

CELEBRATING

50

YEARS

FOLEY, INC.

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IT'S BEEN AN HONOR AND A PLEASURE

I'm sure it sounds cliché, but it's hard to believe how much Foley, Inc., has grown as a company since my father started the business in a single office 50 years ago. It's hard to believe, too, how quickly time has passed since we celebrated our 40th anniversary. So much has changed just in the past 10 years.

Ironically, it was in 1997 that we began what we call our "values journey," at which time we established our five main company values, which we adhere to in everything we do. They are:

- Trust – which means doing what is in the best interest of all three shareholders... our employees, our customers and the company.
- Mutual respect – or treating everyone else as you want to be treated.
- Communication – which includes sharing timely and accurate information, whether it's good news or bad.
- Excellence – which calls for us to continually get better.
- Success – which means we don't just set goals, but achieve those goals.

Of course, all of those values also tie into our overall mission to be recognized as the unbeatable business

partner by our employees, customers and suppliers. We don't want to be in the business of just selling products. We prefer to solve problems by understanding our customers' needs and providing products and Caterpillar® driven solutions to meet them.



Kim Foley

Over the past 36 years that I've been involved in the business, I've seen how our customers' friendships and successes have significantly contributed to our own success. I can think of numerous families that I have had the privilege to work with over the years.

I think of the things that have been built or improved through their efforts; and they've got to feel a tremendous amount of pride to know that they had a part in creating those things in a very difficult environment. We feel fortunate to have been involved as an equipment supplier; advisor and confidante.

To be a part of that, and to watch their sons and daughters go into the business gives me as much pride as seeing my own sons take the reins at Foley, Inc. We intend to work hard to maintain your trust and foster even stronger relationships over the next 50 years.



Edward Foley, Sr.

THE **FOLEY** FAMILY

Even though the history of Foley Cat has now spanned 50 years, the Foley name has been synonymous with transportation and mechanization for more than a century — and through four generations. It all started back in the days when the automobile was just emerging as a popular mode of conveyance.

EDWARD FOLEY, SR.

A native of Massachusetts, Edward Foley, Sr. actually began his career as a foreman in a bicycle manufacturing plant. However, due to the nation's growing interest in the "horseless carriage", Foley's real desire was to sell automobiles — which led him to become a dealer for the Mitchell Automobiles in 1911. First introduced in 1903, Mitchell was known for their large, fashionable touring cars.

"The cars were well built, but they were also expensive," says Kim Foley, CEO and chairman of Foley, Inc., and grandson of the Foley patriarch. "They sold for around \$1,500, which was a lot of money in 1911."

With the bankruptcy of the Mitchell company, and foreseeing the need for a true family car, Foley became a dealer for Chevrolet in 1922, opening a dealership in Newark, N. J., which he operated until shortly before his death in 1952.

EDWARD FOLEY, JR.

For some, it would seem only natural that Ed Foley, Jr. would join his father in the Chevrolet dealership after

receiving an education. But the younger Foley had higher aspirations with the car manufacturer.

After receiving a degree in Civil Engineering from Dartmouth in 1933 and ski bumming for a winter, Ed Foley, Jr. took a job as an inspector on the assembly line of Chevrolet's Export Plant in Bloomfield, N.J. Following work in several other jobs with Chevrolet, including parts warehousing, he became a General Motors sales

representative for the North Atlantic states.

However, by 1941, World War II had become a reality, prompting Foley to join the Navy as a reserve officer. Upon leaving the military four years later at the rank of Lieutenant Commander, Foley and his wife, Joan, who he had ironically met in a bomb shelter in Hawaii, returned to New Jersey where Ed Jr. briefly rejoined Chevrolet. It

was his father's failing health, just a few months later, that ultimately led him back to the family business as part of the Foley Chevrolet team.

The Foley legacy changed forever though when a banker friend introduced Ed Jr. to an opportunity in 1957 that he couldn't pass up. The owners of Smith Tractor & Equipment Co. were interested in selling their Caterpillar dealership. Hence, Foley Machinery Co. began business in a modest facility in Union, New Jersey.

"For a while, Dad continued to operate both businesses," says Kim Foley. "But he eventually decided he couldn't keep up with both, particularly as the Caterpillar



Edward Foley, Jr.



Kim, Jamie and Ryan Foley

business continued to grow. So he finally sold the Chevrolet dealership about a year later.”

EDWARD “KIM” FOLEY, III

As the first generation to be fully immersed in the Cat® equipment business, Kim Foley has been part of the Foley team for most of his life, having started working in the parts department during high school. The only exceptions were the summers he spent working on ranches in Montana during college and four years as a Marine officer, including time in Vietnam.

After leaving the Marines as a company commander in June 1971, Kim returned to Foley Machinery Co., where he started as truck engine account manager.

“After about a year and a half in that position, I was a general line salesman for a couple years, a foreman in

the shop for a while and eventually the used equipment manager,” he recalls. “I’m sure the rumor was that I couldn’t hold a job, but I suspect now, my dad just wanted me to get experience in every aspect of the business.”

Finally, in 1979, upon the retirement of Jack Hunkele as general manager, Kim was named president and chief operating officer.

“Dad eventually retired in 1984, at which time I purchased the business and became chief executive officer,” he continues. “The final shift came in 2005 when we named Jamie president. At that point, I became chairman of the board.

“To me, the gold standard of any family business is how well it is passed from generation to generation,” he concludes. “I think the fact that Foley, Inc, has been around for 50 years is good testament to our success.”

EDWARD “JAMIE” FOLEY, IV

As the fourth generation of Foley family members involved in equipment sales, Jamie Foley and his brother Ryan Foley each went separate directions before rejoining the family business.

Jamie left Colgate University in 1994 with degrees in political science and history for a job on Wall Street as a foreign currency trader at Credit Suisse. Later, he returned to the University of North Carolina at Chapel Hill where he obtained a masters of business administration with an emphasis on finance/management.

Jamie finally began his career at Foley, Inc. in 1999, when he assumed the role of administrative sales manager. In 2001, he was promoted to marketing manager and eventually moved to Foley Rents as general manager.

After significantly increasing awareness and profitability of the rental division, Jamie was promoted to corporate asset manager in 2003, where he implemented new systems and procedures to maximize productivity of all corporate inventories.

In June 2004, he was elected vice president and promoted to chief financial officer. One year later, in 2005, he was elected president of Foley, Inc., by the board of directors.

“To me, it’s a wonderful honor and a privilege to help lead a company that was started by my grandfather and grown by my father,” Jamie concludes. “The challenge now is to do what my dad did, which was to pass on a company that was better than the one that was passed on to him. If Ryan and I can do that, I’m confident that Foley, Inc., will easily be around for another 50 years.”

RYAN FOLEY

While his brother was pursuing financial interests, Ryan Foley was busy changing the snowboarding world, first as a racer and later as sales representative for Burton Snowboards from 1993 to 1997. During his racing tenure, he once finished as high as third in the nation.

After working two years as manager of a snowboard shop in Squaw Valley, California, Ryan eventually returned to Foley, Inc., in 1999 as a customer support representative. In January 2002, he was promoted to business manager for Foley Express Hydraulics, where he led the creation of the dedicated hose, cylinder rebuilding, and machining shop.

A year and a half later, he was promoted to heavy construction sales manager responsible for all heavy construction transactions. Finally, in early 2005, he was promoted to vice president of customer relationships, where he currently works with the management team and sales force to develop and maintain relationships with Foley customers.

“I’ve admired Cat equipment from the time I began pushing sand with a Cat dozer in a sandbox,” Ryan says. “But I think the 10 years away from the company really taught me a lot about working with people and the value of customer relationships,” he relates.

Now, Ryan and Jamie simply look forward to making Foley, Inc. an even stronger company and giving their own children the kind of opportunities they’ve experienced. ■



Jamie Foley



Ryan Foley

FACILITIES HISTORY

In some respects, it's ironic that one of the best-selling product lines at Foley, Inc., is construction equipment, because Foley has certainly done its share of construction over the past 50 years. The first building occupied by the newly formed Foley Machinery Company in 1957 was the facility taken over from Smith Tractor and Equipment Company in Union, NJ. But it wasn't long before Cat equipment went to work on Foley expansions. The Cat 955H track loader that broke ground in Piscataway was just one of many employed in the company's half-century history.

