

the Posillico Group Newsletter

Integrated Construction Solutions

A Message from the Board of Directors

We are in the construction industry, but we are really in the people business. Our number one job is to inspire a deep sense of satisfaction among all stakeholders.

Our founder, Joseph D. Posillico Sr. was a brilliant innovator of machines and heavy equipment. He had great vision and his advice was sought by many in the industry. He understood the value of education and the importance of training and development — which built a construction business that is both successful and enduring.

We have been in the construction industry for over 56 years, but we are really in the business of leading people, managing resources and creating winning solutions. We are dedicated to enhancing the quality of life, preserving our environment, and improving the community's infrastructure. We are general contractors who build and pave highways, clean up the environment, enhance infrastructures and construct buildings and residences. We provide integrated construction solutions.

“We are dedicated to enhancing the quality of life, preserving our environment, and improving the community's infrastructure.”

We are committed to developing innovative ideas, while maintaining the trust we have earned from the community.

We are proud to achieve our goals of completing our projects on time, on target and on budget. Our key strategies are to build upon our solid reputation for excellence, fortify our operations, develop our people, attract and retain the best talent, and expand with cautious optimism.

We focus on what matters and execute our task with efficiency and effectiveness.

We are driven by excellence and have a desire to lead rather than follow. Effectiveness is our strength, excellence is our history, diversity is our destiny.

In order to continue making a difference that separates us from our competition, *(continued on pg. 2)*

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Joseph D. Posillico Jr. Award

In recognition of excellence in dedication, efficiency and core values.

In order to preserve the memory, values, dedication and excellence demonstrated by our beloved leader, we have created an award in his honor, which will recognize one of our employees who demonstrates his drive and energy for high standards and quality work ethics. This award will be given out twice a year and the recipient will receive \$1000. *(continued on pg. 3)*



L to R: Michael Posillico, Mario Posillico, Joseph Posillico III, Joseph K. Posillico, Paul Posillico

A Message from the Board *(continued from cover)*

we have developed a group of related companies, products, services, and talented people — serving the private and public interests and needs. Our work will be accomplished through our integrated group of diverse companies designed to solve a wide range of construction challenges.

In our inaugural issue of the newsletter, we are proud to introduce our new name and brand. We are now The Posillico Group.

We provide integrated construction solutions by



Field Safety Checklist

- ✓ Ensure detours and barricades are in place
- ✓ Make sure cones are set up correctly
- ✓ Set all signs and arrow boards in place
- ✓ Ensure equipment trailers are locked
- ✓ Check raised manholes for ramps or barrels
- ✓ Protect all trenches
- ✓ Barricade all work areas
- ✓ Make sure pot holes in traffic areas are filled
- ✓ Ensure pedestrian paths are safe and secure
- ✓ Set temporary fences in place
- ✓ Provide flagmen to direct traffic and warn pedestrians of hazardous operations

setting the standard for excellence in our industry relative to infrastructure, quality of life, and making a difference through solid relationships.

Our four businesses, J.D. Posillico, Inc.; Posillico Bros. Asphalt; Blue Water Environmental, Inc.; and Posillico Development Corp. are designed to seek opportunities that will improve the quality of life, enhance the infrastructure and preserve the environment. By working together we can share expertise and resources, expand joint venture relationships and provide one-stop-shopping to our clients.

The Posillico Group brand stands for excellence, efficiency, effectiveness and integration of our services.

The Posillico Group brand stands for excellence, efficiency, effectiveness and integration of our services, which are deployed across a broad spectrum of construction opportunities and challenges.

The Posillico Group Board of Directors thanks all their employees for their outstanding efforts during this challenging year. We appreciate all your hard work and dedication. We look forward to continued growth in our industry and to your help in getting us to new levels.

