



ROAD TO SUCCESS

April • 2009 No. 1

A PUBLICATION FOR AND ABOUT ROAD MACHINERY LLC CUSTOMERS

Featured in this issue:

GROUNDHOG EXCAVATING, INC.

Albuquerque contractor shifts focus
to specialize in niche demolition and
concrete-cutting markets

See article inside...



Troy Otero,
Owner/President

KOMATSU

A MESSAGE FROM THE PRESIDENT



Dennis G. Romanson



Dear Equipment User:

We're looking forward to 2009 with optimism that construction will rebound. One reason we're hopeful is because of the recently approved economic stimulus package, which includes an estimated \$130 billion in construction-related spending.

No matter the conditions in the construction industry, we should all look for ways to be more efficient in our equipment use. That means using quality machinery that helps you produce more in less time with decreased fuel consumption and emissions. Komatsu has a full line of construction, utility, mining and forestry equipment that meets those standards.

You can find out about some of those products in this issue of *Road To Success*. Among them are innovative machines, such as Komatsu's largest utility excavator, the PC88MR-8; the PC200LC-8 excavator with thumb spec; and D31 and D37 dozers, which now feature the super-slant nose design. If it's mining equipment you're interested in, check out the MINExpo article to see products that have made Komatsu the leader in mining machinery.

If you need more information on any of these products, or if we can help you with any of your service needs, don't hesitate to contact us. We're here to help you in any way we can.

Sincerely,
ROAD MACHINERY LLC



Dennis G. Romanson
President





ROAD To SUCCESS

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GROUNDHOG EXCAVATING, INC.

Learn why selected demolition has become a successful niche for this Albuquerque contractor.

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The \$787 billion American Recovery and Reinvestment Act was signed into law in mid-February. See how infrastructure spending is a crucial element of this economic stimulus plan.

GUEST OPINION

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FIELD NOTES

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Published by Construction Publications, Inc. for



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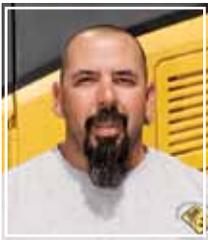
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KOMATSU

GROUNDHOG EXCAVATING, INC.

Albuquerque contractor shifts focus to specialize in niche demolition and concrete-cutting markets



Troy Otero,
Owner/President

The term demolition usually invokes thoughts of entire buildings being pulled down by large machinery. Groundhog Excavating does that, but where the company really stands out from the crowd is its ability to do selective demolition that's often unseen by the general public, but is no less important than removing an entire structure for new construction.

Such has been Groundhog Excavating's niche for much of its 12-year existence, as the company has shifted focus away from the excavation work on which Owner and President Troy Otero founded the Albuquerque, N.M., business in 1996. The company specializes in "surgical" selective and remote-controlled robotic demolition in what are often confined and hazardous areas.

"Other than one mine, we own the only two other robots that I know of in the state," said Otero, who founded Groundhog Excavating as an earthmoving company, starting out with one backhoe. "Obviously, that sets us apart from the competition because it allows us to work in spaces that are often unfit for a person to get into or where emissions aren't allowed. But we also set ourselves apart because we can do other types of demolition work in areas where a building is being actively used without disrupting their service. For example, we've done that in a hospital where medical devices couldn't be disturbed and in a machine shop that was working on tight tolerances without jarring the machinery. It's a very precise business."

In addition to the precise demolition work, Groundhog Excavating has also become well-known in the Albuquerque construction market for other niches it fills: concrete sawing

and coring and environmental work, such as tank removal and installation. Groundhog began offering cutting and coring about five years ago when Otero bought out another company.

"I was brought up around earthwork; that's how the business got its start. We still do some utility and site work, but for the most part we do very little of that anymore," explained Otero. "Focusing on the specialty work has kept us busy and helped us develop good relationships with repeat customers and other contractors. We send a lot of dirt work their way, and they reciprocate by putting our name out there for demolition work."

Dependable staff, reliable equipment

It's led to plenty of work for Groundhog Excavating throughout the state of New Mexico and into its border states. The company often has multiple projects going at once, and Otero splits his staff of about 15 up into as many crews as are needed to get the work done. Helping him do that is an experienced staff that includes key members, such as Project Manager Robert Montoya, Concrete Cutter and Coring Supervisor Ron Jaramillo and Wade Ferguson, who does all-around work for the company.

In addition to a dependable staff, Otero relies on quality Komatsu equipment for the bulk work that Groundhog can't do by hand or robotic machinery. The company uses excavators (a PC200LC-6 and a PC228USLC-3) and a WA380 wheel loader, purchased from Road Machinery, LLC's Albuquerque branch.

"When we're looking for equipment, it has to have a combination of balance, power,



Groundhog Excavating uses this WA380 wheel loader for cleanup and load-out on its demolition projects.

speed, reliability and ease of maintenance, and Komatsu delivers on all counts,” said Otero, who purchased the PC200LC-6 in 2000 and still uses it for major demolition work. “I believe Komatsu excavators will outperform any other brand out there. Even though we bought the PC200 used, it still was smooth and easy to operate, and remains so. We use the excavators in tearing down structures, but we also put grapples, concrete crackers and mechanical pulverizers on them to do more precision work. The tight-tail-swing PC228 is invaluable for its size and ability to get inside buildings and work without hitting anything. It has great power for its size.”

Groundhog Excavating uses the WA380 for general work, such as cleaning up and loading materials. The company purchased all its Komatsu machines with the help of Road Machinery Account Manager Robert Carrillo.

“We’re a small company that likes to take care of service ourselves, but I can’t justify having a full-time mechanic, so anything beyond the ordinary, we call Road Machinery,” said Otero. “They know all the ins and outs of the machine, and can often walk us through an issue over the phone. If they can’t, they send someone to us right away. If we need anything in terms of equipment, parts or service, I know I can call Robert and always reach him. When time is money, that’s important.”

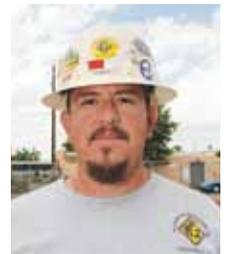
Built on integrity

That level of service is what Otero shoots for with Groundhog Excavating. “From day one, our focus has always been on integrity: showing up when we say we will and doing the job to the customer’s satisfaction. We’ll also tell them if we can’t do a job and refer them to someone else, if necessary.

“We’re always looking for different, better, faster and safer ways to take care of our customers because their time is valuable. We’re



Groundhog Excavating uses Komatsu excavators for a variety of purposes, including this PC228USLC-3 that owner Troy Otero says has excellent power for its size.