According to Kim Foley, chairman and CEO of Foley, Inc., the Union location was certainly adequate for its day. Backed by approximately 30,000 square feet of space and eight service bays, the 35 employees employed by the fledgling company could easily handle the parts and service needs of heavy equipment.

It wasn't long, though, before sales began to experience a dramatic increase under the new ownership. In 1964 and 1965, for example, Foley Machinery Company sold more 955 track loaders than any other dealer worldwide. This, of course, led to an even greater need for service space. Within 10 years of its founding, Foley had outgrown its original facility!

THE MOVE TO PISCATAWAY

With the desire to be more centrally located, Ed Foley, Jr. decided to relocate the business to Piscataway, N. J., where the company broke ground on a new 100,000-square-foot facility in 1966. In January of the following year, Foley made the permanent move to its current location.

"I'm not sure how much it played into my dad's thinking at the time, but President Eisenhower had just announced the need for a nationwide interstate system, which was developed from a military standpoint," Foley relates. "So I'm sure he also saw a growing demand for construction equipment as the plan developed."

NEW DIVISIONS FORMED

The move to a larger facility in Piscataway was only the beginning. Two years later, in 1969, Foley established Foley Towlift, Inc., to handle the Caterpillar forklift line. Originally located in Port Newark and Brooklyn, the division moved to a separate 31,500-square-foot building in Piscataway in 1974. Following Caterpillar's exit from the forklift market, the division was eventually closed in 2001.

Foley established yet another spin-off in 1980 when Foley Power Systems was launched to handle the growing needs that revolved around on-highway trucks and power



*Construction of the Foley, Inc. Facility
 Piscataway, New Jersey - 1966*



*Complete Foley, Inc. Facility
 Piscataway, New Jersey - 2007*



*Foley Rents Facility
 Monroe, New Jersey - 2007*



1957 - Foley, Inc. Opens in Union, New Jersey

generation systems.

“One year later, in 1981, we purchased a separate 11,900-square-foot adjoining building next to our Piscataway office that was strictly dedicated to the business which was renamed the Foley Engine Division,” Foley relates. “Today, Power Systems consists of two different divisions... the On-Highway Engine Division and the Power Generation Division.”

The 1980s also saw the launch of a new branch in Clifton, N. J. for truck engine parts and service. Equipped with eight service bays, it was specifically dedicated to the growing transportation market. A branch was also opened in Monroe, N.J., in 1988 for construction equipment support. The business from both of those locations was later consolidated into the Piscataway headquarters. Today, the facility in Monroe serves as a parts drop and a branch for construction equipment service and support.

EXPANSION AT HOME

One of the most recent and largest facility changes, however, came in 1996 when Foley again broke ground in Piscataway for an 18,000-square-foot addition to the parts warehouse and service area.

“That expansion was part of an on-going effort by Foley to keep its facilities technologically and environmentally state-of-the-art,” says Kim Foley. “In addition to a larger

work area, we also installed several computer work stations called “Caterpillar Electronic Technicians.” These computer ‘Techstations’ enable the technicians to gather data and pinpoint a problem even quicker using PC-based diagnostic tools and other PC information.”

That same year, Foley also opened its first Foley Rents location in Linden, N. J. The most recent changes at the Piscataway location have been the construction of a second Foley Rents location in 2002.

Throughout Foley’s 50-year history however, the facilities have never been the true focal point. It’s the equipment and staff inside that really counts.

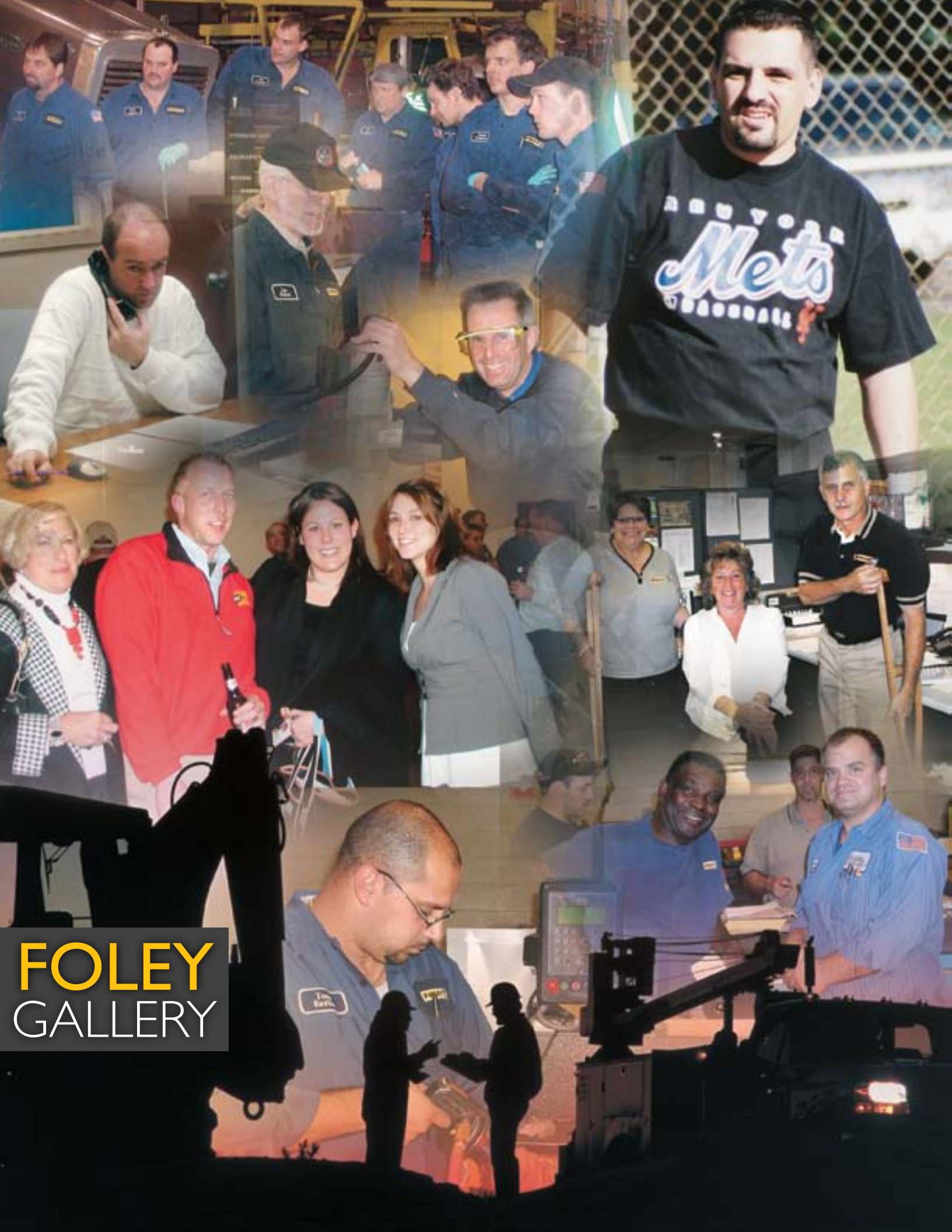
Foley, Inc. was one of the first in the area, for example, to open a state-of-the-art oil lab (Piscataway) for analysis of all lubricants.

The hydraulic cylinder shop continues to be one of the largest hydraulic cylinder repair facilities in New Jersey. Equipped with hydraulic torque benches for quicker repair of hydraulic cylinders, it includes a cylinder tube washer for total removal of particle contamination.

And Foley technicians are still among the most talented, well-trained people in the business.

