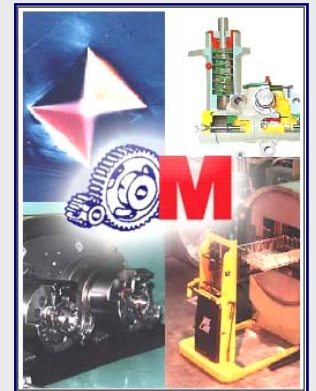
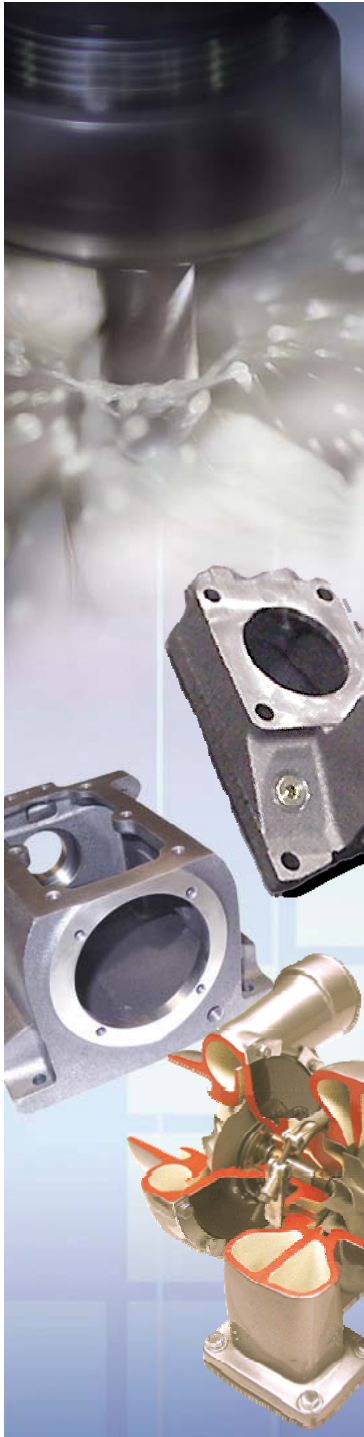




613 West 11th Street, Erie PA 16501
Phone (814) 455-8061 Fax: (814) 453-4382

Modern Industries, Inc.

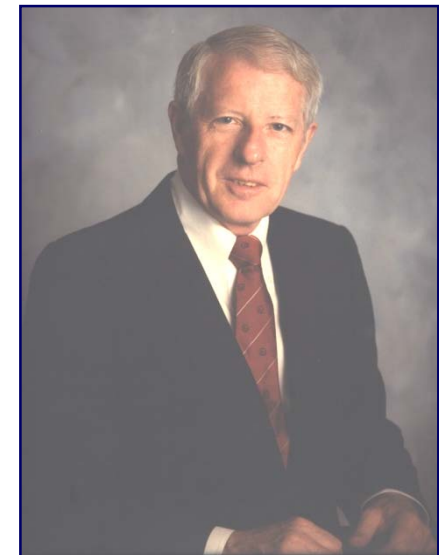
Contract Machining Division



Corporate Structure

- Shareholders = Family Owned
- Board of Directors = Chairman, Owners, Past Secretary
- Officers = Founder (Chairman), (2) Sons (Co-Presidents), (2) Sons (VP/Mgr.), (2) Non-Family (Corp. Controller/VP/Mgr.)
- (20+) Non-Family Managers, Supervisors, Engineers
- Established 1946 in Erie, PA
- Pennsylvania Incorporated 1960
- Non-Union Facility

Modern Industries was founded in Erie, Pennsylvania, in 1946, by a 26 year old, second generation immigrant, World War II sailor, and tool and die craftsman Herbert S. Sweny. Incorporated in Pennsylvania in 1960, Modern is guided by the vision of a strong work ethic, a thirst for knowledge, and mutual respect. With family ownership, the founder as chairman, five sons as Co-Presidents and managing officers, and many other managers and employees who have grown with the business, Modern has been able to make decisions based on long-term benefit rather than short-term gain.



