

The SWITCHING NEWS

News and happenings from the Rail Enterprise Group system of railways

Rail Enterprise Group Looks Ahead to the New Year and Two New Rail Operations

Dear Friends,

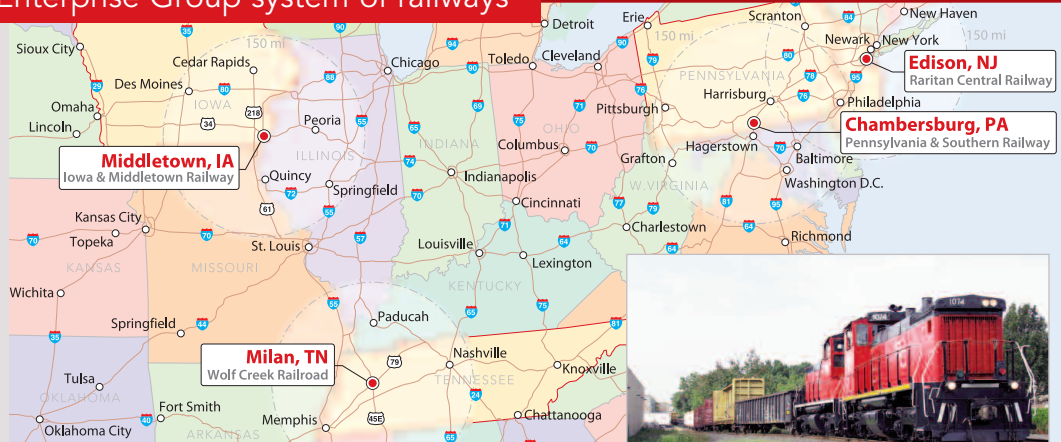
As the clock strikes midnight on New Year's Eve, the Rail Enterprise Group will truly become a family of railroads as we expand our operations to two new properties in Iowa and Tennessee. The new acquisitions will allow us to offer regional connectivity between the Northeast, Mid-Atlantic, Midwest, and mid south.



In many ways the two facilities – the Milan Commercial Center and the Commerce Center of Southeast Iowa – remind me of the early days of our operations in Chambersburg and Edison: new, forward-thinking entities with expansive infrastructure and an unlimited potential for growth and development. I am excited to bring our successful model of rail-centric, customer-oriented logistics services to the regions. While we work on establishing ourselves and attracting new customers to the new properties, the Rail Enterprise Group team will continue to market and support our existing operations in Chambersburg and Edison. We will also work to develop synergies between all of the REG properties.

Finally, I would like to thank all of the customers, logistics partners, interchange partners, and friends who have helped make this year a success. I hope you and your families have a joyous holiday season and prosperous New Year. During this time, please remember those among us who are serving or have served in our armed forces, especially those who have sacrificed all for our freedoms.

Sincerely,
Eyal Shapira, President



Four Locations That Bring Creative Solutions to Your Shipping Challenges

In this issue of The Switching News, we present a reference guide to our four properties (including the new Wolf Creek Railroad and the Iowa & Middletown Railway) and highlight the services and connections they offer. All Rail Enterprise Group railroads are logistics center-based rail and terminal switching operations. All of our strategically located operations feature extensive rail and logistics infrastructure backed by REG's business process re-engineering and optimization models to provide world-class logistics solutions for our customers.

The logistics centers where we operate are all progressive, industry-friendly sites overseen by professional management teams dedicated to improving the local economies of the regions they serve. This, coupled with our ability to fully utilize the sites' extensive infrastructure, allows us to offer customer-centric, multimodal transportation and distribution services combined with industry-leading transload, cross dock, warehouse, and packaging services. With the addition of our new railroads, we have more than tripled our forward inventory positioning and car storage capabilities, and added car repair facilities in Milan, TN, and Middletown, IA. Each of our

locations also offers specialized services designed to support area industries. These include plastics packaging and transloading in Edison, NJ, feed and grain transloading in Middletown, IA, steel and lumber reloading in Chambersburg, PA, and forward industry positioning of plastics in Milan, TN. The Rail Enterprise Group team is always available to help shippers coordinate rail deliveries, transloading, warehousing, and trucking. Our crews are available seven days a week to ensure that rail cars are spotted when needed.

