



T Houchens Industries Inc Today

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HOUCHENS

Feature Article:

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Stewart-Richey Construction was started in 1974 by Buster Stewart and Bill Richey. Stewart-Richey Construction incorporated in 1980 and was purchased by Houchens Industries in October, 2000. The company employs approximately 330 workers and own thirteen subcontracting divisions. The 'in-house' divisions include carpentry, concrete, masonry, painting, electrical, drywall, HVAC, plumbing, fire suppression, refrigeration, pre-engineered steel erection, fabrication, and excavation and site development.



Stewart-Richey is available to:

- Work with architect(s) on plans.
- Advise on cost effective construction (by having most trades working directly with them, they can offer advice in all areas of planning).
- Solicit sub-contract bids form outside firms as well as in-house division.
- Set up budget(s) for project(s).
- Oversee all trades (work as construction manager).
- Furnish necessary equipment such as skylifts, bobcats, backhoes, compressors, etc. at a reduced rate.

BLAST ANYONE?



SEE INSIDE FOR DETAILS

Quote of the season

“Nothing great in the world has ever been accomplished without passion.” - G.W.F. Hegel



Jimmie Gipson, Chairman of Houchens Industries, Inc., and Spencer Coates, Chairman of Commonwealth Brands, Inc., announced on February 8, 2007 that Houchens has agreed to sell 100 percent of CBHC, Inc. (sole shareholder of Commonwealth Brands, Inc.) for a total consideration of \$1.9 billion (plus certain post-closing adjustments).

Houchens Industries Sells Commonwealth Brands

Jimmie Gipson, Chief Executive of Houchens, said:

“We are very pleased to have a partner in this transaction that recognizes the value of the people and infrastructure that has been created at Commonwealth and has an intention of building upon that infrastructure to create additional opportunities for the management and employees.”

“The transaction also generates significant value for Houchens shareholders and will provide funds to expand our existing businesses and acquire new business platforms.”

“This will be one of the largest transactions ever completed by an employee-owned company and will certainly be one of the largest deals done in Kentucky in quite some time.”

Gareth Davis, Chief Executive of Imperial Tobacco Group, said:

“Commonwealth Brands is a terrific young business which gives us immediate and significant access to the world’s most profitable tobacco market. The acquisition provides us with an enhanced operating platform from which we can rapidly launch our own high quality brands.”

Commonwealth Brands was acquired by Houchens in 2001 and is the fourth largest cigarette company in the U.S. Commonwealth has a national presence in the discount segment of the tobacco industry through its USA Gold and Sonoma brands and has experienced significant revenue growth over the last several years. The headquarters will remain in Bowling Green, following the transaction.

Acquisitions

CURNEAL & HIGNITE INSURANCE AGENCY, INC.



Curneal & Hignite Insurance Agency has been in operation for over 100 years, originating in 1898. Gerry Hignite with 39 years experience to the agency, will continue to manage the agency and will serve on the HIG Insurance Group Board.



Curneal & Hignite Insurance Agency, Inc. of Elizabethtown, Kentucky is pleased to announce that they have joined Houchens Insurance Group, and become part of Van Meter Insurance, Employers Risk Services, Inc., Center of Insurance, and Insurance Specialists, making up one of the nations largest ESOP- owned insurance agencies.

DAVANN INC. - NATIONAL TANNING SUPPLY COMPANY

Houchens is pleased to announce the purchase of Davann, Inc.. The company was founded in December 1991 by David and Annette Orlikowski, when the couple purchased National Tanning Supply, a 5-bed salon located in Springfield IL. In 1997 Dave and Annette closed the salon to focus uniquely on the distribution of tanning supplies. NTS has become one of the top five distributors along with becoming one of the top three leading industries. In the company’s 11-year history, NTS has matured into a \$12.5 million business and continues to grow.



Houchens Diversifies with Sonic



Houchens Industries, Inc. has made the decision to further diversify the company by developing Sonic Drive-In Restaurants. This new development will begin in the Dayton Ohio area and will consist of 30 new units, with anticipated acquisitions of existing sites in other territories in the future.

Houchens Industries welcomes Rick Fee who will be the Director of Sonic Operations Division 1. Rick is originally from southeastern Kentucky. He has 26 years experience in the restaurant business, ten of those years were with Sonic.

Sonic is the nation's largest chain of drive-in restaurants. In fact there are more than 3200 drive-ins coast to coast and in Mexico. More than a million customers eat at Sonic every day. For more information about Sonic and its Subsidiaries, visit Sonic at www.sonicdrivein.com

Utopia Self-Scan System breaks ground



In January of 2007, Pan-Oston and Hitcents unveiled first-of-its-kind technology at the IGA store in Morgantown, KY.

Pan-Oston's Utopia Solution™ presents a unique approach to the self checkout marketplace through a complete customizatoin of software, hardware, cabinet design and user interface.

With the Utopia Solution™, retailers will experience a never before seen innovation that allows them to operate their checkout lanes in either an attended or non-attended mode. The conversion takes place within minutes with no impact to the existing front end layout or merchandising configuration.

The partnership also highlights Pan-Oston's expansion announcement last year - that it will invest \$8 million to add 200 jobs at its Louisville Road facility in the next couple of years.

Pan-Oston President Jim Vance sees the product as a way for more consumers to take control of their time by not having to wait for a cashier.

"The consumer is driving the want for the ease of convenience, the ease of service, and giving someone the power to do what they want to do," Vance said.

"We have exceeded the industries expectations but not our own with the successful implementation of Utopia Solution™ in Morgantown," proudly stated Vance. "Our team has responded to the challenge of creating a unique and customizable self checkout soltuion. We have launched a ground breaking technology which will benefit both the retailers and consumer."

"Retailers will experience a never before seen innovatin that allows them to operate their checkout lanes in either an attended or non-attended mode."

What Your Retirement Can Do For You!

ESOP

Mike Givens

- Enjoying the benefits of ESOP

My grandfather always said, "You can never in a lifetime work hard enough, or long enough to make the amount of wages it takes to become financially independent."

"The secret is," he said coming from a life time of wisdom, "to make your wages or money work for you, the quicker you start and the longer your money works for you, the more wealth you can accumulate."

"In my early days on the farm, that meant taking part of your wages and investing in a calf or pig to grow and sell, or in later years, a house or piece of land to build equity and capitol. Each small step putting my wages at work for me, rather than, me working for my wages."

"Never in my wildest dreams could I have ever imagined a corporation of companies in; retail grocery, construction, insurance, manufacturing, road construction, tobacco manufacturing, recycling, trucking, computer programming, sun tanning products and retail gasoline, would all be bought with part of my wages working for me."



Mike Givens
35 Years of Service

"But that is what happened in 1989 with the formation of the ESOP and the purchasing of Houchens Industries by the company employees. Through that purchase, all employees can now reap the benefit of ownership through the investment of their talents and energy."

"Being a part of ESOP has been the greatest financial reward opportunity of my life. Will I be able to be financially independent at retirement?...My Grandfather never lied."



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