

Carlisle Group US
Operational Review

“As the clear-cut winner in client service in our industry, we chose the clear-cut winner in the facilities services industry – OneSource.”

Mike Golden – Vice President, Purchasing, Southwest Airlines

Southwest Airlines

Prior to this year, Southwest Airlines outsourced its janitorial and aircraft fleet appearance cleaning services on an airport-by-airport basis. However, from a corporate standpoint, there was a lack of consistency when it came to specifications, standards, and even the use of cleaning chemicals. To gain consistency and control over its operations as a whole, Southwest decided to divide the business between just two ‘preferred service providers.’ The provider that emerged with the larger share of the business – 25 facilities – was OneSource. We were able to win the contract because of the range of services we

offered, including everything from interior and exterior aircraft fleet appearance cleaning services to landscaping and on-site transportation. They were also impressed by our standardized processes and rigorous quality assurance programs. But, above all, Southwest was won over by the fact that we were driven by the same business values that they were, particularly when it came to open employee relations, a high degree of professionalism, and an emphasis on in-depth industry knowledge.

Aviation Services:

- airport janitorial
- aircraft interior cleaning
- aircraft ground handling
- passenger loading bridge maintenance
- baggage conveyer system maintenance
- aircraft ground handling equipment maintenance
- aircraft fleet appearance consulting
- aircraft exterior cleaning

Growth Strategic Consolidation

With the 1998 acquisition of ISS, now rebranded OneSource, Carlisle instantly became a leader in a lucrative industry with significant growth potential. The fragmented facilities services industry has over 100,000 service providers vying for a share of its estimated \$160 billion business and, with the largest facilities services company having less than a 1% market share, there is an enormous opportunity for strategic consolidation.

Carlisle is taking advantage of that opportunity by acquiring companies that increase market share, enhance management talent, and expand current service offerings. Last year, we made 12 such acquisitions, adding over \$80 million in annual revenue. Along the way, we expanded our client roster to include such well known companies as Champion International, Du Pont, the Federal Reserve Bank, Ford Motor, Co., Macy's, Southwest Airlines and Union Carbide.

In addition to increasing our client base through acquisitions, we have restructured our internal operations to focus on retaining current client relationships, and redirected our sales efforts to target new business opportunities. Equally important to our aggressive growth plans, we have assembled an executive team comprised of leaders from high-growth, service-oriented companies. Their experience in directing businesses in the printing, telecommunications and staffing industries will ensure a successful execution of our strategy.



Whether it's on the runway, in the hanger, or on board the plane, our people are hard at work for Southwest Airlines.



"It's the total visual experience that brings our guests back, time after time. We chose OneSource to help us create and maintain that vision."

Tom Burke – Vice President of Park Services, Busch Gardens

Busch Gardens

Soon after the Anheuser-Busch brewery in Tampa opened in 1959, tropical gardens and a visitor center were added, where guests could sample beverages while being entertained by an exotic bird show. Originally known as Busch Park, what became Busch Gardens was home to 400 birds, three dozen Black Angus cattle, Clydesdale horses, as well as over 36,000 flowering plants and more than 300 trees. In 1974, looking to improve the quality of the park, Anheuser-Busch began searching for a new landscape firm, and in 1975 OneSource won the contract. We have been exceeding Anheuser-Busch's expectations

ever since. Today, Busch Gardens is known for its shady walkways, fabulous floral gardens, and the hanging and container displays widely acknowledged as the finest in Florida. Over the course of our 25-year relationship, we have been proud to receive numerous first place and Grand Awards for landscape design, installation, and maintenance at Busch Gardens. This year the Busch Gardens landscape in Tampa was selected as one of the top four theme park landscapes in the world by *Amusement Today* magazine.

