

**CEO  
CFO****HORNE**  
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No Longer just Focused on the Federal Government Space, Horne International, Inc.  
is Taking its Core Competency of Engineering, Energy and Environment and  
Applying it to Private Sector Customers

**Services**  
**Infrastructure & Energy Services**  
**(HNIN-OTCBB)**

**Horne International, Inc.**

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**Fairfax, VA 22030**  
**Phone: 703-641-1100**



**Evan Auld-Susott**  
**Chief Executive Officer**

**BIO:**

Evan Auld-Susott joined Horne International in 2007 as a member of the Board of Directors and was appointed CEO May 2, 2011. In his role as CEO, Mr. Auld-Susott's responsibilities will be to define and execute Horne International's strategic vision, lead the executive team, solicit new strategic agreements and investments, strengthen corporate transparency and accountability, as well as managing Horne International's market mes-

sage and branding initiatives. Prior to joining Horne and currently, he serves as General Partner of The Susott Family Limited Partnership, a family owned investment group. Mr. Auld-Susott has a successful track record managing multiple profit and loss centers, managing executive teams, assessing and executing accretive transactions for stakeholders and aligning staff with their performance objectives. He has successfully closed accretive transactions in the areas of real estate, equity, debt and structured finance.

Mr. Auld-Susott received a bachelor's degree in economics and a bachelor's degree in international relations from the University of Southern California in 2002.

**Company Profile:**

Horne International, Inc. provides engineering and IT solutions for a sustainable infrastructure, with an emphasis on energy, and the environment. As a trusted advisor for the Federal Government and private sector, Horne links rigorous technical engineering discipline with best in class IT services and products to develop and implement highly complex, mission critical projects, all done with the utmost integrity.

The foundation of Horne International is our satisfied clients; valued partnerships with industry leaders; processes for ensuring that we meet our clients' expectations for quality products and services; a corporate culture that places a premium on integrity and performance, and a workforce of knowledgeable, dedicated people.

At Horne, our work is diverse and complex, and the projects we tackle often present one-of-a-kind challenges. Given these situations, Horne is expertly positioned to provide a mix of engineering expertise, commitment to quality, performance, and integrity resulting in solutions that solve our clients most demanding problems.

Horne has built a reputation for quality and integrity on a simple credo: Get it done, make it work, do it right. From concept to construction, from design to delivery.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
**CEOCFOinterviews.com**

**CEOCFO:** Mr. Auld-Susott, you have been CEO for a short time although you were a member of the board; what made you decide to take on the CEO role?

**Mr. Auld-Susott:** My predecessor CEO and the current President of the company, Darryl K. Horne, required assistance in managing the operations of the holding company to allow him to devote full time to business development. It made the most sense to have the individual who best embodies what the Horne Engineering Services offering is dedicating as much of his time as possible to customers and potential customers. My strong suit is the management of P&Ls and business strategy. I was well acquainted with how our company operated, its business operations and all of the employees and was flattered when the company tapped me for the job. Bottom line, I'm a Board Member, a shareholder, and now CEO, so I'm incredibly

aligned with Horne's goals of profitability, increasing shareholder value and creating a sustainable and exciting set of products and services that targets the growing market of Engineering, Energy and Environment.

**CEOCFO:** What has changed at Horne International under your leadership and what is the plan for the next year or so?

**Mr. Auld-Susott:** My first goal was to move Darryl Horne out of the holding company management role and into the field and in front of customers. Darryl is a very effective relationship manager and is clearly the primary representative of the company's qualifications and past performance in engineering services. The effect has been to functionally delineate between Horne International as a purely shareholder centric entity and Horne Engineering Services as a business development and contract servicing dynamo. My second goal was to focus on developing a strategy for the company that is growth oriented and more diversified than our historical contract mix. Horne International has decided to increase the number of contract proposals coming out of Horne Engineering Services, both federal contracts and private enterprise contracts, and adding two new focus areas: 1.) Lean & Agile Information Technology Solutions with a close IT partner and 2.) A new business line termed Energy Advisory Services, is effectively a consortium of value added partners unified under a marketing and execution mission for a service that's typically referred to as "building retrofits". Before we had a company that was more or less driven by federal government demand. Now we have a company that is addressing demand from all types of government customers as well as an array of private enterprise customers. Our goal to diversify our approach has succeeded and our execution is in process with some good initial results. The plan for the next year is really a product of the two goals I mentioned. We are submitting a large number of diversified contract proposals that all harness our core competency that has been developed over twenty years;

which is engineering, energy, and environment and apply that not just to the federal space, but to private enterprise customers. To accomplish this diversified plan of attack over the next year we have developed partnerships with renewable energy and technology firms and with efficiency products and services firms. I think that Horne can confidently say that we can proficiently supply the core need of any customer that would need Engineering or IT products and services in the areas of Energy and Environment.

**CEOCFO:** What type of project would Horne work on and what role would you play?

**Mr. Auld-Susott:** One example of a long standing contract of Horne's is with the U.S. Army's Regional Environmental and Energy Offices (REEOs). Horne Engineering Services provides support to all four regional offices with onsite support per-

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**- Evan Auld-Susott**

sonnel who track and report on federal and state environmental legislation and regulations of interest to the Army and DOD; analyze potential impacts of proposed state laws, regulations, and other environmental activities; prepare and produce regional reviews and articles; represent their offices on various technical groups, commissions, and regional partnerships; plan and orchestrate meetings and conferences; and inform and educate state, regional and national groups of stakeholders.

