



American Railcar Industries, Inc.

ABOUT US

Our story illustrates innovation, progress and growth. We are an organization with diverse knowledge and extensive experience in the areas of railcar design, manufacturing, maintenance, repair and regulatory compliance. Our dedicated employees are the key to this knowledge and experience and provide expertise in the industry.

ARI is a U.S. based supplier and a leader in the design, manufacturing, marketing and leasing of railcars primarily in North America. Our manufacturing facilities have the ability to build complicated railcar designs with superior quality. We sell and lease railcars to a wide spectrum of users to carry commodities such as oil, chemicals, plastic pellets, sand, cement, grain, food, lumber, and iron ore.

We design, manufacture and sell custom and standard components that are critical in the production and repair of railcars. We also support non-rail related industries with integrated solutions through high quality products.

Our integrated railcar repair services, railcar fleet management services, and engineering and field services allow us to offer our customers comprehensive knowledge of their railcar equipment through personalized service and specialized reporting. ARI provides engineering consulting and services offering customized in-plant training, inspection and qualification procedures, detail repair and modification instructions and audits for regulatory compliance.



- ★ **Headquarters**
St. Charles, Missouri
- **Manufacturing**
Jackson, Missouri
Kennett, Missouri
Longview, Texas
Marmaduke, Arkansas
Paragould, Arkansas
St. Charles, Missouri
- **Railcar Services**
Bude, Mississippi
Goodrich, Texas
Longview, Texas
North Kansas City, Missouri
Sarnia, Ontario
Tennille, Georgia
- **Mobile Repair**
Gonzales, Louisiana
Green River, Wyoming
La Porte, Texas



LETTER *to Our* SHAREHOLDERS,

I am proud to announce that for the second year in a row, 2013 was a record year for earnings for American Railcar Industries. Our operating earnings increased 23% in 2013 compared to 2012 as a result of our ability to increase gross profit margin by 3%. Our success continues to be driven by participation in the two largest segments of the railcar industry—tanks and hoppers.

Demand for tank railcars increased significantly this past year due to the expansion in the energy markets, specifically crude oil production in the U.S. and Canada. Due to strategic planning and ramp-up activities the last two years, we were able to maximize our tank railcar production capacity in 2013. Based on our strong tank railcar orders in 2013, we expect our tank railcar facility to run at capacity again in 2014. We are also seeing a surge in order inquiries for certain hopper railcar types. As we have commented in the past, we are expecting an increase in demand for plastic pellet railcars over the next several years. We believe that we can capture a significant market share of these railcars and we have booked a multi-year order with a large chemical company in the fall of 2013. With the current momentum driving the tank and hopper railcar markets, it is an exciting time to be in the railcar industry!

In addition to tank railcar volume increases in 2013 over 2012, we also saw pricing and margin improvements. Our manufacturing facilities continue to realize favorable efficiencies and cost benefits from our lean manufacturing activities and vertical integration of portions of our supply chain. Having come from operations, I can assure you we remain focused on ways to increase productivity and throughput to meet the growing demands of the industry, as well as ways to reduce costs in our supply chain and at our manufacturing facilities to improve margins.

In 2013, we continued to increase our focus on and commitment to our growing lease fleet. At the end of 2013, we had 4,450 railcars in our lease fleet and we expect that approximately 27% of our December 31, 2013 backlog, or 2,330 railcars, will be added to our lease fleet in 2014. Our lease rates are strong and we continue to focus our railcar leasing efforts on opportunities across various commodities for both tank and hopper railcars. We see railcar leasing as a strategic way to strengthen and diversify our business through a steady revenue stream generated over the life of the railcar.

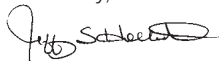
Our railcar services segment remains successful and we intend to further grow this business as we find ways to continue to support our customers over the life of the railcar. Revenues for this segment have increased approximately 42% since 2008 as we experience growth from our railcar repair services work. Over the past year and going forward, we are adding resources to help continue our growth and are exploring other expansion opportunities to support our customers' needs. Projects completed in 2013 and those on the horizon include new mobile repair units to support the crude oil market, expansions at existing repair shops, and a new repair facility in Brookhaven, Mississippi to support a strong tank railcar refurbishment market. We expect that new tank railcar safety regulations could provide additional retrofit work for our repair shops as well.