Robert Montoya, Project Manager

Concrete cutting and coring is a specialty of Groundhog Excavating, which also does selective and complete demolition, as well as some site work.



Road Machinery Account Manager Robert Carrillo (left) works with Groundhog Excavating Owner/President Troy Otero. “If we need anything in terms of equipment, parts or service, I know I can call Robert and always reach him,” said Otero. “When time is money, that’s important.”

constantly looking to grow in our speciality niches and find other areas where we can use the equipment we have to make jobs easier for our customers.” ■



INVESTING IN THE PRESENT AND THE FUTURE

STIMULUS PASSED

Infrastructure spending is a crucial element of the recovery plan

The American Recovery and Reinvestment Act, more commonly known as the economic stimulus package, was passed and signed into law in mid-February. The total cost of the package is estimated at \$787 billion.

“The goal at the heart of this plan is to create jobs,” said President Barack Obama. “Not just any jobs, but jobs doing the work America needs done: repairing our infrastructure, modernizing our schools and hospitals, and promoting the clean, alternative energy

Infrastructure spending for items such as new utilities is a centerpiece of the new economic stimulus package.



sources that will help us finally declare independence from foreign oil.”

Of course, the \$64,000 question about this three-quarters-of-a-trillion-dollar plan is, will it succeed in its job-creation goal?

Where the money will go?

The stimulus package is a combination of direct spending, tax breaks and appropriations. Direct spending, which includes items such as higher unemployment benefits and food stamps, accounts for \$267 billion or about 34 percent of the total. Tax breaks for individuals and businesses total \$212 billion, about 27 percent of the total. The largest piece of the pie is appropriations spending, which comes in at more than \$308 billion or 39 percent of the total.

It's the appropriations spending that includes the infrastructure investments that are crucial to the construction industry. Total infrastructure spending will be about \$135 billion. If you're wondering what might be in it for you, take a look at how the Associated General Contractors of America (AGC) breaks down the act's infrastructure and public building investment provisions (see chart on next page).

According to the Congressional Budget Office (CBO), only about \$35 billion worth of stimulus appropriations will be spent by Sept. 30, which is the end of FY 2009. The CBO estimates nearly \$111 billion will be spent in FY 2010.

The Obama administration estimates the stimulus package will create or save at least 3 million jobs. ■

**Transportation
Infrastructure (in billions) \$49.3 billion**

Highway and bridge construction	\$27.5
Surface transportation grants	\$1.5
Transit capital assistance	\$8.4
AMTRAK and intercity rail	\$1.3
High-speed rail corridors	\$8.0
Airport improvement grants	\$1.1
Facilities and equipment	\$0.2
TSA explosive detection systems	\$1.0
Coast Guard bridges	\$0.24
Assistance to small shipyards	\$0.1

**Building
infrastructure (in billions) \$29.5 billion**

GSA federal buildings and facilities	\$5.6
Military construction	\$2.8
DOD facilities renovations	\$4.2
DOD energy efficiency upgrades	\$0.12
VA major construction	\$1.0
Community Development Block Grants	\$1.0
Public housing capital fund	\$4.0
HOME investment partnerships	\$2.3
Native American housing	\$0.51
Lead paint removal	\$0.1
Rural community facilities	\$0.13
National Science Foundation facilities	\$0.4
USDA facilities	\$0.2
U.S. Geological Survey facilities	\$0.14
Social Security Administration facilities	\$0.5
BLM maint. and construction (M&C)	\$0.32
U.S. Fish & Wildlife (M&C)	\$0.28
National Park Service (M&C)	\$0.75
Forest Service maint. and facilities	\$0.65
Bureau of Indian Affairs facilities	\$0.5
Indian Health Service facilities	\$0.5
Community health centers	\$2.0
FEMA infrastructure grants	\$0.3
Fire station construction	\$0.21
State Department facilities	\$0.09
DHS headquarters consolidation	\$0.2
Ports of Entry construction	\$0.7

**Water & environmental
infrastructure (in billions) \$21.4 billion**

Clean water State Revolving Fund (SRF)	\$4.0
Drinking water SRF	\$2.0
USDA rural water and waste disposal	\$1.4
Corps of Engineers	\$4.6
Bureau of Reclamation	\$1.0
Watershed infrastructure	\$0.34
Int'l Boundary and Water Commission	\$0.22
Superfund hazardous waste cleanup	\$0.7
Leaking underground storage tanks	\$0.2
Nuclear waste cleanup	\$6.0
NOAA Environmental R and I	\$0.83
Brownfields cleanup	\$0.1



Other infrastructure \$0.15 billion

Workforce develop./safety \$4.7 billion

Energy & technology (in billions) \$29.8 billion

Wireless and broadband grants	\$7.2
Electricity grid	\$11.0
Weatherization assistance	\$5.0
State and local gov't energy grants	\$6.3
Diesel emissions reduction	\$0.3

Total infrastructure investment:

\$134.9 billion

POTENTIAL GOOD NEWS

Former NAHB Chief Economist says there may be light at the end of the housing tunnel soon



David Seiders,
former NAHB
Chief Economist

Congress should consider providing further “sorely needed” economic stimulus to encourage home ownership and limit foreclosure in order to pull the U.S. economy out of recession, according to David Seiders, who recently stepped down as Chief Economist for the National Association of Home Builders (NAHB). He spoke at the NAHB’s Construction Forecast Conference.

The steep decline in sales of new single-family homes should be coming to an end in 2009, Seiders said, setting the stage for “tepid” improvement in new residential construction later this year. However, he warned, that outcome has grown increasingly

uncertain in light of the turmoil that has gripped world financial markets.

“Things are a lot worse than any of us had anticipated six months ago,” Seiders said, and the national housing market — which is the root cause of the collapse in confidence among lenders — has continued to spiral downward. “Risks are piling up on the down side. These are tough times, no question,” he said.

While remaining reasonably optimistic that a housing recovery is beginning to take shape, “The uncertainties out there are unprecedented,” Seiders observed, “and there is a growing risk that today’s major housing contraction could get even worse.”

On the brighter side, Seiders said that housing in the first half of 2009 should be helped by the \$7,500 tax credit available to first-time home buyers; legislative efforts to address foreclosures; the continuation of affordable mortgage rates; and the availability of fixed-rate mortgage financing through Fannie Mae, Freddie Mac, the Federal Housing Administration and the Department of Veterans Affairs.

Restoring affordability

Citing an increase in pent-up demand for housing, he added that declines in home prices and increases in personal income have helped to restore housing affordability to the more normal levels that existed prior to the peak of the housing boom.

