E.E. Newcomer Enterprises, Inc.

2003 Corporate Report







Rex E. Newcomer

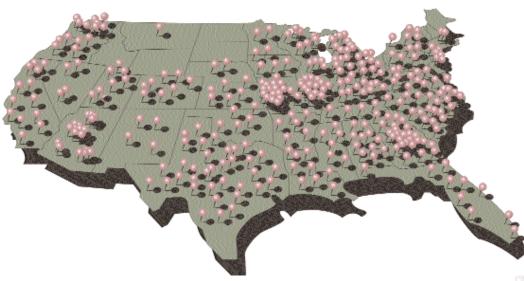
President & CEO

E.E. Newcomer Enterprises, Inc.

Chairman of the Board

E.E. Newcomer Enterprises, Inc.

Consolidated Sales for 2003 \$92,518,307



Achieved through:

- More than 500 Commercial New Construction projects in 38 states in the past 3 years
- Over 140,000 Individual Customer Transactions in 2003
- 639 Employees striving every hour of every day to exceed customer expectations

Board of Directors

Edward E. Newcomer

Chairman of the Board E.E. Newcomer Enterprises, Inc. 1142 Clay • P.O. Box 12517 North Kansas City, MO 64116

Rex E. Newcomer

President - CEO E.E. Newcomer Enterprises, Inc. 1142 Clay • P.O. Box 12517 North Kansas City, MO 64116

Steve Klein

Chairman of the Board D.H. Pace Company, Inc. 1142 Clay • P.O. Box 12517 North Kansas City, MO 64116

Steve Pascuzzi

President Overhead Door Group D.H. Pace Company, Inc. 1142 Clay • P.O. Box 12517 North Kansas City, MO 64116

Brian C. Gillespie

Executive Vice President E.E. Newcomer Enterprises, Inc. 1142 Clay • P.O. Box 12517 North Kansas City, MO 64116

N. Nelson Newcomer

Vice President E.E. Newcomer Enterprises, Inc.

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Robert C. Newcomer

Attorney Paul, Hastings, Janofsky & Walker, LLP 600 Peachtree Street N.E. Suite #2400 Atlanta, GA 30308

Paul J. Fissel

Sr. Vice President Fifth Third Bank of Northeastern Ohio 1404 East 9th Street Cleveland, OH 44114

David Bywaters

President / Treasurer Lawrence-Leiter & Company 5324 Somerset Drive Prarie Village, KS 66207

Eric Hansen President

Holman Hansen & Colville, PC 10740 Nall Ave • Suite 200 Overland Park, KS 66211





A History of the Organization

The organization traces its roots back to the 1920's with the invention of the upward-acting sectional garage door. Independent Overhead Door distributorships were established in St. Louis (1926), Kansas City (1927) and Atlanta (1935), which over the next half century became the leading providers of Overhead Door products and services in their market areas. In 1973, operations of these separate entities were consolidated and became divisions of the newly formed D.H. Pace Company, Inc.

In 1977 a new generation of leadership re-energized the organization with a new vision for the future:

"To furnish and maintain safe, secure and functional openings in all types of commercial and residential facilities, which consistently exceed customer expectations."

During the 1980's, this vision became reality through the continued hiring and training of exceptional employees, the addition of product lines, the opening of new showroom facilities to showcase residential products and services, and the expansion of commercial entry door products and services.

Beginning in 1995, in addition to the established Overhead Door distributorships, the organization established new construction commercial entry door (CED) satellite sales offices throughout the Midwest, and began marketing CED products and services to the General Contractor market under the "D.H. Pace Architectural Doors and Hardware" and "D.H. Pace Construction Services" trade names.

As the organization continued to grow, it continued to invest in its future. In 1998, the EEN Advertising and Marketing Group was formed to manage the company's multi-million dollar annual investment in print, electronic and media programs, and to develop internet and intranet web sites. In addition, a significant and on-going commitment to new information technologies was made with the investment in a new ERP computer system and supporting infrastructure that has grown to include multiple professional management tools.

Over recent years, the evolution of commercial entry door products has come to include the integration of access control, CCTV, video recording and monitoring functions with mechanical door hardware for TOTAL OPENING SOLUTIONS. In 2003, to provide customers with a single source for their integrated security needs, the organization established offices in both Phoenix and Atlanta under the "D.H. Pace Systems Integration" trade name and introduced the "D.H. Pace Door Services" trade name to reflect the ever-broadening range of commercial products and turn-key services the organization provides its growing commercial, institutional and industrial customer base.

