

All Product Sales subsidiaries reported substantial increases in revenues and income, particularly Great Dane Trailers, Inc., a leading manufacturer of dry van and refrigerated highway and piggyback trailers, which reported the highest revenues and income of any quarter in the company's history:

Among Transway's Marine Services subsidiaries, Coordinated Caribbean Transport, which operates a roll-on/roll-off trailership service to and from Miami, Central America and Ecuador, established first quarter revenue and earnings records. The cruise ship, Veracruz I, reported earnings in the first three months of 1977 against a substantial loss a year ago. Earnings of Waterman Marine Corp., 50-percent owned by Transway, remained at the level reported in 1976.

Based on results to date and the outlook for the balance of the year, Transway believes 1977 revenues and earnings should again reach record levels

TRANSWAY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

	QUARTER ENDED	
	MARCH 31,	
	<u>1977</u>	<u>1976</u>
	(thousands of dollars)	
REVENUES		
Transportation	\$101,592	\$ 95,230
Product sales	<u>69,925</u>	<u>47,627</u>
	<u>171,517</u>	<u>142,857</u>
 COST OF REVENUES		
Transportation	71,218	67,976
Product sales	<u>56,106</u>	<u>36,911</u>
	<u>127,324</u>	<u>104,887</u>
Income before other expenses and income	44,193	37,970
 OTHER EXPENSES AND INCOME		
Operating expenses	36,420	32,704
Interest expense	1,081	953
Equity in earnings of wholly owned finance com- pany and partially owned companies	(1,915)	(1,430)
Other, net	<u>(525)</u>	<u>(205)</u>
	9,132	5,948
Provision for income taxes	<u>3,709</u>	<u>2,131</u>
 NET INCOME	 <u>\$ 5,423</u>	 <u>\$ 3,817</u>
 INCOME PER SHARE	 <u>\$.83</u>	 <u>\$.59</u>

May 18, 1977

Mr. Russell Moir
Transway International Corporation
747 Third Avenue
New York, NY 10017

Dear Russ:

Congratulations again on another magnificent quarter.

I am proud to be a part of such an organization.

Sincerely,

E. R. ZUMWALT, JR.