridership Summary

- In 2015, the LIRR sustained its strong ridership growth for the fourth consecutive year
- Total NYC Employment increased 2.9% during CY 2015 due to a steadily improving economy; discretionary travel increased resulting from favorable weather and marketing programs.

ANNUAL RIDERSHIP 2015 VS 2014 (in millions)*

	Annual Ridership 2015	Annual Ridership 2014	% Change vs. 2014
Total Rail Ridership	87.65	85.87	2.1% ▲

*Annual ridership based on calendar adjusted total ticket sales

Major Factors and Initiatives Affecting Ridership

1. STRONG REGIONAL ECONOMY

- NYC Non-Agricultural employment increased 2.9% during CY 2015 vs. 2014
- Financial Sector employment increased 2.3%
- Business and Professional Services employment increased 4.7%
- Education and Health employment increased 3.4%
- Leisure and Hospitality employment increased 4.2%

2. RIDERSHIP GROWTH OF DISCRETIONARY TRAVEL (SPORTS, ENTERTAINMENT AND LEISURE SEGMENTS)

- The Barclays Center continues to be a venue attracting new customers. With the NY Islanders move from Nassau Coliseum to Brooklyn, the LIRR experienced ridership growth.
- The successful performance of the NY Mets, during the playoff and World Series games, contributed to ridership growth.
- Additional service was provided to the Montauk Branch to meet customer demand - Montauk Branch ridership increased 2.5% during the summer months.
- Favorable weather boosted gains in the leisure market, such as beach getaways.
- The Forest Hills Stadium gained popularity attracting a number of entertainment and concert events, contributing to additional discretionary ridership.

3. TRAIN SERVICE IMPROVEMENTS

- During 2015, the LIRR posted favorable trends in both commutation and non-commutation ridership. A number of Service Enhancements were implemented:
 - LIRR began making extra summer weekend service between Babylon and Patchogue, in recognition of the Patchogue's booming entertainment and restaurant activity.
 - Addition of two trains to the Oyster Bay Branch weekend schedule, one in the morning and one at night to serve city-bound customers.
 - Extension of seasonal weekend service on the Montauk Branch
 - Overall, the LIRR operated 1,700 more trains in 2015 than in 2014.

