



**DATE:** August 8, 2008

**TO:** Watco Team

**FROM:** Terry Towner  
President and Chief Operating Officer

**SUBJECT:** Central Region Team Changes

Effective immediately, Dave Eyermann has accepted the role of Chief Operating Officer, Central Region. The Central Region is Watco's largest region, with approximately 2,000 miles of track and revenues approaching \$100 million annually. In his new role, Dave and his team will be responsible for day-to-day transportation operations in the region including freight and switching operations, locomotives, track and safety.

Since 2006 Dave served as Assistant Chief Operating Officer for Watco Companies where he was instrumental in achieving improvements in various operations, safety and locomotive performance. Dave has also played an important role in the analysis and structuring of several new opportunities during that period of time, including winning the bid for and directing the start up of the Austin Western Railroad.

In conjunction with this change, Pat Cedeno will join the marketing team as Vice President of Growth Initiatives. In his new role, Pat will report to Allan Roach, Senior Vice President Marketing, and will lead and perform due diligence on growth opportunities, assist marketing with AFE's for capital projects and work with Customer accounts as required.

Pat joined Watco in 2002 as Marketing Manager for Grain Products and later served as Assistant Vice President Marketing, Midwest Region and Assistant Chief Operating Officer, Central Region. Most recently Pat served as Chief Operating Officer of the Central Region.

Please join me in congratulating Dave and Pat on their new roles.