



May 22, 2012

Dear Valued Customer,

We are pleased to provide you with details of recent news concerning the growth and expansion of the Naztec ITS product line. This month, two transportation industry leaders, Naztec and Trafficware, have formalized an agreement to merge product lines. The announcement and press release is being made this week at the ITS America Annual Conference in National Harbor, MD (Washington, DC).

As detailed in the official press release, the combined merger of Naztec and Trafficware will provide a greater and clearer focus on sophisticated Advanced Traffic Management Systems (ATMS) and Adaptive Signal Control (ASC) platforms. The resulting change will bring a new brand name to our controller hardware products, "Trafficware – Engineered by Naztec", at the Naztec manufacturing facility in Sugar Land, TX (Houston).

As a leading regional ITS system integrator, WP Signal is excited about the new ITS solution capabilities and increased number of sophisticated project opportunities that this partnership and merger will bring to all of us. Our decade-long business relationship with each company independently, gives us a great vision and new products to look forward to, within a combined operation. We look forward to working along with each of you and your agencies into enhancing and building upon your Naztec-based ATMS into a Trafficware Enterprise class central control system.

We look forward to discussing ideas, questions, or providing further information about Trafficware and Western Pacific Signal. Thank you for your continued business.

Sincerely Yours,

Donald R. Shupp
Vice President and General Manager



Dear Valued Customer,

Naztec is pleased to announce our merger with Trafficware, forming the preeminent technology-based company in the traffic management segment of the intelligent transportation systems (ITS) industry. As a Naztec customer, this combination will be seamless to you as the Trafficware organization will be incorporated into Naztec's existing operation. We have elected to adopt the Trafficware name as it more aptly describes both our market focus and the combination of hardware and software products we provide; we will continue to recognize our technical heritage by using the tagline: Engineered by Naztec.

The benefit of this merger to Naztec customers is in our expanded capabilities to develop more advanced software solutions and to integrate best-in-class software products into our existing suite of enterprise-wide traffic management systems. As the leading supplier of simulation (SimTraffic), optimization (Synchro), and adaptive control (SynchroGreen) software in the world, the Trafficware organization brings unparalleled software expertise to our industry-leading hardware design and manufacturing capabilities. The combined organization will operate from our 90,000 square-foot facility located in Sugar Land, Texas.

To learn more about the software applications provided as a result of this merger, visit www.trafficwareinc.com.

It has been a pleasure to serve you in the past, and we look forward to doing business with you in the future.

Sincerely,

John Worthington
Chairman & CEO
Trafficware