

FOR IMMEDIATE RELEASE
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SOO LINE PURCHASES MILWAUKEE ROAD

Soo Line completed its purchase of the Milwaukee Road in Chicago yesterday following final approval of the reorganization court to proceed with the sale.

U. S. District Court Judge Thomas R. McMillen issued a written order Tuesday authorizing the estate to sell the Milwaukee Road to Soo Line. Judge McMillen announced on February 8, his decision to sell the carrier to the Soo, but delayed issuing a written order until yesterday.

At yesterday's closing, the core assets of the Milwaukee Road were acquired by a wholly-owned subsidiary of Soo Line Corporation. The Milwaukee estate received \$187 million in cash from Soo covering all payments due under terms of the asset purchase agreement including settlement of deferred wages for Milwaukee Road employees. In addition, Soo assumed certain long-term and current debts of the carrier. The Trustee had placed a value on Soo's total purchase offer of approximately \$570 million.

"Finalizing the sale allows us to immediately bring the benefits of the new Soo/Milwaukee rail system to customers,"

Dennis M. Cavanaugh, President and Chief Executive Officer of the Soo said following the closing. "We expect to very quickly begin offering new coordinated rail services from the Canadian border through the Twin Cities and Chicago to Kansas City and Louisville."

Today's action comes after a year of proceedings before the reorganization court and Interstate Commerce Commission, and more than seven years after Milwaukee Road entered reorganization. During its reorganization, the Milwaukee Road pared down its 10,000 miles of rail lines into a 3,100 mile "core system." The efficiencies of operating a smaller system tied to an aggressive marketing program enabled Milwaukee to return to profitability in 1983.

The new Soo/Milwaukee system will operate 7,500 miles of line in a dozen states. Combined Soo and Milwaukee Road handled more than 900,000 carloads of freight in 1984. The new system includes rail lines of Soo Line Railroad and Milwaukee Road.

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The New Soo/Milwaukee System

