



July 1, 2008

Watco Team:

Good morning! Today the 06:00 job went on duty at the Boise plant at Deridder, La. In the world we live in today, that in itself is not a significant event. What is significant is that members of the Watco Team went to work at the same location where Watco first began work exactly 25 years ago today, at the same Boise paper mill.

Twenty-five years of going to work and serving our Customers is a testament to the incredible Watco Team all across America that goes to work to serve our Customers every day. From Jacksonville, Fla., to Arlington, Ore., and from the L.A. Basin to Pennsylvania, members of our Watco Team are going to work for our Customers today just like we have done every day for the past 25 years.

Today I want to thank my father for having the vision, the determination, and the commitment to start our Company in Deridder and begin us on a journey that has grown from the original eight employees to the 2,055 that are on our team this morning. I am amazed every day at the incredible team we have assembled and what you are doing every day, which build's on my father's vision and hard work.

I also want to thank each of you for your personal dedication to our Foundation Principles of Improved Customer Satisfaction, Improved Profitability and Doing Both Over the Long Term. By each of us being committed to those simple, but important principles of meeting our Customers needs on a daily basis, we are going to continue to build on our first success that began 25 years ago today.

Thanks for what you do every day, and let's keep making great things happen.

*Rich*