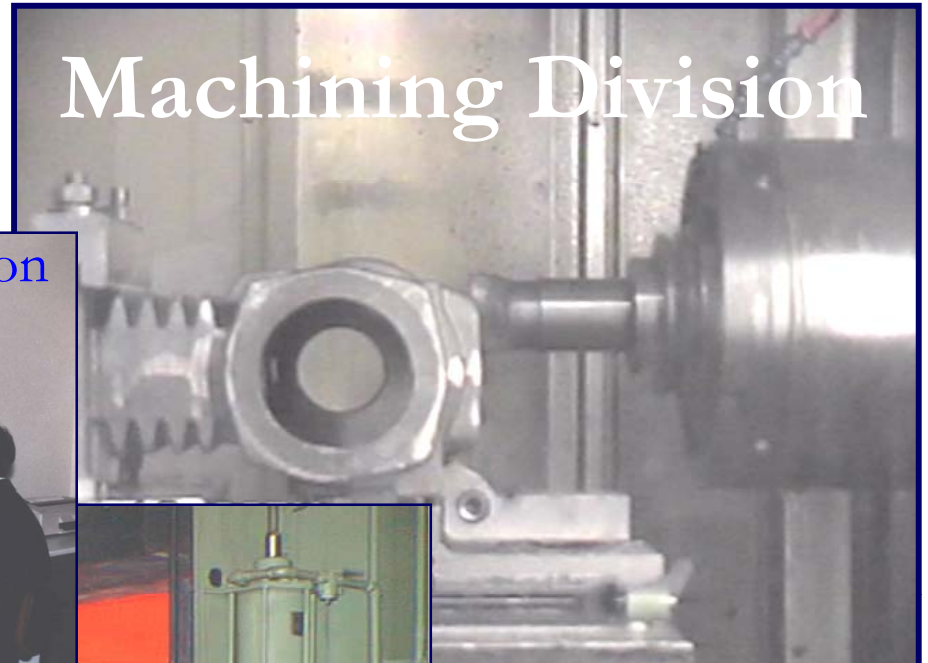
Founder, Herbert S. Sweny



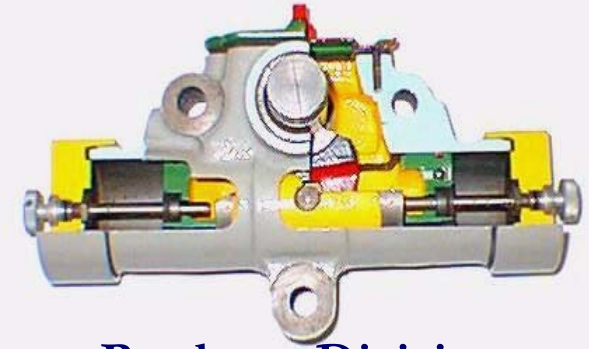
Corporate Divisions

Machining Division

Materials Research Division



Heat Treating Division



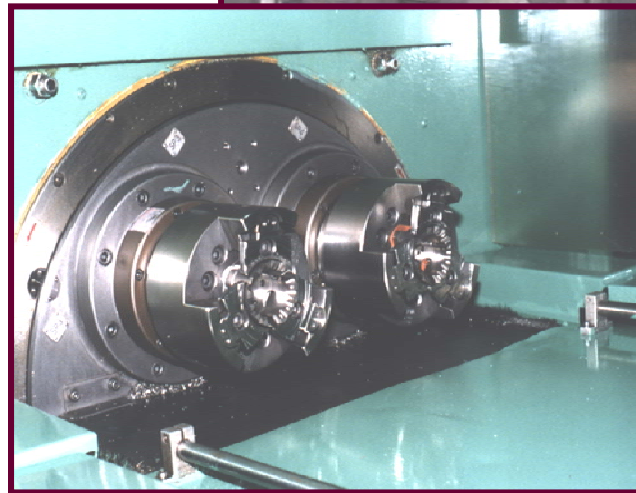
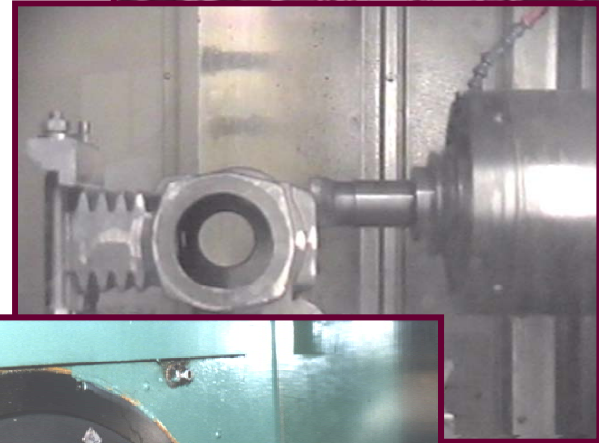
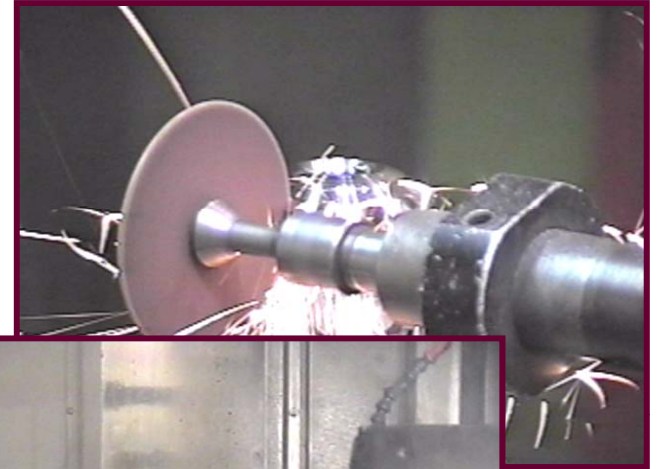
Products Division

Modern consists of four operating divisions that are complimentary to each other's technology needs and also to Modern's customer base. Each division has its own operating staff structure, but each benefits from corporate synergy in functional areas from accounting and human resources to purchasing, plant engineering, marketing, sales, quality systems and computer systems. In each area of endeavor... Contract Manufacturing... Heat