Landscape and Golf Services:

- grounds maintenance
- golf course maintenance
- sports turf maintenance
- interior plant maintenance
- integrated pest management
- irrigation system management
- landscape design/build
- snow removal
- litter control

Services

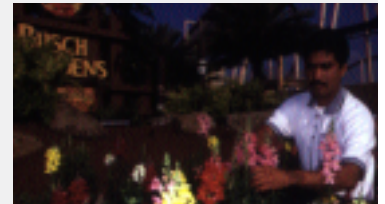
Ready to Go to Work

The positive trend for outsourcing is compelling: facility owners and managers want to improve their focus on maximizing business efficiency and achieving their business goals; they want to reduce and control operating costs; and they want to access a world-class service provider with capabilities to create a secure, 'ready to go to work' environment. That's why outsourcing is on the upswing.

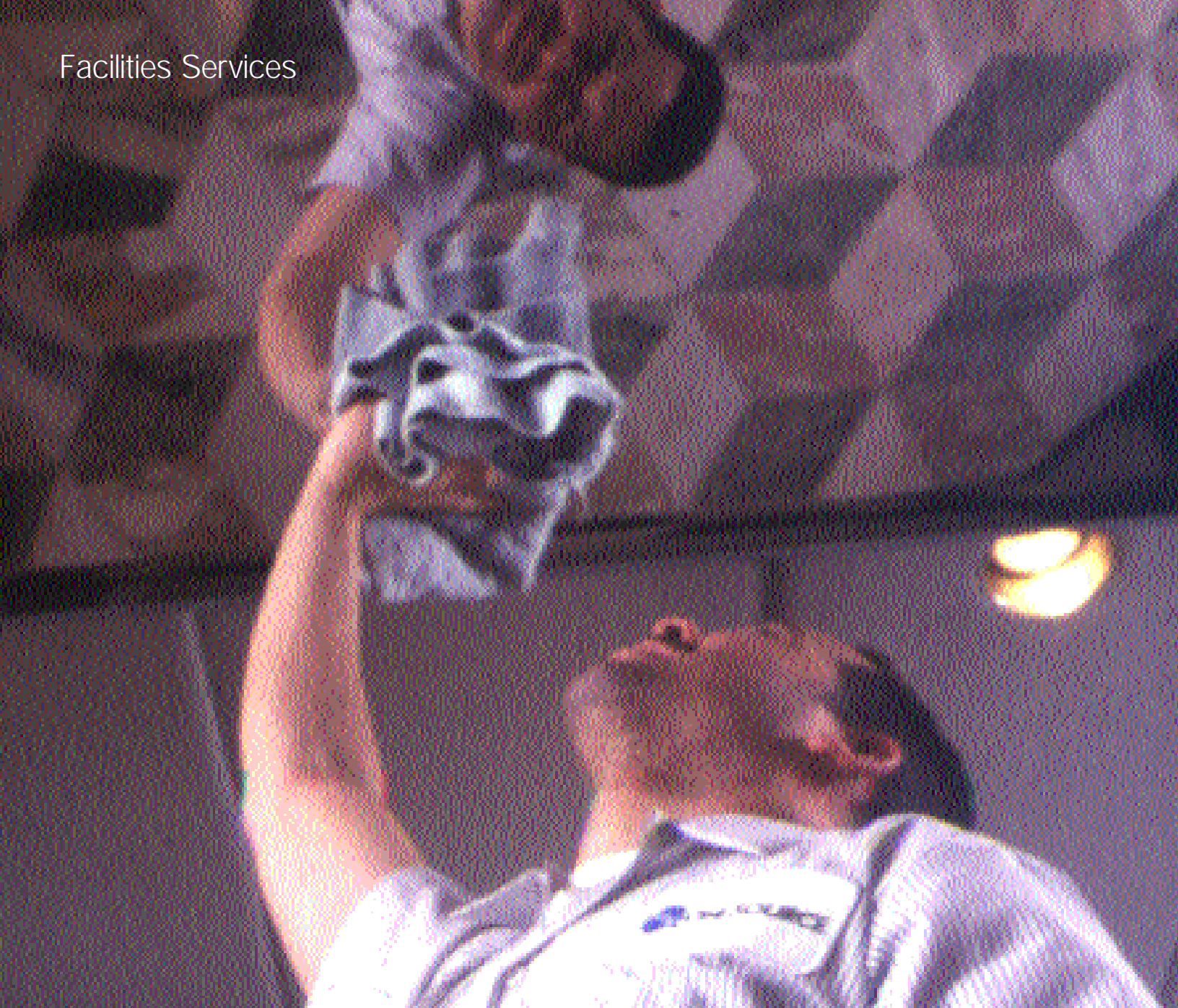
Clients, old and new to outsourcing, are also looking to simplify their lives, reducing the number of companies they deal with by selecting highly qualified service providers. They want to find a single source capable of delivering a wide range of services. That's where OneSource stands out – and that's the genesis of our new name.

