

FARMSTEAD TELEPHONE GROUP, INC.

FARMSTEAD TELEPHONE GROUP, INC., IS ENGAGED IN THE CUSTOMER-PREMISE EQUIPMENT SEGMENT OF THE TELECOMMUNICATIONS INDUSTRY, RESELLING NEW AND REFURBISHED AVAYA BUSINESS TELEPHONE PARTS AND SYSTEMS AND PROVIDING EQUIPMENT INSTALLATION, REPAIR, RENTAL, AND OTHER SERVICES.

A national provider of information technology solutions, Farmstead Telephone Group, Inc. (FTG) of East Hartford, Connecticut, has quickly moved forward since its founding in 1984 to become one of Connecticut's 50 fastest growing technology companies for five years running, from 1996 to 2001.

Once a small regional distributor of pre-owned telephone equipment, Farmstead has shown dramatic revenue increases, with equally impressive figures projected for the future. From 1998 to 1999, revenues grew by 19 percent, and from 1999 to 2000, by 30 percent, to nearly \$43 million.

Fundamental to this success has been Farmstead's ability to zero in on the telecommunications industry's customer-premise equipment segment. The company focuses its efforts on reselling new and refurbished telephone parts and systems made by Avaya Inc. Farmstead, a publicly owned corporation (AMEX: FTG) since 1987, shipped more than \$200 million worth of Avaya telephones and related equipment in the decade from 1992 through 2001.

Farmstead's relationship with Avaya, AT&T's former equipment operation, began in 1985, when Farmstead became one of AT&T's first national, authorized secondary-market dealers. Then, as a result of AT&T's restructuring in 1995, Farmstead began selling Avaya equipment.

In 1998, Farmstead was distinguished by Avaya as one of just four Authorized Remarketing Suppliers and Diamond Dealers of Avaya systems and applications. In addition, Farmstead has twice won Avaya's Customer First Award. The partnership has been so successful that Farmstead is now the nation's largest supplier of refurbished Avaya communications equipment.

The Farmstead mission is "to be a premier provider of IT solutions focusing on evolving business needs." Farmstead's plan to achieve this involves revolutionizing the way technology products and services are purchased and deployed by providing information technology staffs with the means to



An April 1997 ribbon-cutting ceremony marks the opening of Farmstead Telephone Group's new corporate headquarters. John Rowland, governor of Connecticut, cuts the ribbon while Farmstead executives look on. Standing at the left is George J. Taylor Jr., chairman of the board, president, and CEO of Farmstead.

perform their jobs electronically. Farmstead provides this with its electronic business strategy.

The company offers a secure, user-friendly Internet site that helps customers, as well as Farmstead and Avaya, create and manage projects from the initial customer-prospect stage through final billing and closeout. The site also provides the capabilities for project planning, requests for proposals, electronic delivery and archiving of documents, electronic project-tracking, and state-of-the-art on-line catalogue purchasing. Farmstead's goal is to further develop its world-class electronic business portal in order to position itself in the advanced telecommunications market and continue to meet and exceed customer needs.



The corporate headquarters of Farmstead Telephone Group is located in East Hartford.

Farmstead also provides special services to meet its customers' needs. These include telecommunications equipment installation, repair, refurbishing, rentals (short-term or long-term), leasing, inventory management, and an authorized Avaya buyback program.

Farmstead operates by buying used Avaya equipment from Avaya, leasing companies, and end users. It then refurbishes the equipment to its own high quality standards and resells it nationwide to customers both small and large. Among its customers are such companies as CBS, Sony, and Travelers Insurance.

Farmstead also provides ongoing assistance to its customers by helping them make the transition from voice communication products to converged voice, data, and Internet communication networks.

Farmstead attributes much of its success to its commitment to customers. According to George J. Taylor Jr., founder of the company and chairman, president, and CEO, "We are customer advocates, doing what very large manufacturers can rarely do. We have extremely resourceful employees who are willing to go the distance for customers."

In addition, Farmstead sets itself apart with innovative programs for

specific customer situations. Its Asset Management Program provides an alternative to losing revenue on nonmaintained phones by offering advance replacement of defective phones with Classic Avaya phones; buyback, repair, and replacement of nonworking phones; and fast service turnaround. Farmstead's Inventory Management Program is designed to assist client companies that have amassed excess inventory through, for example, relocation, consolidation, or office closings.

Farmstead serves its more than 10,000 customers through a national network of offices in Arizona, California, Florida, Georgia, Illinois, Maryland, Massachusetts, Minnesota, New York, North Carolina, Ohio, New Jersey, Texas, and Washington, D.C. Nationwide, it offers support services including presale consultation and design, site surveys, configurations, project management, installation, professional services, and training. Farmstead has 110 employees, most of whom work at the company's headquarters in Connecticut.

Farmstead has always strived to be a good citizen, and it encourages its employees to do the same, with programs such as Beans for Jeans,

which allows casual dress on Fridays in exchange for canned goods, which are then donated to local charities. Farmstead also holds fund-raising events for St. Jude Children's Hospital and other organizations.

Farmstead Telephone Group is firmly committed to expanding the business at which it has been so successful, and its future looks bright and prosperous.



George J. Taylor Jr., chairman of the board, president, and CEO of Farmstead Telephone Group, Inc., is also the company's founder.