

A Message from the President

Let me open by wishing everyone a wonderful, prosperous, and healthy New Year! Over the last two quarters since my last message, we've been through quite a bit of change and growth (which you'll see outlined in the following pages of this issue). I feel it's important to take this opportunity to shed a bit of light, no pun intended, on where Linc Lighting and Electrical is currently at. I'd also like to discuss the direction we're headed in the coming year.

Now those of you who have received this newsletter in the past you might notice some changes compared to prior issues. Rather than focusing on different divisions, we're trying to bring a sense of unity to LLE by focusing on different locations instead. With that said, one of our most recent accomplishments on the road to becoming LLE has involved modifying our mission and vision statements, which you can also read in this issue. As for our values, they remain the same, but we have simplified them in some respects. So, by all means, take the opportunity to look them over because they provide a great framework to remember as you go about your daily duties. This type of re-branding will continue, but we expect to be finished by the end of the year.

What hasn't changed, though, is our total commitment to providing exceptional service, creating opportunities for everyone to advance, while continually raising the benchmark for performance delivery. We will always develop new services and will continue to develop and recruit leadership for our expansion. We've been here for 27 years, but we're not content to sit on our laurels. To make it another 27 years I realize it means looking to the future and putting plans into action. One step in that direction is our recent strategic planning initiative where our leaders have re-designed goals and objectives for the next year. I'll go into greater details in the next quarterly meeting when we officially announce the plan.

But I'll give you a small preview. Our objective is to be a comprehensive service provider that will guarantee performance of electrical and lighting systems in existing buildings. This uses our CLMP program as a foundation, but we will move this into the complete electrical systems too. Currently we provide preventive electrical services such as thermal imaging. We can do this because our core competency is maintaining, repairing, and renovating electrical and lighting systems. (Try saying that all in one breath.) The message is simple and clear – our work is our signature, every day. Whether we are picking up a phone, selling to new or existing clients, or, most importantly, performing our work in the field, we are all critical to a successful operation. We rely on one another, and what we do work-wise reflects on us, not only as individuals but also as a company/brand.



President Darin Anderson

For company performance, the fourth quarter of 2007 was another record revenue quarter, thanks to all of you. In addition, the first quarter of 2008 has been good despite the slow-down in the general electrical industry at large. While the new building electrical construction industry in recent months has declined by 20%-50%, depending on the region, repair and renovation in the electrical industry is actually projected to be slightly increasing. That's wonderful news for us.

Now some of you may still be wondering about the Linc Group merger and what it means to LLE. As

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you already know, the Linc Group is made up of Linc Services, Linc Network, Linc Facilities Services, and Linc Lighting and Electrical. Linc Services alone is a \$110 million-a-year operation. In addition, both Linc Services and Linc Facilities Services have had record revenue and operating income as well as the growth of new facilities and customers, such as Verizon and Intercontinental Tire. What this means for LLE is that we now have greater resources to draw from. Those include a significant investment in our Field Force automation tools, a new operational/financial management platform to accommodate our growth, greater purchasing power, and strong executive level

support to grow our business and increase our cross-selling opportunities. Bottom line? The merger spells great success for everyone.

In closing, let me remind you that what we do is extremely important to our community. By maintaining properties with superior service, we are making the lives of other people safer, making properties more attractive, minimizing operating failure, and preserving our precious natural resources through energy efficiency. Thank you for your contributions to make our organization healthy, vibrant, and successful! I appreciate your efforts so much, and I'm looking forward to another great year! ♦

...build lifetime relationships by proactively ensuring that our customers' electrical and lighting systems work properly, are cost effective and energy efficient...

Notable Events

In this issue we've got three notable events to share – the Linc Continuing Education Course, the Annual Laughlin Company Trip, and the ACE Awards. Enjoy!