One of the key site selection criteria that business looks for in choosing a new site is location. Our four facilities' central locations are close to many of the major urban markets in the eastern half of the United States. This provides quick and easy access to major cross-country shipping lanes (rail and highway) for rapid movement throughout the nation and the Northeast, Mid-Atlantic, Midwest, and mid south regions.

For more detailed information and the latest updates on our railroads and the services they provide, visit www.railenterprise.com

To learn more about our operations, visit our website or contact our team today!
We specialize in tailoring our services to meet your individual needs:

E-mail: Eyal@railenterprise.com • Phone: 617-388-3446

www.railenterprise.com





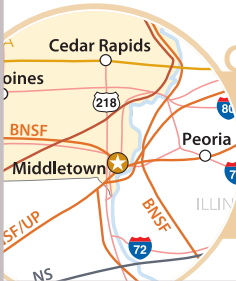
IOWA & MIDDLETOWN RAILWAY

CROSS-DOCK, WAREHOUSE, BULK TRANSLOADING, FORWARD INVENTORY, CAR STORAGE



The Iowa & Middletown Railway serves the Commerce Center of Southeast Iowa in Middletown, Iowa. The center features almost a million square feet of available space, over 150 acres of developable land, direct highway access, excellent rail connectivity, and close proximity to more than five major Midwest metropolitan areas, including Chicago and St. Louis. The

Iowa & Middletown is able to offer an extensive suite of services that provide seamless and timely transportation solutions for our customers, including specialized logistics services for the agricultural industry. Crews are available seven days a week to ensure that rail cars are available when customers need them.



CONNECTIVITY

- Highway 34 (direct access). Close to Highway 61, I-74 and I-80. One day trucking time from many major metropolitan areas in the Midwest
- Only 5 miles from Burlington, Iowa, and Mississippi River ports.
- BNSF interchange

The Iowa & Middletown Offers

Facilities that can efficiently handle a wide range of products: grains and grain products, fertilizers, bulk foods (corn, soybean, etc.), perishables, oils and syrups (corn/soybean), and canned goods, plastics, machinery and components, plastics products, generation equipment, farm and construction equipment, wind energy components, steel and lumber products.

- Over 100 miles of track
- 2,500 car spots - loaded/empty/awaiting lease
- Rail infrastructure able to handle unit trains
- 25,000 SQ FT buildings with rail and truck doors
- 152-acre certified site available; perfect for a 50,000 - 300,000 SQ FT building
- Up to 500 acres for reload and lay-down areas
- Railcar repair, maintenance, and cleaning on-site



WOLF CREEK RAILWAY

CROSS-DOCK, WAREHOUSE, TRANSLOAD, CAR STORAGE & REPAIR, FORWARD INVENTORY

The Wolf Creek Railroad operations are based in the Milan Commercial Center, a rapidly-growing logistics center located in Milan, Tennessee. The site features over a million square feet of available warehouse and transloading space, several thousand acres of industrial zoned land, more than 4,000 car spots for storage and forward inventory positioning, direct highway access, excellent rail connectivity, and close proximity to many of the region's manufacturing and logistics hubs, including Memphis, Nashville, and St. Louis. The Wolf Creek Railroad offers an extensive suite of services that provide seamless and timely transportation solutions for our customers, including specialized logistics services for the automotive and plastics industries.



CONNECTIVITY

- Highway 45E, Highway 70/Alt 79, I-40 (18 miles). One day trucking time from major metropolitan areas in the Midwest/mid south.
- Port of Memphis/Mississippi River (110 miles)
- CSX and the West Tennessee Railroad (NS, CN, and KCS connections)

The Wolf Creek Offers

Facilities that can efficiently handle a wide range of products: automotive parts and materials, food grade products, soybeans, corn, grains, and other agricultural products, commercial goods, steel, construction materials, forest products, and paper. Also, plastic commodities for the extensive plastic industry in Tennessee.

- Over 100 miles of rail
- 4,500 car spots - loaded/empty/awaiting lease
- Rail infrastructure able to handle unit trains
- Warehouses/storage buildings range from 10,000 SQ FT to 60,000 SQ FT; 14-25'
- 107-acre Select TN Certified Site property
- On-site truck scale
- Up to 500 acres for reload and lay-down
- Railcar repair, maintenance, and cleaning

The Raritan Central Offers

Facilities that can efficiently handle a wide range of products: paper (bales, rolls, boxes), plastics and resins, steel, food grade (perishables, rice, flour, canned goods, corn syrup), building products, gypsum board, and over-dimensional shipments.

