

## Words from the President



In my last message I wrote about how we finished 2009 as compared to 2008. In this issue I will tell you about HomeDeliveryLink's performance in the first half of 2010 as compared to the first half 2009.

Let me start by saying, the year is going surprisingly well. January through June 2010 revenues exceeded the same months in 2009 by 43.0%. The growth is even more dramatic when we look at it on a quarter by quarter basis. In the first quarter of 2010, we had 33.7% more revenue than we had in the same period last year. The second quarter topped last year's second quarter revenues by a whopping 52.5%.

It is exciting to see growth come from new clients as well as increases in delivered volume from our existing clients. Every one of our existing clients had double digit growth in delivered revenue in the first half of the year. Revenue increases from our existing client base resulted from several events and activities such as new store openings, increased advertising and promotions and development of new markets delivery. The increases in the first quarter revenues were largely due to this organic growth. We did, however, start a new operation in Tempe, AZ for The Dump, a division of Haynes Furniture, which contributed to the growth in revenues in that quarter.

In the second quarter, the new business "dominos" we lined up late last year and early this year, started to fall with a vengeance. In April, we started one new operation for a new client followed by five new operations in May – all for new clients. Thankfully, nothing new started in June. So here is a list of our new clients and the locations we are in for the first half of the year:

- The Dump in Tempe, AZ; Dallas, TX and Houston, TX
- Ashley Furniture Home Stores in Seattle, WA and Houston, TX (dba for Hill Country Holdings)
- La-Z-Boy Furniture in Ontario, CA serving the stores in Southern California and Las Vegas, NV
- Weekend Overstock Warehouse "WOW" in Denver, CO

In addition to those new client start-ups, we added another location for our existing client, Mor Furniture for Less, in Spokane, WA.

At the end of 2009, we had 66 associates in full-time or part-time positions. At that time, we coordinated the activities of about 190 independent contractor delivery teams. As of July 1 this year, our associate count has increased to 87 and the delivery teams have increased to 260. We will make about 1.5 million deliveries over the next twelve months at our current business level.

Lastly, I am happy to report that the company is financially sound. Our profits have increased nicely so far this year and our balance sheet is strong.

My thanks to everyone involved with the business for your continuing focus on customer service. And to our clients, thank you for allowing HomeDeliveryLink to be the final important link in your customers' shopping experience with your stores.

Robert E. Fleisher  
President and CEO  
HomeDeliveryLink, Inc.

### The HomeDeliveryLink Mission

To enhance our client's image by making a well-planned, on time, professional delivery each and every time. We set the service quality standard in our industry by providing the most efficient and transparent link between our retail clients and our delivery customers. Our success is measured solely by the success of our clients, and the satisfaction of our mutual delivery customers.

Spotlight Client 

HDL Delivery Contractor Trucks  
in Bloomington, IL

Considering that they have been one of HDL's longest standing clients, it makes sense in this issue to feature a company that is one of the largest retailers in the country and a brand name that is practically synonymous with "appliance shopping." The merger of K-Mart and Sears in 2005, made Sears Holdings Corporation the third largest general merchandise retailer in the world. Sears has approximately 3,900 full-line and specialty retail stores in the United States and Canada, and is the leading home appliance retailer in the U.S. Many know the brand and company also as a leader in tools, lawn and garden, consumer electronics, and automotive repair and maintenance. Most reading this newsletter will not only recognize all of Sears proprietary brands, such as Kenmore, Craftsman and DieHard; but research also tells that an amazing majority also have one or more of these brands at home today.

Indeed, Sears is more than just a Household name in the U.S. A quick tour through the displays and historical timelines in the lobby of the corporate headquarters in Hoffman Estates, Illinois, reveals that the company is more accurately a part of our country's modern history. While modern times have given way to an explosion of new media that provide all sorts of efficiencies and benefits to the marketers of today, one of the nation's most iconic marketing vehicles of all times, is most certainly the "everything-you-could-ever-want-or-need-all-in-one-eight-pound-book" Sears catalog. This exhaustive compilation of goods and services was more than the amazon.com of its century; it was an integral part of the American household, as the brand name that adorned its covers is still today.

In 1927, the Kenmore name first appeared on a Sears laundry appliance, an agitator-type wringer washing machine. By 1936, Sears had already sold 1 million Kenmore laundry appliances, and its popularity hasn't slipped. Today, one in every three American homes contains a Kenmore appliance. The Kenmore brand owns that market share as a result of its long history of being the first-to-market with the latest in technology, unique features and benefits, energy efficiency, and modern designs.

In 2010 it is easy to see, especially for those of us who have the opportunity to partner with Sears in professional capacity, the outstanding efforts Sears has made to remain an exemplary member of our business community – in modern terms, a good corporate citizen. Sufficient proof for this statement can be found in Sears' claim as the 2010 ENERGY STAR® Retail Partner of the Year – a banner that recognizes the company's direct involvement with growing efforts to promote environmental responsibility across many fronts.

As a home delivery partner with Sears, HomeDeliveryLink actually conducts business with a division of the company that has been around since 1939, Sears Logistics Services, Inc., or SLS. HDL has been providing delivery and logistics services for SLS since 2002, when we opened our Santa Maria and San Luis Obispo store delivery operations in Central California. Over the past 8 years we have grown our partnership with Sears to include 7 different operations spread all over the country; from Rochester, NY to Richland, WA. We know that providing world-class service each and every day to each and every customer, has allowed HDL to share a bigger role within the world-class SLS operation. Our goal is to have our history with Sears represent only the first segment of a long-lasting and mutually-beneficial client relationship.