“There are literally hundreds of cases where our employees went above and beyond to help a customer get back on the job,” Kim Foley concludes. “And that’s what we’re all about.” ■





FOLEY
GALLERY

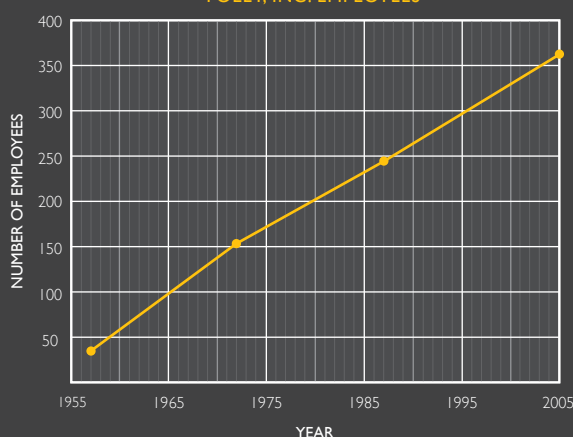
CURRENT FOLEY EMPLOYEES

For most employees, Foley, Inc., has been far more than a place to work or the source of a job. It's been a career builder and a place where personnel feel like family. It comes with the hiring practices and company philosophy, according to Susan Connolly, executive vice president and chief operating officer for Foley, Inc. Perhaps that's why approximately 55 percent of all Foley employees have been with the company for 15 years or longer.

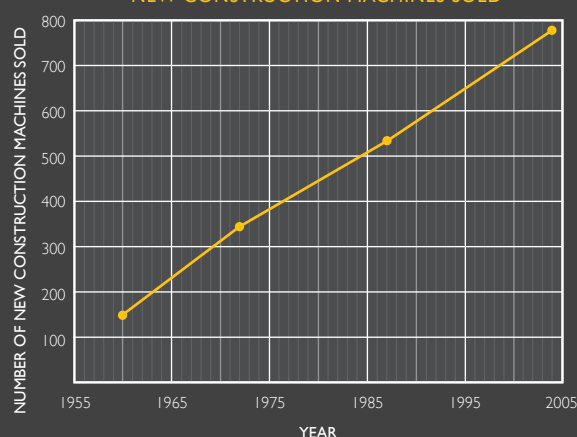
"We have approximately 365 employees at the moment; and we're blessed to count those wonderful people as Foley employees," Connolly says. "When we hire someone, we look for a person who is a team player, who likes to set goals and doesn't mind being held accountable to achieve them. The current employees listed below have been with the company for at least five years."

Abry, David S	Crawford, Kevin R	Hartman, Lawrence J	Lanterman, Thomas M	Ostrzyzek, Thomas	Souliere, Jonathan
Ackerson, William J	Creed, James E	Held, Michael A	Lawrence, Georgia A	Ozemko, Matthew P	Stankiewicz, Walter
Adrian, Felix	Dalmas, David	Herczegh, Elizabeth	Lee, Robert A	Palmer, David J	Suk, Jr., Walter C
Albrecht, Alex R	D'Angelo, Charles J	Hoffman, Mark	Leinenbach, Elizabeth	Paradise, John D	Suk, Albert
Alfano, Thomas	Dechicchio, Jr., Albert M	Hogan, James P	Leonard, Roy A	Parise, Joseph	Suk, William
Allen, Brendan D	Demajo, Honora C	Holland, John C	Levas, Mark	Parris, Danielle	Sullivan, Scott M
Allen, Charlotte	Drake, Barry F	Holland, Ronald R	Levy, Scott M	Patel, Rajnikant	Surowiec, Joseph C
Amabile, Joseph	Dugan, Joseph P	Holland, Thomas D	Licwinko, Christopher J	Pearson, John A	Szymczak, Carl
Barnum, Wayne B	Eigenbauer, Thomas M	Hunsinger, Scott W	Logan, Donald W	Pelesko, Raymond	Talbott, Walter R
Bastos, Adelino A	Engelbrecht, Fritz C	Hurley, Robert J	Logan, Thomas	Pellinger, Glenn	Thornton, Craig
Bayous, Lisa J	Eppa, Jason	Imbimbo, Joseph	Lynch, Michael G	Pellinger, Jeffrey C	Tighe, Patrick D
Beatty, Tom L	Eska, Thomas	Izzi, Nicholas D	Lynch, Robert J	Pennoh, Harry	Troller, Scott X
Bethke, Kirk J	Feenstra, Gregory O	Jerzewski, Ed J	Mackie, Neil J	Petrello, Trina A	Turner, Melissa R
Bobek, Robert	Felauer, Richard	Jones, Robert Lee	Maffia, Dennis	Phillips, David	Van Auken, Fred M
Bodall, Thomas E	Ferchak, Michael P	Kabus, Gina	Mancuso, Anthony S	Piasecki, Mike	Varraccio, Kristina
Botnick, Dwayne C	Fiorino, Margaret M	Kabus, Regina	May, Kevin F	Piehl, Barbara M	Vazquez, Alberto
Bouthillette, Glenn A	Firestone, Benjamin R	Kattak, George M	McCauley, James F	Pinto, Anthony J	Verdi, Jr., Anthony J
Brindley, Richard J	Foerst, II, Edward P	Kebless, Kenneth J	McElroy, Glen	Vida, Arthur C	Volker, Daniel J
Brooman, Steven	Foley, III, Edward J	Keggan, Alan R	McIlvaine, Keith W	Vorreas, George	Wagenblast, Thomas
Brown, Anthony E	Foley, IV, Edward J	Kelly, James J	Medina, Roland	Wagenblast, Thomas	Weimer, Arthur J
Brown, James D	Foley, Karen M	Kirchberger, Paul A	Merle, Jeffrey	White, Brian T	White, Brian T
Bucco, Russell	Foley, Ryan C	Kisseberth, Joseph J	Meszaros, Robert L	Woods, Jr., Charles W	White, Brian T
Burchak, Gary E	Francis, Nowell B	Kolbasowski, Alexander	Meyer, Jenna M	Yanik, Michael D	Yurkovitch, Richard
Card, Norman	Gagliano, Andrew	Kopceuch, John G	Minarchi, Brooke	Yuro, Gary	Zeck, Richard S
Califano, Richard	Gicherman, Ruby H	Kopp, Edward L	Mireau, Gary		
Cambialetta, Mary	Gillespie, Peter J	Korner, Gerard G	Morris, Kenneth G		
Card, Norman	Godown, Jr., Samuel W	Kotch, Joseph R	Mosley, Tyrone D		
Cardoso, Duarte J	Gorakhnauth, Ravin	Kubas, Michael J	Mueller, Cecilia M		
Carnassale, William B	Gozick, Richard	Kuhl, Martin	Musicant, Jonathan		
Cobb, Fred D	Grater, William B	Kukulski, Robert	Nagy, Patricia		
Connolly, Susan M	Greene, William J	Kurasinski, Jozef P	Nauerz, Walter O		
Connolly, William A	Grigal, Jr., Frank D	Kusma, Thomas	Neelen, George W		
Corkwell, Robert M	Gromadzka, Grazyna M	Lahrman, Judith L	Nelson, Donna M		
Cotignola, Joseph	Gudaitis, Jr., Edward F	Laluces, Virgilio P	Olejar, Jr., Lawrence L		

