



WATCO WA Rail Pty Ltd

Date: 22 December 2016

To: Watco Team, Outside distribution

From: Grant Thompson, Chief Operating Officer

WATCO COMPANIES ANNOUNCEMENT

Watco Companies (Watco) announced that effective today it has acquired the majority shareholding in Intermodal Group Pty Ltd (IMG).

IMG is an integrated provider of services, including rail, integrated logistics of containerised freight and, and storage and handling of containers.

Rick Webb, Watco CEO, said the acquisition of equity in IMG is an exciting move that follows Watco's foundation principles. "Our goal is to improve our business by providing quality service and value to our Customers,"

IMG will continue to operate independently, governed by a Board made of two Watco Directors and one Director from IMG combining the integration of rail knowledge and containerised freight movements to create an efficient supply chain for the movement of freight. Grant Thompson, Chief Operating Officer WWAR, will be chairperson of the Board of IMG.

Mr Thompson stated "We have long term views on how we want to grow in Australia and this acquisition fits nicely with our business expansion plans. It adds to our current rail footprint in Australia".

"We look forward to working closely with Jim Stevenson, the current owner, as we have done with CBH Limited, in growing the business for the benefit of our Customer base and the State of Western Australia. Watco appreciates that CBH first gave Watco the opportunity to establish a logistics company in Australia."

Mr Thompson commented "This is a strategic partnership combining both our logistics and supply chain knowledge with IMG and Watco in which we will continue to provide our Customers with the right service, at the right time, in the right condition and at the right price. The services that IMG offers will help us meet those requirements for growing Customer relationships and provide a base for many new Customer relationships."

Mr Jim Stevenson stated, "This acquisition is good for everyone — Customers, Team Members and all stakeholders—because IMG's goals are aligned to Watco's — being Customer focused and striving to provide innovative solutions to Customer freight requirements in WA. I am excited to be a part of a strong partnership with Watco."

Any queries regarding this release please contact Grant Thompson Chief Operating Officer, WWAR on 0438930832.