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RDC “Out of Africa”... for now!

Pittsburgh, Pennsylvania, USA / September 15, 2008 — Railroad Development Corporation (RDC) today announced the sale of its interest in the Nacala Corridor to Mozambican investor group INSITEC. The Nacala Corridor, consisting of Malawi’s railway and the Nacala port and railway in Mozambique, was concessioned in stages, beginning with the creation of Central East African Railways (CEAR) in 1999 in Malawi and continuing with the concessioning of the Nacala Port and Railway in 2005. Together these represented the first private sector integration of ports and railways for general cargo in recent history. In addition to rail freight service, the Nacala Corridor provides passenger service in selected markets in both Mozambique and Malawi.

“The sale of our economic interests to local investors represents a major development in the evolution of the Nacala Corridor. Having restructured and stabilized a patchwork of publicly-owned assets, the foreign investors have at this point created most of the value that we were in a position to achieve. This has ranged from equity investment and the arrangement of third-party debt financing to the streamlining and integration of the management of the infrastructure involved. Full integration of the Nacala Corridor into the local private sector represents the next logical step,” commented RDC Chairman Henry Posner III.

RDC President and CEAR Chairman Bob Pietrandrea added, “With the sale of our interests and having received payments that represent a significant return on our investment, we have demonstrated that value and liquidity have been created in a difficult environment. This transaction will help to bolster RDC’s ‘war chest’ for future opportunities in Africa, and comes at a strategic time as economic opportunities on the continent, which have been perceived as ‘challenging’ to say the least, are likely to come from both increased interest in concessioning and the inevitable restructuring of some existing concessions.”

Malawi’s CEAR was recently recognized as a winner among concessions at the Africa Rail Awards ceremony in Johannesburg on June 4, 2008.

RDC is a privately held Pittsburgh-based railway management and investment company, focusing on “Emerging Corridors in Emerging Markets.” Its Iowa Interstate Railroad won the Gold Harriman award in May 2008 in recognition of its performance as the USA’s safest Class 2 railroad in 2007. For more information about RDC and its investment and management activities in the USA, Latin America, Europe and Africa, please visit www.RRDC.com.

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