

Watco Mechanical Services

Mechanical



NEWS: FOR IMMEDIATE RELEASE

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Millennium Rail, Inc. and Fitzgerald Railcar Services, Inc. to operate as Watco Mechanical Services

Pittsburg, KS, December 31, 2008 - Watco Mechanical Services announced that effective January 1, 2009, Millennium Rail, Inc. (MRI) and Fitzgerald Railcar Services, Inc. (FRSI) will operate under the name of Watco Mechanical Services. Unifying all railcar shops under one name will provide the opportunity to make Customers more aware of the vast services the different shops can provide and allow the shops to follow Watco's guiding principle of improved Customer service. Customers will not see a change in locations or management.

"We are extremely pleased to welcome into our Watco Family the people and families of the Millennium and Fitzgerald shops," said Dick Webb, Watco Founder. "This integration into Watco Mechanical Services should make things easier for our team, Customers, vendors and other associates. We look forward to a long and mutually beneficial relationship with all involved."

Webb said, "Watco is already looking down the road and anticipates adding more people and shops to the Watco Family in the future."

Watco acquired MRI on May 1, 2007 and FRSI on June 3, 2008. With the acquisition of these two companies Watco Mechanical Services is now the largest car repair company in the United States. Currently Watco Mechanical Services operates 14 car repair shops, 18 mobile mechanical shops and 4 locomotive shops throughout 14 states.

Dave Turner, Executive Vice President, Watco Mechanical Services, said, "We've accomplished the integration of Millennium Rail and Fitzgerald into Watco and are looking forward to working together to meet our customers needs. With a 14 shop network we can offer a diverse variety of services which will benefit both the railcar shops and our customers."

Watco's first car repair shop was opened in Coffeyville, Kans. in 1985 to repair coal cars running from Wyoming coal fields to southern power plants. Watco Mechanical Services now has the ability to repair several car types serving a variety of industries such as agriculture, automotive, fuel, metals and forest products.

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Watco Companies, Inc. (WCI), a Pittsburg, Kansas, based company, owns Watco Transportation Services (WTS) who owns 19 railroads in 16 states. WTS railroads are: the Alabama Southern, Austin Western, Arkansas Southern, Baton Rouge Southern, Eastern Idaho, Great Northwest, Kansas and Oklahoma, Kaw River, Louisiana Southern, Mission Mountain, Mississippi Southern, Pacific Sun, Palouse River and Coulee City, Pennsylvania Southwestern, South Kansas and Oklahoma, Stillwater Central, Timber Rock, Vicksburg Southern and Yellowstone Valley Railroads. Watco also operates industrial switching locations and mechanical locomotive shops across the United States. Watco Mechanical Services operates 14 car repair shops in Coffeyville, KS; Council Bluffs, IA; Fitzgerald, GA; Hockley, TX; Houston, TX; Hollidaysburg, PA; Jacksonville, FL; Junction City, KS; Marshall, TX; Neodesha, KS; Omaha, NE; Pittsburg, KS; Zwolle, LA and Wood River, IL. Watco owns a transloading subsidiary, Reload Inc. More information about Watco and its subsidiaries can be found at www.watcocompanies.com.