Our two joint ventures continue to make improvements and support our assembly operations by supplying critical components for both tank and hopper railcars. Based on forecasted tank and hopper railcar demand, we anticipate both joint ventures will be running at strong production levels in 2014. As you may be aware, we sold our interest in our Indian joint venture at the end of 2013. This has allowed us to prioritize our resources and efforts on our North American operations.

Having had the opportunity to work in manufacturing throughout my career and at our ARI manufacturing facilities the past 8 years, I have witnessed first-hand what is needed to be successful and why ARI has accomplished so much—it's our people and our products! Our employees are talented, dedicated, have a strong work ethic, and work together to find ways to improve our business. We believe we make the best quality railcars in the industry and we take great pride in our name, products and workmanship! Our people and products allow us to build strong relationships with our customers and our goal is to help them improve their business by providing quality and cost-effective products and services.

It is an honor to lead this company and I feel the future is bright. We anticipate that 2014 will be another strong year for us, and we expect railcar demand, leasing opportunities, and railcar services opportunities to be favorable for several years to come. Our balance sheet is strong and helps to support the growth of our leasing business. On behalf of ARI, I would like to thank our employees, shareholders, customers, suppliers, and our board of directors for their continued support and confidence in our business.

Sincerely,



Jeffrey S. Hollister
President and Interim CEO



“IT’S THE PEOPLE OF ARI THAT MAKE THE DIFFERENCE.”

—JEFFREY HOLLISTER, PRESIDENT AND INTERIM CEO

From each of our facilities to the corporate office, our people are the key to ARI’s success. It is through the hard work of our dedicated employees that we are able to provide customers the opportunity to purchase and lease railcars, purchase railcar and industrial components, and have their fleet of railcars managed and repaired through one point of contact. As a result, ARI stands out in the railcar industry by providing quality products and services for the full product life cycle to meet our customers’ needs.

At ARI, we have committed and productive people who add value to our projects and teams. We continually focus on improving the skills and capabilities of our employees and strive to create an attitude of innovation that leads to personal and professional growth. We empower and expect our employees to make quality decisions in their areas of expertise to drive the success of our company.

With our state-of-the-art facilities and our commitment to operating a highly effective and lean organization, we are able to provide a comprehensive line of tank and hopper railcars for sale and lease as well as railcar and industrial components to our customers. In addition, our railcar services group has a customer based approach that enables them to provide regulatory compliance and detailed reporting. This leads to reduced fleet downtime and minimizes maintenance costs for our customers.

ARI strives to maintain strong customer relationships and increase productivity, positioning us for success in years to come. Our facilities have the flexibility to adapt to the evolving demands of the railcar industry. While we continue to focus on our core competencies, we look for new growth opportunities across ARI’s family of products that will diversify our business and maximize the long-term return to our shareholders.



People deliver value to customers, customers bring growth to the business and growth offers opportunity to our people.



REVIEW OF OPERATIONS

MANUFACTURING

ARI has flexible and vertically integrated manufacturing facilities that can produce multiple railcar types including high pressure, general purpose, and specialty tank railcars, and a variety of types and sizes of hopper railcars with minimal change-over time. In 2013, this flexibility enabled ARI to respond to its customers' increased demand for railcars. Our manufacturing segment gross profit margin was 22% in 2013, an increase of two percentage points when compared to 2012 primarily driven by strong demand for tank railcars and savings achieved through vertical integration.

In addition to manufacturing railcars, we also manufacture custom and standard railcar components. Due to our vertical integration efforts, including our involvement in joint ventures, we are currently able to produce axles, castings and tank railcar heads and assemble wheel sets. Other components we manufacture include valves for tank railcars, discharge outlets for hopper railcars, and manway covers, valve body castings, outlet components, and running boards for industrial and railroad customers. With this broad manufacturing base, we provide tank and hopper railcar components to support both our production and our third party customers.

