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NEWS RELEASE

DAYLIGHTING LOGISTICS FACILITIES IMPACTS THE BOTTOM LINE

*Tubular Daylighting Devices (TDDs) Fill Unique Lighting Niche
For Warehouse, Distribution Facilities*

(Vista, Calif.): It all started when employees in the furniture department complained that the florescent lighting was not providing proper color rendition, resulting in customer complaints and more product returns. On top of that, a mandate came down from the vice president to lower energy costs. Daryl Meadows, director of West Coast maintenance for **Federated Logistics & Operations**, knew what he needed to do. Find an effective daylighting solution.

Federated Logistics, which coordinates merchandise distribution, logistics functions and vendor technology for all Federated department store divisions nationwide, opted to install 800 **Solatube Daylighting Systems** in its East Los Angeles facility. As a result of the natural lighting retrofit, Federated has been able to provide customers with better quality repairs on furniture, resulting in fewer returns and an improvement to the company's bottom line. The company was so pleased that it decided to install the tubular skylights in more of its 2 million square feet of logistics space.

"Vendors are shocked to hear that there is not a single electric light on when they come inside our facility," said Meadows. "The Solatube [Daylighting Systems] provide increased lighting with less heat than with florescent lighting, and have allowed us to reduce our energy costs. I'm very proud of this."

Solatube International Inc., the innovator and worldwide leading manufacturer and marketer of Tubular Daylighting Devices (TDDs), a product originally designed for the *home improvement* market, has recently become the product of choice in this decidedly "non-homey" environment – logistics facilities.

Since the launch of its Solatube SolaMaster® product line in 2000, Solatube International has realized tremendous demand for its compact, modular Daylighting Systems in all types of commercial buildings, from grocery stores to classrooms. Logistics facilities have proven a particularly good fit for the product due to its affordable price, quick installation and short energy payback period. The Solatube 21-O Daylighting System provides ideal lighting in open production areas as well as between pallet racking aisles, allowing workers better visibility to complete their job functions.

"In warehouse applications, we are seeing installations as quick as 15 minutes per skylight," said Robert Westfall Jr., Solatube International's vice president, sales and marketing. "Because the Solatube Daylighting Systems are more compact than traditional box skylights, you don't need to open up nearly as much of the roof for installation, so you have just one to two percent roof penetration versus five to 10 percent with box skylights. The quick and easy installation allows for minimal downtime, so companies can instead focus their energy on keeping their businesses moving."

Snack giant **Frito Lay Inc.** recently installed 120 Solatube Daylighting Systems in the manufacturing and warehouse areas of its Visalia, Calif., facility.

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“The units have been a big hit,” said Mark Giltmier, maintenance manager for Frito Lay. “We have been able to turn off roughly 70 percent of the ambient lighting fixtures during the daytime, which coincides with the peak demand periods as assessed by the electric utility. Even on overcast and foggy days, there is still enough light available, which allows us to turn off 50 percent of the lighting fixtures. We will soon be automating the lights in areas served by the Solatube [Daylighting Systems] via an energy management system, which will optimize our savings.”

Target Corp. has also turned to Solatube International to provide more energy-efficient operations for its 1.6 million-square-foot distribution facility in Shafter, Calif. More than 330 Solatube Daylighting Systems were installed in the facility’s shipping and receiving department, with more units planned for a second facility underway in Rialto, Calif.

“The number one energy expense for logistics facilities is lighting,” said Westfall. “By providing a natural lighting alternative during peak daylight hours, we allow companies to keep their overhead expenses in check. This can boost profitability and, in turn, give them a competitive advantage.”

Aqua Lung, a manufacturer of scuba diving and snorkeling equipment headquartered in Vista, Calif., noticed an immediate 33 percent reduction in site-wide electricity consumption after it installed almost 200 Solatube Daylighting Systems in its facility.

“We selected Solatube because the product quality and pricing were right,” said Paul Claybagh, facilities manager for Aqua Lung. “It is certainly an effective product for lighting manufacturing facilities and it will pay for itself over a short period of time. Plus, the employees respond positively to the natural light.”