**CEOCFO:** What is the scenario when Horne International is working with an entity?

**Mr. Auld-Susott:** From a durational standpoint, we are typically looking at three to five year commitments. Horne contracts through a number of Government Services Administration Schedules, Blanket Purchase Agreements or Indefinite Delivery Indefinite Quantity contracts. We are constantly working to increase our contracting platforms to better respond to poten-

tial customers. The process is fairly typical. Government organizations will release Request for Proposals, Horne Engineering Services puts its best foot forward to win the work, we hopefully win the business and execute at or above the customer's specifications. We are finding that repeat business and customer satisfaction is likely to drive a good deal of our core business wins going forward.

**CEOCFO:** Does Horne work along side for the whole time of the project?

**Mr. Auld-Susott:** We work to exceed the scope of work if possible and cultivating long term customer relationships requires as much involvement as we can get. It really all depends on Horne's part in any given contract. We are not a large systems integrator, so our role and duration of our involvement is really dependent on our position in the team. One of our goals with our new Energy Advisory Services business is to demonstrate to the customer early on in the process that we can be a value adding partner anywhere in the life cycle of a project and subsequently be engaged as such.

**CEOCFO:** What are some of the particular challenges in the energy area that you find?

**Mr. Auld-Susott:** The particular challenges that I see are around defining the processes and finding the money in constrained budgets. The meeting of Energy and Environment is a relatively young space for both the government and private customers but one that is of ever increasing concern. The customers typically have a goal in mind, but don't always have the budget or a road map on how to accomplish their goals. Therefore, the biggest hurdle for us is assessing a budget and tailoring a solution that is best for the customer and Horne. Assigning clear values to Energy Efficiency is not necessarily a difficult proposition, but one that has not always been of leading importance in a budget or investment decision. Assigning clear values to Environmental responsibility gets a bit trickier and represents a challenge for customers when they want to assess return on

investment in Environmental initiatives.

**CEO CFO:** How do you reach and how are you planning on reaching the private sector, which is the newer area for you?

**Mr. Auld-Susott:** We have decided on a partner centric strategy for reaching the private sector. We have experience in selling to the government, but not nearly as much when it comes to the private sector. Our Energy Advisory Services embodies this approach. We are joined with a finance company that has a great number of private enterprise clients who are interested in Energy Efficiency and we have similarly joined forces with a market leading Building Information Management software company that has been operating within the private sector for quite a while.

**CEO CFO:** There has been much talk about energy; what makes Horne think this is the time people are ready to move?

**Mr. Auld-Susott:** Commercial and Government Real Estate is no longer appreciating at a rapid pace. Any real estate investor's model is no longer a simple calculation of whether or not you can just purchase a piece of property and expect to sell it for more. What we do and what the market dictates or what the market dictates is that the investor gets more creative with extracting value from a real estate investment. The energy component has typically been a liability on the balance sheet. Horne Engineering Services and now our Energy Advisory Services, provides a route to turn the Energy liability into an asset and augment the financial picture of any owner of building infrastructure. I think this message is prescient now and is only going to get more so.

**CEO CFO:** What is the competitive landscape in your segment?

**Mr. Auld-Susott:** While the Energy and Environmental Services area is not nearly as culturally pervasive as say recycling, it really is developing into an enormous marketplace, our

competition runs the gamut from start-ups to the larger systems integrators. We see our advantage being a long history and set of qualifications married with a nimble company structure.

**CEO CFO:** Why should customers choose Horne International?

**Mr. Auld-Susott:** There are a few different reasons. The first reason is we fulfill a small business component to anybody's contracting capacity. We have twenty years of engineering services experience and deep connections with the large integrators. This makes us able to scale just about any solution to fit any customer's needs. We are nimble and not married to any one methodology or solution. So, when a customer hires Horne, they know they are getting a competent company that will provide them with a truly customized solution.

**CEO CFO:** How do you ramp up should your new plans take off very quickly, and how are you geared for the growth?

**Mr. Auld-Susott:** We have an excellent financing resource if we ever need to quickly stand up a job. Our company is sized for flexibility. Essentially as we win business, we add jobs. The company infrastructure is here. We plan to begin actively marketing our new services soon and have a tight plan to scale up as we win work. In terms of personnel, the employment marketplace is such that finding qualified candidates to fill positions quickly is not nearly as hard as it once was. At the end of the day, we're dependent on talent, not office space or manufacturing capacity. So access to a pool of competent professionals and attainable capital are really the primary inputs. Fortunately, these inputs are not in short supply.

**CEO CFO:** What is the financial picture like for Horne International today?

**Mr. Auld-Susott:** You can review our SEC filings to get the trailing financial picture. We have been executing a turnaround and have had to access cash financing and we are looking

forward to acquiring capital to invest in growing the company. The best way to describe the current financial picture is the more contracts we perform on, the better our cash flow position.

**CEO CFO:** Have you done much investor outreach?

**Mr. Auld-Susott:** We plan on increasing investor outreach in the near future. We try to keep a clear picture through PR's and our website as to what we are up to and where we're going.

**CEO CFO:** In closing, why should potential investors pay attention to Horne International?

**Mr. Auld-Susott:** The reason a potential investor and as equally important a potential customer should pay attention is that the world has a need and the U.S. has a need for energy efficiency and our company brings a turnkey solution to energy efficiency that is easily and practically implemented. Horne has a growing core business in our Horne Engineering Services unit that can serve as a backbone to staffing any number of solutions to growing energy and environmental problems. Horne is executing on an IT products and services business line that has very little exposure in the government sector but a lot of demand. We are creating a diversified revenue stream in multiple high growth segments and we think investors should judge us by the potential of these markets, our alignment and qualifications in these markets and most importantly our future execution on these three business lines. Keep an eye on us, we are not only a turnaround story but we are an exciting growth story as well. Go to [www.horne.com](http://www.horne.com), friend us on facebook, follow us on twitter and read through our PR's.

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International

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