



June 2, 2005

To Watco Team Members:

Watco had the proud distinction of winning the Kansas Governor's Award of Excellence at the 33rd Annual Kansas Cavalry Encampment last night in Topeka. The Governor's Award of Excellence is the highest honor given to businesses based in Kansas by the Kansas Cavalry, an organization of business, education and economic development professionals who use their knowledge and credentials to promote Kansas as an attractive place to do business. The award was presented by Governor Sebelius and Watco was chosen from a group of five finalists from across the State. Quite an honor!

I am extremely pleased and very proud of the recognition Watco received by winning the Governor's Award of Excellence last night. It reaffirms what I know to be true--that Watco is made up of the very best and most dedicated professionals in the railroad business who strive to continuously improve their service to our Customers every day.

The Governor's Award of Excellence is an award that belongs to all members of the Watco Team for the job well done daily across the country. Even though this is a Kansas award it was earned by all members of the Watco Team, from Washington State to Florida. This is a great moment in the history of Watco and the award is very well deserved because of the efforts of you, the great Watco people.

To all I want to say thanks for the great job you do every day taking care of our outstanding Customers. I ask you to take the time to cherish this moment, because you have truly earned it. But always remember to keep improving and continue to make good things happen every day.

Congratulations Watco Team; I am very proud of you!!

A handwritten signature in black ink that reads 'Rick'.

Rick Webb