Have a Happy and Healthy Holiday,

The Posillico Group Board of Directors

A J.D. Posillico Retrospective

As 2004 comes to a close, we can all look back at this past year in what was undoubtedly one of the more difficult and challenging periods in the 59 year history of J. D. Posillico, Inc. The sudden and untimely passing of Joe Jr. last December was a tremendous loss for the Posillico family, and for our organization. The new year posed many significant challenges to both our management team and our employees. I am sure that many people, both inside and outside the organization, faced a great deal of uncertainty about the future and direction of our organization.

In assessing the situation, two things became clear. First, no one person would be able to replace the drive, energy, personality and experience that Joe Jr. provided to the organization. Second, if our organization was going to continue to maintain its position as a leader in our industry, we had to improve the way we managed the company and our operations. We felt the need to give more responsibility and stewardship to you, our employees, to provide a system that would provide performance incentives, to implement a structured system for performance evaluations, and to improve communication and cooperation between our various departments and organizations.

In order to accomplish these objectives, we developed a Strategic Plan for our organization and have worked diligently towards its implementation. While we

have made great strides towards this goal, there is much work to be done. In order to accomplish these goals, we have had to make some changes and reassignments of our management team, have added several new employees, and will continue to seek out and recruit additional talent so that our organization can meet our current growth objectives.

We should all look back and take pride in the fact that, despite these uncertainties, and throughout the implementation of these changes, J.D. Posillico, Inc. — thanks to the continued hard work and dedication of our employees — will have attained our goal of a 20% increase in revenue for 2004, and have had our most profitable year of the new millennium.

I thank all of you again for your efforts, and I look forward to meeting the challenges ahead as we focus on our vision for 2005 and beyond.

~ Joseph K. Posillico





An Exciting Future for Blue Water Environmental

This year Blue Water Environmental (BWE) officially launched its way (literally) into the marine industry, successfully completing two projects in our inaugural year. Anchor Drive Park in Massapequa required an innovative redesign of synthetic bulkhead materials that are growing in popularity with marine facilities owners because of their durability and improved aesthetic qualities.

This project was completed on time and on budget, despite initial weather problems and equipment mobilization obstacles. Our second marine project with our municipal client in Bayville is finally nearing completion after a very difficult start. On this site we deployed our newly constructed sectional barges and new equipment for dredging environmentally impacted spoils requiring upland disposal. BWE is one of a very few companies that possess licensing for the recycling of dredge spoils under its "poscrete" permit from NYSDEC. Many thanks go out to Michael Alessi our Senior Field Manager, Charlie Ferito our General Foreman and Sergio Polidori for their efforts in getting BWEs feet wet safely in this new endeavor.

Our other projects in contaminated soil recycling and material processing are continuing to expand. This coming year we plan to continue our efforts to grow this important part of our business. Recycling of contaminated soils at PBA and demolition materials at our Construx facilities continue to grow our presence into other areas of redevelopment in the metropolitan area. The service commitment of employees Kimberly Powell, Mark Bretz and Lisa Magro continue to grow customer loyalty and sales expansion through positive referrals. Our facilities managers and workers are continuing their drive for safety and quality, and that is reflected in our reputation with the regulatory authorities who govern our operations. We are looking to

We are looking to raise the bar on safety, quality and compliance this year, and will communicate ways that we can accomplish this as part of our key operating strategy goals.

raise the bar on safety, quality, and compliance this year, and will communicate ways that we can accomplish this as part of our key operating strategy goals. The groundwork laid by service managers Desmond Corrigan, Mike Mazurkiewicz and others has provided this opportunity that we are committed to follow and grow.

Looking forward, the Estimating department, lead by senior Engineer Mike Trotta, has successfully procured two more marine and remedial projects in Nassau County. The first is a petroleum soil remediation and building demolition project in Inwood, New York. A former oil terminal facility is being implemented through a NYSDEC new brownfield initiative. This project will entail the development of a new building and site facilities for vital industrial growth in our region. The Posillico Group is highly qualified to lead this project and with the guidance of our newly welcomed project manager Ken Hyman, we expect to bring this project in on time and on budget.