However, even as the demand for housing begins to grow, housing production will be constrained by tighter credit for the loans builders and developers need to break ground on new residential projects, he said. ■

Former NAHB Chief Economist David Seiders said the steep decline in sales of new homes should be coming to an end in 2009, setting the stage for “tepid” improvement in new residential construction later this year.



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FIELD NOTES

TEST DRIVE

Demo Days attendees operate Komatsu equipment, take advantage of CMO tour

Equipment users from around the country got a close look and a chance to demonstrate machinery at Komatsu's most recent Demo Days at the Komatsu Training and Demonstration Center in Cartersville, Ga. Among the units highlighted were the PC200LC-8 excavator with thumb spec and the new D275AX-5 dozer with the patented Sigma blade.

Additional machinery included the award-winning D51-22 dozer and its smaller counterparts, the D39-22, D37-22 and the D31-22. All are available with KOMTRAX, Komatsu's remote machine-monitoring system, which customers could learn more about during the event. They also had the opportunity to tour Komatsu's Chattanooga Manufacturing Operation (CMO), where some of the excavators and articulated dump trucks on display at Demo Days are made.

Also on site were a wide range of the latest excavator and wheel loader models, as well articulated and rigid-frame trucks, rubber-tire skid steers and compact track loaders, a GD655-3 motor grader and a BR580JG mobile crusher.

Komatsu personnel were on hand to answer questions about all the machinery, which equipment users could demonstrate.

For more information on Komatsu equipment, call your sales representative or visit our nearest branch location. In many cases, if you'd like to try something out, we'll be able to set up a demo for you. ■



Lori Willey from Road Machinery's Tucson branch met up with Bruce Markland Owner of AZ Block 2000.

(L-R) Elliott Excavating Owner Phil Elliott, Road Machinery Sales Rep Jim Powell and A. Miner Construction's Al Miner enjoy Demo Days.



Demo Days featured a wide array of Komatsu equipment.





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DESIGN INNOVATION

NEW DOZERS

Award-winning super-slant design among improvements in D31, D37 models

The revolutionary design that made Komatsu's first super-slant dozer, the D51EX-22, an award winner is now available in the new D31 and D37 models. They are ideal for owners and operators looking for better visibility and performance in smaller-dozer applications.

Both new models, available in standard-track EX and wide-track PX versions, feature Komatsu's super-slant nose coupled with a new cab-forward design that puts the operator closer to the blade, while improving machine balance, ride and stability.

"Slanting the nose and moving operators forward allows them a better view all around, and especially gives them a great view of the material they're pushing," said Bruce Boebel, Komatsu Dozer Product Manager. "Cabs are larger than their predecessors, with more glass to enhance visibility, making the operator more efficient. Owners could put a new operator in these machines and be confident they'll learn how to run a dozer faster so they're productive more quickly.

"We didn't stop with improving the cab," he added. "The dozers are more durable with thick plate steel and rigid frames, and tracks are welded onto the frame, unlike most competitors, which have bolt-on track frames. Both have more horsepower than their predecessors, increasing pushing capabilities for better production and cost per yard. Couple that with new Tier 3 engines that reduce fuel consumption, and maintenance time, and they're among the most efficient dozers on the market."

Those attributes are helped by large power-angle-tilt blades that hold more material, especially useful in mass dozing. Each hydrostatic dozer has a steering system that provides smooth movement during

dozing, even in gradual turns. That also allows the operator to approach objects accurately in corner and sidewall operations.

By simply pushing a button, operators can select between variable and quick-shift speed control for maximum efficiency during fine or rough grading with optimal travel speeds to match job conditions and operator preferences. With variable speed, travel speed is adjusted through a range of 20 incremental speeds, while quick-shift allows operators to select three predetermined speed settings to match job conditions.

"All models come standard with KOMTRAX to help track utilization and maintenance," noted Boebel. "The D31 is great in residential applications and tight places for general finish work, and the D37 is a step up for those wanting a little bigger machine, but can't justify going to a larger D39. They're both great investments that will pay big dividends." ■



Bruce Boebel,
Komatsu Dozer
Product Manager

Brief Specs on Komatsu D31 and D37 Dozers

Model	Output	Operating weight	Blade capacity
D31EX-22	78 hp	18,056 lbs.	2.11 cu. yd.
D31PX-22	78 hp	18,827 lbs.	2.11 cu. yd.
D37EX-22	89 hp	18,298 lbs.	2.32 cu. yd.
D37PX-22	89 hp	19,070 lbs.	2.55 cu. yd.

Komatsu's award-winning, super-slant nose design, is now available in its new D31 and D37 models. Also available in D39 and D51 models, it allows operators a better view of the blade for increased efficiency.



PRODUCT NEWS

ADDED VALUE

PC200LC-8 Thumb Spec excavator offers greater lift capacity and stability



Armando Najera,
Product Manager
Excavators

Komatsu's PC200LC-8 Thumb Spec excavator has the innovative features of its standard counterpart, plus a reinforced mainframe and additional counterweight for increased lifting capacity and stability when working with heavy loads at maximum reach.

When Komatsu designed its PC200LC-8 Thumb Spec excavator, it kept all the same innovative attributes of its PC200LC-8 counterpart and beefed up the counterweight to 11,113 pounds. The result was a 20-percent increase in lifting capacity compared to the standard PC200LC-8 and increased stability when working with heavy loads at maximum reach.

"This is really a great machine for anyone who's working in conditions that warrant that extra lift and stability needed in applications such as digging trenches or setting pipe and structures," said Armando Najera, Product Manager Excavators. "The thumb and bucket, as well as attachment piping, can be factory installed. The PC200LC-8 Thumb Spec also has a heavy-duty arm for improved durability and increased support for thumb installation."

Also available for customers who require factory piping is an HD Spec (Heavy Duty) that includes an HD boom, HD revolving frame under covers and HD decals. The HD Spec is a setup that is suited for demolition-type work. Other major production numbers remain the

same for both the Thumb Spec and the HD Spec, with bucket capacity between 0.66 and 1.57 cubic yards and 148 net horsepower.

"Keeping those numbers consistent means the Thumb Spec machine will continue to be productive and fuel efficient, even while handling heavier work loads," said Najera. "The PC200LC-8 Thumb Spec has increased in popularity because of that. Contractors are seeing the benefit and asking for this machine."

Efficient features

Part of its popularity comes from the standard features, similar to its counterpart, that make it among the most productive in its size class, including low fuel consumption and emissions from a Komatsu turbocharged, aftercooled Tier 3 engine. Operators can maximize fuel efficiency by using the Economy mode (one of five available modes), and using the Eco-gauge for energy-saving operations. An extended idling caution helps operators remember to shut the machine down for fuel conservation.

