

Xanitos Solutions

JUNE 2008

HE'S BACK

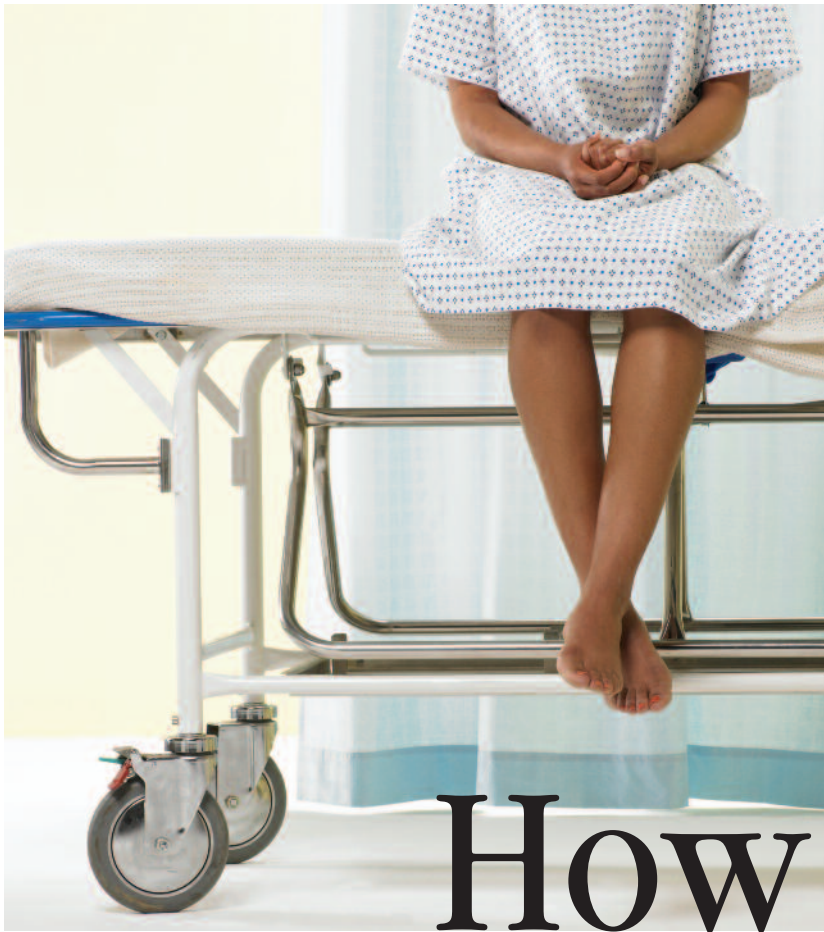
AND BETTER
THAN EVER!

graeme crothall

THE INTERVIEW

HOW HEALTHY
IS YOUR
HOSPITAL?

THE KEY TO
XANTOS' SUCCESS —
IT'S MANAGEMENT
TEAM.



How *clean* is your hospital?

Not as clean as you think!

HAIs kill over 100,000 patients in the US each year. XRO offers a new approach to hospital housekeeping that helps reduce these infection rates.

According to the Center for Disease Control, hospital acquired infections (HAIs) occur at a rate of 5 infections per 1,000 patient-days. Given that patient populations tend to be more seriously ill than in the past, the risk for acquiring such infections has grown significantly.

The impact on patient mortality rates, not to mention the financial ramifications of such infections, clearly indicates that hospitals must strive to ensure the cleanliness of their facilities like never before.

INTRODUCING XANITOS ROOM OPTIMIZATION

Recognizing the most common routes of infection transmission, Xanitos created Room Optimization™, which reduces both airborne and common vehicle transmissions. Our team works closely with Infection Control Departments to ensure that safe environmental practices are being utilized to keep patients protected from nosocomial infections.

Through the utilization of extremely quiet, mobile, double HEPA filtered vacuum systems, a large percentage of bacteria-carrying dust found within patient care environments is significantly reduced. All surfaces, walls and air vents are vacuumed daily to mitigate against the risk of HAIs.

Our novel cleaning carts, equipped with single-use micro-fiber mops and germicidal wipes, also helps reduce the

risk of HAIs. Surface dirt and bacteria are removed from all touch points without the risk of contagions being transferred from room to room. Special containment areas for soiled items prevent the occurrence of cross-contamination on the cart.

Xanitos' employees receive rigorous training on the appropriate methodologies associated with the proper use of cleaning equipment and products. Our training strongly emphasized that effective cleaning has a significant impact on the patient's health, and that

each employee has a responsibility to reduce the risk of HAIs. Xanitos believes that this commitment improves the quality of care provided to each patient within a hospital setting.