A Boost to Business

Daylighting has been linked to all kinds of benefits that extend well beyond saving energy, including boosting employee productivity and morale, reducing absenteeism, aiding employee retention, reducing on-the-job errors and accidents and lowering worker’s compensation claims. All of these factors contribute to a more profitable business. Consider these examples:

- o Compaq Computers used daylighting to boost worker productivity by 55 percent in just one year.
- o Lockheed Martin reports that daylighting its facility achieved 15 percent higher worker productivity, helping the company win a \$1.5 billion defense contract, profits from which paid for the entire building.
- o VeriFone, a subsidiary of Hewlett-Packard, reported that after daylighting its facility, the company saw absenteeism drop 40 to 45 percent, worker productivity increase five percent and energy bills drop 50 percent, for an overall payback time of under one year.
- o Workers in one Boeing facility stated that natural light improved their ability to detect imperfections in jet panels during assembly by 20 percent. The savings associated with this ability to catch errors actually exceeded the building’s annual energy savings, which was 90 percent.

Sorrento Electronics, a leading manufacturer of microprocessor/PC-based control and information handling systems, installed 75 Solatube 21-O Daylighting Systems in the high-bay manufacturing and warehouse areas of its San Diego headquarters. The Solatube Daylighting Systems were installed in the 35,000-square-foot area with virtually no interruptions to the work going on in the facility. The Daylighting Systems were able to displace 51 high-pressure sodium fixtures for an annual average of eight hours per day. Based on the operating hours of the building, the Solatube Daylighting Systems, combined with a photo-control system, provide a 69 percent reduction in annual electric lighting consumption. The simple payback for the entire project was calculated at 3.2 years.

“After considerable investigation into tubular skylights, I determined that Solatube was clearly the superior product. It gave out more and brighter light,” said Bill Steed, facilities manager for Sorrento Electronics. “I receive positive comments about them all the time from employees, visitors and customers. Our high-bay area was generally dark before, even with the lights on. Now, it is never dark, even with the lights off. The installation was great – no mess, no fuss and without interruptions to our work.”

Mandated Daylighting

The trend toward daylighting is being furthered along by building codes that require more extensive use of natural lighting as an energy-saving measure. New revisions to California’s energy code, commonly known as Title 24, include more stringent daylighting requirements for the construction of new low-rise, non-residential buildings. The requirement states that buildings over 25,000 square feet, with ceiling heights above 15 feet, must have 50 percent of the floor space illuminated by daylight.

“The new mandate will have a significant impact on logistics facilities in California,” said Westfall. “Because Title 24 tends to set the standard for other states to follow, we will likely soon see similar requirements in other parts of the country. Daylighting is not just a passing trend, but rather one that is quickly becoming the norm in lighting design for these types of facilities.”

The link between a better physical work environment and a better bottom line is evidenced in the move away from the standard dark, square boxes used for logistics operations. A recent *Wall Street Journal* article identified a trend in warehouse developers utilizing high-end design tools, including skylights, to attract tenants.

The article states: “Reasons for the move toward fancier warehouses vary – from tenant companies wanting buildings that reflect their brands or their image, to the shaking up of corporate architecture that was ushered in by dot-com companies in 1990s, to restrictive zoning boards. Some of the trend is also related to the sluggish economy: to attract and retain tenants, owner-developers are willing to go the extra mile, letting tenants call the shots and dictate what they want and need their buildings to be.”

The *Salt Lake Tribune*** also recently reported on the trend toward brighter, “much more inviting” industrial buildings, saying that older, darker ones are “functionally OK, but becoming aesthetically obsolete.”

Solatube International Inc., based in Vista, Calif. (northern San Diego County), is the worldwide leading manufacturer and marketer of Tubular Daylighting Devices (TDDs). The company’s flagship product, the Solatube Daylighting System, provides a revolutionary natural lighting solution for all types of residential and commercial applications. The maxim “Innovation in Daylighting™” reflects the company’s commitment to the development of breakthrough daylighting technologies, which has resulted in numerous patents dating back to the mid-1980s. Widely recognized as the industry innovator, Solatube International has earned acclaim around the globe for its unrivaled ability to transform interior spaces with the power of daylight. For more information on the Solatube Daylighting System or other products manufactured and marketed by Solatube International, including solar-powered attic ventilation fans, please visit the Solatube website at www.solatube.com or call 888-SOLATUBE (888-765-2882).

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* “New Warehouses Take On a Luxe Look – Designs Feature Skylights and Lush Greenery in Effort to Please and Lure Tenants,” by Ray A. Smith, *Wall Street Journal*, June 18, 2003.

** “Building Out of the Box,” by Lesley Mitchell, *Salt Lake Tribune*, August 24, 2003.