Linc Continuing Education Course – LLE sent 15 team members to the continuing education course in Dallas, TX from Jan. 31–Feb. 2. One member, Pollyanna Rondeau, Sales Administrator of the Rancho Cucamonga branch, found her first Linc Educational Course amazing. She says the course was “a wonderful opportunity to meet fellow Linc employees, who are no longer just co-workers, but new friends.” She's looking forward to the possibility of attending again: “I had heard of all the different LINC acronyms that are used on a daily basis (CRM, EM, WOM, BES, etc.), but after this educational course I walked away with a better understanding of each one.”



(L to R) Dave Whaley, Pollyanna Rondeau, Ian McClement

Annual Laughlin Company Trip – A fun time was had by all who attended the annual company trip to Laughlin, Nevada. On Friday evening we enjoyed a great round of “Friendly Feud,” the LLE version of Family Feud. We also played a team building game called, “Two Truths and One Lie,” where we really got to know a lot about our team members. Saturday's events on the beach were even more fun. Although

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many of us lacked physical coordination at the

sporting events, it was still an entertaining time. The yearly company trip is a team-building experience where everyone can get to know each other better; it's been a great success. Here's hoping everyone can make it next year.

ACE Awards – ACE stands for *Attitude – Commitment – Effort*. Our special guests for this past year's awards event, which was held on Dec. 6, 2007, at the Arroyo Trabuco Golf course, were Tracy Price, TLG President & CEO; Dave



(L to R) Tracy Price, Joanne Micheil, Greg Lush

Whaley, TLG Executive Vice President and COO; Greg Lush, TLG CIO; and Tony Dyer, Linc Service So. Cal GM. This year's keynote speaker was Dave Whaley, who presented an overview of the TLG RAF program: “Respected by Customers, Admired by Employees, Feared by Competitors.” Several recognitions were handed out to many team members, including Pollyanna Rondeau, Dave Thomas, Chad Milledge, Angela Escalle, Jeremy Buck, Chris Rafferty, Fred VonHusen, Gail Hernandez, George Castro, Shawn Scala, Bob Satterlee, Mayra Perez, Kevin MacDonald, Eric Bernard, and Henry Klenke. Inland Empire received Team of the Year for 2007. Henrik Babakhani received Employee of the Year, and Diamond Award Winners were Benny Olander, Henrik Babakhani, and Scott Tapia. **Congratulations to everyone!**

Safety Story!

By Ian McClement

Drive Time... How a Few Seconds Can Make, or Break You

Safety on the job applies to all areas, which includes going to and coming from work sites. Drivers react to what they see in the driving environment that surrounds them, often called the Reaction Zone. This Reaction Zone is fluid, meaning zones change size and shape continuously and it's a driver's skill that determines the size and content of the Reaction Zone. Add to that, the average driver's reaction time is only 3–6 seconds ahead of their vehicle. In other words, *drivers must always be aware of what's happening around them because most collisions occur for three reasons:*

- 1) They fail to see what's happening around them.
- 2) They improperly evaluate the situation.
- 3) They don't have a solution to avoid problems they encounter.

Some collisions are unavoidable. It's like picking the worst of two evils when it comes to how you will react. But for the most part, nearly all collisions can be avoided by remembering three key elements – Space, Visibility and Time.

In regard to space, continuously consider one or more escape paths for the unexpected. When it comes to visibility, be sure to maximize your vision range. This can include, but is not limited to, allowing more space between you and the vehicle ahead of you. Next is time. Give yourself extra time to make quick decisions so you can use that 'space cushion' you create more effectively. With these simple steps you can make your travel, and that of those around you, much safer.

Client Spotlight

In this issue we'd like to feature **Abby Company and CB Richard Ellis** in Ontario, which recently approved \$120,000 in lighting upgrades. These accounts were the direct result of preparing budget letters that prompted them to approve the work.

We began at the top of this year and continue to

Client Spotlight

handle tasks like lighting upgrades, pole inspections, etc. So a big round of applause to everyone at LLE who helped add Abby Company and CB Richard Ellis to our growing list of clients and to those techs in the field for their excellent workmanship.

Client Spotlight

TLG Family Site

After many months of work, the Family Team site collection is ready for use and deployment to our families and significant others. This is one of several initiatives preparing us for a run at the "Top 100" company list.