Operators can set the modes using an easy-to-view, seven-inch LCD color monitor in the large, comfortable cab that has damper mounting for low noise and vibration. Extended replacement intervals for engine oil and filter and hydraulic filters means less downtime. Like all new Komatsu excavators, the PC200LC-8 Thumb Spec comes with Komatsu's KOMTRAX remote machine-monitoring system.

"Like the standard PC200LC-8, this is truly a great machine that can benefit almost anyone doing mass excavation, site preparation or utility installation. The Thumb Spec is not just for customers with machines that will use a thumb," said Najera. "If they need a little extra kick or additional stability, they should consider this machine. They'll definitely see the difference." ■

Brief Specs on Komatsu PC200LC-8 Thumb Spec Excavator

Model	Operating weight	Net hp	Bucket capacity
PC200LC Thumb Spec	51,199-53,115 lbs.	148 hp	0.66-1.57 cu. yd.



UTILITY PRODUCTS

EXPERIENCE PAYS OFF

Komatsu designs the ultimate eight-ton size class excavator

Komatsu recently introduced its new PC88MR-8 excavator to the North American market to much critical acclaim. There are a number of competitive units in its eight-ton size class, but the comparison ends there as side-by-side tests show that the PC88MR-8 offers more value from the start and can save more money throughout the life of the machine.

Before the test was conducted, Komatsu looked at 13 obvious areas of comparison, such as the manufacturer's own hydraulics and engine, short tail swing, fuel management features and number of working modes. In each case, the PC88MR-8 was equal to or better than the competitive model. Major areas where Komatsu stood out were working modes — the PC88MR-8 has five to maximize production and fuel economy — and fuel management features, such as auto-idle, eco gauge, Economy mode and excess idle alarm. The competition had only one mode, auto-idle.

After comparing the models, they were put to the test under controlled conditions at Komatsu's Training and Demonstration Center in Cartersville, Ga. Komatsu was the clear winner in several categories, including 15 percent faster cycle time in Production mode and nearly the same cycle time in Economy mode. The PC88MR-8 moved 6 percent more spoil per hour in the Working mode.

While the Komatsu PC88MR-8 moved more material, it used less fuel — 8 percent less in Power mode and a whopping 45 percent less in Economy mode. In the same mode, Komatsu was 22 percent more efficient in terms of cubic yards per gallon.

Continued . . .



In a side-by-side comparison, Komatsu's PC88MR-8 showed faster cycle times, moving 6 percent more spoil per hour in the Working Mode. In addition, it used less fuel, making it more efficient and productive than the competition.

PC88MR-8 offers higher productivity, lower cost

... continued

Adding to the PC88MR-8's productivity numbers is a quiet cab that's more comfortable for the operator. During the comparison, operators noted they could better hear the standard radio in the Komatsu, making for a more pleasant operating environment.

KOMTRAX saves money

In today's competitive environment, the availability of accurate operating information can improve the bottom line. Helping provide that accurate information is Komatsu's KOMTRAX system, standard on every new machine with five years of free communications. To put such a system on a machine using existing aftermarket offerings would cost well in excess of \$2,000.

Komatsu sampled the KOMTRAX information on several of its first PC88 models sold, and found the following information:

- Six of eight machines analyzed idled 50 percent of the time. That excessive idling wastes fuel, increases engine wear and adds unnecessary hours to the engine hour meter, which may affect machine resale value at trade-in time. The excess hours require more frequent maintenance resulting in higher costs. By knowing and managing engine idling time, owners can reduce maintenance costs and increase useful life and resale value.
- Those operators who idled the machine less, also used the Economy mode two-thirds of the time. Using the E mode and idling less saved nearly 60 percent in fuel consumption. Assuming a fuel price of \$3 per gallon, that equates to more than \$3,300 savings over the course of 1,000 hours of operation.

Higher resale value, peace of mind

The conclusion from Komatsu's testing and monitoring is that the PC88MR-8 is truly the ultimate eight-ton excavator. It gives owners more up-front at time of purchase and it keeps on giving with exclusive fuel-management features, five working modes to match machine performance to demand and the exclusive KOMTRAX machine-monitoring system that can enhance efficient, money-saving operation. Komatsu believes that the KOMTRAX history record will pay dividends at trade-in time with higher resale values.

For additional peace of mind, the PC88MR-8 comes with a standard three-year/3,000-hour warranty. ■

Komatsu PC88MR-8 Field Test Results

Truck Loading		PC88MR-8	Competitor
P Mode	Cycle time in seconds	12.31	14.17
E Mode	Cycle time in seconds	14.27	14.17

Komatsu had a 15% faster cycle time in Production Mode and nearly the same cycle time in Economy Mode.

Loading Amount		PC88MR-8	Competitor
P Mode	Cubic yards per hour	114.6	107.4

Komatsu moved 6.2% more spoil.

Fuel Consumption		PC88MR-8	Competitor
P Mode	Gallons per hour	2.74	2.96
E Mode	Gallons per hour	2.04	2.96

Komatsu used 8.1% less fuel in P Mode and 45.1% less in E Mode.

Fuel Efficiency		PC88MR-8	Competitor
P Mode	Cubic yards per gallon	41.9	36.3
E Mode	Cubic yards per gallon	46.9	has only one mode

Komatsu was more efficient by as much as 22.6%.



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MINING MACHINES

MINExpo REPORT

Komatsu showcases how equipment and technology work together for better production, management

When it comes to mining machines, Komatsu believes in “inventing the future” with innovative products designed to make the user more efficient, productive and profitable. It showcased the present and future of some of its largest production machinery with one of the show’s biggest displays at MINExpo in Las Vegas.

Highlighting the Komatsu display were two new electric mining trucks — the massive 960E-1 and the 860E-1KT — that provide optimal productivity and fuel efficiency. Topping 1 million pounds when fully loaded, the 960E-1 is now the largest in Komatsu’s full line of mining trucks with a 360-ton payload. Hauling that massive amount of material is no problem for the 960E-1 and its 3,346-horsepower Komatsu engine, which uses a unique dual-stage, turbo air-handling system. It has the lowest brake-specific fuel consumption at rated horsepower for its size class.