- 41 modern food-grade & paper-grade buildings
- 22 million square feet of space under roof - 15 million square feet in Raritan Center and 7 million square feet in Heller Park
- 18 food grade rail car spots
- 150 bulk transfer rail car spots for plastics
- Five acres of outside storage
- 150 storage-in-transit rail car spots
- On-site trucking and heavy duty lift capabilities
- Private barge dock providing direct rail/barge/truck transloading and easy access to projects in New York harbor and connected waterways



RARITAN CENTRAL RAILWAY

CROSS-DOCK, WAREHOUSE, TRANSLOAD, RELOAD, PACKAGING, TRUCKING, AND PORT

The Raritan Central Railway serves the Raritan Center Business Park and Heller Industrial Park in Edison, New Jersey. The parks feature millions of square feet of space, easy highway access, and close proximity to five major Northeast metropolitan areas. The Raritan Central is able to offer an extensive suite of services that provide seamless and timely transportation solutions for our customers that include multiple cross-dock, warehouse, and packaging facilities optimized for specific products (including 500,000 square feet dedicated to plastics packaging) and run by expert 3PL providers. Many major corporations and logistics providers have already taken advantage of the features and services our location provides, including The Home Depot, Arizona Ice Tea, Logistics Team, and Plastic Express.



CONNECTIVITY

- New Jersey Turnpike/I-95 Exit 10 (direct access), I-287, Routes 1, 440, and 514.
- 15 miles from the Port of New York & New Jersey.
- Two Class 1 rail connections, CSX and Norfolk Southern



The Pennsylvania & Southern Offers

Facilities that can efficiently handle a wide range of products: paper, feed and grains, steel, salt and aggregates, food grade, building products, gypsum board, lumber, pipe, heavy equipment, and over-dimensional shipments.

- 24 food and paper grade buildings. 1.5 million square feet of space under roof. Over 1 million square feet of space to be added
- 30 miles of track includes two 250-car storage yards and a five-mile long mainline
- Six heavy-duty ramps enable handling of oversized loads and industrial/farm machinery
- Acres of paved lots serve as reload and lay-down areas
- Over 100 acres of rail-served, industrial-zoned land ready for development
- Rail infrastructure able to handle unit trains



PENNSYLVANIA & SOUTHERN RAILWAY

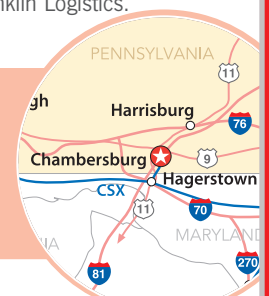
RELOADING, BULK PRODUCTS TRANSLOADING, CROSS DOCK, WAREHOUSE, CAR STORAGE



The Pennsylvania & Southern Railway operations are based at the Cumberland Valley Business Park in Letterkenny, Pennsylvania, and extend along our mainline to nearby Chambersburg. The infrastructure, both in the park and along the line, features millions of square feet of space, easy highway access, and hundreds of acres of industrial zoned land. The Pennsylvania & Southern provides specialized services that meet our customers' specific transportation, storage, or distribution needs. We offer customer-oriented switching, on-site 3PL services, and assistance coordinating transloading and trucking services. Specialized infrastructure can efficiently handle unit trains and all sizes and types of materials including heavy machinery. On-site logistics specialists include H.C. Gabler and Franklin Logistics.

CONNECTIVITY

- Interstate 81, Routes 30 and 11. Close proximity to I-76, I-78, I-70 and 270. Easy access to major markets in the Northeast and Mid-Atlantic, including the ports of Baltimore and New York and New Jersey.
- CSX rail connection





Serving the World's Greatest Marketplaces

RARITAN CENTRAL RAILWAY
PENNSYLVANIA & SOUTHERN RAILWAY
IOWA & MIDDLETOWN RAILWAY
WOLF CREEK RAILROAD

One Gateway Center, Suite 501B
Newton, MA 02458

Wishing You Happy Holidays as We Prepare to Ring In the New Year with a Major Expansion

RARITAN CENTRAL RAILWAY PENNSYLVANIA & SOUTHERN RAILWAY
IOWA & MIDDLETOWN RAILWAY WOLF CREEK RAILROAD

*Taking time this
holiday season to
remember those
who served*