Check out the Family Team site collection at <https://tlgfamily.thelincgroup.com>. Full details of each tab may be found on the home page. In order to add dependents to the system (family members), you simply navigate to the Dependent mgmt pages (link

<https://tlgfamily.thelincgroup.com>

found to the right on the home page). Only TLG employees may add dependents. Once added, the dependent will receive an automated notification with instructions and will be guided to <https://family.thelincgroup.com>, the dependent facing version of the collection (the content is exactly the same).

More details on the Family Team site be sure to read the next LLE newsletter.

Above & Beyond

Christmas is a time to relax with family and friends, where work is an afterthought. But we'd like to give special thanks to **Efren Florentino** of the Lake Forest branch. Efren, although not on call and with no obligation to respond, took it upon himself to answer an emergency service call at 10:00 Christmas morning.

He spent that morning removing a fallen pole and repairing exposed wires in an area where children often play. It should be noted that Efren has a family of his own, but this very selfless gesture to keep strangers safe is highly commendable. Our deepest thanks, Efren, for going **Above and Beyond**.



Technology/Franchise Corner

By Shannon Solberg, Manager, Business Systems & Franchise LLE Inc.

It's an exciting time now in business systems. We're working with Hitachi Consulting to do a change-over to what we call LLE Mobility. This new system will allow us to transition things such as work order management. The purpose of LLE Mobility is to completely automate calls so there will be no need for paper. Not only is it more productive in the long run, but it also keeps in line with our environmental friendly advancements we're starting to implement across LLE. Work on the program has just begun and

our estimated completion time of CRM (Customer Relation Management) is April/May 2008, with the share point enterprise management due for completion in June 2008.

In addition, LLE is going to be using Dynamics AX – a Microsoft-based financial program that goes along with our Field Force automation tools. This will provide us the ability to scale operations more than we can now. Field Force and AX together will allow us to better communicate with our customers by providing real time



(L to R) Shannon Solberg, Karen Morris, Angela Escalle, Angelica Hernandez

information. They will also improve the timeliness and accuracy of information and the efficiency with which we process clients. To grow on a major regional and national basis this is essential. This \$1.25 million investment in a more robust set of tools is necessary.

Linc Lighting & Electrical – San Diego

By Joe Zentgraf – General Manager

We're pleased to announce that LLE started the year off with a bang! In fact, our January earnings were approximately \$314,000 - our largest volume in sales to date. The group did a wonderful job and had a strong team effort, which helped make this quarter a bright one. And while we still continue to do work for independent clients, we've got exciting news on two clients in particular.

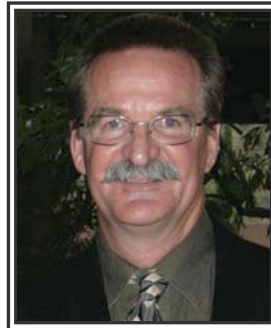
One involves a government contract, which, as many of you know, is a bit unusual since we often work in the private sector. BMAR Construction, a company also owned by Linc, requires sub-contractors for the National Guard armory of San Diego County located in El Cajon. The work will mainly consist of upgrading all their electrical equipment and adding new electrical, data and communications components. The base contract is for \$64,000, with possible extras that might be needed to exceed this amount. As for the project

time, we expect this job to last until May/late Spring.

Our second client is the property management company of H.G. Fenton.

This contract involves installing infrared readings that act as preventive maintenance and will inform H.G. Fenton if any equipment is overheating or not working properly at their properties. We've been hired to handle 58 of their properties and have finished two batches for a total of 25 properties now completed. In addition, we've been given verbal confirmation of being awarded their entire portfolio. We expect a written commitment for all of their properties by June with the total for this job projected between \$30,000-\$40,000.

In relation to new products



Joe Zentgraf, G.M.

development, we continue our quest into the world of LED. We're currently looking into LED products and suppliers - finding out what works best for our particular target markets and which companies have a dependable record. Since LEDs can last from 30k-100k hours, depending on the product, more customers are beginning to inquire about these lighting sources. As the country continues to look for ways to be 'greener,' while still wanting to save money in the process, we continue to search for products that will fill our customers' need.