“More than a decade ago, Komatsu was the first to introduce an AC drive system for ultra-class mining trucks,” said Don Lindell, Product Manager for Mining Trucks. “That experience, along with the more than 100 million operating hours logged overall for our electric trucks, clearly puts us in the lead with these new machines. Customer feedback was also a big influence driving our design criteria for these two new models. The result is a truck that’s unrivaled for productivity, efficiency and comfort in this size class. We took great care in manufacturing the truck to be rugged and dependable, even in the most demanding applications. There are significantly fewer bearings than on other trucks, so there are fewer wear components. We ultrasonically test every weld. It’s a very innovative product.”

Komatsu added innovation to the 280-ton-payload 860E-1KT (The K stands for

Komatsu drive and the T for Trolley) as well. The 2,700-horsepower, 16-cylinder, two-stage turbocharged diesel engine is not only powerful, but Tier 2 certified for lower environmental impact. With Komatsu’s factory-installed, trolley-capable option, the 860E-1KT can be utilized on either 1,600- or 1,800-volt lines for faster propulsion uphill while the engine reduces rpm, saving fuel and extending the life of the engine compared to a non-trolley truck.

Both trucks have ultra-quiet, dynamic retarding systems assisted by four-wheel, wet-disc brakes coupled with traction-control technology that provides excellent braking force, even in difficult road conditions.

“One of the advantages is that the operator can maintain a desired traveling speed,” said Lindell. “We also made the cabs in these machines larger with better visibility. An integrated electronic dash display allows the driver to more easily see and read the gauges as well as payload data.”

D475ASD-5 Tier 2 pushes more

Komatsu displayed the latest D475ASD-5 dozer with its Komatsu 890-horsepower Tier 2



Rich Smith,
Product Manager,
Mechanical
Drive Equipment



Don Lindell,
Product Manager,
Mining Trucks

Continued . . .

Komatsu had one of the largest displays at MINExpo, including a WA1200-3 wheel loader.



Innovation helps Komatsu remain a leader in mining machinery

... continued



Tom Stedman,
Product Marketing
Manager for
Mechanical Mining
Equipment

engine that works to help the 246,000-pound-plus machine push nearly 60 cubic yards of material with its Super Dozer blade.

“The D475ASD-5 Tier 2 is great for long, consistent pushes where operators can utilize all its horsepower,” pointed out Rich Smith, Product Manager for Mechanical Drive Equipment. “It



A Komatsu 860E-1KT has 2,700 horsepower for moving mass amounts of material faster.



The D475ASD-5 Tier 2 dozer pushes nearly 60 cubic yards of material with its Super Dozer blade.

Komatsu’s newest mining truck, the 960E-1, is also its largest with a payload of 360 tons.



uses a lockup torque converter that gets the engine’s power to the tracks and down to the ground where it belongs. With the Super Dozer blade, it’s about 15 percent more effective than a standard blade.

“That becomes even greater in uphill pushes,” he added. “For instance, on a 12-percent or 15-percent grade, users may see 20 percent to 25 percent greater productivity advantages over a standard full-U blade. In addition, it offers greater travel speed while the engine kicks down in rpms, so it uses 3 percent to 5 percent less fuel than the competition. With today’s fuel prices, that adds up significantly in a fleet of machines.”

WA1200-3 leads the pack

Rounding out Komatsu’s equipment offerings at MINExpo was its largest wheel loader, the WA1200-3. This machine has a 1,560-net-horsepower engine and a 26.2-cubic-yard bucket capacity in its standard configuration. An optional high-lift model provides an additional two and a half feet of reach.

The standard WA1200-3 is not only Komatsu’s largest loader, but one of the world’s largest at more than 452,000 pounds with a dumping clearance higher than 20 feet. It has more than 286,000 pounds of breakout force and 253,000 pounds of traction force. Steering is controlled by the Advanced Joystick Steering System (AJSS) with light, short strokes for perfect steering accuracy, and stopping is safe with closed, wet-disc brakes.

“Of the world’s largest loaders, it gives the best advantage in tractive effort and digging power,” said Tom Stedman, Product Marketing Manager for Mechanical Mining Equipment. “Komatsu loaders are well-known throughout the range of sizes for their powerful digging, breakout force, stability and outstanding tipping load weight and ratio, and we believe the WA1200-3 is unmatched in all these areas.

“The WA1200-3 has a wide range of applications,” he added. “They are in use in all types of mines around the globe because they match up very well with our electric mining trucks. In addition, because of their stability, they make great load-and-carry machines for applications such as charging a hopper.” ■



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- PROVIDE THE LONGEST LIFE

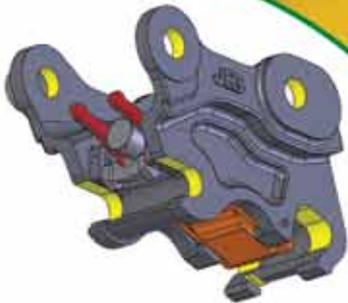
We also offer exclusive customer support programs and services tailored to your specific needs. When your success is measured by the ton, Komatsu delivers the productivity you need. Komatsu is the proven solution.

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KOMATSU'S "GREEN" COMMITMENT

VP says the company's efforts impact both the environment and customers' bottom line

QUESTION: Komatsu has introduced a large number of new machines in the past few years. What's changed and why?

ANSWER: In the past three years, Komatsu has redesigned or replaced nearly 95 percent of its vast equipment offerings, some as a result of increased governmental standards, but just as importantly, because we've listened to our customers' desires for improved technology, better parts availability and other improvements that benefit their businesses' bottom lines. From the governmental standpoint, nearly every machine in Komatsu's lineup has a Tier 3 or EPA-compliant engine. With the Tier 3 engines, we not only meet governmental standards for reduced emissions, but we often exceed them. At the same time, we reduced fuel consumption and increased service intervals, both of which add up to more efficiency and cost savings. We simplified the machines for better operator efficiency and added items such as lock-up torque converters for better productivity. We're very proud of those achievements because they fit right in with our goal of being an environmentally friendly company with sustainable and "green" solutions as part of our corporate commitment.

QUESTION: What else has Komatsu done to go "green?"

ANSWER: Well in some sense, we believe we've always been the greenest equipment company in the marketplace, stretching back decades. All our equipment is designed and built to last. That means fewer machines being put out to pasture, so to speak. An example where we've extended life is in

Continued . . .



**Erik Wilde,
Vice President,
Product Marketing**

This is one of a series of articles based on interviews with key people at Komatsu discussing the company's commitment to its customers in the construction and mining industries — and their visions for the future.

Erik Wilde has been with Komatsu more than a decade, the last five as Director and now Vice President of Product Marketing.