FOLEY, INC. EMPLOYEES



NEW CONSTRUCTION MACHINES SOLD



1978

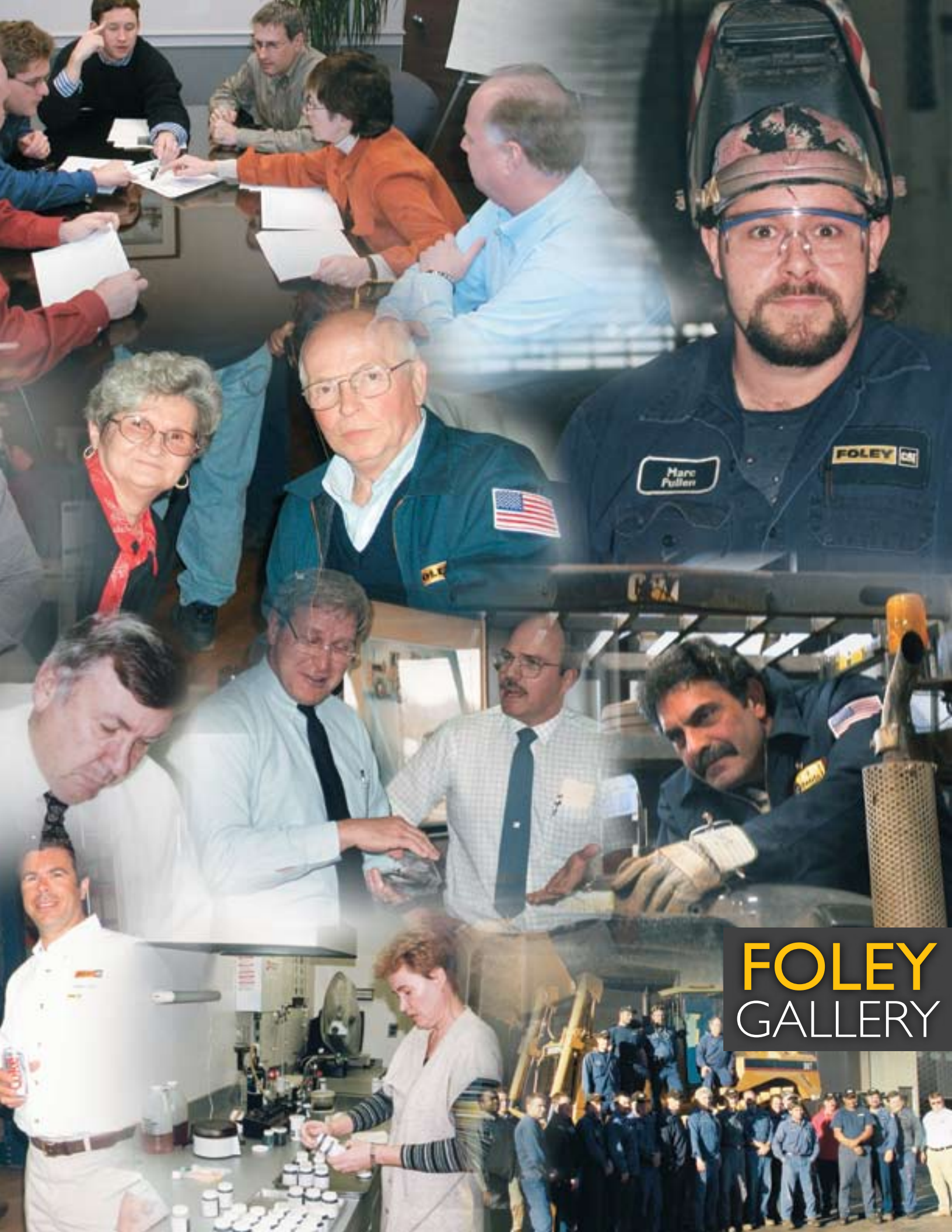
Kim Foley becomes President



Foley, Inc.
Class of
1985

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FOLEY



FOLEY
GALLERY



14



Before (Above) **CAT CERTIFIED REBUILD** After (Below)



EVOLUTION OF PRODUCTS AND SERVICES

Back in 1957 when Ed Foley, Jr. formed Foley Machinery Co., motor graders and D6 dozers were the best selling products in a small, but growing territory. We knew early on that it wasn't just about selling the equipment - it was about servicing and customer attention. It's been that way for 50 years now, even though the product selection has improved dramatically.

"We weren't in the hydraulic excavator business until the mid-1970s," recalls Kim Foley, chairman and CEO of Foley, Inc. "That was a tremendous step forward. The same could be said for the introduction of the backhoe loader in the 1980s and the Cat skid steer loaders in the '90s.

"Every time you turn around, Cat's forward-thinking research and development groups have landed another patent, innovation or product improvement," he adds, noting that he's watched equipment designs evolve from basic to high-tech. "Looking back, for example, we've seen Caterpillar go from rigid-frame to articulated loaders. And we've replaced cables as lift mechanisms with state-of-the-art electro-hydraulic systems.

"I think that one of the most significant improvements, though, was when Caterpillar went to the high drive system on the track-type tractors," he continues. "It got the drive sprocket up and out of the work environment

for less wear and greater reliability."

Jeff Merle, vice president of sales for Foley, Inc., has seen an equal number of product improvements during his 20 years with the company.

"When I started as a marketing trainee, Caterpillar equipment was basically big and heavy," he recalls. "Today, we still have heavy equipment; but it's more of a precision line. Customers demand that machines be faster and more nimble."

Caterpillar has not only responded with more versatile equipment, but with a full line of compact construction equipment that lets customers perform jobs they never thought possible. At the same time, Caterpillar has continued to refine and perfect their diesel engines in the quest to lower emissions, improve fuel economy and increase performance. One outcome has been the new Tier II and Tier III Cat engines with ACERT™ technology, which allows them to meet emission standards without resorting to

exhaust gas recirculation.

"I look for the future to bring a lot more use of GPS technology, as well," says Merle. "We're already seeing it in Caterpillar's innovative AccuGrade® system. But I think satellite guidance will someday play a role on other equipment like road graders and excavators, as well."

Foley, Inc., and Caterpillar represent a lot more than



Foley Service Truck - 1966



Foley Service Truck - 2007



just construction equipment. Today, Cat engines are also found in trucks, buses, motor homes and power systems throughout New Jersey and Staten Island.

According to Mike Kubas, general manager and vice president of Foley Power Systems, Foley, Inc., is already the sole supplier of Cat GenSets for Verizon Wireless. To date, some 250 generators have been sold to Verizon for emergency backup at cell towers and switch sites nationwide.

Power Systems has also worked with ADP and Goldman Sacks, as well as numerous banks, brokerage firms, hospitals, nursing homes, schools, government offices and utilities within the company's territory.

"The on-highway portion of Power Systems has also been the market-share leader for the past 10 years in New Jersey," Kubas relates. "In addition to all the Cat engines operating in our customers' trucks and motor coaches, we captured the business from New Jersey Transit in 2004. By August 2007, New Jersey Transit will have roughly 427 Cat engines running in its buses."

SPECIALIZED IN-SHOP SERVICE

Just as the products and the Caterpillar offering has improved, so have the services offered by Foley, Inc. Unlike the first facility in Union, NJ., the service department no longer consists of one large shop.

Instead, customers receive targeted service at the main location in Piscataway as well as a branch facility in Monroe. Service technicians provide professional attention in nearly a dozen specialized areas via individual shops for undercarriages, transmissions, commercial and truck

engines, fuel injector service, welding, electrical equipment, dynamometer checks and painting. The shop has continually adopted new technology to further improve customer service and improve response time.

As a 30-year veteran of the Foley, construction division shop manager, Pete Foerst has seen a significant change in Caterpillar equipment and the way it is serviced.

"Obviously, we didn't have computer modules on the equipment back when I started," he recalls, noting that many diesel engines at the time included gasoline starter engines. "We just used our senses and our experience to diagnose problems."

Today, Foley's construction and power systems shops are equipped with the latest computer diagnostic equipment capable of reading engine codes and walking the technician through a series of steps for repair. Computers aren't the only new tools.

"Today we use hydraulic torque wrenches, electronic gauges and everything else we need to match the current engine technology," Foerst concludes.

RESPONSIVE MOBILE SERVICE

"In addition to our in-shop capabilities, we have 80 service vehicles on the road, including a number of one-ton, dual-wheel trucks equipped with 2,000-pound cranes and several boom trucks with 8,000-pound cranes," adds Tom Wagenblast, vice president of product support. "We also have six preventive maintenance trucks that are fully equipped to perform all scheduled maintenance in the field, and the first mobile machine shop in the state of New Jersey."



Foley Power Systems Employees - 2007



Foley Employees in Tinaja Hills, Arizona, 1999



John Caley, Foley Service Technician - 1989

In addition to GPS positioning, which allows the shop to dispatch the closest truck to a customer in need of immediate service, each field service technician carries a laptop computer with advanced wireless capabilities and Caterpillar's innovative DBSi software system. This allows the technician to access all the records on a particular machine before he even begins a repair or diagnosis, saving the customer both time and money.

24-HOUR PARTS SUPPORT

Wagenblast says the parts department is equally committed to customer support, thanks to nearly \$10 million in parts inventory. With approximately 30,000 Caterpillar parts and 4,000 non-Cat parts on hand, Wagenblast says the department is able to fill most parts requests from the in-stock inventory.