In addition to LED research, over the last quarter LLE has begun to accept clients who need help with their indoor and outdoor promotional signs. By extension, we're also looking at the possibility of LEDs replacing neon in promotional signs.

As you can see, LLE remains busy fulfilling today's needs for our clients while also keeping our eye on what the future might hold.

Orange County Update

By Andy Beggs – General Manager

What a busy year so far! We've got lots of news to report, so let's jump in...

First, in our partners and vendors news, we'd like to give a shout-out to **Danny Lorenzo** of Grainger. Although not a LLE employee, he's been a great help in getting us the proper products we need. We'd also like to thank Grainger for hosting the two-day workshop in Atlanta, run also with Acuity Brands, where our staff received lighting fixture specification training.

In PM and sales news, we had 33 new PM locations added in 2008, including an account with Allen Tires, thanks to the closing skills of **Denny Querantes**.

Other notable highlights in sales include **Steve Wilbur's** \$105,000 project with Woodbridge Parkway for wall fixture replacement and **Rory Tompoles'** \$51,000 project to install lighting fixtures for Santa Ana Unified School District. The latter project is particularly interesting because we'll be utilizing both Key and Sundown workers. Other

standout sales news includes **Shawn Scala**, who continues to do great work with Irvine Company, including a \$12,000 sale for replacement of wall packs at Alton Square.

In employee news, it's with mixed emotions that we announce the departure of **Benny Olander** after 20 years of service. He has left our family

at LLE to spend more time with his family. We'll miss him, but we wish him the best in his retirement.

We're also happy to announce three new arrivals: lighting technicians **Tim Bitner** and **Ryan Porter** as well as journeyman electrician **Mark Doyon**. All of them are welcome additions, and we're looking forward to seeing the knowledge and skill they'll bring to LLE.

In related employee news, field technician **D'Angelo Garbarino** has a new job. He's been promoted to the role of dispatcher, having worked in both



(L to R) Darin Anderson and Cameron Funk

the Orange County branch and the Las Vegas branch over the last couple of years. We're certain the dedication and high standard of work he's shown will only continue.

I'd like to close this update by offering our heartfelt congratulations to **Francisco Santizo**. He's officially passed his CA electrical contractor license C-10 exam. *Hooray!* So that means he's now the license holder at Sundown Lighting, Inc.

New Employees

We're proud to announce our latest additions to the LLE family

(in alphabetical order...)

Tim Bitner - Lighting Technician: Orange County

Joel Bugarin - Electrician: Cerritos

Matt Burnette - Electrician: Cerritos

Ronald Cole - Lighting Technician: Inland Empire

Daniel Donovan - Apprentice Electrician: Cerritos

Mark Doyon - Journeyman Electrician: Orange County

Jeremy Ellertson - Electrician: Cerritos

Rudy Flores - Journeyman II Electrician: San Diego

Adam Ganshirt - Electrician: Cerritos

Erubey Isaza - Electrician: Cerritos

Dave Jackson - Electrician: Cerritos

Jerry Jarvis - Electrician: Cerritos

Petr Krzyanek - Electrician: Cerritos

Jamie Melsheimer - Sales Assistant: San Diego

Amy Morris - Accounting/Service Team Assistant: Inland Empire

Paul Nguyen - Apprentice Electrician: Cerritos

Mark Peeks - Journeyman II Electrician: San Diego

Ryan Porter - Lighting Technician: Orange County

Denny Querantes - Sales Consultant: Orange County

Herman Richardson - Electrician: Cerritos

Brandon Scott - Sales Consultant: Inland Empire

Rob Stanton - Sr. Sales Consultant: San Jose

Rory Tompoles - Sales Consultant: Orange County

Cynthia Valdez - Dispatcher: Key Electric

Quy Van Le - Electrician: Key Electric

Inland Empire News

By Scott Tapia - Sales Manager and Ian McClement - General Manager

Before we talk about where we're going let's discuss where we've been...