"One of my primary missions is to help our product managers and distributors get the message out about how our products can make our customers more efficient and productive at the same time," said Wilde. "Komatsu has done that in several ways that not only improve machine and operator performance, but reduce fuel consumption and harmful emissions. We believe we're the most environmentally friendly equipment company in the market."

Wilde has seen several of the changes that have led to better owning and operating costs since he joined Komatsu in 1997 as a Warranty Coordinator and Assistant Service Engineer for mining dozers. He was with the Mining Division nearly four years before moving into the Construction Division as Product Manager of hydraulic excavators. He completed an MBA in Marketing in 2003, which led to his position as Director of Product Marketing later that year.

A San Francisco Bay-area native, Wilde has adapted well to the Midwest as he's based at Komatsu's Corporate Headquarters in Rolling Meadows, Ill. He and his wife have three children under age 10 who keep them busy with various activities.

Delivering more value to customers

... continued

our new PLUS undercarriage on the D51, D61 and D65 machines, which doubles the undercarriage life. But we all know that at some point, every machine outlives its useful life and will be taken out of service. Komatsu designs machines that are virtually 100-percent recyclable, from the steel to the plastic to the glass. We use recycled materials in their initial production. That way, there's less waste and more reusable material that can go into making future products.

When Komatsu designed its Tier 3 engine machines, it not only lowered emissions, in many cases it increased horsepower and reduced fuel consumption, making them among the most productive and efficient machines in utility, construction and mining applications.

Komatsu continues to implement green practices in its manufacturing operations. It's adopted an Earth Environmental Charter that lays out our principles and activities for a green and sustainable company. All our plants are near-zero-waste facilities, so that every material that comes in is used or reused in some way. Waste oil is recaptured and used for

heating. We've adopted new painting practices that cut waste and environmental impact, while making our paint jobs better. In addition, we've strategically located our parts depots to be closer to our customers so less fuel is used to get parts to them quickly, and we've teamed with suppliers and carriers who are close to our manufacturing operations, so there are shorter shipping distances and less fuel burned in getting materials in and products out of our manufacturing facilities.

QUESTION: What are some ways Komatsu is working with equipment users on green practices?

ANSWER: Komatsu prides itself on being ahead of the technological curve. With our KOMTRAX monitoring system, which is free for five years and standard on most new machines, users can see how a machine is performing in various modes that Komatsu offers. It's widely believed that being in Power mode offers the best production. That's understandable, but our data show that in 70-plus percent of applications, they get the same productivity in the Economy mode at a lower cost. The benefits are less fuel used, less engine wear and more profit. Komatsu is also introducing a "Green Guide," which offers ways for equipment users to promote and implement green practices into their companies and run their machinery more efficiently. We're encouraging users to check it out online so they're not using paper. If they want a paper copy, it will be printed on recycled paper using soy ink, which is much more environmentally friendly.

QUESTION: What else is on the horizon for Komatsu?

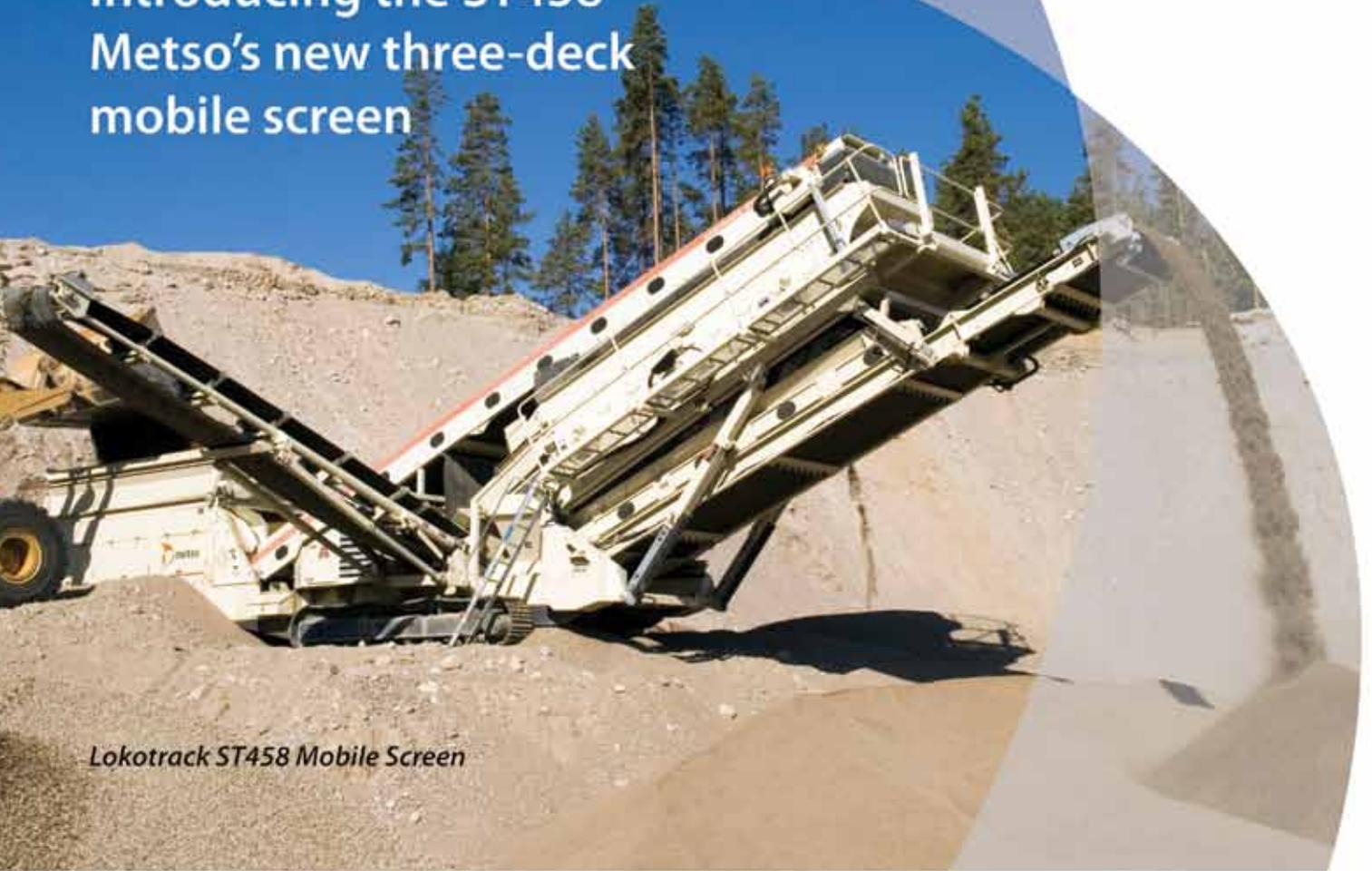
ANSWER: Our utility products already have interim Tier 4 engines and we're working to meet Tier 4 standards on time, or ahead of time, like we did with Tier 3 on the balance of the product line. Engines 175 horsepower and up are required to be Tier 4 compliant by 2011, 75 through 175 horsepower in 2012. Tier 4 standards reduce emissions even more, which further reduces environmental impact. As with our other products, we're working to further improve performance and efficiency on our Tier 4 machines, delivering more value for our customers. ■



Utility machines, such as the CK30 compact track loader, were required to meet Tier 4 emission standards in 2008. Tier 4 is on the horizon for 175 horsepower and up machines in 2011 and 75 to 175 horsepower must be Tier 4 in 2012.