"Even if we don't have the part in stock, we can fill approximately 99 percent of all part requests in less than 24 hours," he says, noting that a customer or service technician can submit parts orders via the Internet 24 hours a day. "In fact, if we get the order before 4 p.m., we can have it delivered to our service center or to three of our parts drops throughout New Jersey by 7 a.m. the following morning."

Together, 42 employees staff the parts center 24

hours a day, filling customer orders, stocking parts, making deliveries and unloading new parts shipments, which arrive during the night.

REBUILD PROGRAMS

In addition to the typical parts and service support, Foley, Inc. also offers customers several rebuild options, including complete equipment rebuild programs.

"Within the past year we've come up with a new 'Certified Powertrain Plus' offering," Wagenblast relates. "Sometimes the best value is not rebuilding the whole thing," he explains. "This is especially true for customers who have the ability to do hydraulic or electrical repairs themselves and just need someone to rebuild the engine, transmission and other powertrain components, since that is where we can generally give the customer the most value."

FOLEY EXPRESS HYDRAULICS

Of course one of Foley's best service success stories is Foley Express Hydraulics, which was started in 2003 under the direction of Ryan Foley shortly after he joined the family business. Today, Foley Express Hydraulics operates out of Piscataway with additional hose shop capabilities in Monroe, N.J., and service offerings through two resellers.



"We originally got involved in the market as we saw the move toward more excavators and machines with hydraulics," Ryan explains. "So we opened Foley Express Hydraulics to specifically deal with hydraulic hoses, cylinders and pumps. The whole premise was speed."

Foley continues, pointing out that the shops currently build 600 to 700 hoses per month for every make and model of equipment. "We guarantee that we can build a new hose in 30 minutes or it's free."

Over the past three and a half years, Foley has only given away two or three hoses! As an order comes in, the hose material is cut to length, cleaned by shooting a foam projectile through it and capped with the appropriate fittings.

"Our goal now is to turn any hydraulic cylinder around within 24 hours," Foley explains. "Unfortunately, we can't rebuild a pump or motor quickly enough to meet the immediate need that most customers face. So the best option in most situations is to offer a Cat remanufactured pump or motor on an exchange basis."

RENTAL SERVICES

Foley has also developed a reputation for assisting customers with the equipment they need on a temporary basis.

Established in 1996 in Linden, N.J., and later moved to Piscataway and Monroe, Foley Rents is an unbeatable source for a full range of job-site rental needs, including light towers, aerial lifts, wheel loaders, power generators, hand tools, air compressors, Cat earthmoving equipment and a full line of compact construction equipment and work tools.

"The introduction of Cat Compact Construction Equipment in the 1990s was a wonderful addition to Foley Rents, as well as our sales line-up," Ryan Foley adds. "With so many work tools available for sale or rent, our customers can use a Cat skid steer loader or compact excavator to do more in less space than ever before."

CUSTOMER TRAINING

Foley, Inc., will even provide the training! Thanks to an exclusive agreement with Engine City Technical institute, Foley not only provides regular training seminars for their

employees and technicians, but offers technical courses to customers on a wide variety of subjects.

"One of the best things about doing business with Foley is their dedication to customer support," says Joe Tierno from Tierno and Sons, a Foley customer for 32 years. "It's not just limited to parts and service either. They're constantly evolving to meet our changing needs and looking for ways to help us remain profitable."

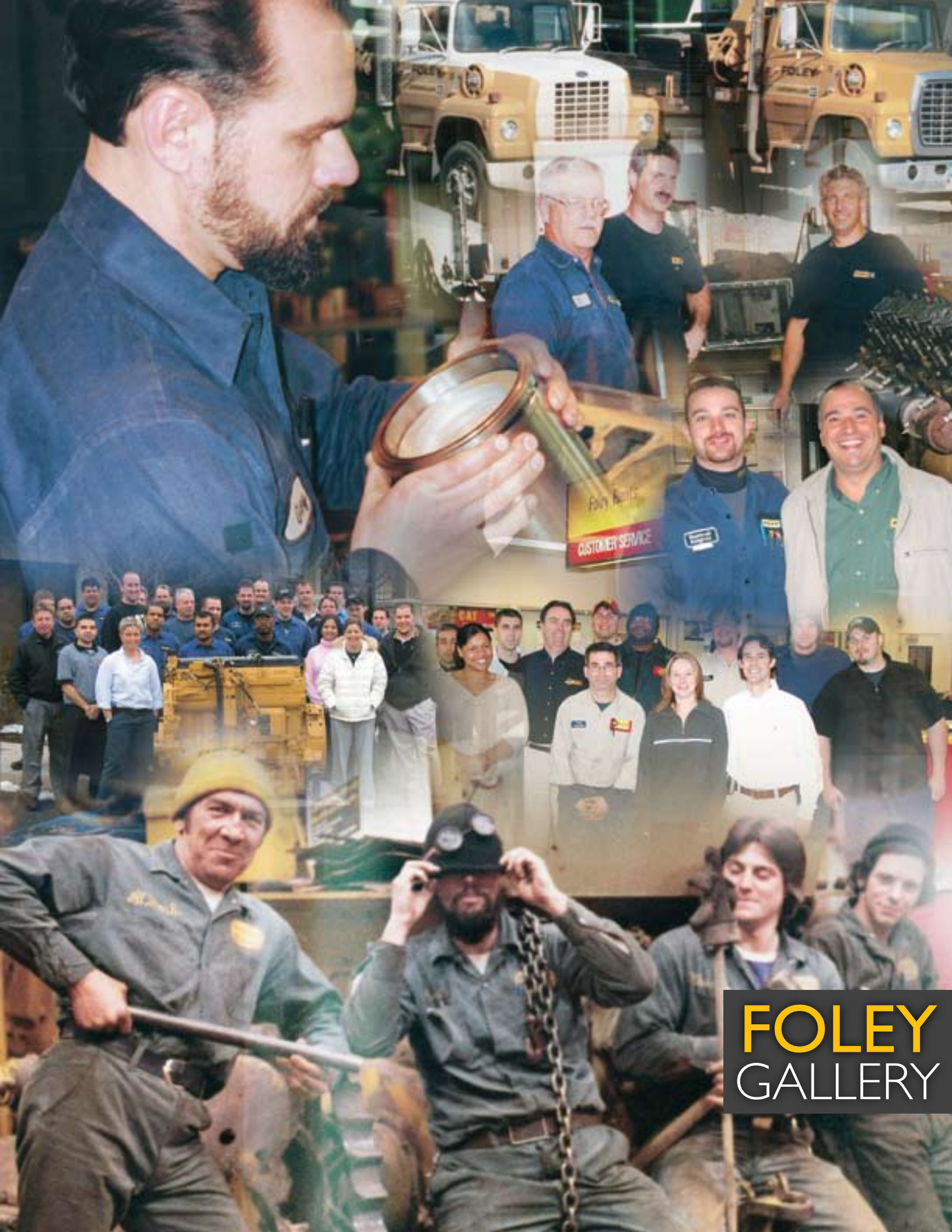
THE FUTURE IS NOW

Nothing has influenced Foley's service response and customer satisfaction as much as new computer technology and changing philosophies. Caterpillar's DBSi system, for example, does much more than provide the field technicians instant access to parts ordering and service records. It also allows the sales staff to quickly check the status of machine inventories. Within the coming year, customers will also be able to use the system to view their rental invoices and services records on-line.

"I can remember when customer information was kept on Rolodex cards and the parts inventory was maintained through handwritten records," says Susan Connolly, executive vice president and chief operating officer for Foley, Inc. "Each time the parts department made a sale, they would write out a ticket and pass it on to another employee who would manually subtract it from the inventory. And that wasn't that many years ago."

According to Connolly recent advancements at Foley have also included the launch of 6 Sigma. As a company philosophy, it focuses on eliminating mistakes from all business processes in order to further increase customer satisfaction. Instead of calling on intuition and emotions, 6 Sigma incorporates a disciplined application of statistical facts and data and a measurement of variation. Stated another way, it provides Foley with common processes that can help solve business and transactional challenges.

