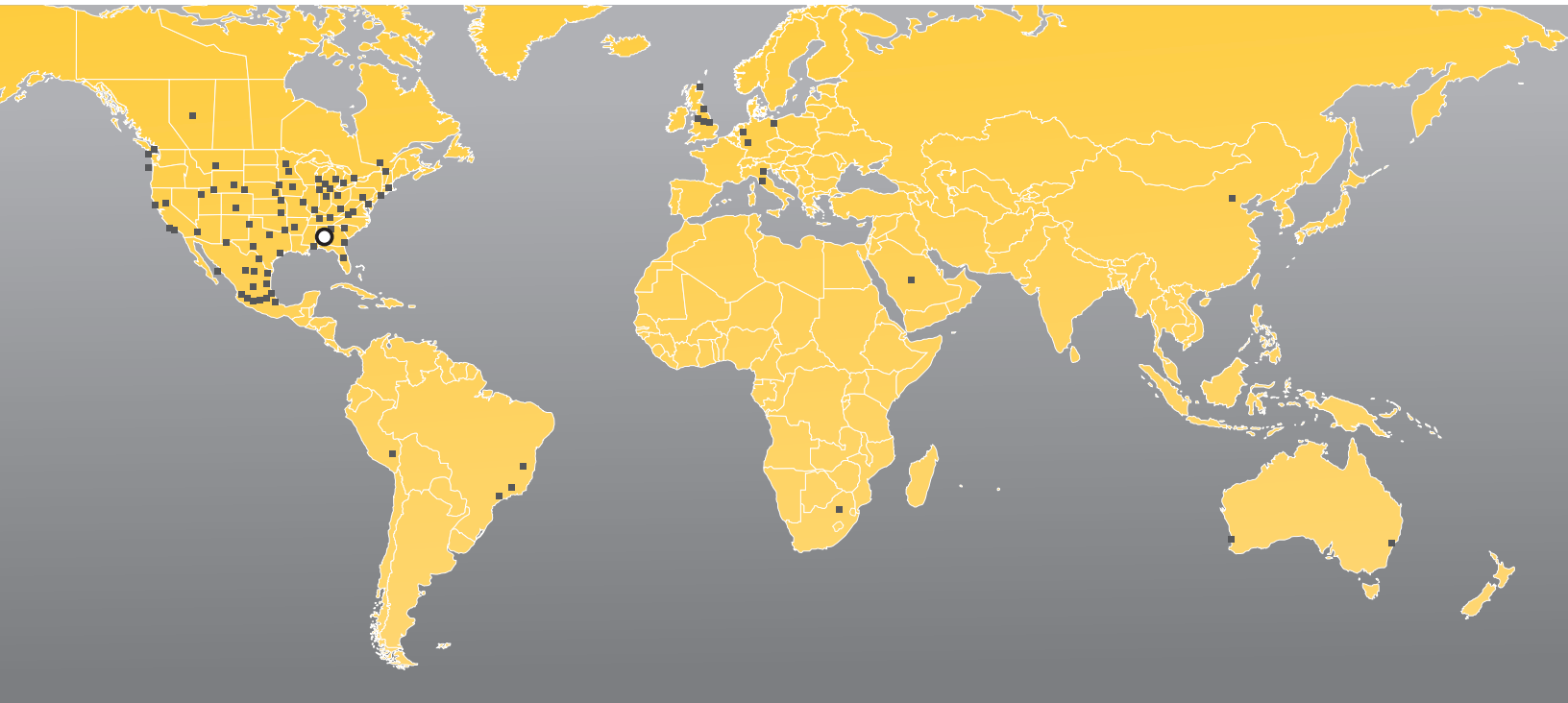


Progress Rail **ULTRASONIC IMPACT TECHNOLOGY (UIT)**

A Caterpillar Company



■ Progress Rail Operations

○ Progress Rail Ultrasonics Operations

Progress Rail has acquired Applied Ultrasonics, creating the Ultrasonic Technology (UIT) Division. Through their state-of-the-art, patented Ultrasonic Impact Technology (UIT), Applied Ultrasonics has revolutionized the metal improvement industry. UIT helps industries around the world strengthen their investments in heavy equipment and infrastructure. This acquisition is a win-win for Progress Rail, Applied Ultrasonics and customers of both companies, as it expands Progress Rail's ability to provide solutions around the world and across multiple industry groups, and it gives users of UIT access to a world class service organization.

