



April 29, 2011

Watco Team:

Massive storms struck the Gulf Region this week leaving a path of death and destruction that is heart wrenching. I traveled to Birmingham yesterday and saw some of that devastation that indiscriminately delivered a severe blow to many, many lives of the good people living there. In Tuscaloosa, Alabama, the headquarters of our Alabama Southern Railroad a mile-wide tornado wreaked havoc on a path right through town that destroyed much property and many lives.

Immediately after the storm hit, our Watco Gulf Team began assessing the situation and have been working to acquire as much information as possible about damage and needs. Thankfully all of our Watco team members and their families have been located and are safe. However, damage to the area is great and a few members of our team have extensive damage to their homes.

Additional storms have impacted our Louisiana Southern, Vicksburg Southern, Mississippi Southern and Alabama Warrior railroads, but again, our people are safe. Track washouts, fallen trees and power lines are common and have resulted in no electricity, water or fuel in many areas. We are prepared to assist our Gulf Region Watco team with whatever is needed. Many of you have already asked how you can help, and our HR Team is working to gather information as it becomes available and will plan accordingly. As we work to create a relief plan, rest assured we will do anything we can when we know how best to serve the needs of our Gulf Region Watco team. Our people are most important and we intend to be there in this time of need. We will update you as soon as we can.

In the meantime, stay SAFE and please join me in keeping our Gulf Region Watco team and the many people affected by these disastrous storms in our thoughts and prayers.

*Rick*