Treating... Laboratory Testing... Hydraulic Products... Modern enjoys an excellent reputation in the industries it serves and holds "preferred supplier" status for the vast majority of its valued customer base. Modern's closely linked business divisions have enabled us to easily share both resources and ideas to the benefit of each and every customer. Late-model, state-of-the-art facilities prevail throughout. With extensive computerization, increasing automation, and safety and quality failsafing, continuous improvement is a way of life. At Modern, a proactive "Just Do It!" attitude is complemented by an overriding reliance on teamwork.



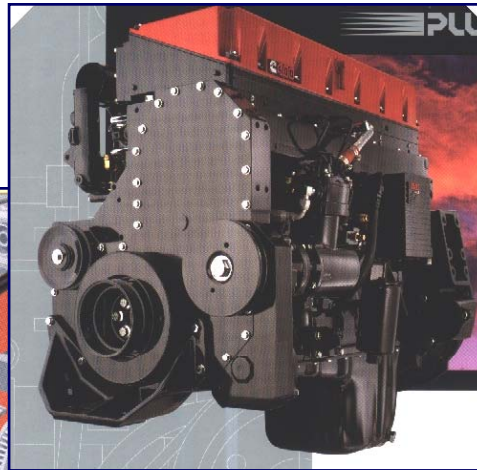
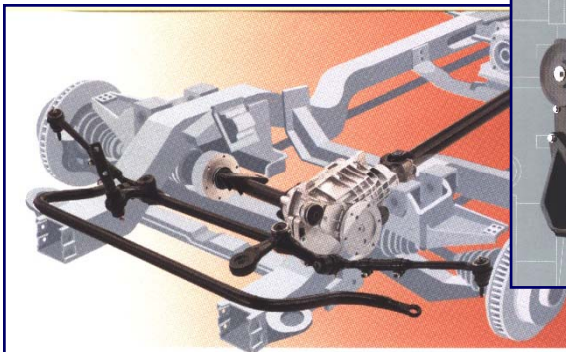
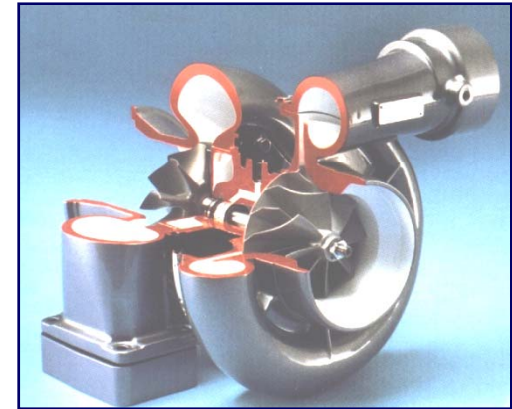
Machining Division

