

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. We have included this non-GAAP financial measure because we believe EBITDA is an indicator of the profitability and performance of our core operations and reflects the changes in our operating results. EBITDA is not intended to be an alternative measure of operating income or gross profit margin as determined in accordance with generally accepted accounting principles. The Non-GAAP EBITDA measurement 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 a 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 a necessary element of our costs and ability to generate profits. Therefore any measure that excludes depreciation and amortization expense has material limitations;
- 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; and

We compensate for these limitations by using EBITDA 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 to net income for the nine months ended June 30, 2006 is shown below:

Net Income (Loss)	\$(1,646,008)
Reconciliation Items:	
Interest Expense	978,948
Income Tax Benefit	(1,406,212)
Depreciation and Amortization	2,169,077
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EBITDA	\$ 95,805
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Note: Net Income (Loss) and EBITDA amounts include \$486,217 from 123R Stock Option Compensation expense.

A reconciliation of EBITDA to net income of the Pest control segment for the nine months ended June 30, 2006 is shown below:

Q	Net Income	\$ 2,459,587
	Reconciliation Items:	
	Interest Expense	15,725
	Depreciation and Amortization	527,359
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	EBITDA	\$ 3,002,671
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