

RDC-Led Consortium Reaches Agreement on Concession in Mozambique

Pittsburgh, Pennsylvania / February 10, 2000 – At a signing ceremony held in Maputo, Mozambique, a consortium led by Railroad Development Corporation (“RDC”) initialed the Concession documents for the Nacala Railway and Port with Mozambique’s national railway and port administration, CFM. Final governmental approval is expected quickly with the takeover of operations targeted for April.

The 15-year concession includes 960 km of trackage and a natural deep-water port facility at the Bay of Nacala. The principle business of the railway and port is the movement of fuels, containers, fertilizers and agricultural products.

Other members of the consortium include Portuguese port company Tertir; South African freight forwarder MANICA; Bermuda Company Edlow Resources; and Mozambican private investors. RDC’s business plan contemplates an increase in capacity through selective improvements of the infrastructure, rolling stock, commercial practices, and operating practices.

The transaction is especially significant since it will combine with The Central East African Railway Company Ltd. (“CEAR”) to form an integrated operation offering transportation services from the Port of Nacala to northern Mozambique, Malawi and eastern Zambia. The same consortium began operation of CEAR in Malawi on December 1, 1999.

The roles of CEAR’s Chief Executive Officer, Robert E. Mortensen, and its General Manager, Bradley J. Knapp, will be expanded to include responsibility for the railway operations of the combined entity.

RDC, a privately held Pittsburgh-based railway management and investment company, is also a shareholder in and Operator of: **Iowa Interstate Railroad** in the USA; **Buenos Aires al Pacifico** and **Ferrocarril Mesopotamico** in Argentina; **Ferrovias Guatemala** in Guatemala; **Ferrocarril Central Andino** in Peru; and **Central East African Railways** in Malawi. For more information about RDC and its operations, please visit www.RRDC.com.

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