- Production manufacturing and sub-assembly
- Cellular, FMS oriented
- \$7-8 figure OEM target accounts
- \$6-7 figure project emphasis
- Long Term partnerships
- “Preferred Supplier” with 80% of customer base.
- ISO/TS 16949 Registered
- ISO 9001



Markets

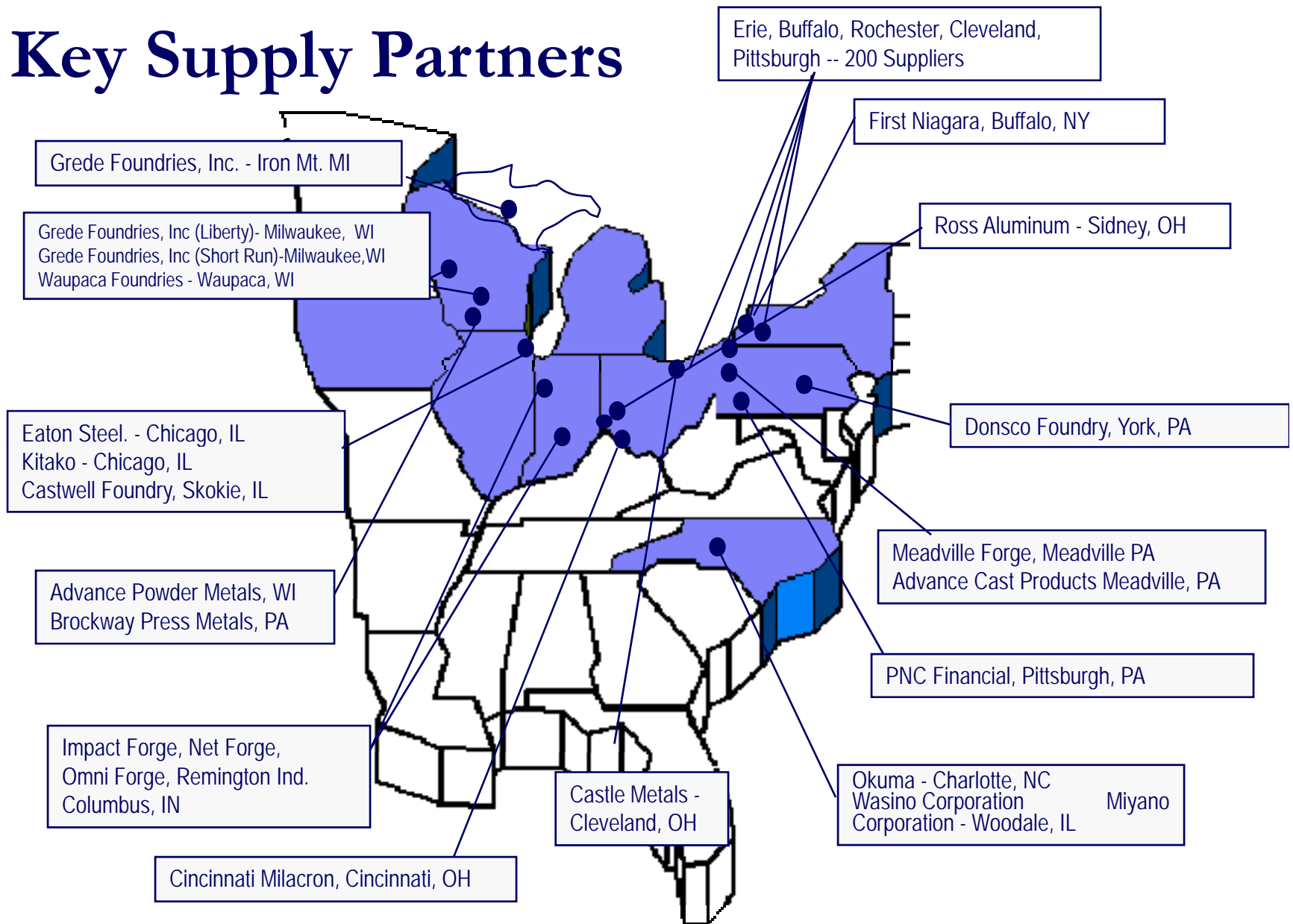
▪ Diesel Engines	22%
▪ Rail transportation	25%
▪ Pneumatic Controls	.5%
▪ Aerospace/Defense	2%
▪ Military/Government	2%
▪ Diesel Turbo Chargers	31%
▪ Automotive	10%
▪ Tool & Die	3%
▪ Textile/Apparel Machinery	2.5%
▪ Processed Materials	2%



