

## **RDC Purchases Iowa Interstate**

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**Pittsburgh, Pennsylvania (USA) / January 2, 2004** — Railroad Development Corporation announced today the completion of its purchase of the Iowa Interstate Railroad (IAIS) and the assets of Heartland Rail Corporation. Heartland and RDC were partners since 1991 in the ownership of the IAIS which operated on rail infrastructure and property owned by Heartland between Bureau, Illinois, and Council Bluffs, Iowa. As result of the transaction, IAIS now owns Heartland's assets and IAIS has become a wholly owned subsidiary of RDC.

"We are pleased to have completed this transaction, which is testament to both the vision of Heartland's founders and the broad-based support Heartland and IAIS have received since their creation in 1984," said Henry Posner III, Chairman of RDC and IAIS.

Heartland was originally formed in 1984 to purchase the main line of the Rock Island Railroad as result of its liquidation, and IAIS was formed at the same time to operate the line as a through route.

Posner added, "IAIS' history is one of tenacity in the face of adversity, but it is important to recognize that its struggle has not been a lonely one. We thank the State of Iowa, and in particular the Iowa Rail Finance Authority, for its ongoing role dating to the original financing of Heartland. Equally important has been the support of IAIS' customers, without whom the company's existence would be meaningless."

RDC President Robert A. Pietrandrea commented, "The IAIS management team has done an outstanding job over the years in bringing the railroad from a startup operation in 1984 to the solid company it is today. Under RDC's ownership, this same team will continue to guide the railroad into the future. They understand the transportation needs of the shippers and work closely with them to develop the pricing and service packages that helps to keep their products competitive."

IAIS Executive Vice President Dennis H. Miller added, "IAIS is now the wholly owned 'Flagship' of RDC and I cannot think of a more appropriate way to mark this transition than to have completed calendar year 2003 INJURY FREE. As we head into 2004 we hope to continue our

safety performance and celebrate our 20<sup>th</sup> Anniversary year Injury Free as well. We look forward to working more closely with RDC and will continue to build on the solid foundation we have created in recent years in providing consistent, reliable, and safe service to our customers.”

Donald C. Byers, President of Heartland Rail Corporation and retired Maytag executive, expressed satisfaction on behalf of shippers up and down the line. Mr. Byers said, “In the mid-80’s there was an imminent threat that the track and rail through the center of Iowa would be sold for scrap. A group of shippers, along with the State of Iowa, came together to save the railroad and preserve much needed rail service. Now, after nearly twenty years, it is a cause for celebration that the shippers can finally turn the railroad over to a group that is known to us to be committed to ongoing quality rail service. We congratulate RDC on the purchase and extend our best wishes to the management of IAIS. It has been a great ride!”

RDC is a privately held Pittsburgh-based railway management and investment company, focusing on “Emerging Corridors in Emerging Markets.” For more information about RDC and its joint ventures in the USA, Argentina, Guatemala, Peru, Estonia and Malawi, please visit [www.RRDC.com](http://www.RRDC.com).

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