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UNDER THE HOOD

SAVINGS SOLUTIONS

Komatsu offers QuickEvac™ system designed to help reduce routine maintenance time

Komatsu has teamed up with RPM Industries to offer its QuickEvac™ prelubrication and oil evacuation system, which is designed to reduce the time it takes to perform routine oil and filter changes on equipment. The QuickEvac system is available as a factory-installed item or a retrofit kit available for virtually any piece of Komatsu equipment.

"It's an on-board engine maintenance system that offers several advantages over conventional oil changes, especially the speed at which a service can be performed," said John Bagdonas, Product Marketing Manager for Komatsu's Working Gear Group. "In many cases, oil and filter changes can be performed in a half hour or less compared to multiple hours on some machines. That's a significant time savings that equals more profit because the machine and operator are producing more. Technicians and mechanics can perform more services in less time because they don't have to crawl under or over a machine to deal with oil spills from plug removal and installation."

Technicians simply follow these six easy steps in the QuickEvac system:

- Purge lube filters of oil;
- Connect the service tool with quick-connect fittings and an electrical connection;
- Empty the sump directly into a waste container;
- Install dry oil filters;
- Refill the sump and oil filters with new oil;
- Disconnect the service tool and reconnect the Prelub™ line (technology that fully pressurizes the engine with oil before the engine cranks and prior to every start).

Study shows reduced engine wear

Time and money savings are only part of the equation. When coupled with Komatsu's fuel savings and lower emissions, the QuickEvac system further reduces environmental impact.

There's less chance of oil spills, and waste oil can be transferred directly to final containment without messy pans or cans. With the Prelub technology, there's no need to prime the filter with oil, reducing another contamination risk.

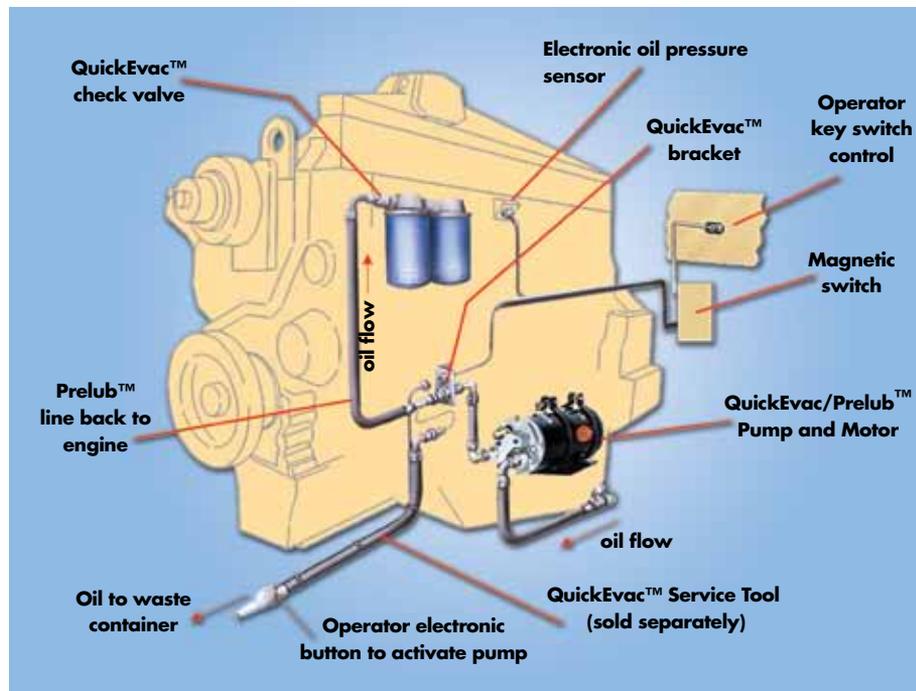
"QuickEvac is a very 'green' technology," said Bagdonas, who noted teaming up to offer QuickEvac is part of Komatsu's commitment toward one-stop shopping. "Installing the filters dry and using Prelub technology is not only environmentally sound, it could help the engine last longer. A recent study by Southwest Research Institute showed that engine prelubrication reduced wear an average of 68 percent. Of course, every situation is different, but increased component life and any savings on service costs and downtime mean more money in the owner's pocket."

To learn more about QuickEvac, contact Komatsu, your sales representative or our nearest branch location. ■



John Bagdonas,
Product Marketing
Manager,
Working Gear

The QuickEvac™ system is designed to reduce routine maintenance time as well as potential environmental impact.



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INDUSTRY NEWS

Green building on the rise, could triple by 2013

Last year's green building starts in the U.S. were up nearly five times compared to their 2005 levels, and could triple by 2013, according to McGraw-Hill Construction's "Green Outlook 2009: Trends Driving Change" report.

"Green growth is phenomenal across the globe," said Harvey M. Bernstein, Vice President of Industry Analytics, Alliances and Strategic Initiatives, McGraw-Hill Construction. "The business opportunities afforded by green building, even in the midst of a global economic crisis, are real and recognized by industry players. Furthermore,

green building has great potential to help tackle unemployment through green jobs, and can address other social issues, such as creating healthier places where we live and work."

U.S. Green Building Council (USGBC) members report green building is less affected by the down market, and home buyers are willing to pay more for a green home. Economic benefits driving green building could be higher revenues, lower life-cycle costs and lower operating costs. There's also motivation due to potential health benefits. ■

Royalties for oil shale would be less than others if drilling happens

Companies wanting to tap U.S. oil shale resources on federal land will be required to pay much less in royalties in an effort to spur drilling in the near future. The Interior Department said companies would initially pay a 5-percent royalty rate during the first five years of production, compared to 12.5-percent to 18-percent rates from those taking conventional oil and gas on public lands, according to an Associated Press article.

