



February 26, 2008

Watco Team:

As Old Man Winter prepares to leave for another year, I look forward with great anticipation to the new beginnings of Spring. This time of year shows how our world regenerates and improves from a brown, cold, barren landscape to a green, warm, lush environment that provides for all our needs. That annual regeneration reminds me to take my current way of living and regenerate and improve it into a new and better way. It's the time of year to set goals and begin the journey of daily accomplishment to achieve them. This is a process I encourage all to do on a personal and professional level.

In our business lives at Watco, we do this through our Annual Operating Plan, (AOP), that we began last fall and have finalized for 2008. In our AOP process we have analyzed our current way of doing business and challenged ourselves to improve. We have raised our AOP goals, but still left them within our reach. The AOP planning is just the first step. The next most important step is to take our AOP plans and turn them into reality through dedicated, daily execution. The achievement of our AOP goals will take leadership, commitment and teamwork, something I have seen the Watco team provide in a consistently improved manner over the last 24 years.

As Spring rolls in, all of the Watco Team must understand what's expected in order to achieve the AOP improvement we have set for Watco and our Customers, and dedicate ourselves to daily improvement. We are off to a good start with the January results so I expect to see another record year for Watco when 2008 is done and Old Man Winter comes back.

Let's keep making great things happen.

*Rich*