



DELIVERY TRUCKS GET NEW LOOK

Lonesource is rolling out newly designed delivery trucks. The trucks will appear on the roads in April, starting with two new trucks in Atlanta, Ga. and a newly wrapped van in Greensboro, N.C. Any new trucks that rotate into the fleet will carry the updated look. These trucks will deliver products in every category Lonesource services, and the design underscores the company's mission to be "The only source you need. Period."

LONESOURCE.COM RE-LAUNCH COMING SOON

Spring will bring new life to Lonesource's corporate Web site. Around the same time as the truck roll-out, Lonesource.com will look noticeably different. The updated Web site will more clearly identify the full range and breadth of Lonesource's products, services and technology to existing and potential customers in the enterprise, mid, and small office/home office markets.



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the SOURCE

YOUR INDISPENSABLE GUIDE TO LONESOURCING

SMART GROWTH SINGULAR FOCUS Still the Key to Lonesource's Success



by Bradley King, CEO

2008 was without a doubt a momentous year for Lonesource and one that will mark a turning point for our young company. As CEO, I feel extremely fortunate to lead an organization that sets the standard in three areas that are essential to the success of any business: passion for helping our customers excel at what they do best; intelligent, strategic growth; and dedicated employees with a tireless enthusiasm for problem-solving and

process improvement. We will draw on each of these as we work to build a successful 2009.

After two significant acquisitions last year – July's purchase of Sunbelt Office Products and November's purchase of Better Business Forms and Products – Lonesource is now well positioned to build a physical presence in strategic new geographic markets. This is a key step that will put us on track to be a billion dollar company by 2015.

With our company's acquisition of Sunbelt, we are able to unleash a new inside sales strategy in previously untapped markets. This year we will reach beyond Sunbelt's Atlanta base and introduce Lonesource's same-day delivery model to both the Triad and Charlotte markets of North Carolina. We'll make this expansion by tapping the know-how our company gained through the acquisition of Sunbelt.

Better Business Forms brings another critical piece of the growth equation: an expanded product line that includes custom print and promotional products. This expansion supports our promise to be "The only source you need. Period."

With this new outreach strategy and expanded product line, I believe we can achieve 15 percent organic growth in 2009. This is an ambitious goal in a tough economic environment, but

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Lonesource Sources an Endless Array of Products for Customers Including:

- ▶ Rieker® ±20° Inclinometer
- ▶ Foil-stamped custom-logo Smead Poly Expansion Wallets
- ▶ Laboratory Grade Ethanol 70% and 95%
- ▶ Greenbook: "Standard Specifications for Public Works Construction 2009"

Lonesource also provides Business Process Outsourcing (BPO) services including:

- ▶ Providing sourcing, warehousing and logistics for promotional products for a 1,000 location consumer loan company. The delivery of the product is timed to support its semi-annual marketing events.
- ▶ Automating the capture and tracking of service contracts as they relate to the purchase of a standard multi-function printer for a 1,300 location retail chain.



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continued — Smart Growth, Singular Focus

one that is absolutely attainable given our rich pipeline and our ability to serve high population markets with a diverse product line in a way our competitors can't touch.

As we continue to grow, we will prepare our infrastructure to grow with us. 2009 will see us make significant investments in technology solutions that will result in an upgraded technology platform to serve our customers' future needs. Our customers also can expect a new branding release this year. Our Small Office Home Office (SOHO) customers will continue to be served by Business Supply, while our mid-level and national customers will be served by Lonesource. We are making this change because we feel strongly that the existing national Lonesource brand and "The only source you need. Period." is the brand and go-to-market description that will resonate with every customer.

Our growth and consolidation has some positive cultural implications as well. The combined organization is hitting full stride during a very high energy point in our lifecycle. At this stage of our growth, I am pleased to have seen best practices in customer service develop and cross over to each business unit. I believe with all my heart that our employees are the best, most dedicated and most customer-focused employees serving America's businesses today, and I am grateful that our growth has fueled that culture.

As this year progresses, our customers can expect a continued expansion of our product offerings. We will enhance our selection of janitorial, sanitation and industrial supplies and continue adding the "green" products our customers demand. We remain focused on growing our business and forming relationships with companies who lead their markets and can help us better serve our customers.

The view from 10,000 feet is exciting, but at ground level we will continue to do the same things we have done for eight years: offering businesses products and processes that simplify our customers' operations and allow them to focus on serving their customers. This is at the heart and soul of our company, and our growth will allow us to show more businesses in more markets that we do it better than anyone else.

Print & Promotional Offerings

For years Lonesource has provided print and promotional products, along with office consumables, to its customers. The acquisition of Better Business Forms & Products (BBF) of Greensboro, N.C. last November has enhanced these product offerings and has brought Lonesource additional print promo product domain expertise, sales capabilities, warehouse storage and delivery services. Now, Lonesource's dedicated and prospective customers have a wide spectrum of offerings available to them, including:

DIRECT MAIL PRODUCTS

Lonesource coordinates the printing and mailing of direct mail products, from brochures to print-on-demand (POD) applications. POD applications allow users to go online, populate a template, and have it printed and mailed. Lonesource can also track and monitor campaigns to measure results.