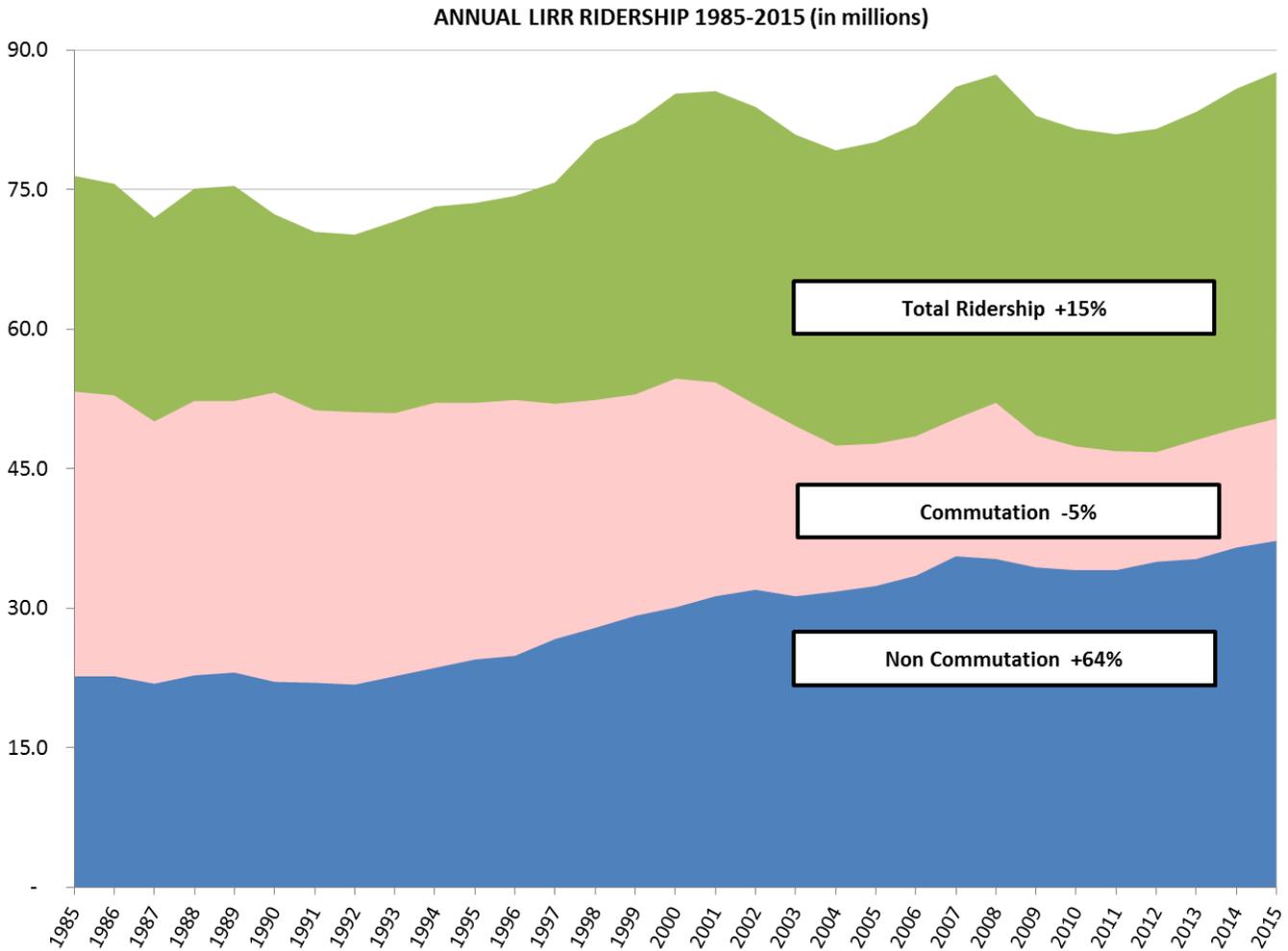
4. CONTINUED FLEET RELIABILITY IMPROVEMENT

- The LIRR train fleet achieved record levels of fleet reliability for the fourth year in a row, as measured in mean distance between failures (MDBF).
- An overall fleet average of 208,383 miles between breakdowns vs. a goal of 176,000 was achieved.

