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Dear Valued Client:

We would like to thank all of our valued customers for a banner year at Energy Labs. In 2005 we are on target to achieve our best total sales in the last 30 years!

In 1974, when our company was founded, we began operations with only a handful of employees. Today we employ over 400 people, and have a representative sales network that stretches across the United States. In Southern California alone, there are over 4000 Energy Labs Air Handling Units in operation today.

We design and manufacture custom air handlers, custom DX package units and indirect/direct evaporative cooling systems. All of our equipment is ETL listed and all electrical work has UL 508 listing. All internal components such as fans, coils, dampers, louvers, electrical panels and control systems are also manufactured by Energy Labs. We take particular pride in our UL electrical panel shop, and our state of the art test facility for air performance and sound test. The lab is a 35,000 cubic foot reverberant room that has been built to AMCA standard 210 and is certified to perform sound test according to AMCA 300.

As we look forward to the next decade, we acknowledge that our customers have been the foundation of our continuing success. We look forward to continued growth and another record-breaking year.

In order for us to achieve some of the aforementioned accomplishments, we have made major changes in our organization over the last two years. We have recruited some of the top application engineers in the country to support our sales effort. In return, our turnaround time for generating accurate submittals has improved significantly. At the factory we have made several organizational changes to enhance our performance in the plant:

- **Lead times are 8 – 12 weeks**
- **On time delivery is at 97.5%**

In the last five years our main production plant has expanded to over 125,000 square feet and we have redesigned the production flow through our factory to increase efficiency and maximize production levels. Our organization today is poised to increase our capacity 50% to 60% from where it is today. We are working with our sales rep offices throughout the country to gradually grow the company over the next five years.

Please schedule a visit to the factory with your local representative at your earliest convenience – you will be impressed with our operation and how we manage the design and production of your equipment.

Sincerely yours

Reza k Irani

President