PRINTING AND MARKETING PRODUCTS

From annual reports to brochures, four-color printing to digital printing, Lonesource meets its customers' commercial printing needs.

KITTING AND MAILING SERVICES

Custom kit assembly, mailing and tracking services are available through Lonesource.

WAREHOUSING AND LOGISTICS SERVICES

Lonesource has the means to warehouse, distribute and deliver products for customers in the most economical way.

CREATION AND IDEATION OF PRODUCTS

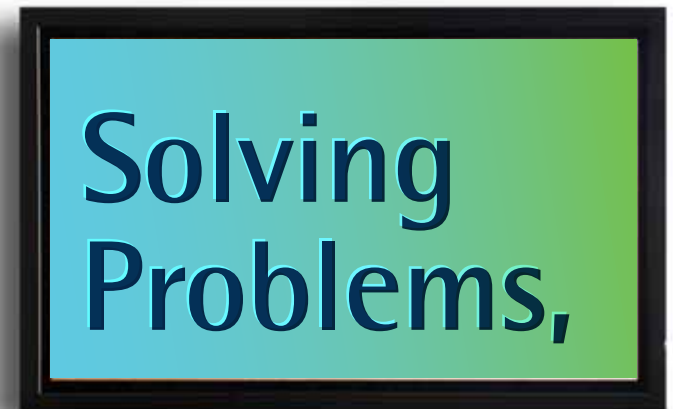
Graphic designers are on staff to design marketing pieces and other collateral. Lonesource also uses outside creative groups for large projects.

PLUS BUSINESS FORMS, LABELS, CUT SHEETS AS WELL AS PRINT MANAGEMENT SERVICES

Lonesource currently offers all these services to its enterprise customers, and later in the spring the services will be available to its mid-market customers, who came aboard with last summer's acquisition of Sunbelt Office Products.

"We're offering our customers the same expertise in print promo products that they have come to expect with their office products," said Rick Wesley, who heads the integration of print and promotional products at Lonesource. "With Lonesource's unique certified trade partner network, we are able to leverage what customers spend better than anyone else in the marketplace."

If you would like to find out more about these print promo products and services, please notify your Lonesource client services specialist.



If you consult a business journal or textbook, you'll find that Business Process Outsourcing is a term that typically refers to hiring an outside firm to perform a non-core business operation – often payroll, accounting or customer service functions. But at Lonesource, customer service is a core operation, so we view Business Process Outsourcing a bit differently.

"We sit down with our customers and try to find out where their pain points are in the procurement and payment in their indirect supply chain," explains Lonesource Executive VP - CFO David Ryan. "That means something different for every customer."

When Ryan and Lonesource CEO Bradley King sat down with representatives from Rent-A-Center, one pain point quickly emerged.

"Obtaining postage was a cumbersome and time-consuming process for store managers," Ryan recalls. "Their request was simple: help us get postage into our stores."

A knee-jerk solution might have been to suggest postage meters, but with more than 3,000 stores, the initial capital outlay involved meant this was not a viable solution for Rent-A-Center. So Lonesource employees did what they do best: they found a way to solve the problem.

Ryan and his team determined that Rent-A-Center store managers use three primary types of postage products: Forever stamps, first-class postage stamps and return receipt kits. Today when a store manager needs these supplies, he or she orders electronically through Rent-A-Center's online system, and Lonesource employees in Cary pick and ship the products and provide Rent-A-Center with a single consolidated monthly invoice for its 3,300 stores.

Lonesource's willingness to solve this problem led to a more extensive agreement with Rent-A-Center covering a wide range of supplies from office products and toner to the screwdrivers, pliers and other hand tools technicians use when they deliver or remove appliances.

"The real benefit of our Business Process Outsourcing model is that it allows us to help a customer or potential customer find a solution to a problem, and that opens the door for us to potentially offer them products or services in the future," Ryan explains.

Business Process Outsourcing is part of the Lonesource sales cycle. It is a value-added service that gives Lonesource employees another opportunity to build relationships that may lead to new or continued business. While Lonesource's role is initially consultative and may not result in a sale, the relationships built through Business Process Outsourcing may lead to future interest in Lonesource's procurement platform, or for sourcing and fulfillment services.

"We're finding that this approach is particularly useful with very large customers whose business environment is distributed over several locations," Ryan explains. "The size and geographic scope of their business introduces challenges, and Business Process Outsourcing allows us to demonstrate to them that we understand their business."

Through Business Process Outsourcing, Lonesource is able to again demonstrate to its customers that it is "The only source you need. Period."

Rent-A-Center is a national chain of rent-to-own stores, offering furniture, appliances, electronics and computers.