Connolly concludes, "We believe in continually improving. We feel that change is good, not for change's sake, but to make us a better company as a whole. We don't embrace technology just for the 'wow' factor, but rather to make it easier for our customers to do business with us." ■



FOLEY
GALLERY

HELP IN A TIME OF NEED

Ralph Waldo Emerson once said, "Tis good to give a stranger a meal or a night's lodging. 'Tis better to be hospitable to his good meaning and thought and give courage to a companion."

That has certainly been the case at Foley, Inc., for the past half century. Whether it's been responding to the needs of hurricane victims or raising money for children's programs, Foley has been there to help with manpower and machinery.

Unfortunately, some of the most memorable community aide projects were also the most heart-wrenching. One of those times followed September 11, 2001, when New York's Twin Towers were destroyed by terrorists.

According to Mike Kubas, vice president of Foley Power Systems, Foley, Inc., provided approximately 175 light towers and around 20 megawatts of power to their own customers who were helping with rescue and recovery efforts in the hours and days that followed the devastating attack. However, Foley also provided the staging point for generators shipped in from Cat dealers throughout the country.

"Working in conjunction with H. O. Penn, which is the Caterpillar dealer for the New York area, we prepped and made ready about 50 2-megawatt power modules at our facility in Hightstown," Kubas relates. "So it was really a joint effort between both dealerships, with help from several others."



September 11, 2001 - World Trade Center Attacks



September 11, 2001 Show of Support



Veteran's Memorial - 1992

HURRICANES AND FLOODS

Foley has also been there to assist in times of natural disaster. Of course, being on the East Coast, that has often meant hurricanes. Most recently, Foley's was involved in sending generators to Louisiana Power following Hurricane Katrina.

"If you look at our rental fleet, it's really a nationwide fleet when you put all the Caterpillar dealers together," Kubas continues. "We all rent from one another in times of critical need."

Management and staff have done their part to assist hurricane victims too according to Kim Foley.

"We had a number of employees who took personal time off from work and went to the Gulf Coast to help out following Katrina," he relates. "Our company was also involved in Angel Flights that went to the area with medical supplies. On the return flights, we often brought back families that knew people in this area that they could move in with on a temporary basis.

"As bad as 9/11 was, I think Katrina was worse," Foley adds. "It was like a tidal wave that washed in and took everything. It left total destruction over a huge area."

Foley, Inc., was also there to lend a hand following Hurricane Andrew, shipping generator units as far away as southern Florida.

Of course, Hurricane Floyd was even closer to home, hitting some of Foley's own employees in the fall of 1999.

"From the beginning of the disaster, Foley was there," wrote Mary Ann Lewchuk, one of three Foley employees affected by the fury of Floyd. "We had over five feet of water on our first floor; but the entire Foley staff was

working to help us rebuild and put our lives back together. In today's job market, it is rare to find a company that has the feel of family, where people work together with concern and loyalty for one another."

BUILDING HOUSES BY HAND

It doesn't take a national disaster to bring out the Foley employees' benevolent spirit, however. Just this year, the employees at the Piscataway location decided to take on the job of building a house through Habitat for Humanity.

"We feel like these sort of things just go with being in the business," says Kim Foley. "Plus, when you have employees who are motivated and talented, like we do, their caring nature just naturally comes out."

PATRIOTISM ON DISPLAY

As a former Marine officer and Vietnam veteran, and the son of a World War II veteran, Kim Foley is also quick to assist when patriotism is involved.

Take the New Jersey Vietnam Veterans Memorial at the Garden State Arts Center in Holmdel, N.J., as an example. While the New Jersey Utility and Transportation Contractors Association supplied much of the actual construction work and materials, Foley donated the use of a Cat 225 excavator and a 50-kW Cat generator during the construction process. One of Foley's customers — Arnolt Brothers of Metuchen, N.J. — also got into the act by making the initial groundbreaking pass with a Cat D8K.

Other times Foley's patriotism has been as simple as unfurling a giant American flag between two Cat excavators parked alongside New Jersey's Route 287.



Supporting Our Marines - 2005



Toys for Tots - 2006

SUPPORT FOR THE MILITARY

Foley has done its share to directly support the military, as well. In fact, in 2003, Kim Foley accepted an invitation from then Secretary of Defense Donald Rumsfeld to participate in the Defense Department's Joint Civilian Orientation Conference, a multi-country trip. The opportunity provided a first-hand exposure to military personnel, their equipment and capabilities and national defense strategies.

Foley employees even chipped in to help seriously wounded Marines and Sailors who are being cared for in Bethesda, Md. The goal was to collect used Xbox and Playstation 2 games, along with VHS and DVD movies that injured soldiers could use to pass the time during their recovery. On an ongoing basis, every wounded sailor and marine cared for at Bethesda has been provided a marine warm-up suit courtesy primarily of Foley, Inc. and its employees. To date, over 2,500 suits (as pictured above) have been provided.

Foley employees also gathered such items as toothbrushes, razors, shaving cream and shampoo for soldiers arriving at Bethesda.

CHILDREN ARE IMPORTANT, TOO

When it comes to donations, though, few projects touch the hearts of the Foley staff and employees more than those involving children. The Foley Ride (see Foley

Events section), for example, has already generated several thousand dollars for the Newark Boys and Girls Clubs.

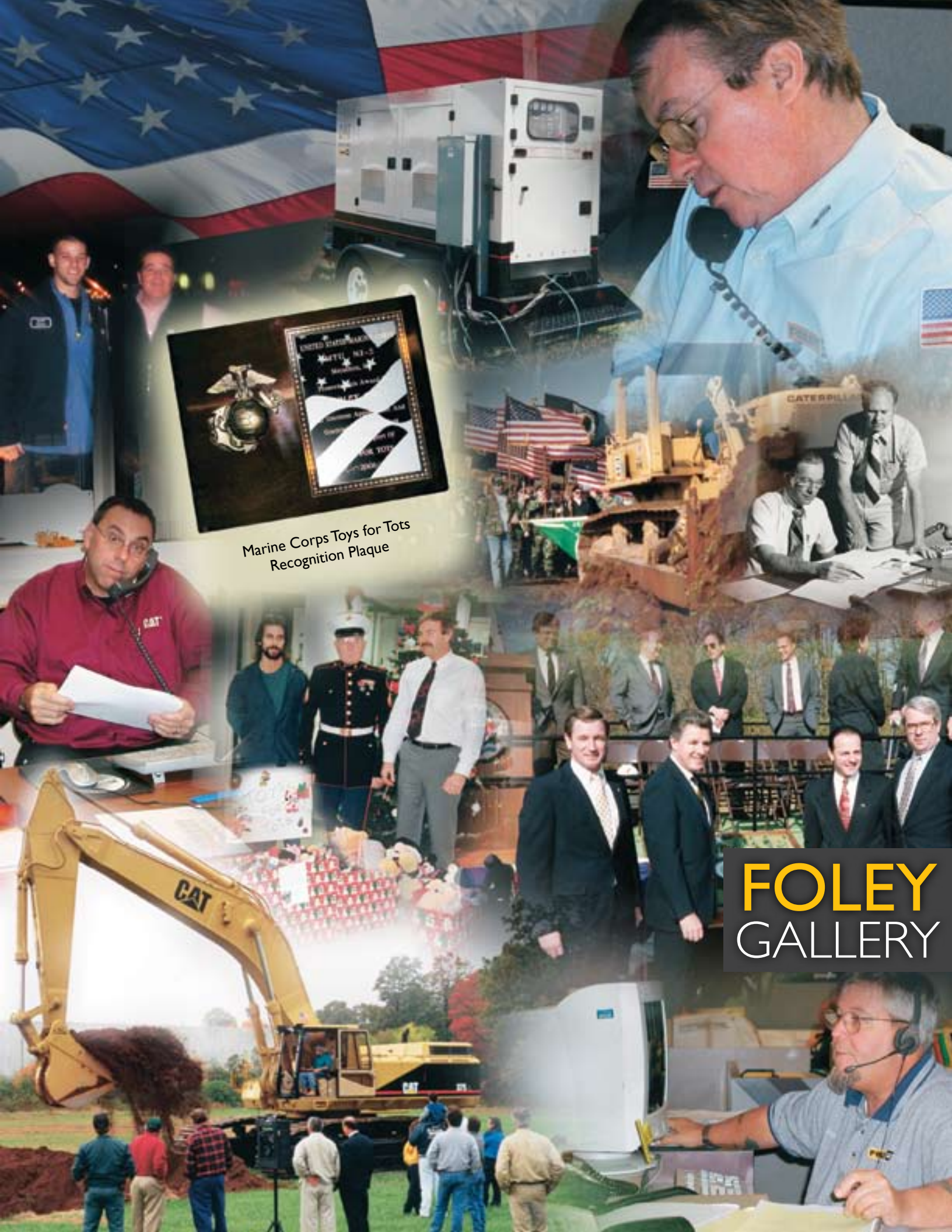
Foley, Inc. has also joined with the Marine Toys for Tots Foundation to collect money and toys during the Christmas season. Funds donated by Foley employees were supplemented by money raised at the Foley Yard Sale to provide a generous donation to the foundation.