According to John Gianotti, our Executive Vice President, "This approach does several things for our clients; it provides optimal cleanliness within a patient-care setting, while also improving bed turn around time and patient satisfaction scores. We recognize what we do matters to our clients and their patients. Clean matters."

APPEARANCE ALSO MATTERS

Making sure that your hospital is clean is the top priority at **Xanitos**, but we also recognize that the overall appearance of your hospital is important, too. Along with thorough cleaning to prevent the spread of HAIs, **Xanitos** can make sure that walls are painted, baseboards are replaced as needed, and dirty or stained ceiling tiles are quickly changed. These details convey the concept of "clean" to the patient and help to build a level of certainty that they are indeed being cared for in a clean and safe environment.



GRAEME CROTHALL

Xanitos is led by Mr. Graeme Crothall, who has more than 40 years of experience in establishing and growing successful Environmental Services companies. To say that Graeme was born into this industry would not be a stretch, as his father, Alan Crothall pioneered the concept of outsourced hospital housekeeping in Australia, New Zealand and England and played a key role in the creation of ServiceMaster, now a subsidiary of Aramark.

Taking the knowledge that he had learned from his father, Graeme founded Crothall International, Ltd. in 1969. Known for providing strong operational expertise and quality services at a fair price, the company grew from one hospital housekeeping client to over 200 hospitals in twelve years.

After leaving Crothall International, Graeme formed Quornden, Inc. Graeme here again demonstrated his ability to build strong organizations, achieving impressive organic growth, and providing excellent service. Quornden later became Marriott's Facilities Management Division. Today, Crothall International and Quornden, make up Sodexo's Facilities Management Division, with revenues in excess of \$900M.

In 1991, Graeme founded Crothall Services Group. As was true for his previous two companies, Crothall Services Group developed a reputation for providing quality service. The company grew from \$16M to \$450M revenues, with over 300 hospital clients during Graeme's 11 years of leadership. Crothall Services Group today ranks second in the industry relative to market size and has revenues in excess of \$900M, making it the second largest in the industry.

Prohibited from competing in the hospital housekeeping industry, Graeme turned his focus on the commercial, manufacturing and education markets through the establishment of GCA Services Group. Once again, revenue growth was strong, at more than \$400M under his leadership.

Returning to his roots, Graeme Crothall has established Xanitos. Graeme's commitment to providing quality service and a track record for building strong organizations based upon strategic, organic growth and strong operational know-how will ensure the success of Xanitos in the hospital housekeeping industry for years to come.

graeme

THE INT

Graeme Crothall agreed to share with us his thoughts on what guided his decision to get back into hospital housekeeping and what sets this endeavor apart from his prior companies. His unique understanding of the hospital housekeeping industry, a strong management team and a new patent-pending process for cleaning patient rooms positions **Xanitos** for success.

“FOR ME TO GET BACK IN THE BUSINESS THERE HAD TO BE SOMETHING NEW THAT I COULD BRING TO THE GAME. I FOUND THAT ”SOMETHING” IN THE ROOM OPTIMIZATION SYSTEM THAT HAS THE POTENTIAL TO SIGNIFICANTLY CHANGE HOSPITAL HOUSEKEEPING.”

crothall

REVIEW

QUESTION *Graeme, what made you decide to begin another company focusing on hospital housekeeping?*

This industry is my heritage...in my blood, so to speak. My father pioneered cleaning hospitals by contract in New Zealand and England in the 1940's and 50's. He recognized back then that the most effective and efficient way to clean hospitals was through the use of vacuums. In the USA however, vacuums were generally not used except on carpets. Indeed hospital housekeeping has been done essentially the same way for the last 40 years — the industry is ripe for change.

Recently, I came across the Room Optimization System developed by a small mid-west company, Sterling Services Group. This system enhances the three basic goals every hospital housekeeping department should have; it reduces the risk of hospital acquired infections; it improves patient satisfaction with housekeeping; and it reduces the turnaround time to clean discharged patient rooms. I was so impressed with the potential of this system that I bought the company and so find myself back into hospital housekeeping for the fourth time. We term the system "Xanitos Room Optimization™" or "XRO."

QUESTION *What makes XRO so groundbreaking compared to the conventional cleaning techniques used by other established hospital housekeeping companies?*

There had to be something completely

different in order to entice me to get back into things. The XRO approach is indeed different and enables us to clean patient rooms better and faster. The most obvious change is that it utilizes an extremely quiet, mobile, HEPA double-filtered vacuum system that is the fastest, most effective dust removal process available today. This vacuum removes bacteria-carrying dust from the patient-room and contains it in the HEPA filtered vacuum bag rather than simply moving it around, as is the case with the current industry practice that utilizes dust control tools rather than vacuums.