We also manufacture aluminum and special alloy steel castings that we sell primarily to industrial customers. These products include castings for the trucking, construction, mining, and oil and gas markets.

RAILCAR LEASING

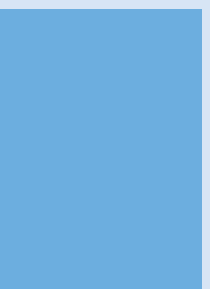
ARI began leasing hopper and tank railcars in 2011, and from that point forward, railcar leasing has become an increased focus of our growth strategy. Customers may lease our hopper and tank railcars through various leasing options, including full service leases. In continuing with our full service model, maintenance of leased railcars can be provided through our railcar repair and refurbishment facilities. The terms of our railcar leases generally range from 5 to 10 years and provide for fixed monthly rentals. As of December 31, 2013, we had 4,450 railcars in our lease fleet, an increase of 72% when compared to our fleet at the end of 2012. We expect that our railcar financings will help us to continue to grow the leasing business in the future.

RAILCAR SERVICES

ARI's railcar services group focuses on railcar repair services, engineering and field services, and fleet management services. We deliver personalized service and support for our customers' ever-changing railcar fleet requirements. This integrated offering of services provides ARI with insights into customers' needs and a revenue stream that is generally not dependent on the railcar industry production cycle.

Our full service railcar repair and refurbishment facilities are strategically located to serve our customers. These facilities have full cleaning, interior and exterior coatings, repair and rebuilding, and non-destructive testing capabilities. We also have the capacity to handle large reassignment projects, heavy wreck repair, and railcar conversions to assist our customers with regulatory compliance. The engineering and field services group, including our mobile repair units and mini shops, offers a wide array of services including failure analysis, retrofit drawings, procedure preparation, regulatory compliance assistance, troubleshooting and railcar inspections. Our fleet management business includes maintenance and shop planning, project management, railcar tracking and tracing, regulatory compliance, mileage audit, rolling stock taxes and online service access.

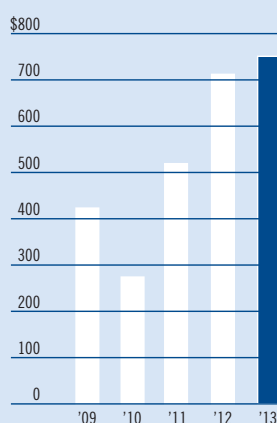
Our railcar services segment had record revenue in 2013. Prior capital investments in lining and mechanical capacity and additions to cleaning racks and staging, paired with increased customer demand for paint and lining work enabled the business to achieve a 12% growth in revenue compared to 2012.