We can offer an unparalleled range of services, including commercial cleaning, engineering services, landscape management, pest control, and many other specialty services. Through acquisitions, we are both expanding our core services and moving into such higher-margin businesses as metal and marble restoration and commercial painting.

We have also ramped up our ability to let our clients know how much we can do for them by giving our sales force incentives to cross-sell our services. Cross-selling is pivotal when it comes to winning new clients interested in comprehensive outsourced facilities services and for broadening the variety of services that our current clients look to us for. So we have directed our sales and retention staff to introduce our full range of services through training, and by using new marketing materials specifically designed to showcase those services.



Our services team has helped earn Busch Gardens recognition as one of the world's top theme park landscapes.



"Joining with OneSource is a real 'win win' situation for us. OneSource has one of the largest client bases in the country, and our premier metal and marble service will profitably expand that base."

Ned Gargiulo – President, Sterling Services (A OneSource Company)

Sterling Services

When we acquired Sterling Services in 1999, we not only extended our services to include metal and marble maintenance and restoration, we also took on the responsibility of working at one of the world's most recognizable landmarks, the Empire State Building in New York City. Originally called in to restore the architectural metal, we went on to win the maintenance and marble contracts. Now we maintain the metal on the ground floor facade, storefronts, entrance, lobby and observatory, as well as the marble floors in the lobby and observatory. The art deco metal, decorative and figurative work cast in aluminum, stainless steel,

and bronze, requires extra care because it is landmarked. So we deploy the best qualified mechanics in our business and the highest grade materials. That attention to detail is winning us additional work: when the owners recently completed a four-year exterior restoration, we were called in to help restore metalwork that had been damaged over time and to match the original materials and style. The Empire State Building joins a long list of famous Manhattan structures that we've worked on, including the Chrysler Building, the Woolworth Building, the Waldorf, St Patrick's Cathedral, and Rockefeller Center.

Metal and Marble Restoration Services:

- restoration and maintenance of architectural metal, marble and wood
- door specialty services – maintenance and repair of revolving and swing doors

Solutions


The Provider of Choice

As important as it is to have the industry's widest variety of outsourced facilities services, our clients count on us to effectively package and customize service solutions for them; to be their provider of choice. At OneSource, we've found that, by working diligently to understand our client's expectations, we can consistently meet their specific service needs on a facility-by-facility basis, whether it's a single site or a national network of property. In every case, we combine the hands-on, concerned touch of a neighborhood business with the muscle of an organization that has nationwide service capabilities.

Because the way we perform is going to impact our client's bottom line, we have to develop proactive partnerships empowered by client-specific knowledge and regular communication. It's a highly collaborative process. At the outset of any new relationship, we visit the client to understand their facilities and objectives. We identify and prioritize needs, present service alternatives, and agree on a customized menu of solutions combining ideal procedures, the latest technology, and environmentally safe products. Then we make sure that our people are trained to do the job with optimal results and establish lines of communication to monitor and fine-tune our work. With more than 25 years of experience and expertise to draw upon, we don't believe that anyone can match our ability to provide the best service solutions for our clients.



