



January 2, 2009

Watco Team:

What's in a name? Everything. A name can define who you are, what you do, where you are going and where you came from.

Millennium Rail, Inc. (MRI) and Fitzgerald Rail Services, Inc.(FRSI) started off the New Year with a name change to Watco Mechanical Services. Their former names defined who they were; companies known for their top-quality rail car repair and maintenance services. Their names also defined what they did, provided rail services.

The new name, Watco Mechanical Services, also defines what they do but more importantly it defines where they are going. They are going down the path following Watco's guiding principles of improved Customer Satisfaction, improved safety, improved profitability and long-term vision. These principals are what Customers expect when they hear the Watco name and mechanical services will deliver on these expectations as they have in the past.

The most important factor in changing the names of the two mechanical acquisitions was Customer Service. Morphing MRI, FRSI and Watco rail car shops into one unit will open the lines of communication, provide for the sharing of resources and streamline operational processes. This will enable the Watco Mechanical Services team to focus on Customers and meeting their needs in the most efficient way possible. Locations, management and services offered will remain the same.

Although the name Watco Mechanical Services is new, the history behind it isn't. The Watco name tells of a company started 25-year ago by a man with a vision which has grown the Watco Company into an all-encompassing rail services industry. It tells of a company with a force of over 2,000 people working together to not only meet Customer needs but to anticipate and plan for future needs.

Meeting Customer needs was what Watco had in mind with the acquisitions of MRI and FRSI and changing the names to further unite the mechanical services division is one more step in the process to better serve our Customers.

Thank you for all your dedication and loyalty to our Watco Foundation Principles and for your efforts to serve our Customers, People, Communities and Company.

A handwritten signature in black ink, appearing to read "T. D. ...".