David Maynes, HDL Account Executive  
at Sears Rochester, NY

### The HomeDeliveryLink Vision

To build a world class team of associates and independent contractors who take individual ownership of our responsibilities and results. By treating each client and customer as if we have only one, and each piece of merchandise as if it were our own, we will grow our reputation as "The Outstanding Delivery Team." We will match "can do" people with cutting edge technology to continually lead our industry in service performance metrics.



## Meet the Team ▼



Delivery Expert, Lorand Incze (L) and  
Macy's SVP - West, Terry Volk (R)

In the last issue we got to know one of our Southwest Region HDL teams, Living Spaces Furniture in the greater Los Angeles area. The Link® moves up the West coast about 1,137 miles "as the delivery truck drives" in this issue, introducing you to a long-standing and high-performing team in the Seattle area: our Macy's operation in Seattle, Washington. This location was actually the beginning of our long partnership with Macy's, a business relationship that has grown tremendously since its beginning six years ago in September of 2004.

Known more specifically by the community of Seattle in which it is located, Tukwila, the operation is run by third party delivery and logistics veteran,

Matthew Tharp. As the HDL Account Executive here, Matt is responsible for all aspects of the operation, including making sure that each and every delivery customer has the "outstanding" experience that Macy's and HDL require. Matt has been in this location 3 1/2 years, after holding several other management positions with the company. Mr. Tharp has become one of our resident experts on all things related to the Macy's business, and is the one who plays back our service scores to the whole company each week on our national management "information and accountability" call. He played a key role on the HDL "start-up teams" when we took over delivery and warehousing responsibilities at the Macy's cross-dock operations in Portland, OR and Minneapolis, MN. Matt started in the 3rd party delivery business in 1994, after learning the furniture and delivery business during his 7 year tenure with a major furniture and appliance retailer. With over 22 years of industry experience, Matt runs a pretty tight ship, of course with the help of his staff, our independent contractor delivery experts on the trucks, and of course our operations counterparts at Macy's. He also spends time providing oversight for a satellite delivery operation for Macy's in Salt Lake City, UT; as well as mentoring and training new account executives and staff in our nationwide network. While Matt obviously has a great mastery of the business for which he is responsible, he is always supported by regional Director of Operations for the Northwest, Doug Catton – another of our delivery business and Macy's veterans.



Matthew Tharp, HDL Account Executive  
at Macy's Tukwila (Seattle)

Office Manager Lisa Graves is the "right hand" of the operation, handling the all of the administration and back-office functions such as client billing, DOT compliance and related reporting, and maintenance of independent contract delivery driver files. Lisa has been a great HDL success story too, starting her career with us in January 2005 as a delivery customer "pre-caller" here in Tukwila; working her way up to the important #2 spot at operation. Jessica Job, our dispatcher, is another success story, having worked with the company since 2004 at several different HDL locations in the region. Candace Coonrad rounds out the Tukwila team, wearing a variety of admin and operations hats for the team during her 3 years with us.

This hard-working HDL associate team and their fleet of independent contract delivery experts move an impressive 750+ home deliveries through their facility each week, while the staff also provides dispatching and routing support for another 275+ deliveries per week in the Utah and Oregon markets. Matt, Lisa, Jessica, and Candice – HDL and our mutual Macy's delivery customer thank you for the passion you bring to the business every day, and for the great job you do!

### The HomeDeliveryLink Values

- Make every delivery "outstanding."
- Respect all merchandise as if it were your own.
- Respect every home to which we deliver as if it were our own.
- Take personal ownership of HDL's and our clients' success.
- Make our team better than it is today --- everyday.
- Always act with integrity and honesty.
- Find some fun at work each day.

## In the News ▼

- The company's quarterly **MostValuablePlayer**® award, a program where HDL associates recognize their peers for going "above and beyond" to improve a client's business, was taken home by Joshua Columbus, Account Executive at The Dump in Tempe, Arizona. Josh took home a nice prize check and some HDL "gear" as a thank you for his outstanding efforts.



Josh Columbus, Account Executive  
The Dump, Tempe AZ

- Join us in congratulating some other important players who made valuable contributions to their clients' businesses, well beyond their daily job functions. These are our **PerformanceAllStars**® for the second Quarter (alpha by last name):
  - Victor Coria (Living Spaces Furniture/Los Angeles)
  - Andrew Martinez (Living Spaces Furniture/Los Angeles)
  - Sean Williams (Mor Furniture for Less/Bakersfield)
  - Julissa Zamora (HDL Home Office/San Juan Capistrano).
- Recent growth and new operations opening have had the company busy in hiring mode. In fact, we'd normally like to show you a face to put with the name on these announcements, but we just don't have room for all the new faces. Look to meet some of these new associates and their teams in upcoming issues of The Link. Some of the new names on the Account Executive roster are (alpha by last name):
  - Michael Carbajal – Sears in Janesville, WI
  - German Cenicerros – Sears in Appleton, WI
  - Ben Hardee – The Dump in Dallas, TX
  - Teddy Luna – La-Z-Boy, Los Angeles, CA and Las Vegas, NV
  - Frank Papen – Ashley Furniture in Houston, TX
  - William Petrie – The Dump in Houston, TX
  - Cliff Stokes – WeekendsOutletWarehouse in Denver, CO