Proving that one person can make a difference, Foley, Inc., even adopted a cause suggested by Joann Hamaid, an employee who thought that others like herself might be willing to make a donation in exchange for the chance wear jeans on Friday.

Her idea turned into Denim Day, which raised \$500 and 10 turkeys for FISH (Friends in Service Here) of Piscataway, N.J., which was passed on to families in need of a nourishing Thanksgiving meal.

"We're obviously proud of all the projects we've been involved in throughout New Jersey and Staten Island," says Kim Foley. "That includes the vast number of highway and bridge projects that we've helped our customers complete via our service and equipment. The same goes for customers like Verizon and the New Jersey Transit, for which we supply power systems and engines."

"But few projects give us more pride than the ones we do to aid and assist others in need," he concludes. "It's all part of being a partner with the community." ■



Marine Corps Toys for Tots
Recognition Plaque

FOLEY
GALLERY



FOLEY

CELEBRATIONS

Whether it's a customer appreciation event, an employee recognition function or a fundraising affair, Foley people know how to have fun, while often providing some motivation and mutual respect at the same time.

Thanks to Ryan Foley, vice president of customer relationships, one of the best known events is the annual Foley Ride. First held in 2003, the event drew more than 100 motorcyclists who were eager to hit the road for some fun and a good cause.

"The Foley Ride is a lot more than just a motorcycle rally," says Ryan, who initiated the idea through his love of outdoor sports. "Through registration fees, we've already raised several thousand dollars over the past four years to benefit The Boys & Girls Club of Newark."

Traditionally, the ride departs from Foley headquarters in Piscataway and makes its way to Stone Rows Farm in Stockton, where riders enjoy a barbecue meal.

"The numbers have been growing every year," says Ryan. "In the second year alone, we had around 250 motorcyclists participate. I know it's been an enjoyable and rewarding event for us and I think it has been for a

number of our customers, too. Over the past four years, we've hosted custom bikes, antique bikes, custom-built trikes and customers who have brought out the entire fleet. Of course, that just makes the competition for the 'People's Choice Contest' for the favorite bike that much more exciting."

Ironically, it was Ryan's love of motorcycles that led Caterpillar to have Orange County Choppers build the

famed Cat Chopper as featured on Discovery Channel's American Chopper Series. Naturally, that machine too has appeared at more than one Foley event.

AMERICA'S FAVORITE PASTIMES

You don't have to be a motorcycle enthusiast to enjoy a Foley event. Customers of Foley

Rents, for instance, have enjoyed evenings of fishing aboard the Royal Miss Belmar. Even if they didn't catch that "big" one, guests enjoyed dinner, refreshments and unmatched fellowship.

And who can forget Foley Rents Night at the Somerset Patriots ballpark in Somerset, NJ? In addition to the entertainment, baseball fans and customers from



Foley Company Picnic - 1990



Grand Opening Piscataway - 1967



Foley Christmas Party - 1999

throughout the area were treated to a closer look at some of Foley Rents' inventory.

It seems there's been no end to the other divisions' celebrations and open houses, either. The Foley Expo, for example, featured such well-known celebrities as Austin Powers and Joey Provalone. The Expo also featured tours of the facilities, equipment demonstrations, drawings and, naturally, plenty of food, refreshments and entertainment.

"The Foley Expo event exceeded our expectations," says Michael Held, vice president of marketing for Foley, Inc. "Customers often tell us that they came away with a better knowledge of the capabilities we offer that can benefit them. Best of all, they've had a great time in the process."

EMPLOYEE RECOGNITION

Customers haven't been the only ones to be honored by Foley events and activities. Foley employees have been

equally recognized through company activities. One of those is the Legendary Customer Service (LCS) program, which was created to recognize Foley, Inc. employees who exhibit excellence in serving external customers and internal personnel (other employees).

Each Foley employee who is nominated for the award by a customer or another employee receives a specially minted LCS coin. The nominee is also entered in a monthly drawing for \$200. Each time a person gets a coin, they are entered into a grand prize drawing which is held during the Foley annual meeting. Each year, one name is drawn and awarded a paid vacation. On February 8, 2007, Walt Suk was the proud recipient of the first year's grand prize.

"By the end of 2006, we had distributed 780 Legendary Customer Service awards to 261 employees, thanks to nominations from 133 different individuals," says Susan Connolly, executive vice president and chief



Customer NPI Event - 2006



Foley Expo - 2004



Foley Ride - 2005

operating officer for Foley, Inc. "An employee isn't limited on the number of nominations or coins he or she can receive. We just ask that the person making the nomination include what specific activity occurred, how-when-where it occurred and why it was important."

As they say, though, "All work and no play makes Jack a dull boy." So Foley employees have had their share of fun, too. Over the years, we have celebrated birthdays, retirements, weddings, as well as the company's 25th and 40th Anniversaries. We also celebrate employee service anniversaries with special letter readings.

We've celebrated days that employees bring their children and grandchildren to work to learn what we do. Other days, we've dressed up for Halloween, St. Patrick's Day, and Christmas. On almost every occasion, there's been plenty of food, beverages and entertainment involved.

On the other hand, Foley employees seem to get plenty of exercise to work off the calories. Over the years, we've run in sack races, walked a tightrope, climbed walls (literally), taken a swim in the dunk tank and pedaled tricycles around the parking lot while everyone else rode their motorcycles.

"We talk about this being a family business," says Kim Foley, chairman of the board and chief executive officer of Foley, Inc. "Well Foley is a business that supports all our families. Every employee has a responsibility that affects every other employee.

"When employees feel that they are part of the organization and customers feel that they are important for more than their business, relationships are strengthened and it only adds to our ability to strengthen the organization," he concludes. ■



FOLEY
GALLERY

FOLEY VALUES

THE 'VALUES' JOURNEY

Since the day Edward Foley, Jr. purchased the assets of Smith Tractor and Equipment, the Foley management team has realized the value of employee knowledge, input and satisfaction.

Ed Jr. made that clear when he not only kept nearly all of the Smith Tractor employees following the purchase, but went to each one individually, asking what they did and what challenges they faced.

Today, that management philosophy, which ensures that all employees make decisions based on the same criteria, has a name — The Core Company Values.

"It was in 1997, following a visit to the Caterpillar tractor division, that we decided to embark on our values journey," says Susan Connolly, executive vice president and chief operating officer at Foley, Inc. "That eventually led to the formation of our five core company values, which define the way we not only interact with our employees, but with our customers. In essence, they consist of trust, mutual respect, communication, excellence and success."

The next most important thing the Foley team did, according to Connolly, was initiate the "trend tracker" program. This consists of an anonymous employee survey to determine whether the company and the staff are behaving in accordance with these values.

Based on the feedback from these surveys, which essentially asked employees how well the company "walked the talk," we were able to see areas of opportunity for improvement. We established employee focus groups and worked together to formulate and implement solutions. Since 1997, Foley management saw employee satisfaction improve from 65 percent to 83 percent in 2006.

"We've found there is an incredible correlation between company earnings and the way employees view our behavior as compared to our values," she relates. "So we have easily proven that by working together toward common goals, communicating well, treating each other with mutual respect and making decisions that are in the best interest of all three stakeholder groups, those goals of excellence and success are more easily attained."

