



NEWS

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Louisiana Southern Railroad achieves successful start-up despite Hurricane Rita

PITTSBURG, KANSAS – September 26, 2005 – The Louisiana Southern (LAS), a wholly owned subsidiary of Watco Companies, Inc., (Watco) achieved a successful start-up this weekend, despite challenges brought about by Hurricane Rita. Watco took over operations of the former Kansas City Southern line at 12:01am CST Sunday, September 25.

The LAS consists of 175 miles of track. The northern branch runs from Shreveport to Sibley, LA, and north to Springhill, LA. The southern branch runs from Gibsland to Pineville Junction, LS. The LAS interchanges with the KCS at Gibsland, Sibley and Pineville, LA.

Larry Brooks, LAS General Manager, said the start-up was a success, even though operations began soon after Hurricane Rita hit the area.

“We were able to run Sunday morning as scheduled, switching customers,” Brooks said. “Today we were able to run northbound and southbound trains, though not all the way south, and provide switching services to all the customers as well.”

The LAS is in an area affected by Hurricane Rita and crews are working to evaluate damage and clear the track. Currently, the railroad is operating north from Hodge to Gibsland, and south from Hodge to Winfield. South of Winfield, the track is covered with debris.

“We’ve got a crew out with chainsaws working to clear the track so we can evaluate the condition of the track,” Brooks said. “We hope to be able to provide service

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to Pineville by Wednesday.”

Brooks said although the hurricane has made the start-up difficult, customers have been patient and are satisfied with service.

“This has been a challenge for our crews and for the customers, but we have all worked together to make this start-up as efficient as possible,” Brooks said. “Our customers have already learned the LAS is willing to go the extra mile to provide quality customer service.”

Ed McKechnie, Watco Chief Commercial Officer, agreed the start-up went well, though the conditions were not perfect.

“Months ago, we could not have anticipated having a start-up under these conditions, but as expected, our employees stepped up to the plate. They have worked under extreme conditions, some of them even working after losing many of their possessions to the hurricane,” McKechnie said. “We are looking forward to a successful future for the Louisiana Southern. As we work to improve conditions and evaluate damage, our focus will turn to better understanding the Customer’s needs and growing the business.”

Watco and LAS management credits the employees for the successful start-up. Many LAS employees not only have years of railroad experience, but have come from other locations, such as Watco’s Timber Rock Railroad, to assist with the start-up.

Rick Webb, Watco CEO, said he was proud of the work the LAS team accomplished.

“I want to share my appreciation for the effort and energy the LAS team has put forth. This has been a trying time for each of them, personally and professionally, and I want each and every one of them to know we recognize the sacrifices they are making right now. We are indebted to them and know the future of the LAS is in very capable hands.” Webb said.

The LAS office is located at 4746 Quitman Highway in Hodge, LA. The phone number is 318-259-2624. General Manager Larry Brooks can be reached at this office or by e-mail at lbrooks@watcocompanies.com

Printable maps of the LAS are available at www.watcocompanies.com ; click on Railroads and then Louisiana Southern Railroad.

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Watco Companies, Inc. (Watco), a Pittsburg, Kansas, based company, operates the Louisiana Southern Railroad and 13 other short line railroads in 13 states. In addition to the LAS, Watco operates the Appalachian and Ohio, Eastern Idaho, Great Northwest, Kansas and Oklahoma, Kaw River, Mission Mountain, Mississippi Southern, Palouse River and Coulee City, Pennsylvania Southwestern, South Kansas and Oklahoma, Stillwater Central, Timber Rock and Yellowstone Valley Railroads. During the next 45 days, Watco will take over operations of the Arkansas Southern and Alabama Southern Railroads. Watco also operates industrial switching locations and mechanical and locomotive shops across the United States. More information about Watco can be found on their website at www.watcocompanies.com

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