



May 3, 2010

Watco Team:

Earlier this month Watco celebrated our long-term partnership with two of our best Customers, the KCS and ExxonMobil, with a ribbon-cutting ceremony at the new Brooklawn SIT Yard located on Watco's Baton Rouge Southern Railroad in Baton Rouge, Louisiana. The ceremony served as a celebration of the hard work, determination and dedication by the Watco Team to ensure our Customers' needs were met. Designing, building and now operating the Baton Rouge Southern SIT Yard was the largest new rail construction project in the country in 2009 and I want to thank everyone who played a role in making it happen. And I want to encourage all involved on the Baton Rouge Southern to continue to improve operations, primarily in their safety performance, so we can continue to enjoy the benefits of this great opportunity for many years to come.

Like on the Baton Rouge Southern, there are many reasons for Watco's success. None more important than the great people who make up the Watco Team and the great Customers we serve. Without one or the other we simply could not exist. Remember it is our Customers who come first, but after them the Watco Team is our most important resource. We must always do the right thing to insure we place our Customer First when it comes to their satisfaction with our services, then we must ensure all on the Watco Team knows they must perform their duties safely, efficiently and profitably, so we can continue to grow and prosper with our Customers for years to come.

The Baton Rouge Southern SIT Yard is only one of many examples of success created by Watco putting our Customers' needs First. Every day we are given the opportunity to work together and it is important to always recognize one another for a job well done. Please be sure to share your appreciation and concern by saying "Thank you" and "Be safe" every chance you get. Whether during a face-to-face conversation or a phone call, remember to tell your fellow team members how much you appreciate them and our Customers how much you appreciate their business.

Thank you, be safe and keep making great things happen.

*Rick*