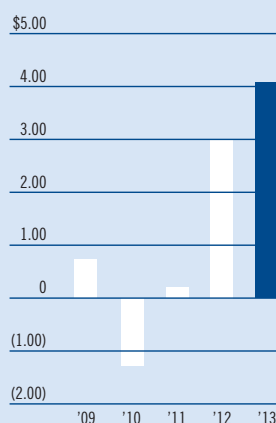
SUMMARY FINANCIAL DATA

| (In thousands, except per share and railcar deliveries data) | Years ended December 31, | | | | |
|--|--------------------------|-------------|------------|------------|-------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| CONSOLIDATED STATEMENT OF OPERATIONS DATA: | | | | | |
| Revenues | | | | | |
| Manufacturing operations | \$ 364,553 | \$ 205,331 | \$ 453,092 | \$ 633,547 | \$ 646,100 |
| Railcar leasing | 776 | 763 | 1,075 | 13,444 | 31,871 |
| Railcar services | 58,102 | 67,469 | 65,218 | 64,732 | 72,621 |
| Total revenues | 423,431 | 273,563 | 519,385 | 711,723 | 750,592 |
| Cost of revenues | | | | | |
| Manufacturing operations | (328,637) | (209,889) | (410,308) | (506,083) | (503,178) |
| Railcar leasing | (388) | (380) | (682) | (5,906) | (13,394) |
| Railcar services | (47,015) | (54,353) | (50,599) | (51,383) | (55,408) |
| Total cost of revenues | (376,040) | (264,622) | (461,589) | (563,372) | (571,980) |
| Gross profit | 47,391 | 8,941 | 57,796 | 148,351 | 178,612 |
| Selling, general and administrative | (25,141) | (25,591) | (25,047) | (26,931) | (27,705) |
| Earnings (loss) from operations | 22,250 | (16,650) | 32,749 | 121,420 | 150,907 |
| Net earnings (loss) | 15,458 | (27,006) | 4,336 | 63,823 | 86,896 |
| Net earnings (loss) per common share—basic | \$ 0.73 | \$ (1.27) | \$ 0.20 | \$ 2.99 | \$ 4.07 |
| CONSOLIDATED BALANCE SHEET DATA: | | | | | |
| Cash and cash equivalents | \$ 347,290 | \$ 318,758 | \$ 307,172 | \$ 205,045 | \$ 97,252 |
| Net working capital | 374,965 | 362,763 | 364,229 | 273,953 | 148,122 |
| Property, plant and equipment, net | 189,361 | 171,614 | 155,643 | 155,893 | 159,375 |
| Railcars on operating lease, net | 9,988 | 9,641 | 38,599 | 220,282 | 372,551 |
| Total assets | 664,364 | 654,367 | 703,770 | 809,758 | 825,609 |
| Total liabilities | 328,724 | 346,591 | 393,601 | 440,293 | 391,707 |
| Total stockholders' equity | 335,640 | 307,776 | 310,169 | 369,465 | 433,902 |
| CONSOLIDATED CASH FLOW DATA: | | | | | |
| Net cash provided by (used in) operating activities | \$ 84,143 | \$ (12,141) | \$ 28,123 | \$ 121,378 | \$ 164,766 |
| Net cash used in investing activities | (26,842) | (16,692) | (40,460) | (214,397) | (166,376) |
| Railcar deliveries | 3,690 | 2,090 | 5,230 | 7,880 | 6,900 |

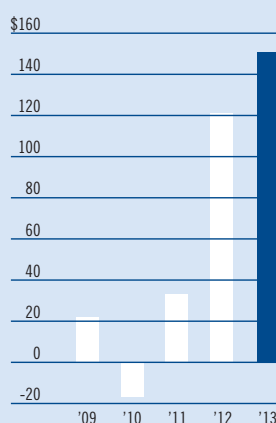
REVENUES
(IN MILLIONS)



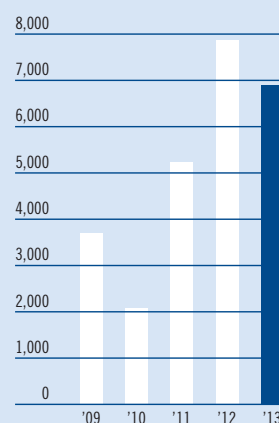
EPS – BASIC



EARNINGS (LOSS) FROM OPERATIONS
(IN MILLIONS)



