



August 7, 2009

Watco Team:

Today we began operations of our 21st railroad, the Alabama Warrior. The start up of this railroad is the culmination of two and a half years of hard work and dedication by our great Watco Team.

The Alabama Warrior consists of 15 miles of track in Birmingham and directly serves Walter Coke, Lafarge, Cemex and US Pipe. Additionally, Harrison Gypsum and Performance Minerals are served via transload. Railcar repair services will also be provided on-site to complete the menu of Watco services. We are very excited to do business with these great Customers and add Birmingham to our service area. This new railroad is a great addition to our Gulf locations and gives us a new foothold in Birmingham that will allow us to offer new and better service offerings to our Customers.

Congratulations to Mitch Becker, Amy Parady and their teams for putting in many hours of hard work to bring us to where we are today. We appreciate your efforts and look forward to the success of the Alabama Warrior. Also, thank you to our new Customers; we are excited and proud to have the opportunity to serve your rail needs.

Keep making great things happen.

Rich