The Organization Today

The D.H. Pace Company includes more than 25 offices and showrooms, providing for the sale, installation, service and repair of doors and door-related products, including access control and integrated security systems. All aspects of residential and commercial new construction and retrofit markets are served, and the marketplace is continually surveyed for new products and emerging trends. The D.H. Pace Company operating groups, and the markets they serve, include:

The Genuine. The Original.



Atlanta • Kansas City • St. Louis Springfield • Wichita

PHPACE DOOR SERVICES

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

Atlanta • Kansas City • Phoenix Springfield • Wichita

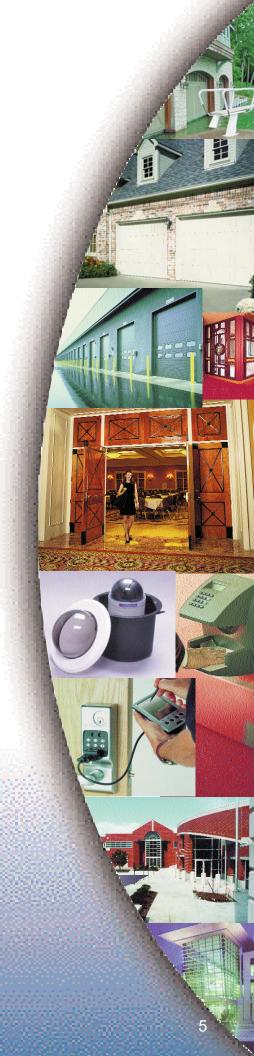
PHPACE SYSTEMS INTEGRATION

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

Atlanta • Phoenix



As it did in 1977, our organization remains committed to the vision of providing "safe, secure and functional openings in all types of commercial and residential facilities, which consistently exceed customer expectations." Today over 75 years of experience and 639 dedicated employees stand behind that commitment 24 hours a day, 7 days a week, 365 days a year.







Overhead Door Group (OHD)

Atlanta • Kansas City • St. Louis • Springfield • Wichita

The D.H. Pace Company's Overhead Door Group is considered a leader in the door industry and is one of the nation's largest distributor groups.

The company operates 10 showroom facilities located in five major markets. In addition, three satellite offices operate under the trade names of "Overhead Door Company of Blue Springs", "Overhead Door Company of SW Illinois" and "Overhead Door Company of Greater Hall County".

Operations of the OHD Group specialize in sales, installation, service and repair of all types of residential, commercial and industrial door-related products for both new construction and retrofit (aftermarket) applications.

Dedicated OHD Group sales teams within each market segment work with general contractors, architects, property and facility managers, home builders, homeowners and end users at all levels to make sure that the proper products and services are provided to meet the needs of each project and customer. All OHD Group sales and field personnel are professionally trained to provide the right doors and door-related products to meet the TOTAL OPENING needs and code requirements specific to each type of facility and application.



Atlanta, GA 221 Armour Drive • Atlanta, GA 30324 404-872-3667 www.ohdatl.com



Kansas City, MO 611 E. 13th Ave. • N. Kansas City, MO 64116 816-221-0072 www.ohdkc.com



St. Louis, MO 3924 Shrewsbury • St. Louis, MO 63119 314-781-5200 www.ohdstl.com



Springfield, MO 707 N. Grant Ave. • Springfield, MO. 65802 417-862-9339 www.ohdspringfield.com



Wichita, KS 1711 S. Hoover Rd. • Wichita, KS 67209 316-944-7223 www.ohdsck.com

In addition to providing customers with written bid proposals for products and installations, each OHD Group division employs a full compliment of trained service technicians who operate from radio dispatched vehicles outfitted with the products, parts and equipment necessary to service and repair any type of door or electric motor operator. OHD Group technicians regularly provide same-day service and respond to emergency calls 24 hours a day, 365 days per year.

By providing a wide variety of industry-leading field and support services, trained and certified installers and technicians, and security and safety expertise, the OHD Group not only offers best-in-class "service after the sale", but provides single source TOTAL OPENING SOLUTIONS that customers can rely on throughout the life of their facility.