It was a great year for sales, despite the sluggish economy in 2007, with our total revenue at the Inland Empire branch being \$2,937,507. Since our goal was \$2,760,000 that means we exceeded our expectations by almost \$180,000. When it came to EBITDA our goal was 11% or better and we came in at 13%. Regarding our revenue growth rate we aimed for 15% or better and we ended up realizing a revenue growth of 23.8%, with 72 new PM accounts for the year. So what do all these numbers really mean? The team at Inland Empire have been doing a sensational job, so let's continue to aim high. In fact, the LLE Rancho Cucamonga branch was named Branch of the Year, so let's keep it up team!

Las Vegas also showed an amazing fourth quarter including the highest revenue in a quarter with \$264,300 in sales and a revenue growth rate of 36% for the year. Las Vegas was also awarded a \$19,000 well light job for the Koll Company in addition to being awarded, and completing, an \$81,000 grocery store electrical job this quarter.

Now moving on to more recent sales news, Las Vegas has 5 new accounts including its first thermal imaging renewable contract by EJM Development and a \$13,000 fixture replacement job by Colonial Properties. They also received a \$14,500 fixture installation job by the Koll Company the top of this year.

Inland Empire and Los Angeles received 35 new accounts for the first quarter, with 7 of those thanks to the work of **Denny Querantes**. We're also happy to report that we've got a gem of a salesman in **Brandon Scott**, our new consultant. Brandon landed an auto dealership account in the city of Victorville



Sales Winner Tony Spinuzzi

and did it all through cold calling in a new category. He's also currently working with other prospects like additional dealerships and municipals.

As Andy Beggs mentioned in the *Orange County Update*, we recently attended training

sessions in Atlanta for lighting and new products sponsored by Acuity Brands and co-sponsored by Grainger and GE Lighting. We're happy to report that Acuity and Grainger will also be hosting local training on lighting design in spring 2008, which we look forward to attending!

In fun news, we had a sales contest that ran from Dec.-Feb. for who could sell the most contracts (PM, thermal imaging, etc.). In order to qualify for the top prizes, contestants had to sell over \$30,000 in maintenance revenue. We're happy to announce our winner of the top prize - a trip to Napa for 3 days, 2 nights plus \$600 spending cash - was **Tony Spinuzzi**. In addition to being the top salesman, Tony has also played an important role in recent training of new reps in IE and OC. So our congrats for winning the contest and also our appreciation, Tony, for all your assistance and teamwork in the training area! As for our other contest winners, **Scott Tapia** took second place, with a \$250 gift reward, Golf at Pelican Hill and lunch with President Darin Anderson, while **Sandy Bloom** captured third, which included dinner and day of go-cart racing for him and six other members of his choice.

Our "LLE Selling Process," a training and selling process tools program, will have a kick off meeting soon and we're looking for assistance related to this new innovation. If you're interested in being a part of the ground development let us know so you can join the discussion and offer feedback. This program isn't only going to be designed for LLE company stores alone but will also act as a model for our franchisees too. In other tech related news, we've begun using a new sales/productivity reports program in 2008. It's serving as an excellent tool for tracking proposals and sales to make everyone's job a bit easier.

Before we close we'd like to thank **Pollyanna Rondeau**. She's the sales assistant for the IE/LA/LV area and has been instrumental with the City National Bank portfolio, ensuring AB244 certificates have been completed and are up-to-date. She diligently works with service managers on completion of projects and her efforts have helped our customer service reputation greatly. Thanks Pollyanna for giving LLE 110% and making us look good.

News from Key & San Jose

By Cameron Funk - General Manager

Key is pleased to have branded its first LLE service van in San Jose, CA, making it yet another step forward in the merger of Key with Linc Lighting and Electrical. That said, we're also utilizing the tools that are available on the LLE web site, include such things as the relationship management tools.