The second is a marine bulkhead project for the town of Oyster Bay involving advanced value engineered design features developed on our recently completed project at Anchor Drive Park. We are also bidding on several challenging projects in the final quarter of 2004 that will provide work opportunities in the coming year. Without the continued efforts of everyone at The Posillico Group these opportunities would not be realized. We look forward to continued growth in 2005.

~ Michael Posillico

Award (continued from cover)

Joe Jr. has been described in many ways. Recently, our employees remembered Joe as being a very driven and dynamic teacher, smart and direct, and a strong businessman. He loved what he did, and the people who worked for him returned that love. He inspired many people with his strength and no-nonsense attitude.

For possessing the qualities respected by Joe Jr., our initial award recipient this year is Angelo Occhiogrosso. Congratulations and thank you for your hard work!



Quotable

We continue to reinforce our mission, vision, values, and strategy which will help us control our destiny.

I am convinced our firm is going in the right direction with a unified strategy.

We improved the quality of our workforce and expect to have a good start for 2005.

We are really committed to doing the right thing for our company.

The next year and half we will set aggressive goals and take a quantum leap into the future.

Everyone is inspired, stepping up and developing their own identity.

This year we laid the ground work to become more successful and place people where their strengths are utilized more effectively.

A Promising Look Ahead for Posillico Development Corp.

Posillico Development Corp. (PDC) is forging ahead with some of regions most challenging projects. These include development of brownfield sites, senior housing, workforce housing and next generational housing. It is our goal to completely integrate our operational companies to participate and leverage all of our resources, as the landscape of our region continues to change and the first wave of suburban development comes to an end over the next ten years.



Babylon Cove after



Babylon Cove before

Smart Growth trends — responding to the necessity to curb suburban sprawl, inefficient land use, and dependency on the automobile — are all at the forefront of why, what, and how our life fabric will change to continue healthy economic and social growth in our region and other maturing suburbs across America. The process of educating public officials, community, and environmental

groups has begun, and The Posillico Group (TPG) reaches into every aspect of these changes.

Recently passed environmental bond measures, spanning both counties and several towns, will continue to place pressure on development of brownfield and greyfield sites. PDC is a partner in the redevelopment of the Glen

Cove Waterfront — involving over 50 acres of land that will be reclaimed from its abusive industrial past. This project is one of 16 national showcase brownfield sites supported by the USEPA, Army Corp. of Engineers, NYSDEC, NYSDOH, NYSDOS, NYSDOT, and other municipal agencies. The Glen Isle Development team was successfully awarded this RFP because

of the strong backing of skills of The Posillico Group. As this project nears commencement there will many opportunities for operating companies in TPG to bring value in environmental, infrastructure, building, and material solutions. It is an exciting project which may also include the construction and implementation of a high speed ferry to Manhattan, and other destinations, as well as alternative transportation means. This project looks to move people out of their cars to enjoy a broad array of public parks and amenities which will link the site to the existing city and to other parts of Nassau county through innovative transportation measures being considered in the Nassau Hub study.

PDC continues to focus on challenged waterfront opportunities in other areas as well. Babylon Cove Development recently completed the construction of 22 luxury town homes in Babylon Village. This unique property was home to an abandoned and polluted marina facility. Today this site now is a beautiful front to the Village's marine district. Our project team of John Soliman and Keith Ward brought many innovative material technologies together in a synchronized manner, creating high quality, durable, and energy efficient homes that the owners will enjoy for years to come.

Looking forward, the PDC will continue to cautiously invest in property development, which offers leveraging our operational skills while being careful not to overextend our resources. This emphasis will continue to improve and expand our relationships. The strengthening of this portion of our business structure will present new challenges and knowledge opportunities that will certainly strengthen and enrich our organization.

~ Michael Posillico

Special Dates:

January 20, 2005 — The Posillico Group Quarterly Strategic Update

January 28, 2005 — Michael Posillico celebrates 20 years with our organization

April 21, 2005 — The Posillico Group Quarterly Strategic Update

July 16, 2005 — The Posillico Group Picnic