The wide variety of industrial products and services that form the customer base at Modern's four divisions represents a diversity of exposure to technology and trends that is not common in firms many times Modern's size. One common thread to 95 percent of these markets is METALS. From tool and die to big three automotive. . . from raw processed base materials to hospital and aerospace products . . . metals and metal processing have formed Modern's sphere of engineering influence during the past 50 years. Segments of industrial markets comprised of hundreds of small specialty companies account for significant portions of Modern's sales -- and projected growth. Other significant resources are directed toward multi-billion dollar customers with multiple product lines, numerous shipped-to locations, and corporate purchasing strategies. Modern's strength lies in targeting firms that are committed to concentrating their resources on what they do best. These customers clearly see, and are committed long-term to the benefits of outside service specialists such as Modern Industries. With this marketing approach by Modern, the goal is account development-oriented and long-term, partnership-oriented -- not strictly job-oriented. The concept is to form, through dedicated value-added service, a strategic alliance. This concept is equally attractive to a large number of both small and large companies whose products involve... production machined components... heat treating for improved properties... materials research and analysis, and... sub-assembly and relational testing.



Key Supply Partners



To become a key provider to so many world class customers, requires strong relationships with your own supply partners that you can depend on. That's just what Modern has done over the years, with a key supplier list that reads like a Who's Who in American Industry." We are pleased and proud to share the credit for Modern's ongoing success with our progressive supply base -- dedicated companies who have shared their expertise, delivered high performance and persevered through challenging times.



Quality

- 2009 A2LA Accredited
- 2006 ISO 9001 and TS 16949 Registered
- 2003 Nadcap Accreditation; Aerospace
- 2001 NELAP Accredited; Environmental Testing
- 2000 Holset Engineering Company - *Supplier of the Year Award*
- 2000 Saturn (Div. GM) Quality Performance Recognition
- 1998 Cummins Engine Company - Continuous Improvement Award
- 1998 A2LA Accredited; Chemical & Mechanical (since 1995)
- 1997 Cummins Engine Company - *Recognition for Direct Supplier Evaluation Performance*
- 1997 American Axle Mfg. - *Supplier Recognition Award*
- 1997 Lloyd's Register Quality Assurance - *QS-9000 Certificate of Approval*.
- 1997 Lord Corporation - *TQM/Certified Supplier Award*
- 10-97 Lloyd's Register Quality Assurance - *ISO 9002 Certificate of Approval*.
- 1996 Allied Signal Automotive; Truck Brake Systems - Supplier Excellent Award
- 1996 Holset Engineering Company - *Supplier of the Year Award*
- 1995 Holset Engineering Company - *Supplier of the Year Award*