Connolly concludes, "In the end, it's about creating a collaborative environment where employees know that their thoughts and ideas are valued by the company. When we harness our collective talents, we truly are unbeatable."

OUR VALUES

TRUST
Doing what's in the best interest of each other, the customers and the company.

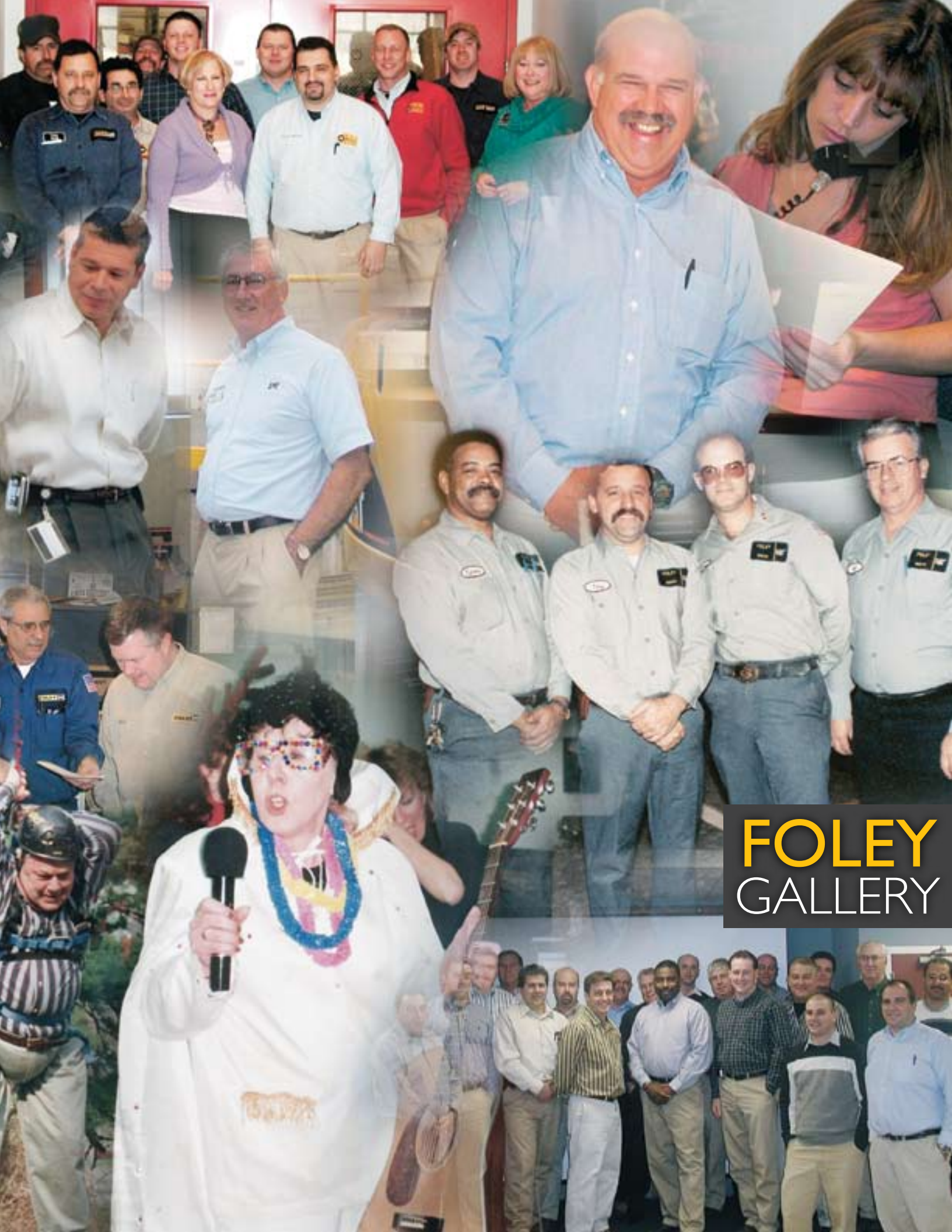
MUTUAL RESPECT
Treating everyone as you want to be treated.

COMMUNICATION
Sharing timely and accurate information.

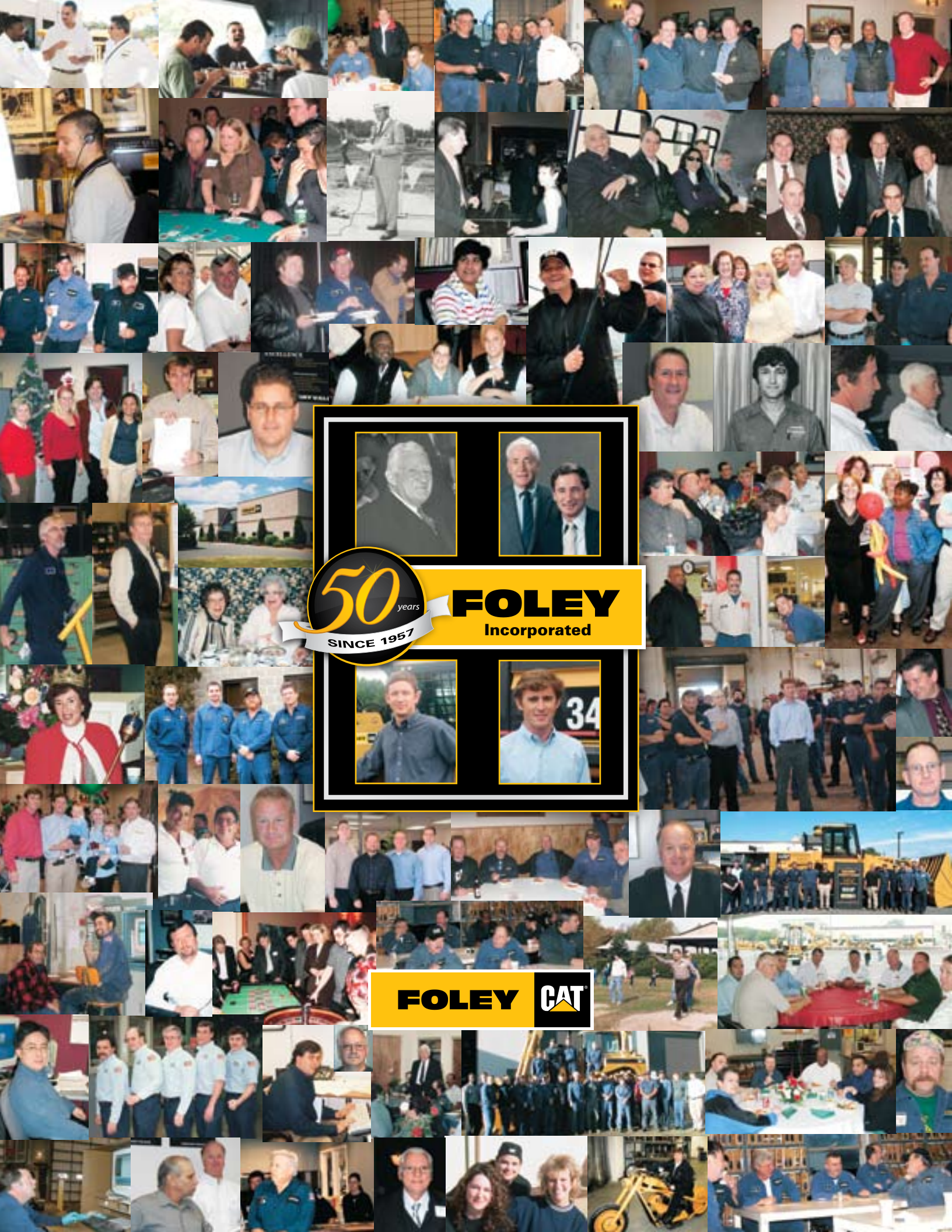
EXCELLENCE
Continually getting better.

SUCCESS
Achieving targeted goals.





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50 years
SINCE 1957

FOLEY
Incorporated



FOLEY **CAT**