



July 1, 2010

Watco Team:

Today, we celebrate our 27<sup>th</sup> anniversary of providing service to our Customers. On July 1, 1983, my father's dream and vision came alive when eight great people with one locomotive opened Watco for business.

Watco was started on the belief that when those first Watco people took care of our first Customer, Boise Cascade, by delivering service timely, accurately, safely and priced fairly, Watco's business would grow. We also believed that when those first Watco people controlled their costs and put that one locomotive to good use, we would have enough money left over to pay for future growth. Last but definitely not least, we wanted Boise to know how important they were to us and told them so every chance we could. Our hope was that by doing what we said we were going to do, safely and economically we could gain a long lasting relationship that would give us the foundation on which to build a great company. I am proud to say that all those things we were hoping for 27 years ago today have come true in ways beyond our wildest imagination.

Our Watco people are the main reason why we have been so successful. From those first eight to the 2,100 strong Watco Team of today, we have always been blessed with fantastic people. My father instilled in me the knowledge that people are the most important part of what we do. Each of you are vital to our success and it is our responsibility to not only take care of our Customers, but to also take care of each other by always following those simple, yet profound, Watco Foundation Principles that were put into being 27 years ago. By doing so Watco will continue to grow and improve thus allowing all of us as individuals to participate in that growth and improvement. So no matter when you started with us, I want to thank all who have ever been a part of the Watco Team and for making us the great success we have become.

Happy Birthday, Watco! Here's to another 35 years!

Have a safe and happy 4<sup>th</sup> of July and keep making great things happen.

*Rich*