

## Non-GAAP Financial Measures

EBITDA is a Non-GAAP financial measure. EBITDA is defined as income (loss) from operations plus net interest expense, provision for income taxes, depreciation and amortization. EBITDA has certain material limitations, including:

- It does not include interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate profits and cash flows. Therefore any measure that excludes interest expense has material limitations;
- It does not include depreciation and amortization expense. Because we use capital assets, depreciation is necessary element of our costs and ability to generate profits. In addition, because a significant portion of our assets consist of customer lists that were acquired in connection with our acquisitions of companies in the Lawn and Pest Control Services segment, amortization is necessary element of our costs and ability to generate profits. Therefore, any measure that excludes depreciation and amortization expense has material limitations; and
- It does not include provision for income taxes. Because the payment of income taxes is a necessary element of our costs, particularly in the future, any measure that excludes tax expense has material limitations.

For the purposes of performing the calculation of EBITDA, we may also add back all non cash equity based compensation.

We have included these non-GAAP financial measures, because we believe EBITDA and EBITDA plus non cash equity based compensation are indicators of the profitability and performance of our core operations and reflect the changes in our operating results. These Non-GAAP financial measures are not intended to be an alternative measure of operating income or gross profit margin as determined in accordance with generally accepted accounting principles. We compensate for these limitations by using Non-GAAP financial measures as only one of several comparative tools, together with GAAP measurements, to assist in the evaluation of our profitability and operating results.

A reconciliation of EBITDA plus non cash equity based compensation to the loss from continuing operations for the nine months ended June 30, 2007 is shown below:

Loss from continuing operations	\$ (1,006,397)
Reconciliation Items:	
Interest Expense-Net	782,808
Income Tax Benefit	(445,205)
Depreciation and Amortization	<u>2,196,355</u>
EBITDA from continuing operations	1,527,561

Non cash equity based compensation expense	<u>531,385</u>
EBITDA plus Non cash equity based compensation	<u>\$ 2,058,946</u>

The above reconciliation excludes the tax affected loss from discontinued operations of \$(640,133) and the tax affected gain on the disposal of assets from discontinued operations of \$1,361,476. The Company's net loss for the nine months ended June 30, 2007, including the aforementioned tax affected loss from discontinued operations and gain from the disposal of assets from discontinued operations was \$(285,054).

A reconciliation of EBITDA to net income for the Lawn and Pest Control Services segment for the nine months ended June 30, 2007 is shown below:

Net Income	\$ 3,327,820
Reconciliation Items:	
Interest Expense	152,036
Depreciation and Amortization	<u>635,602</u>
EBITDA	<u>\$ 4,115,458</u>

A reconciliation of EBITDA to net income for the Telephone Communications segment for the nine months ended June 30, 2007 is shown below:

Net Income	\$ 664,492
Reconciliation Items:	
Interest Expense	(5,734)
Depreciation and Amortization	<u>209,028</u>
EBITDA	<u>\$ 867,786</u>

A reconciliation of EBITDA plus non cash equity based compensation to net income for the unallocated holding company expenses for the nine months ended June 30, 2007 is shown below:

Net Loss	\$(4,998,709)
Reconciliation Items:	
Interest Expense (net)	636,506
Income Tax Benefit	(445,205)
Non cash equity based compensation expense	531,385
Depreciation and Amortization	<u>1,351,725</u>

EBITDA plus non cash equity based compensation expense	<u>\$ (2,924,298)</u>
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