The XRO approach employs three-person work teams, who split the cleaning tasks between them. First thing in the morning, one team member mans the vacuum system, while the others do a quick round emptying the patients' trash baskets before beginning to thoroughly sanitize the patient rooms. The teams utilize a specially designed cleaning cart, stocked with germicidal micro-fiber mop heads, sanitizing cloths and separately contained storage for clean vs. soiled items. This approach reduces the clean time per room to approximately 10 minutes compared to the industry average of 15 minutes or more.

There are no rooms missed with this approach. With three people assigned

to a patient room cleaning, the team can be assigned to more than one patient unit, and can be given just the right number of rooms to clean so that they finish at the time the patient discharges start to peak, freeing them for discharge cleaning.

During his more than 40 years in the industry, Graeme Crothall has founded and led four successful companies.

Crothall International, Ltd.

1969 - 1983

Quornden, Inc.

1985 - 1989

Crothall Services Group

1991 - 2002

GCA Services Group

2003 - 2007

Others in the industry may be using things like micro-fiber mops, and even perhaps some type of "team cleaning" concept, but none are using the most important aspect of XRO, the specially designed vacuum, whose manufacturing rights are owned by Xanitos.

Given this, and our patent-pending protection for our XRO system, it will be hard for other compa-

nies to compete against us.

QUESTION *What would you say is the secret to your success thus far?*

Well, first and foremost, a successful leader has to know where he wants to take the organization, must effectively share that vision with his team, and must provide the drive and enthusiasm it takes to get there.

Second, one must also have an unwavering dedication to delivering quality service. If quality service is provided, things such as client retention rates, gaining

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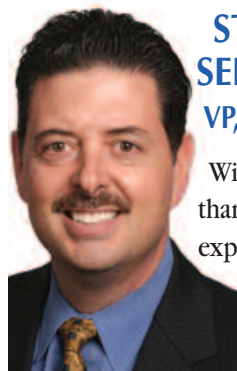
Meet the Xanitos Management Team



**JOHN
GIANOTTI**
Executive VP,
Operations

John has 30 years experience, first with ServiceMaster, then with Mt. Sinai Medical Center,

NY, and finally with Crothall Services Group, rising to the level of Sr.VP responsible for over 140 hospital clients. One of the best “operators” in hospital housekeeping, John is well equipped for the oversight, implementation and successful operations of client services for Xanitos.



**STEVE
SERVANT**
VP, Sales

With more than 25 years experience in sales and support service

operations, Steve is a seasoned sales executive and is an excellent addition to our sales team. He brings his experiences at ARAMARK, Sodexho and Crothall Services Group to bear on his sales efforts at Xanitos.



**CLYDE
PATTER-
SON**

Senior
Regional
Manager

With
extensive
experi-

ence within the hospital housekeeping industry as an Account Manager, Regional Manager, Startup Specialist and Senior Regional Manager, Clyde always gets the job done, well. Having worked in all four Crothall US companies, he brings more than 35 years of experience to Xanitos.



**SEAN
SHAPERT**
Senior
Regional
Manager

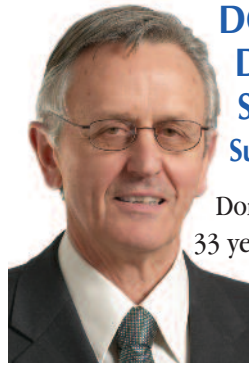
Sean is an
18 year
house-
keeping

veteran of several large medical centers, including the Cleveland Clinic Foundation, Boston Medical Center and Hospital of the University of Pennsylvania, and has several years experience as a Regional Manager at Crothall Services Group. This experience and his strong management skills make him a key player at Xanitos.



KEN KRAUSS
VP, Sales & Marketing

With more than 25 years of sales and marketing experience, Ken joins Xanitos as a member of the Executive Committee and is responsible for managing the sales and marketing efforts for the organization. Having worked for Sodexo, ARAMARK and Crothall Services Group, Ken has a strong understanding of the hospital outsourcing industry.



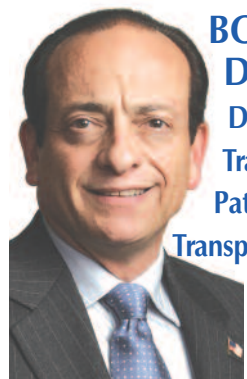
DON DEATH
Senior VP, Support Services

Don began his career 33 years ago while working for the Crothall family company in New Zealand and Australia. He moved to the United States in order to continue working with Graeme in both Crothall International, LTD. and Quornden, Inc. In 1995, Don formed Sterling Services, thus laying the foundation for the company that has become Xanitos.