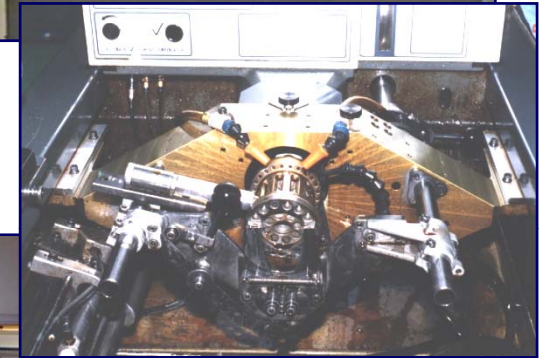
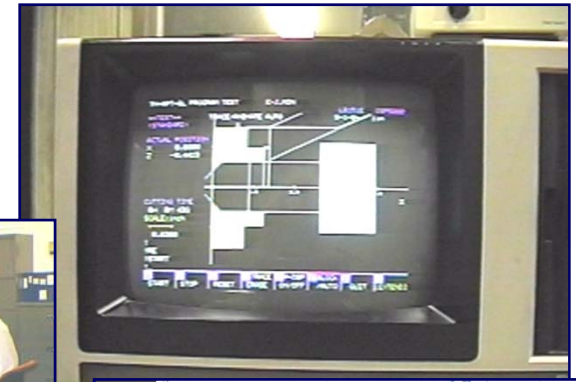
"Preferred Supplier" status and "Supplier of the Year" awards are not easy to come by. So having over 80 percent of Modern's dominant customer base award such accolades to Modern Industries is high praise indeed. At the heart of this is dedicated people working in harmony, day-in and day-out, across three shifts to deliver top-notch quality. Modern has consistently demonstrated excellent performance, recording zero parts per million defects for products shipped direct to the assembly line of such performance-seeking companies as Saturn Corporation. The last years of the 1990s will focus Modern's emphasis on continuous improvement of quality systems and fail-safing, in line with ISO 9001, ISO/TS 16949, and other standards for excellence.



Facilities

- 100+ - CNC Machines
- 54 - Furnaces (Includes lab ovens)
- 92 - Material Research Devices
- 125 - PC Network System Work Stations
 - High speed radio network between buildings
 - EDI; Internet
 - Cad/Cam (*Pro-Engineer*; Autodesk; Imagination; MasterCam)
 - DXF, IGES
- 16 - Conference/Meeting Rooms
- 90 - Office Work Stations
- In-house tooling/fixtures/gaging construction
- 130 - Accessory Equipment
- 20 - Dedicated Manufacturing Cells
- 2-7 - Assembly/Test Cells
- 5 - CMM's
 - computerized and networked gaging systems (Gagetalker)
- 5 - Truck Fleet
 - 24 hour shipping/receiving
 - bar coding
 - returnable containers
- Computer estimating/quoting (Costimator); CMMS

Modern's pledge is to continue the search, seeking benchmarks of excellence worldwide... and to continue a tradition of aggressive investment in top line engineering, manufacturing, overall facilities, and the systems to support their benefit to each customer.



Services and Facilities List

Modern
Geared to Industry.

Machining Division

CNC TURNING LATHES (65+ LATHES)

- ☐ Four spindle high output
- ☐ Single Spindle with Auto load capabilities
- ☐ 2 Spindle Lathes with Live Tooling

- ☐ Single Spindle with 4- Axis cutting
- ☐ Precision Single Spindle

CNC HORIZONTAL MACHINING (25+ HMC's)

- ☐ 50 Taper Centers with Shuttle Loading
- ☐ 40 Taper Centers with Dual Pallets

- ☐ 50 Taper Centers with Dual Pallets

CNC VERTICAL MACHINING (20+ VMC's)

- ☐ 40 Taper, Two Spindle with Dual Pallets
- ☐ 40 Taper, Single Spindle with Dual Pallet

- ☐ 30 Taper, Single Spindle with Dual Pallet
- ☐ 30 Taper, Single Spindle with Table

BROACHING (8+)

- ☐ Robot Loading
- ☐ Horizontal and Vertical

HONING

- ☐ Powerstroked Precision Honing
- ☐ High Production Vertical Diamond Sizing

- ☐ Extrude Honing

AUTOMATIC SCREW MACHINING

- ☐ Single Spindle
- ☐ Multiple Spindle

GRINDING

- ☐ Centerless Grinding
- ☐ Double Disk Grinding
- ☐ Blanchard Grinding
- ☐ Surface Grinding
- ☐ Lapping

SECONDARY AND FINISHING EQUIPMENT

- ☐ High Pressure Coolant Delivery Systems
- ☐ Conventional Mills and Lathes
- ☐ Parts Washers, Sand & Shot Blasters

- ☐ Multi Spindle / Single Spindle Drill Presses & Tapping machines
- ☐ Single Plane Balancer
- ☐ Vibratory Finishers