- Progress Rail Services, a Caterpillar Company, has acquired Applied Ultrasonics, including UIT Technology and equipment.
- UIT is a portable tool that uses ultrasonic waves coupled with mechanical impact to make metal structures and components last longer. By beneficially modifying the grain structure of the metal, UIT extends asset life and increased reliability.
- While Progress Rail is primarily a rail products and services company, it will continue to support the UIT Technology in both rail and non-rail related applications through the UIT division.
- During the transition period, Progress Rail and Applied Ultrasonics will work together to provide services to current customers.
- Representatives from Progress Rail and Applied Ultrasonics are available to discuss services and future business opportunities. We look forward to continuing relationships with current customers and new relationships with potential customers.
- Applied Ultrasonics' valued customers will benefit from this transition through Progress Rail's technology enhancements, strengthening of the UIT service and support organization, and greater breadth of industry and technical knowledge.
- The same great technology that has benefitted customers for over 15 years will be enhanced and improved under this new ownership. The exceptional customer service provided by Applied Ultrasonics will only be enhanced.

Progress Rail Services has 200 worldwide locations staffed by more than 8,000 employees.



The synergy between Progress Rail and Applied Ultrasonics coupled with the groundbreaking UIT technology provide a winning combination across industry sectors. UIT customers will continue to enjoy their close working relationship with Applied Ultrasonics personnel and their world-class subject matter expertise in the UIT product line and benefits, but also in fatigue, distortion, stress corrosion cracking and other failure modes. In the near future, customers will benefit from Progress Rail's investment in technology enhancements that are already being lab tested and deployed for field trials.

NAVY AND MARITIME

The US Navy and the commercial Maritime industry have successfully utilized UIT to address a wide range of issues. Progress Rail will continue to support the Navy and Maritime sector, taking advantage of Applied Ultrasonics' personnel's deep industry history and knowledge and coupling it with the strength and breadth of the Progress Rail service organization to provide enhancements to the UIT equipment and the customer service experience. UIT has proven 100% successful in one application with the US Navy and has saved the Navy millions of dollars in repairs.



RAIL INDUSTRY

As the world's strongest rail service organization, Progress Rail has unsurpassed industry insight and knowledge across every sector of the rail industry. The addition of UIT to the Progress Rail product portfolio gives this organization a powerful cutting edge tool to aid customers in achieving increased product life and reliability. Progress Rail has used UIT extensively as a customer and seen firsthand the power of the UIT product, and now has the ability to rapidly expand the reach and impact of the UIT product line.

INFRASTRUCTURE

Applied Ultrasonics' UIT is approved in the AASHTO code and has proven a powerful



worldwide tool in the challenge of updating aging infrastructure. UIT can be utilized to 're-set the clock' on steel bridges, sign structures, traffic signal structures and high mast light poles in both the highway and rail infrastructure arenas. On one single bridge project, UIT helped the Kansas DOT save over \$20 million. The synergy of the Progress Rail organization and the UIT product line provide a powerful tool to asset owners around the world.

OIL AND GAS

In an industry where downtime can rapidly lead to millions of dollars of losses, UIT offers an exceptional opportunity to increase mean time between failure, increase uptime, and drive profits. In today's economy, asset owners are looking for ways to stretch maintenance dollars, and UIT offers them the leverage they need by extending asset life without sacrificing safety or reliability. In one example, UIT helped a customer gain 15 additional years of certification on a deep water semi-submersible drilling rig that was at the end of its certified life.

MINING AND CONSTRUCTION

There is no doubt that the Mining and Construction industries deal with some of the harshest operating environments in the world, and they put their equipment through some of the toughest challenges. UIT has proven its worth from the Hunter Valley in Australia to the Powder River Basin in the US, extending asset life and saving millions of dollars.



Progress Rail

A Caterpillar Company

Progress Rail – UIT Division

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