



RAILUSA ACQUIRES CSX'S 430-MILE FLORIDA PANHANDLE RAIL LINE

BOCA RATON, FL (June 3, 2019) — RailUSA, LLC, an independent freight railroad and rail services holding company, announced today its acquisition of a 430-mile rail line and related real estate from CSX Corporation (CSX). The line, now named Florida Gulf & Atlantic Railroad (FGA), operates from Baldwin, FL, (near Jacksonville) to Pensacola, FL, passing through Tallahassee, FL, with a connection to Attapulgus, GA. Terms of the transaction were not disclosed.

“FGA’s geographic location makes it a highly desirable rail freight route for shippers in the Florida Panhandle, and offers prime railcar storage,” said RailUSA Chairman and Chief Executive Officer Gary O. Marino. “The line has many customers with plants located along the railroad, and we see a substantial opportunity to enhance the suite of services we offer them, as well as to attract new customers with concentrated local services.”

FG&A transports approximately 30,000 carloads of freight annually, including commodities such as: aggregates, cement, grain, chemicals, wind turbine components, and other industrial products. The rail line has 65 employees, 18 locomotives and is headquartered in Tallahassee, Florida. FGA will continue to interchange with CSX.

RailUSA is actively acquiring short line and regional railroads, and FG&A is the company’s second acquisition to date. In 2018, RailUSA acquired the Grenada railroad, a 206-mile rail line between Memphis, TN, and Canton, MS.

“This transaction continues our active acquisition program,” Marino added. “We are pleased with our progress to date and see strong potential opportunity in short line/regional railroad prospects in North America. Our company has strong financial backing that, combined with our own capital, provides the funding necessary to compete in the re-invigorated rail market. We plan to strategically invest in well located railroads where significant value can be achieved through our organizational expertise.”

RailUSA is owned by Equity Group Investments (EGI), the private investment firm of Sam Zell; International Rail Partners, a group of veteran rail operators; and other EGI co-investors. Two EGI executives serve as board members of RailUSA – Evan Harwood, Managing Director, and Rahul Sen, Vice President.

“There is growing demand for first- and last-mile freight services,” said Mark Sotir, Co-President of Equity Group Investments. “We are attracted to the opportunity and staying power of short line railroads, which tend to have minimal disruption in economic downturns. Further, railcar storage provides a natural hedge for economic downturns.”

About RailUSA

RailUSA is an independent freight railroad and rail services holding company headquartered in Boca Raton, Florida. The company is managed by International Rail Partners. RailUSA owns and operates two short line/regional railroads – Florida Gulf & Atlantic Railroad, which runs between Baldwin, FL, and Pensacola, FL, and Granada Railroad, which runs between Memphis, TN, and Canton, MS. For more information visit www.railusa.net.

About Equity Group Investments

Equity Group Investments (EGI) is the private investment firm founded by Sam Zell 50 years ago. Based in Chicago, EGI invests opportunistically across industries and geographies and throughout the capital structure. Current portfolio investments are in transportation and logistics, energy, waste and infrastructure, manufacturing, communications, healthcare, agribusiness, insurance, and real estate. EGI provides flexible capital and employs an engaged ownership approach to maximize the potential of its investments. For more information on EGI, visit www.egizell.com.

About International Rail Partners

Based in Boca Raton, Florida, International Rail Partners is focused on acquiring and operating North American railroads, as well as ancillary rail services throughout the continent. IRP was founded by Gary O. Marino who previously founded RailAmerica, Inc. as well as Patriot Rail Corp. He leads a team of railroad industry veterans who collectively have more than 200 years of experience in the industry. For more information on IRP, visit us at www.irailpartners.com.