RAILCAR DELIVERIES



Forward-Looking Statement Disclaimer

This 2013 Annual Report and the Annual Report on Form 10-K included herein contain statements that are “forward-looking statements” as defined under the Private Securities Litigation Reform Act of 1995, including statements regarding ARI’s plans, objectives, initiatives, expectations and intentions. Forward-looking statements in this 2013 Annual Report include, without limitation, statements regarding industry trends, anticipated customer demand for ARI’s products, trends related to ARI’s shipments, revenue, financial condition, and results of operation, ARI’s strategic objectives and long-term strategies, trends related to railcar shipments for direct sale versus lease, ARI’s capital expenditure plans, potential benefits from changes in railcar safety regulations, the growth of ARI’s leasing business, the mix of railcars in our lease fleet and our lease fleet financings, anticipated future production rates and increases in efficiencies, anticipated benefits from the expansion of ARI’s railcar services business, the anticipated performance and production levels of our joint ventures, ARI’s backlog and any implication that backlog may be indicative of future revenues. Forward-looking statements in ARI’s Annual Report on Form 10-K, included herein, are separately addressed in that report. All of these forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from the results described in or anticipated by the Company’s forward-looking statements. Other potential risks and uncertainties that could adversely affect ARI’s business include, among other things: basing financial or other information based upon or otherwise incorporating judgments or estimates based on future performance or events; the impact of an economic downturn, adverse market conditions and restricted credit markets; prospects in light of the cyclical nature of ARI’s business; the health of and prospects for the overall railcar industry; the timing and scope of regulatory changes affecting the railcar industry, if any; the highly competitive nature of the manufacturing, railcar leasing and railcar services industries; ARI’s reliance upon a small number of customers that represent a large percentage of revenues and backlog; the conversion of ARI’s railcar backlog into revenues; ARI’s ability to manage overhead and variations in production rates; fluctuating costs of raw materials, including steel, and railcar components and delays in the delivery of such raw materials and components; fluctuations in the supply of components and raw materials that ARI uses in railcar manufacturing; the ongoing benefits and risks related to ARI’s relationship with Mr. Carl Icahn, the chairman of ARI’s board of directors and, through Icahn Enterprises L.P., ARI’s principal beneficial stockholder, and certain of his affiliates; the anticipated production schedules for our products and the anticipated capital needs, and production schedules of our joint ventures; the risks associated with ARI’s current joint ventures; the risks, impact and anticipated benefits associated with potential joint ventures, acquisitions or new business endeavors; the risk of the lack of acceptance of new railcar offerings by ARI’s customers; the risk of initial production costs for ARI’s new railcar offerings being significantly higher than expected; the sufficiency of ARI’s liquidity and capital resources; the risks associated with ARI’s ongoing compliance with environmental, health, safety, and regulatory laws and regulations, which may be subject to change; the risk of being unable to market or remarket railcars for sale or lease at favorable prices or on favorable terms or at all; the implementation, integration with other systems or ongoing management of ARI’s new enterprise resource planning system; risks related to our indebtedness and compliance with covenants contained in ARI’s financing arrangement; the impact and costs and expenses of any litigation ARI may be subject to now or in the future; and the additional risk factors described in the enclosed Annual Report on Form 10-K, or otherwise in ARI’s filings with the Securities and Exchange Commission. Forward-looking statements contained in ARI’s 2013 Annual Report and Annual Report on Form 10-K, included herein, represent ARI’s estimates and assumptions only as of the date of such report. ARI expressly disclaims any duty to provide updates to any forward-looking statements, whether as a result of new information, future events or otherwise.

Board of Directors

Carl Icahn

Chairman of the Board, ARI,
Chairman of the Board, Starfire Holding Corporation,
Chief Executive Officer, Icahn Capital LP

SungHwan Cho

Chief Financial Officer of Icahn Enterprises L.P.

Brett Icahn

Portfolio Manager, Sargon Portfolio, at Icahn Capital LP

Andrew Roberto

Associate of Icahn Enterprises L.P.

Hunter Gary

Sr. Vice President of Icahn Enterprises L.P.

Harold First

Audit Committee Chair, Consultant

James C. Pontious

Audit Committee Member, Consultant

J. Mike Laisure

Audit Committee Member, Consultant

Corporate Officers

Jeffrey S. Hollister

President and Interim Chief Executive Officer

Dale C. Davies

Senior Vice President, Chief Financial Officer and Treasurer

Yevgeny Funderl

Senior Vice President, General Counsel
and Secretary

Alan C. Lullman

Senior Vice President, Sales

Corporate Address

100 Clark Street
St. Charles, MO 63301

Legal Counsel

Brown Rudnick LLP
One Financial Center
Boston, MA 02111

Shareholder Information

Additional information about the Company may be obtained upon request at 636-940-6000.

Website

www.americanrailcar.com

Registrar and Transfer Agent

American Stock Transfer and Trust Co.
6201 15th Avenue
Brooklyn, NY 11219

Form 10-K

A copy of the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission, is included with this report and may also be found at the Company's website, www.americanrailcar.com.

Annual Meeting of Shareholders

The Annual Meeting of Shareholders will be held on June 3, 2014.

Independent Registered Public Accounting Firm

Grant Thornton LLP
231 S. Bemiston Avenue, Suite 600
St. Louis, MO 63105



American Railcar Industries, Inc.

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