



October 26, 2007

Watco Team:

This week, Watco held its annual Customer Appreciation. One-hundred-eighty Customers attended the event in Pittsburg.

We want our Customers to have fun and enjoy themselves during Customer Appreciation, but we must also remember the purpose of the event. By showing our Customers that they are valuable to us we are building and reinforcing relationships. Many times during this annual event I have witnessed relationships being strengthened by something as simple as a conversation over dinner. There have been instances where try as we may, we were unable to strike a deal with a Customer over the phone, but when we sat down face to face during Customer Appreciation we were able to work out the details and close the deal.

Customer Appreciation only comes once a year, but we must remember the importance of our Customers every day. The reason our foundation principles begin with "Improved Customer Satisfaction" is that our business begins with Customers. Without Customers, there simply would be no Watco, no money to take to the bottom line and no paychecks for the Watco Team. Our foundation principles continue and end with "Improved Profitability over the Long Term". Serve your Customers the best you can every day and we will be profitable every day. As long as we do that, we will be successful.

Remember—our success begins and ends with our Customers. Thank them for their business every opportunity you get, not just one week a year.

Thanks for being a member of the Watco Team.

A handwritten signature in black ink, appearing to read 'T. D. Stan', is written in a cursive style.