Long-Term Ridership Trends

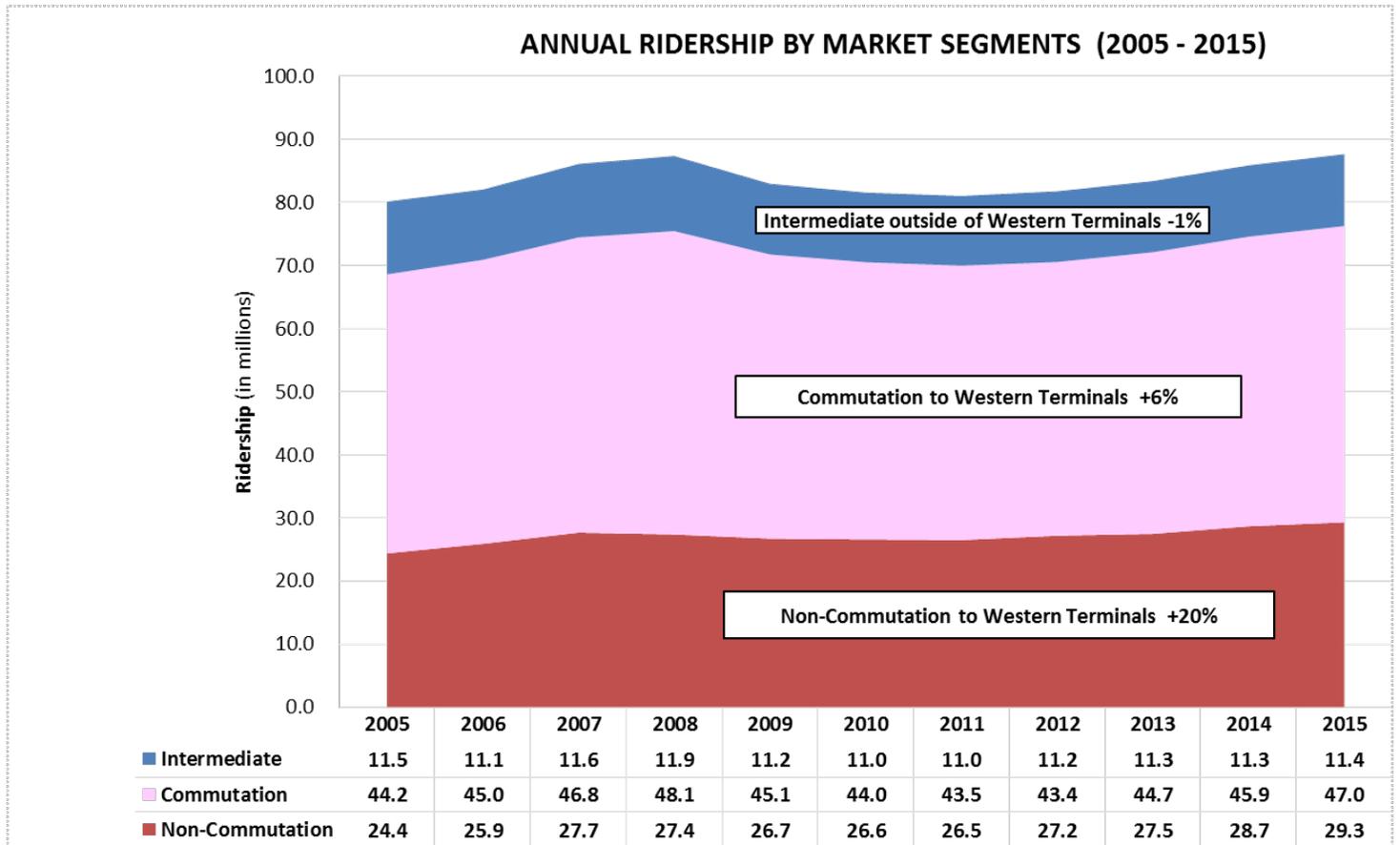
Ridership Trends

- Over the past 30 years, system wide ridership has grown by 15%.
- Commutation ridership has shown a moderate decline in overall growth (-5%), however, Non-Commutation ridership has climbed reaching a 64% increase over the 30 year span.



Ridership Trends by Market

- Over the past 10 years, significant growth has occurred in the Non-Commutation market, which has grown 20%.
- Commutation ridership to western terminals has increased by 6% since 2005.
- Non Commutation growth increased due to favorable market/economic conditions and aggressive marketing programs/niche market segments (i.e., Airtrain, Barclays, etc.).
- Intermediate ridership outside of western terminals has decreased by 1% over the past 10 years.



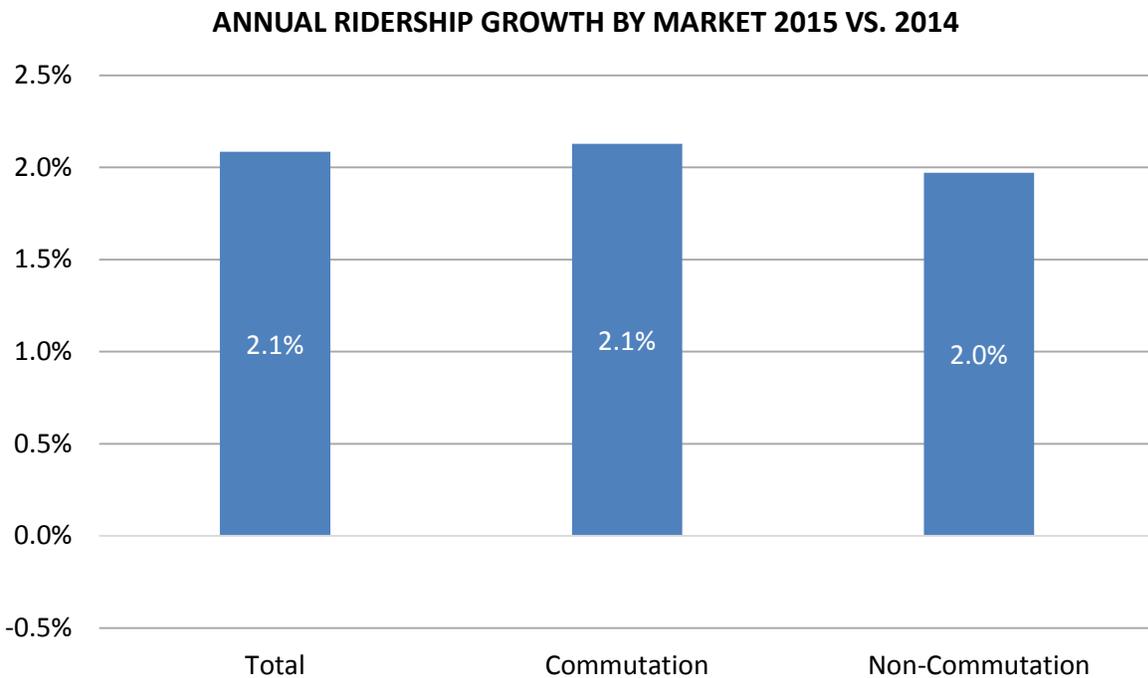
Market and Ridership Trend Analysis¹ (2015 vs 2014)

