

Atlantic Express Transportation Group, Inc. Acquires Robert L. McCarthy & Son, Inc.

STATEN ISLAND, N.Y.-Feb. 22, 2000--Atlantic Express Transportation Group Inc. announced today that it completed the acquisition of Robert L. McCarthy & Son, Inc. (RMS), a major school bus transportation provider in Central Massachusetts.

Entering the Massachusetts school bus service market a little over a year ago, Atlantic's Massachusetts fleet has now grown to over 750 vehicles through a series of four acquisitions. Just last month, it acquired Transcomm, Inc., a major service provider in the eastern region of the state. Other acquisitions in that state include the Fiore Group of Companies and McCarty Limousine Service, Inc.

Domenic Gatto, CEO and president of Atlantic said, "Robert L. McCarthy & Son is another excellent addition to our fast growing operation in Massachusetts. We plan to continue growing in the area through acquisitions and we expect to benefit from synergy derived from integration and critical mass. Atlantic has the financial strength to continue growing nationwide and our acquisition pipeline remains very strong."

Robert L. McCarthy, founder and president of RMS said, "Since I started the business in 1956, I always believed that providing quality service to our customers is a top priority as each bus has my name on it. With Atlantic's excellent service reputation, I am confident that this tradition will continue under Atlantic Express considering that Domenic Gatto has operated with the same philosophy for over 28 years."

Gatto welcomed to Atlantic's management group John McCarthy and Rose Mary Kadelski who will continue to manage the company's operations. Both are children of part-owners Robert and Phyllis McCarthy.

This acquisition is the seventh (7) roll-up within 14 months along with five (5) new major contracts nationwide during that same time period. The other acquisitions are: Transcomm, Inc., the Fiore Group of Companies, McCarty Limousine Service Inc., all in Massachusetts; T-NT Bus Service Inc. in New York, Mountain Transit Inc. in Vermont and Winsale Inc. in New Jersey. Atlantic's new major contracts include school bus and paratransit contracts in Northern New Jersey, Chicago (IL), Long Beach (CA), Denver (CO), Phoenix (AZ), St. Louis (MO), Philadelphia (PA) and Billerica (MA).

Atlantic Express is the third largest provider of school transportation in the United States and is the **LARGEST AMERICAN-OWNED, AMERICAN-BASED SCHOOL BUS COMPANY**. With this acquisition, Atlantic now operates approximately 6,500 vehicles from coast to coast with revenues of approximately \$400 million. Atlantic is also one of the nation's largest providers of paratransit service and provides coach and charter, pre-kindergarten transportation as well as bus sales and bus leasing.