INSPECTION AND QUALITY SYSTEMS

- ☐ Coordinate Measuring Systems
- ☐ ISO 9001 and QS 9000 Registered since 1997

MATERIALS TESTING LABORATORY - MODERN RESEARCH DIVISION

- ☐ Chemical Analysis, Mechanical Properties, Micro Hardness, Scanning Electron Microscopes, Metallography, Impact Testing, NDT and more. ISO 17025 & Nadcap Accredited

COMMERCIAL HEAT TREATING - MODERN HEAT TREAT DIVISION

- ☐ Full Range of Furnaces, Processes and Atmospheres, Vacuum, all Casing Processes, Anneal / Normalize, Quench and Temper, Controlled Atmosphere
- ☐ Low, Medium and High Volume
- ☐ ISO, Nadcap Accredited

- ✓ Celled Manufacturing
- ✓ Precision Machining
- ✓ Automated Loading
- ✓ High Production Turning, Milling, Drilling
- ✓ Sub Tier Management & Support Services
- ✓ Sub-Assembly and Secondary Operations
- ✓ Casting & Forging Specialists
- ✓ On-Site Tooling design & Manufacturing
- ✓ ISO 9001, QS 9000, TS 16949 Registered Quality Systems

- ☐ 125,000 Sq. Ft. of Manufacturing
- ☐ 120,000 Sq. Ft. of Warehouse and S/R
- ☐ 150,000 Sq. Ft. of Corporate and other Divisions





Modern Industries, Inc.