Some of the many Programs and Services the OHD Group offers include:

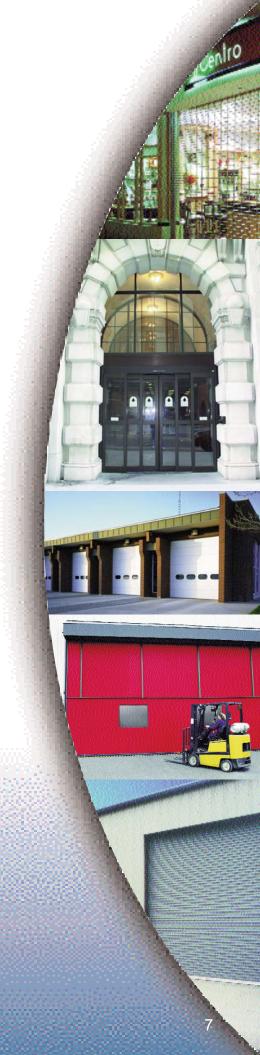
- Preventive Maintenance Programs
- Fire Door Drop Testing
- Automatic Pedestrian Door AAADM Certified Inspections
- Customized Priority Service Contracts
- Door Safety and Site Surveys
- Key System and Access Control Consultations
- End-user Training Programs

Specialists at each OHD Group location are trained to provide each customer with a combination of products, programs and services to meet their specific facility's total door and hardware needs.

The OHD Group offers comprehensive sales, installation, service, and repair on the following type products:

- COMMERCIAL SECTIONAL DOORS
- RESIDENTIAL GARAGE DOORS
- ELECTRIC GARAGE DOOR OPENERS
- ROLLING SERVICE & FIRE DOORS
- ROLLING COUNTER DOORS
- DOCK LEVELERS, SEALS & SHELTERS
- HIGH SPEED TRAFFIC DOORS
- SECURITY GRILLES
- INDUSTRIAL DOORS

- HOLLOW METAL DOORS & FRAMES
- SOLID CORE WOOD DOORS
- FINISH HARDWARE
- ELECTRIFIED DOOR HARDWARE
- ELECTRONIC ACCESS CONTROL
- AUTOMATIC PEDESTRIAN DOORS
- ADA AUTOMATIC OPERATORS
- LOCKSMITH SERVICES
- ALUMINUM STOREFRONTS





PHPACE DOOR SERVICES

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

In 1995 the commercial entry door (CED) operations of the Overhead Door Group were organized under a new trade name, "D.H. Pace Architectural Doors and Hardware" (ADH), to deliver CED products to general contractors on a delivered only basis. The ADH Group has grown to become a nationally recognized leader in the commercial entry door industry.

Over the last several years the ADH Group has expanded the products and services they provide to include installation, repair services and direct end-user sales. As a result, in 2003 this group adopted a new trade name, "D.H. Pace Door Services" (PDS), to better reflect the full range of products and services now offered.

The PDS Group works with general contractors, architects, end-users and related construction professionals to consistently and professionally deliver projects on time, under budget and that exceed customer expectations.

The PDS Group employs industry professionals certified by nationally recognized associations, including:

- Architectural Hardware Consultants (AHC) and Certified Door Consultants (CDC) certified by the Door & Hardware Institute (DHI),
- Certified Registered Locksmiths (CRL) certified by the Associated Locksmiths of America (ALOA),
- And, Construction Document Technologists (CDT) certified by the Construction Specifications Institute (CSI).

The PDS Group is actively involved in many additional industry associations, including the American Institute of Architects (AIA), the Security Industry Association (SIA), and the American Society for Industrial Security (ASIS). Employee training, certification and industry involvement assures

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Springfield, Missouri

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Wichita, Kansas

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Phoenix, Arizona

616 W. 24th Sreet Tempe, AZ 85282 480-968-3667 AZ ROC: #183892 K-60

Atlanta, Georgia

221 Armour Drive Atlanta, GA 30324 404-327-5106

www.dhpace.com

that the PDS Group has the broadest possible knowledge base to assist customers in the proper design, selection, installation and maintenance of CED products to meet the specific needs of each opening and application.

The PDS Group also provides a complete range of locksmith support services, including lock installation, cylinder keying, master key system design, high security cylinders, restricted key systems, and the coordination of key record management.