Our expertise and attention to detail has won us contracts to maintain some of the nation's best recognized landmarks, including New York's Empire State Building.



“Being a large corporation, we must rely on ‘best in class’ service to project a professional image, and OneSource is our clear choice. We are especially pleased with their proactive management team and continue to appreciate their ‘ownership’ approach as they take care of our total housekeeping, as well as many of our other service needs.” Don Thompson – Contracts Manager, Hewlett-Packard

Hewlett-Packard

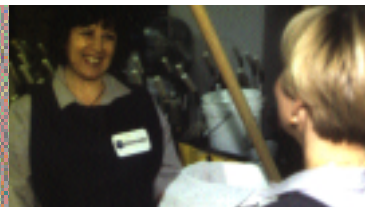
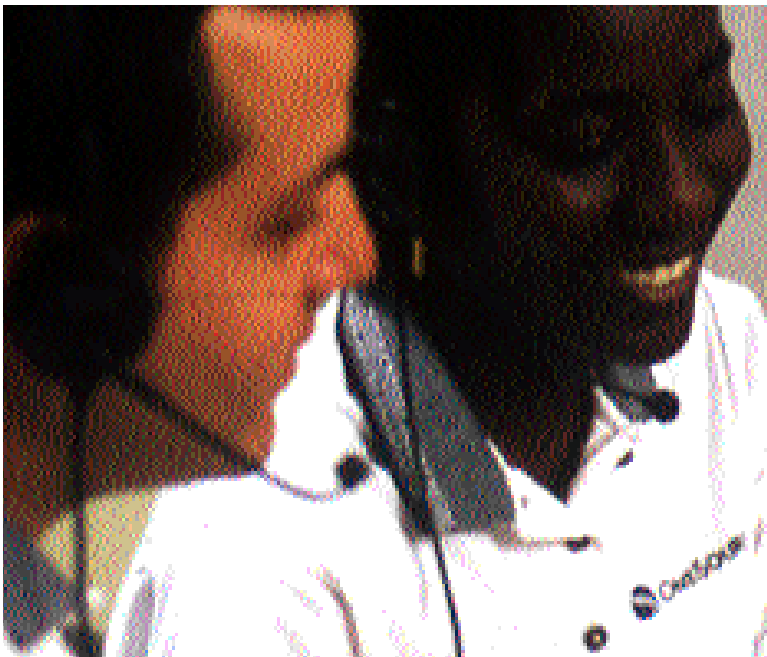
Hewlett-Packard is one of the pioneers in the nation's high-tech revolution and, fittingly, we are employing technology to ensure that we meet the company's high standards for services. Like many of our clients, HP had used a number of vendors before they settled on OneSource because they wanted to centralize and standardize outsourced services. For the last seven years, we have provided a range of services for 52 HP buildings in the San Francisco Bay Area, including the corporate headquarters, a total of approximately 7 million square feet.

To help HP track our work, we developed an on-line inspection program. Up front, we surveyed HP facility managers to create service benchmarks. We go through the buildings each night and download the information onto a laptop that generates a monthly report based on those benchmarks. The report, which is e-mailed to HP facility managers, eliminates what had been a third-party audit, saving HP time and money. It also helps us to be proactive when it comes to problem solving and prevention. Above all, it strengthens our relationship with HP.

Technology Anywhere, Anytime

While technology is an invaluable business tool, it generally hasn't been utilized by the facilities services business because of the industry's fragmented nature and the lack of capital. OneSource, with foresight and the financial resources, has introduced technology to improve the way that services are delivered to clients. For example, computerized workloading and on-line billing are utilized to provide pin-point accurate work estimates and ensure economic efficiency. We have also developed a bar-code inspection program. For OneSource, the program creates the potential for feedback on a task-by-task basis so that we can conduct follow-ups and fine-tune our service. For our clients, it means access to an inspection database that helps them conduct trend analyses to better manage their asset – the building they own or manage.