Commutation

- 2015 Commutation ridership increased 2.1%, reflecting a continuation of the strong regional economic growth (including a 2.9% increase in NYC employment).
- Commuter travel remained strong supported by job gains particularly in the Business and Professional Services (+4.7%) as well as Financial Activities Sectors (+2.3%).
- Reverse Commute ridership increased in both AM Reverse and PM Reverse Peak periods, 0.1% and 2.8%, respectively.

Non-Commutation

- 2015 Non-Commutation ridership increased 2.0%, reflecting strong growth trends of discretionary trips within this market.
- The growth in Non-commutation ridership was supported by the “leisure-market” ridership growing 6.6%, with beach ridership up +12.6%.
- Weekend ridership increased 1.9% reflecting higher Sunday ridership travel of 2.1% compared to Saturday ridership travel of 1.7%.
- Off-peak weekday travel increased 2.3%.



¹ Data is based on a combination of passenger counts and ticket sales

2015 vs. 2014 Branch Comparisons

- All LIRR Branches experienced ridership gains in 2015. The West Hempstead and Oyster Bay Branches had shown the highest percent increases, 5.7% and 4.6%, respectively. The Port Jefferson Branch has continued to maintain the highest ridership (18.7 million customers), followed by the Babylon Branch servicing 18.2 million compared to 2014.

RIDERSHIP BY BRANCH (in millions)*

Branch	Annual Ridership 2015	Annual Ridership 2014	% Change vs. 2014
Babylon	18,242,236	17,956,348	1.6%▲
City Zone	7,057,723	6,793,300	3.9%▲
Far Rockaway	5,931,677	5,753,156	3.1%▲
Greenport	58,216	58,143	0.1%▲
Hempstead	4,031,759	3,903,415	3.3%▲
Long Beach	4,822,457	4,680,914	3.0%▲
Montauk	2,303,670	2,247,711	2.5%▲
Oyster Bay	1,837,035	1,755,844	4.6%▲
Port Jefferson**	18,705,294	18,651,978	0.3%▲
Port Washington	13,802,816	13,307,163	3.7%▲
Ronkonkoma	9,906,530	9,863,213	0.4%▲
West Hempstead	948,633	897,062	5.7%▲

Legend: ▲ increase; ▼ decrease; ● no change

*Ridership data is based on ticket sales

**Port Jefferson Branch includes ridership from Huntington Branch

2016 Outlook

- In 2016, the LIRR expects to maintain the upward trend of ridership growth that was experienced in recent years. The continuing sustainable growth in NYC Employment provides support for commutation ridership trending similarly.
- The Barclay's PGA Golf Tournament, at Bethpage Park in August 2016, is expected to boost discretionary ridership.
- The impressive line-up of performances at Barclays will continue to attract healthy discretionary ridership growth. Favorable ridership is expected in 2016, as the NY Islanders continue their success from making Barclays Center their home in 2015.
- New promotional partnerships with major local sports venues are being introduced including the Mets, the NY Cosmos, and the NY Islanders
- Ridership growth is expected to continue with the several opportunities for airport access from JFK AirTrain to offer incremental ridership growth of travel to the LIRR Jamaica station.
- Forest Hills Stadium has been transformed to a new local outdoor entertainment complex that attracts many concert goers from the tri-state area to concerts and events that are not typically available at other venues.

2015 LIRR Annual Ridership Report Appendix

Additional ridership statistics are provided in an online appendix. Listed as an exhibit within the April 2016 Metro-North and LIRR Committee materials, the appendix is available at:

<http://>