In support of both existing customers and current projects, the PDS Group maintains large hollow metal fabrication facilities certified by Underwriters Laboratories (UL) to build fire-rated opening assemblies, along with a broad array of finish hardware, locksmith and replacement parts inventories. This allows the PDS Group to provide single source TOTAL OPENING SOLUTIONS to the diverse customer base and markets it serves.

In recent years, TOTAL OPENING SOLUTIONS have also come to include effective security systems for CED openings. Professional Life Safety and Security Solutions require the proper coordination of access control, CCTV, video monitoring and intrusion alarm technologies with traditional CED products and services. The PDS Group, in conjunction with the newly formed D.H. Systems Integration (PSI) Group, provide customers with integrated solutions on a facility and enterprise basis that meet the most demanding criteria.

Whatever the level of security Management of assets and people Total integrated facility solutions including a facility or project requires, access control, time and attendance and the PDS Group provides the personnel scheduling proper combination of - Management of perimeter and controlled mechanical door products public openings Biometric and electronic access with electronic access control systems control and network technologies to offer LEVEL 2 ECTRONIC ACCESS CONTROL & KEY MANAGEMENT - Electronic key management systems best-in-class Stand-alone electronic access controlled openings Professional Life Safety & Security - The foundation of an opening - exterior LEVEL 1 Solutions for our and interior doors, door hardware, MECHANICAL ACCESS / EGRESS mechanical locks, keying systems and customers. portable security

The PDS Group offers comprehensive sales, installation, service, and repair on the following type products:

- HOLLOW METAL DOORS / FRAMES
- WOOD DOORS
- FINISH HARDWARE
- ELECTRIFIED DOOR HARDWARE
- OVERHEAD DOOR PRODUCTS & SERVICES
- ALUMINUM STOREFRONT OPENINGS
- RESTROOM PARTITIONS & ACCESSORIES
- ROOF VENTS, ACCESS PANELS & HATCHES

- ELECTRONIC ACCESS CONTROL
- CCTV & VIDEO MONITORING
- AUTOMATIC PEDESTRIAN DOORS
- ADA AUTOMATIC OPERATORS
- LOCKSMITH SERVICES
- BLAST & BULLET RESISTANT DOORS
- PRESSURE RESISTANT DOORS
- FRP DOORS & FRAMES





DHPACE SYSTEMS INTEGRAT

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

The D.H. Pace Systems Integration Group (PSI) provides a wide range of integrated security systems, including access control, closed-circuit television (CCTV), video monitoring and intrusion alarm systems to both the new construction and retro-fit markets. Security products can be designed and installed as stand-alone systems or on an integrated platform. Support services include 24-hour emergency service, maintenance contracts and monitoring programs.

The PSI Group works with general contractors, architects and end-users to design, budget, furnish, and maintain effective security systems that enhance the safety and security of any facility. Security systems can also be networked over LAN/WAN communications to connect facilities in different physical locations to the same integrated security platform.

The PSI Group also offers maintenance and monitoring programs to support the successful operation of security systems after their installation and initialization is complete.

While commercial door openings are the principle means of moving into, around, and out of a facility, an effective security system must be properly coordinated with these door openings to provide Professional Life Safety & Security Solutions. As experts in security systems and the door industry, the PSI Group is uniquely qualified to assist customers in the integration of these two elements into a safe and secure security system.



The PSI Group offers comprehensive sales, installation, service, and repair on the following type products:

- ACCESS CONTROL SYSTEMS DMP, DSX, HID, Hirsh, Lenel, Locknetics, Receptors, Securitron. Biometrics: Identix, Recognition Systems
- INTRUSION ALARM SYSTEMS Ademco, DMP, DSC, Radionics
- CCTV / VIDEO MONITORING Lanex, Panasonic, Pelco, QSI
- ELECTRIFIED DOOR HARDWARE Locknetics, Sargent, Schlage, Securitron, Von Duprin

- ID BADGING Eltron, Fargo, Indala
- EMERGENCY PHONES Code Blue, Selected Engineering, Talk-a-Phone, Vandal-Proof Products
- INTERCOM SYSTEMS Aiphone, Stentophon, Talk-a-Phone
- PARKING CONTROL /TURNSTILES Delta, Door King, Hysecurity, Traf Data

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Construction Services

The D.H. Pace Construction Services Group (PCS) offers a complete line of Construction Specifications Institute (CSI) Division 6, 8, 10 and 11 products under a single contract for commercial new construction and major after-market projects. Installation of these products can also be provided under an installation services contract.

