



**Montreal, Maine & Atlantic Railway**  
Northern Maine Junction Park  
15 Iron Road Hermon, Maine 04401-9621

For Immediate Release  
Dated: January 16, 2003

Contact: Norma J. Griffiths  
Phone: (207) 848-4273

**Great Northern Paper Closing  
Forces MM&A Into Cost Reduction Action**

One week after completion of the purchase of the Bangor & Aroostook Railroad Company and its operating subsidiaries, Montreal, Maine & Atlantic Railway is forced to reevaluate its business plan in light of the Great Northern Paper Company closing and bankruptcy. Announcements were made to the U.S. employees this afternoon that newly elected president, Robert C. Grindrod and Vice Presidents will take a 40% salary reduction and all other employees' salaries will be reduced by 25%. There will also be adjustments to the train schedules of trains that moved primarily traffic to and from Great Northern.

After detailing necessary expense, train service and across the board salary reductions as well as layoffs both voluntary and involuntary Bob Grindrod states in his letter to employees: "These events will upset everyone's lives. All of us will have concerns in the back of our minds. While you are distracted, you will be more subject to a small mistake that could result in an accident or an injury. Keep your mind in the game, and come safely home to your family every day. That is what matters most of all."

Mr. Grindrod told employees this afternoon that it is his hope that by taking strong measures early on the successful future of the company will be ensured.

#####

Letter to MM&A Employees is Attached.  
Press Release of January 9, 2003 is Attached.