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Date: November 14, 2013

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Watco Organizational Update

(PITTSBURG, KANSAS) –With the historic last two years of growth at Watco, Rick Webb, Chief Executive Officer, today announced a realignment of positions in the Watco leadership team.

Effective Jan. 1, 2014, Gary Lundy will become the Chairman of the Board, Terry Towner will become Vice Chairman, and Rick Baden will serve as President and Chief Operating Officer (COO).

“We are blessed to have good people to lead Watco as we continue to sharpen our focus daily on serving our Customers,” Webb said. “With our growth, I have asked our team to reflect on how to best serve our Customers and team members, and I am excited that once again our leaders have accepted the challenge.”

Lundy is the Executive Vice President of Support Services, and Towner has served as President and COO since joining the company in 2002. Baden joined Watco as Chief Financial Officer in 2004, and became COO in 2012.

Lundy has performed various leadership roles since joining Watco in 1991. His leadership skills allowed him to be responsible for many Watco firsts. Lundy’s leadership was instrumental in starting Watco’s first profit center in Watco’s Terminal and Port Services. He also headed the first Human Resources and Strategic Sourcing departments.

“There is no one better suited to take on the role of Chairman than Gary Lundy. Gary worked directly with our last Chairman, Dick Webb, and knows well what we need to continue to improve and grow,” Webb said.

Watco experienced historic growth under the leadership of Towner as President. Revenue grew at a 22% compounded annual growth rate during his tenure, while the bottom line improved at an even faster pace. In addition, Towner implemented technology advancements, human resource and training initiatives, and standardized operating metrics to help prepare Watco to continuously improve its service to its Customers.



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“Terry Towner has been a tremendous leader for the Watco Team and our Customers. Under his leadership we have grown in a sustainable way always staying true to our Customer First Foundation Principles. With Terry’s new role, we will continue to benefit from his guidance and leadership that has helped create so much value for our team and our Customers,” Webb said.

“I am especially pleased that we will now have as President and COO, a man who was once the President of one of our Customers. Rick Baden has done an extraordinary job pulling our team together, building on the foundation of our success and getting all to focus on serving our Customers. I am very confident in his leadership.”

“I want to thank Gary, Terry and Rick for accepting these new leadership roles for our company. Our Customers should know that we will make sure Watco is prepared to meet their transportation needs well into the future, and with these leadership changes, Watco’s future continues to look very bright.” Webb said.

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Watco Companies, L.L.C., is a Pittsburg, Kan., based transportation company providing transportation, mechanical, terminal and port and compliance solutions to Customers throughout North America and Australia. Watco is the owner of Watco Transportation Services, L.L.C., the second largest short line railroad holding company in the U.S. Watco also provides service to 28 industrial contract switching locations. Watco’s Mechanical Services division operates 16 railcar repair shops, 23 railroad repair shops, 8 locomotive shops and 5 private railcar shops. The Terminal and Port Services division currently manages 25 transload facilities, 10 warehouses and 2 port locations. More information about Watco and its subsidiaries can be found at www.watcocompanies.com.