



315 W. 3rd Street  
Pittsburg, KS 66762  
P 620-231-2230  
F 620-231-0812

[www.watcocompanies.com](http://www.watcocompanies.com)

## **MEDIA RELEASE • Watco Companies, Inc.**

Date: December 13, 2010, Perth, Western Australia

From: Ed McKechnie  
EVP Chief Commercial Officer  
620-232-4184

### **Watco Companies expands services to Australia**

(Pittsburg, KS) Watco Companies, Inc. has been awarded a long-term grain rail contract to provide services to the CBH Group of Western Australia. The CBH Group is a Western Australian farmer owned co-operative that was established in 1933. It's controlled by more than 4,800 grower-shareholders who plant and harvest grain grown across the 198,840 square miles that comprise the Western Australian grain belt.

The announcement was made at 9:30 a.m., Monday, December. 13, in Perth, Western Australia, which was 7:30 p.m. Sunday, Dec. 12th, in Kansas.

Under the 10 year agreement Watco will provide rail logistics planning which includes train operations and scheduling, railcar tracing, railcar and locomotive maintenance and inventory control. As part of the service plan CBH intends to invest \$175 million in rolling stock to be maintained by the Watco Mechanical Team.

Rick Webb, Watco CEO, said, "We are honored to have been chosen to provide rail service to CBH and its growers. We look forward to taking our Customer First service model to a new market and we want to thank CBH for this opportunity. This is a direct testament to the efforts of our 2,100 strong Watco Team and their unending dedication to continuously improve our service to our Customers"

"We welcome Watco to Western Australia and have great confidence that their experience and innovative and performance-driven culture will enable us to implement the most efficient grain logistics supply chain for WA growers and their customers and help us to keep the maximum amount of grain on rail," said CBH Group's CEO Dr. Andrew Crane.

Watco will begin its Western Australia operations in May of 2012 and will be tasked with transporting an average of 368-441 million bushels of grain from 192 grain elevators to port on an annual basis. Approximately 95% of the grain harvested in Western Australia is exported annually.

"We want to grow the rail business in Western Australia and we will do that by providing exceptional Customer Service," said Ed McKechnie, Watco CCO. "We are committed to operating a safe and efficient railroad that creates value for growers. This is done by moving more tonnes to port and doing it through creativity and innovation."

"We believe our experience in grain transportation and the successful execution over 40 start-ups on railroads, rail car shops, switching operations and transload locations will be of significant value when commencing operations in Western Australia."



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Watco Companies, Inc. (WCI) is a Pittsburg, KS., based transportation company serving transportation, mechanical, and transload/intermodal needs of Customers throughout the nation. WCI is the owner of Watco Transportation Services, Inc. (WTS), one of the largest short line railroad companies in the U.S. operating 22 short line railroads on more than 3,665 miles of track as well as 23 industrial contract switching locations. Watco's Mechanical Services division operates 14 railcar repair shops, 4 locomotive shops and 19 mobile mechanical shops. The Transload/Intermodal Services division currently manages 12 transload facilities, 7 warehouses and 1 intermodal location. WCI also operates Greens Port Industrial Park located in the Houston, Texas, ship channel offering services such as warehousing, lay down storage, leasing of industrial property, access to deep water dock and barge, contract stevedoring, rail and truck transportation. More information about Watco and its subsidiaries can be found at [www.watcocompanies.com](http://www.watcocompanies.com).