The PCS Group operates on a regional basis with recent projects in Virginia, Washington D.C., Tennessee, South Carolina, Georgia, Florida, Kansas, Iowa, Pennsylvania, Missouri, Arizona, and Illinois. Project types include hotels, resorts, convention centers, detention facilities, arenas, educational campuses, manufacturing, hospitals, office buildings, and wastewater treatment plants.

The PCS Group can provide a broad range of products and services, including millwork, carpentry, overhead and commercial entry doors, integrated security systems, and Division 10 specialty products such as washroom partitions and accessories, lockers, and mailboxes. The PCS Group also works with owners and end-users on the coordination of multi-year / multi-phase building upgrade and renovation projects.

PCS achieves professional project management through industry leading software, such as Primavira, Timberline, and related programs, to deliver projects that are on time, under budget, and that exceed customer expectations.

Recent projects of the PCS Group include:

- The Sanctuary at Kiawah Island Kiawah Island. SC
- The Argosy Casino Expansion Riverside, MO
- Washington Convention Center Washington, D.C.
- Federal Express World Headquarters
 Memphis. TN
- Giant Center Arena Hershey, PA
- Nelson-Atkins Museum Kansas City, MO

- Leavenworth Justice Center
- Federal Reserve Bank Atlanta. GA
- AOL OnLine Data Center
 Manassas, VA
- Platte County Detention Center Platte City, MO
- Municipal Auditorium
 Kansas City, MO
- Kilde Hall-lowa State University

 Ames. IA

Kansas City, MO

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Atlanta, GA

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EEN Advertising and Marketing is a full service agency, which handles the organization's diverse marketing needs. From design to production and placement of advertising to interactive multimedia sales tools, EEN Advertising works with all operating entities to achieve their most efficient use of media dollars and best return on investment.

Agency responsibilities include the design and management of the organization's distinctive yellow page marketing program, the coordination of manufacturers' co-op advertising programs, the design and production of traditional print sales and marketing pieces, radio, television and the development and maintenance of electronic media, such as internet websites and multi-media CDs.

EEN Advertising also plays a key role in the operation and expansion of PACE.NET, an organization-wide intranet resource tool that enhances communication, training, and the sharing of knowledge among the employees of the organization.



D.H. Pace University (DHPU) is the organization's learning system that incorporates state-of-the-art facilities, multiple media resources, and a broad range of programs to deliver on-going educational opportunities to employees and other stakeholders in the company.

DHPU learning programs include product and systems training sessions in divisional Classroom Facilities, installation and service training in divisional Hands-On Training Facilities, off-site training programs offered by manufacturers, On-Line courses over the internet, and educational seminars held for customers, architects, building code officials, and related industry professionals. In addition, employee participation in industry association professional certification programs are administered through DHPU.

DHPU also offers on-going training, industry information, product libraries, and related resources through the company's PACE.NET intranet site which employees can access at any time for project research or to further their professional education.













D.H. Pace Implements Six Sigma



One of the most significant issues facing business in the 21st century is the challenge of staying competitive in an ever-changing marketplace. To maintain a market leading position in this type of environment requires a long term organizational commitment to continuous improvement. A Six Sigma program is being implemented within the D.H. Pace Company to provide our employees with the tools necessary to make that continuous improvement process a reality. The themes of a Six Sigma program are:

Focus on Customer Satisfaction

In Six Sigma, listening to the voice of the customer is a top priority. Improvements are defined by their impact on customer satisfaction and value.

Data and Fact Driven Management

Six Sigma begins by defining what measurements are appropriate to evaluating business performance, then it applies data and analysis to build an understanding of key variables.

Focus on Business Processes

In Six Sigma, improvements in business performance are made by improving individual business processes.

Disciplined Management

In Six Sigma managers set ambitious goals, set clear priorities, focus on problem prevention instead of firefighting, and actively seek to understand not only the "what" of a process, but also the "why".

Boundaryless collaboration

Six Sigma breaks down the internal communications barriers

between employees that frequently arise inside growing Organizations.