Last fall, the Bush Administration opened nearly 2 million acres of land in Wyoming, Colorado and Utah to oil shale development. The announcement came after Congress

failed to renew a ban on issuing final oil shale regulations. Officials noted that development was five to 10 years away, and may face obstacles such as cost and environmental issues, but said "rules of the road" were needed for companies to plan investment. No leases would be issued without further environmental study.

According to the article, up to 800 billion barrels of oil are locked in rock known as oil shale in Colorado, Utah and Wyoming. That amount could take the place of imports for 100 years, the article noted. It was also noted it will be up to the Obama administration to decide whether to proceed with leasing. ■

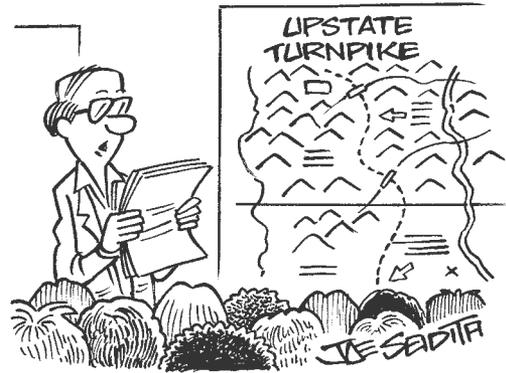
EPA mandates emission-control lights on diesel truck dashboards

In an effort to enforce compliance with tighter pollution limits, the Environmental Protection Agency mandated that heavy diesel truck manufacturers install dashboard lights to signal emissions-control equipment malfunction. Manufacturers must have the lights installed by 2010, according to a Washington Post article.

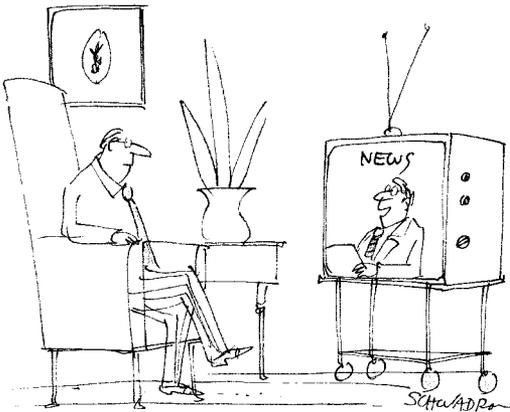
New limits were set in 2007 to reduce emissions of particulate matter, sulfur dioxide, carbon monoxide and nitrogen oxides. EPA estimates say the new limits will prevent as many as 8,300 premature deaths, 9,500 hospitalizations and bring \$70 billion worth of health benefits. ■

SIDE TRACKS

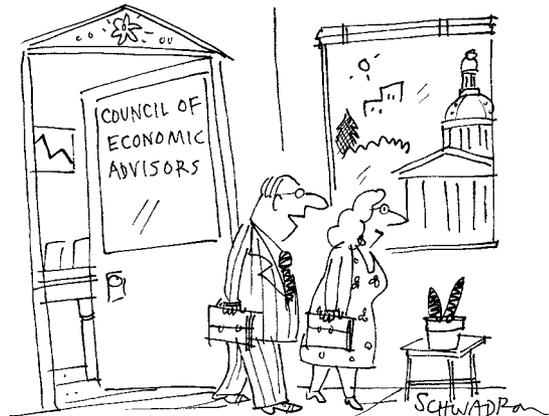
On the light side



"The good news is that we got the job ... the bad news is that they want us to loan them the money to pay for it."



"In local news, police seized 40 tons of smuggled asphalt worth an estimated street value of \$1.5 million ..."



"Just between you and me, we were counting on a big stock market rally, so Wall Street could bail out the government."

Did you know...

- Recycling one aluminum can saves enough energy to run a television for three hours.
- 80% of the earth's surface is water.
- A 'jiffy' is an actual unit of time for 1/100th of a second.
- Ten inches of snow equals one inch of rain in water content.
- The WD in WD-40 stands for Water Displacement. It was invented on the 40th try for a formula that worked.

Brain Teasers

Unscramble the letters to reveal some common construction-related words. Answers are on the right side of this page.

1. MAMRHE _____
2. ZRODE _____
3. MTCCOPA _____
4. IRPPAR _____
5. CRTENH _____
6. RPOATERO _____



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YEAR	MAKE	MODEL	HRS	STK#	PRICE
2003	KOMATSU	PC120-6E0	2,246	12274	\$54,000
2000	KOMATSU	PC128UU-2	5,404	12157	\$49,000
2000	KOMATSU	PC128UU-2	5,174	12158	\$52,000
2001	KOMATSU	PC138US-2	4,531	12035	\$49,000
2006	KOMATSU	PC200-8	1,255	11167	\$99,000
2005	KOMATSU	PC200LC-7	1,488	11166	\$119,000
2005	KOMATSU	PC200LC-7	1,393	11172	\$131,000
2005	KOMATSU	PC200LC-7	1,499	11171	\$131,000
2005	KOMATSU	PC200LC-7	1,267	11170	\$129,500
2004	KOMATSU	PC200-7	977	11169	\$114,500
2004	KOMATSU	PC200-7	2,168	10864	\$99,000
2003	KOMATSU	PC228US-3	2,852	10865	\$79,000
2006	KOMATSU	PC300LC-7	441	11292	\$209,000
2005	KOMATSU	PC300LC-7	2,199	11163	\$189,000
2005	KOMATSU	PC300LC-7	1,863	11165	\$199,000
2005	KOMATSU	PC400LC-7	3,140	9883	\$259,000
2005	KOMATSU	PC400LC-7	3,264	11162	\$259,000
2005	KOMATSU	PC450LC-7	3,681	9593	\$215,000
2005	KOMATSU	PC750LC-7	2,939	9293	\$375,000

WHEEL LOADERS

2005	KOMATSU	WA200PTL-5	5,774	12482	\$65,000
2006	KOMATSU	WA250-5L	2,492	12421	\$79,000
2002	KOMATSU	WA250-3MC	3,816	12323	\$57,000
1997	KOMATSU	WA320-3L	11,000	12322	\$46,000
2006	KOMATSU	WA380-5	1,799	9790	\$165,000
2003	KOMATSU	WA380-5	5,440	10867	\$105,000
1998	KOMATSU	WA380-3	7,246	9569	\$85,000
2005	KOMATSU	WA500-3LK	7,113	12229	\$195,000
2005	KOMATSU	WA500-3LK	6,115	12249	\$195,000

MISCELLANEOUS

2005	KOMATSU	D65EX-15	2,077	12479	\$145,000
2001	KOMATSU	D65E-12	3,233	12234	\$75,000



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