In client news, we're happy to report the addition of 40 digital billboards for Clear Channel Communications, with retro fits to high definition coming in the next year. In other exciting billboard news, Key has been awarded exclusive contracts with Daktronics for all billboards in the Los Angeles area. We're certain this will prove to be a great step forward toward a wonderful relationship with Daktronics. As for other new clients, Key was recently awarded a contract with U-Store-It worth \$500,000 in lighting upgrade work during 2008, while

Henrik Babakhani was recently awarded a project to move the Ortho Mattress factory.

Regarding Key/LLE personnel, we're happy to announce that **Rob Stanton** has joined our

staff as a Sr. Sales Consultant in San Jose. Rob brings with him a wealth of lighting knowledge and over 20 years experience in the industry. We're pleased to have him on the team and look forward to the prospect of him helping grow the San Jose branch even more.

In other staffing news, **Mayra Perez** has taken the lead in administrative duties for LLE San Jose while **Diane Clave** has been named to handle all Clear Channel responsibilities at LLE San Jose.

We close this update with some wonderful fiscal news for you. When it comes to overall Key/LLE sales for February 2008, we're proud to announce a record quarter of approximately \$533,800 in sales, with Key sales totaling \$504,075 and LLE of San Jose with \$29,724. Thanks to the hard work and dedication of everyone, you've helped Key/LLE prosper and grow; so many thanks to all of you!



Henrik Babakhani

EMPLOYEES OF THE QUARTER

4th Quarter 2007

Joanne Micheil

Customer Service Manager - Orange County

"Great professionalism with the customers, cheerful, hard working, always willing to help others."

Juan Diaz

Journeyman/Construction - Orange County

"Outstanding work ethic, great attitude, complete dedication to get the job done right."

Mike Miller

Lighting Technician - San Diego

"Knowledgeable, great team player, positive attitude, very consistent and hard working."

Brian Arvidson

Electrician - Inland Empire

"A good team player, reliable and knowledgeable, always smiling and has a can-do attitude."

Chuck Currier

Electrician- Inland Empire

"Very skilled electrician, shares knowledge, outstanding work ethic, better than budget on every job."

Leslie Gard

Payroll - Key Electric

"Very positive attitude, efficient, 100% dedicated, will do what it takes to get the job finished."

Roman Nolet

Electrician - Las Vegas

"Dedicated, hard-working and always willing to go the extra mile to help the customer and the company. A pleasure to work with and a true asset to the team."

Congratulations To These Outstanding Team Members!!

Winners Will Be Invited To Lunch With The Bosses And Receive One Day Off With Pay!

Keep Up The Great Work!!!

MISSION STATEMENT

To build lifetime relationships by proactively ensuring that our customers' electrical and lighting systems work properly, are cost effective and energy efficient.

VISION STATEMENT

We are the standard for superior technical service – a dedicated performance driven team that leverages technology.

VALUES

Expect Leadership – We will:

- Set the highest standard for performance, integrity, and professionalism.
- Listen carefully to all ideas, expectations, and viewpoints.
- Provide positive energy, passion, and total commitment to everything we do.
- Develop innovative and competitive products and services.
- Openly communicate intentions and expectations in a timely manner.
- Be a significant contributing member to the communities we work and live in.
- Always do what is right.

Expect Quality – We will:

- Deliver only the highest standards of product quality.
- Continuously develop and improve our service to customers.
- Make our customers properties energy efficient, safe and attractive.

Expect Great Relationships – We will:

- Always treat others the way you want to be treated.
- Be open, direct, and respectful to everyone.
- Promote teamwork through commitment and trust.
- Empower and develop team members to achieve their personal & professional goals.
- Have fun together.
- Recognize and reward accomplishments.
- Manage performance fairly and consistently.

Expect Results – We will:

- Set and exceed challenging and competitive goals.
- Take accountability for our actions.
- Ensure a safe, clean and injury-free workplace.
- Take time to properly plan and execute all projects.
- Capitalize on opportunities to strengthen the Company.
- Execute work to ensure a reasonable profit.
- Maintain a financially healthy Company.
- Provide for the continuity of the Company.

...build lifetime relationships by proactively ensuring that our customers' electrical and lighting systems work properly, are cost effective and energy efficient...