Sample Parts



Parts Produced by Modern

Machined Grey and Ductile Iron Castings



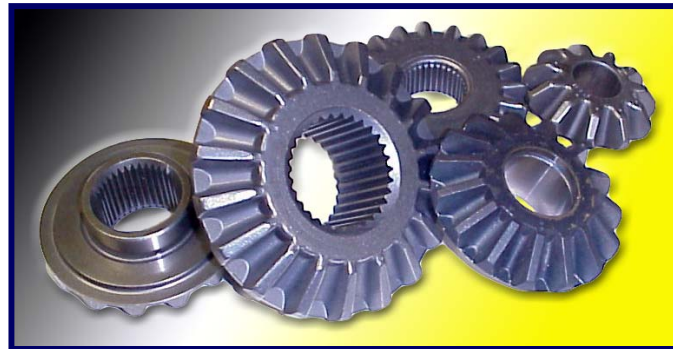
Rocker Lever Supports



Thermostat Housing Supports



Front Engine Support



Gears

Near Net Forged, Machined and
Heat Treated Steel

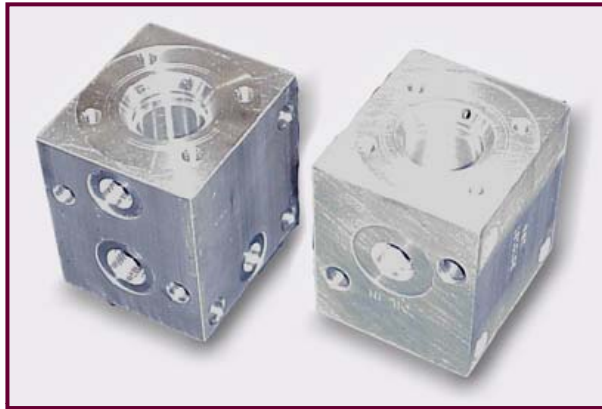


Alternator Pulley



Parts Produced by Modern

Machined Aluminum Components

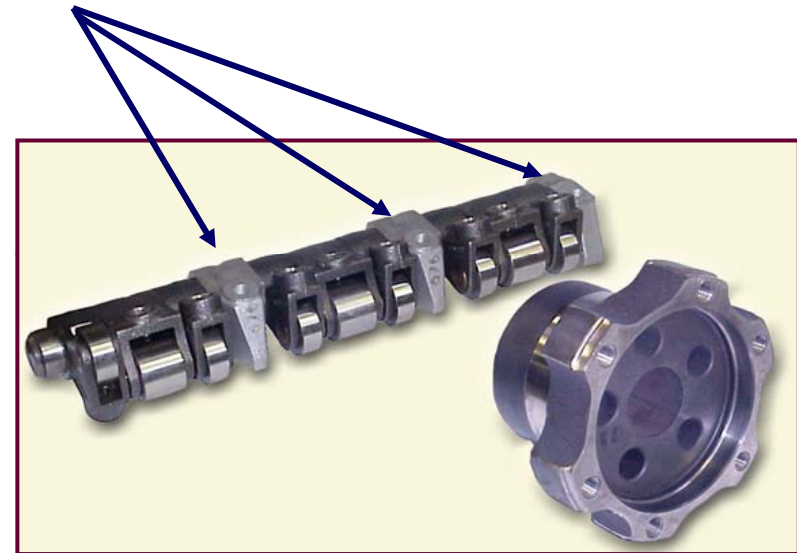


Oil Control Valve Body
(Extruded Aluminum)



Tappet Lock Nuts
(Powdered Metal)

Modern's Parts



Cam follower Assembly
Crankshaft Adapter
(Aluminum Sand Castings)



Parts Produced by Modern

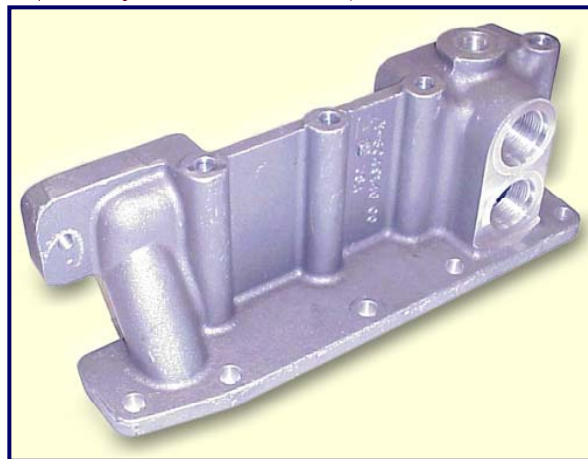
Miscellaneous Machined Components



Pulleys
(Grey Cast Iron)



EGR Valve Body



Oil Filter Head
(Aluminum Sand Casting)

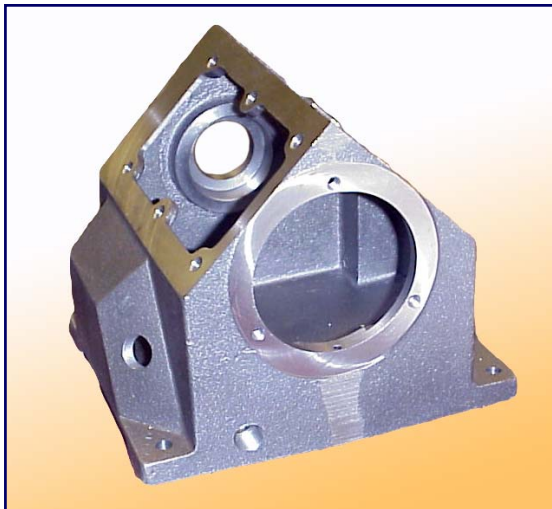


FD-L Pulley



Parts Produced by Modern

Pump Crankcases



Heavy Duty Turbine Housing Assembly



Turbo Charger Parts

Turbine Housings



Mid-Range Turbine Housing Assembly

Heavy Duty Turbine Housing Leak Test



Turbo Charger Parts



**Mid-Range
Compressor
Housing Flat Side**



**Mid-Range
Compressor
Housing**



Nozzle Ring





Modern Industries, Inc.

Corporate

Machining Division

Heat Treat Division

Materials Research Division

Hydraulic Products Division

613 West 11th Street

Erie, PA 16501

Phone: (814) 455-8061

Fax: (814) 453-4382

Environmental Testing

Free-Col Laboratories

11618 Cotton Road

Meadville, PA 16335

Phone: (814) 724-6242

Fax: (814) 333-1466

Materials Engineering

850 Poplar Street

Pittsburgh, PA 15220

Phone: (412) 922-9226

Fax: (412) 922-4043

Mid Pennsylvania Region

U.S. Heat Treaters

125 Green Road

P O Box 52

Kersey, PA 15846

Phone: (814) 885-8514

Fax: (814) 885-8498