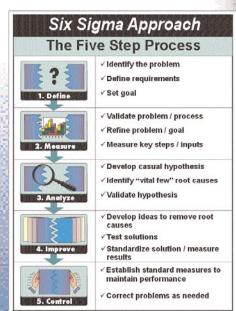
Drive for Perfection

Six Sigma strives for perfection through continuous improvement.

Six Sigma uses a disciplined step-by-step approach and a variety of statistical tools to track the number of defects per million opportunities in a given process and then measures the variances in that business process.

Additional tools are then applied to reduce the variance that operates within that process.

It takes many years to fully implement a successful Six Sigma program. This year represents the beginning of the journey for the D.H. Pace Company.







and its Family of Companies

- CORPORATE VISION -

"Continue to broaden the range of products and services we offer to the market place.

Provide products and services to our customers with the highest possible level of quality, ethics and integrity.

Produce a solid level of profits that will enable us to maintain a financially strong organization.

Provide a corporate caring family environment for our employees that creates job security, job satisfaction and opportunities for growing responsibilities.

Meet our community responsibilities, especially to those less fortunate than we are, with an active participation on the part of both our family of companies and our employees."

- CORPORATE VALUES -

WE BELIEVE in providing a safe and secure environment with challenging opportunities for every employee in the organization.

WE BELIEVE in providing an environment that encourages openness, self-discipline and personal growth for every employee in the organization.

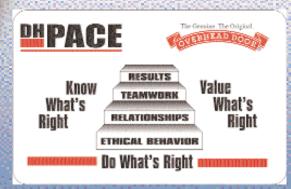
WE **BELIEVE** in respecting the value every employee contributes to all our corporate objectives every day.

WE BELIEVE that meeting our customers' needs by providing timely and superior service, the best product and the utmost respect for each customer must be our number one objective every hour of every day.

WE BELIEVE each of us throughout the organization must "care about each other and respect each other" for our company to live each day by the beliefs set out above.

WE BELIEVE our company can achieve its profit objectives and operate day-by-day with a very high standard of ethical and moral values, and that these will be in harmony, one with the other, day-by-day, week-by-week, month-by-month, and year-by-year.

- CORPORATE ETHICS -



The D.H. Pace Company strives to instill in each of its employees a fundemental understanding and commitment to "Know What's Right", "Value What's Right", and "Do What's Right" based on the organization's long standing Vision, Values and Ethics Statements.

E.E. Newcomer Enterprises Foundation

When Ed Newcomer joined the Company in 1977, he brought with him a strong commitment for our organization to meet its community responsibilities - especially to those less fortunate - through the active participation both on the part of our family of companies and our employees.

This commitment, as reflected in our Corporate Vision, Corporate Values and Corporate Ethics statements, is further demonstrated by the establishment and work of the E.E. Newcomer Enterprises Foundation (the Foundation).

From community involvement roots established in the 1980s, the Foundation was formally established as a separate not-for-profit corporation in 1995 for the purpose of providing grants to, and developing partnerships with, those community organizations that serve the less fortunate, the disadvantaged and individuals in crisis, and that create client independence as a part of their services.

The Foundation has provided grants for:

- educational scholarships which enable inter-city youth to attend parochial schools
- Christian social service organizations
- urban health care clinics that primarily provide services to the working poor who do not have insurance
- community-based volunteer programs that assists low income neighborhoods.

The above grants represent only a portion of the charitable partnership programs the Foundation is involved in.

We believe good corporate citizenship includes a responsibility to give back to the community through the sharing of time, talent and resources.

E.E. Newcomer Enterprises will continue to invest a portion of its corporate profits back into our community through the work of the Foundation, and our employees are also encouraged to share their time and talents through volunteerism within their communities.

Foundation Mission Statement and Guiding Principles

The purpose of the Foundation Fund is to develop a partnership "which we view as a helping hand - not a hand out", that seeks to develop more self-sufficient individuals, families and neighborhoods, by funding a select number of organizations committed to this vision. Guiding partnership principles include:

- Personal knowledge or relationship with our EENE family of companies.
- Programs that demonstrate significant measurable impact and create on-going client independence.
- Organizations that are firmly committed to Christian values and share in the values, beliefs and vision of the Foundation's Board of Directors.
- Community involvement that serves the poor, disadvantaged and/or individuals in crisis.

