



Press release

1 April 2019

3i agrees to invest in Regional Rail to support growth

3i Group plc (“3i”) today announces an agreement to invest in Regional Rail, LLC (“Regional Rail”), a leading owner and operator of short-line freight railroads and rail-related businesses throughout the Mid-Atlantic U.S.

Formed in 2007, Regional Rail provides freight transportation, car storage, and transloading services in New York, Pennsylvania, and Delaware across three railroads and over 155 miles of track connecting into a diversified Class 1 railroad network. In 2018, the company moved over 13,000 carloads while serving over 70 customers across a diversified set of end-user markets including heating, fuel blending, agriculture, chemicals, and metals. The company’s wholly owned subsidiary, Diamondback Signal, is the premier provider of rail-crossing installation and maintenance services to over 100 public- and private-sector customers across 20 states.

Since inception, the company has seen steady growth of its existing line traffic, successfully expanding to neighbouring regions and into value-accretive, infrastructure services.

Regional Rail will represent 3i’s third infrastructure investment in North America since 2017 and will serve as 3i’s rail infrastructure platform for future investment in the sector.

Rob Collins, Managing Partner, 3i North American Infrastructure, commented:

“This is an exciting opportunity to partner with an established management team as we seek to put additional capital to work in North American rail infrastructure. The North American transportation market is rapidly evolving and Regional Rail is well positioned to benefit from those changes with future acquisitions.”

Al Sauer, CEO, Regional Rail, added:

“We look forward to working with 3i as we continue to focus on servicing our existing customers, growing economic development in our local communities, and expanding into new regions through strategic partnerships and acquisitions. We see tremendous opportunity in the sector and are proud to have the support and asset management expertise of 3i behind us.”

-Ends-

For further information, contact:

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About 3i Group

3i is a leading international investment manager focused on mid-market Private Equity and Infrastructure. Its core investment markets are northern Europe and North America. For further information, please visit: www.3i.com

About Regional Rail, LLC

Regional Rail, LLC is a transportation holding company headquartered in Kennett Square, PA. It is the parent company of East Penn Railroad LLC (ESPN), Middletown & New Jersey Railroad, LLC (MNJ), Tyburn Railroad, LLC (TYBR), and Diamondback Signal, LLC. For further information, please visit: www.regional-rail.com

Regulatory information

This transaction involved a recommendation of 3i Corporation, a US wholly owned subsidiary of 3i Group.