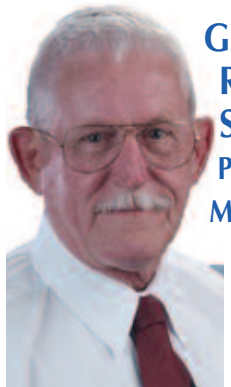
DWIGHT SYBOLT
Senior VP, Human Resources/ Administration

After serving in the military for 11 years, finishing as a major in the Army Rangers, Dwight received his M.B.A. from Austin Peay State University. He moved to Marriott's Facilities Management Division in 1987 under the leadership of Graeme Crothall. He became Sr. VP Human Resources for Crothall Services Group in 1994, and then joined Graeme Crothall as Sr. VP Human Resources for GCA, Inc. in 2003.



BOB DIBBLE
Director, Training & Patient Transportation

Bob brings 30 years experience managing both Housekeeping and Patient Transportation operations and has played a key role in developing several quality control and customer satisfaction programs. Having worked at Service-Master, ARAMARK and Crothall Services Group, he has an in-depth understanding of the strengths and weaknesses in today's delivery models and the advantages of Xanitos.



GEOFF ROBINSON
Project Manager

After a career in the Army, Geoff turned his attention to the Hospital Housekeeping. He has been an Account Manager, Regional Manager and a Start-up Specialist during his 15 years in our industry, and excels in all aspects of starting new business. A marathon runner, Geoff's energy, drive, and experience serves Xanitos well.



LISA OSTERMANN
Project Manager

Lisa is a strong Operations Manager, most recently responsible for managing the housekeeping, POM and grounds-keeping services for St. John's University Hospital in Queens, NY. Bringing more than 20 years prior experience with her, Lisa is an exceptional addition to the Xanitos team.



EVAN SIRLIN
Project Manager

Beginning his career as a trainee and ultimately rising to the rank of Regional Manager at Crothall Services Group, Evan brings more than 17 years of experience to Xanitos. His ability to manage multiple operations successfully makes him an integral part of the management team.

graeme crothall

THE INTERVIEW

(continued from page 3)

new clients and the ability to attract and retain talent follow naturally. As I frequently tell my team “if you focus primarily on top quality service, the profits will follow.”

Third, I have always tried to convince my team that what we do is important. We can make a difference to our clients and their patients by doing our work well, thus reducing the risk of HAIs, and giving patients comfort that they are in a safe and clean environment. In other words, what we do matters!

Fourth, a sense of urgency! For years I've had a sign on my desk that reads, “Do it! Do it now! Do it right now!”

If a client is unhappy; if a sales opportunity appears; if a key strong manager is available for hire . . . Seize the moment! Take quick action to attend to the unhappy client, to seize the sales opportunity, to hire the star manager, . . . today! This sense of urgency too often gets thwarted in large organizations as management gets complacent. I am often asked if it's daunting to be small company compet-

ing against the giants — some of whom I have built. Being small, agile, and driven has advantages. I find it more fun dancing between the feet of elephants than riding the plodding beast! Xanitos is indeed large enough to serve but small enough to care.

QUESTION *Would you share a bit about the Management Team you have assembled to work with you at Xanitos?*

From any perspective, this team is the most experienced that I've ever had the pleasure to work with and lead. Through the acquisitions of Sterling Services Group and First Management, Inc. we have inherited some good management. Further, because of XRO, my previous successes, and the ability to own stock in Xanitos, I have attracted some of the more talented people from my past companies to join me. These people have been carefully selected—I know them well!—with the goal of overhiring; placing them in a position in which

they have performed well in the past and have moved beyond in their current organization. They are confident that, like my previous companies, Xanitos will grow rapidly and they will soon have more responsibilities than before.

In the meantime, by bringing together these people, Xanitos is assured of success right out of the chute. Position by position, our managers are of a higher caliber than our competition. They have far more experience and successes than their counterparts.

Everyone on the Xanitos team recognizes that success in our industry is based upon the ability to execute better than the competition. Our technology and cleaning processes will only carry us so far. We must remain focused on execution so that we are indeed the quality-focused, niche player in Hospital Housekeeping. This management team is prepared and able to do what it takes to succeed.

Wait, there is more!

Log on to www.xanitos.com to learn about the goals that Graeme has established for Xanitos.



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