The centerpiece of our commitment to technology – and a capability that sets us apart from our competition – is our new *Solutions Center*. Located in Coral Springs, Florida, the *Solutions Center* offers national, regional, and local clients toll-free access round-the-clock and seven days a week, whether they have an emergency like an inoperable elevator or a routine service question. The *Solutions Center* is designed around our proprietary Service And Maintenance (SAM) software that enables us to track, benchmark and follow up client requests. In the event of an emergency, like that stalled elevator, SAM instantly captures the information necessary to generate a work order, then schedules a qualified repair person to make the repair. The *Solutions Center* follows up to ensure that the work was performed to the client's satisfaction, creates a work report/history, and then sends the client an update. The *Solutions Center* can also supply clients with status reports on work orders, invoice information, management reports to compare expenses by category and location, equipment analyses, and their warranty and insurance information.



Client service specialists like Marie Seecharran (opposite page and below left) are making our Solutions Center an invaluable, round-the-clock resource for our clients.



“MetLife is a leading provider of insurance and financial services to a broad range of customers. For years we have relied on OneSource to ensure a high quality environment.” James Stenson – Senior Vice President, Facilities and Services, MetLife

MetLife

In New York City, one of our most enduring customer relationships is with MetLife. We deliver a wide variety of services at Peter Cooper Village and Stuyvesant Town, a 11,250-unit residential complex built by MetLife for veterans returning from World War II. We provide janitorial services at MetLife's corporate headquarters at One Madison Avenue. We now also work at another Manhattan landmark – 200 Park Avenue. Rising above Grand Central Station, the MetLife Building is one of the city's most recognizable skyscrapers. When the company first acquired the building, janitorial services for its 2.8 million square feet

were performed in-house. MetLife has since entrusted OneSource to take over. Every day when we go to work there, we have to remember that what we do reflects on our client; for the building's many tenants, we are looked upon as MetLife. It's a responsibility we take very seriously, and a relationship that we have maintained by observing the highest degree of professionalism in every action, every day.

Services available include:

- janitorial services
- exterminating services
- landscaping services
- window cleaning
- plumbing
- HVAC (heating, ventilating and air conditioning)
- elevator maintenance services
- electrical services
- carpentry and tile shop
- concierge services

Professionalism A 'Please' and 'Thank You' Business

We have 39,000 people going to work for our clients every day. And whether they're cleaning windows, trimming hedges, or polishing marble floors, our people represent OneSource. They also reflect on the image of the client whose facilities they work in. Consequently, in addition to what they do, how they dress and act while on site is of paramount importance. And we are proud to say that the performance of our people – highly capable, conscientious, and courteous at all times – is a credit to both OneSource and the clients we serve.

There's a reason for that. We believe that good employee relations breed great client relations, so we have built a corporate culture that underscores the core values of our 'please' and 'thank you' business. In an industry defined by employee turnover, we have heavily invested in the training and education of our people to keep them on board – and to increase client confidence. As a result, when it comes to advanced techniques, safety, and even client relations, we don't believe there's a better trained or more knowledgeable workforce in the industry.

To build team spirit, we also regularly communicate with employees both in person and on-line. *InfoSource*, our monthly newsletter published in English and Spanish, helps build employee pride and reinforce our values by highlighting new client wins, spotlighting service teams, and recapping on-the-job procedures. We are equally diligent in asking our clients how we could serve them by regularly conducting focus groups and surveys. We are in the process of forming a Client Advisory Group to get input and feedback, as we develop new technology and services for the industry.

Our commitment is paying off at both ends of the spectrum. Not only are our people the best in the business, in our estimation, but we retain them at a rate far above the industry average. From the client's standpoint, surveys tell us that OneSource – and its employees – are more than meeting their expectations.



A high level of responsiveness and professionalism is at the heart of our long-term client relationship with MetLife.

