

NEWS RELEASE



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For Immediate Release

THE BRANCH GROUP BUYS DAFFAN CONSTRUCTION

Diversified Contractor Plans to Grow in Northern Virginia

Manassas, VA – (December 27, 2007) - The Branch Group, Inc., one of Virginia’s largest construction companies, has acquired R. Edward Daffan, Inc., a Manassas general contractor.

The Branch Group, Inc., headquartered in Roanoke, VA, is expanding its base of operations having acquired R. Edward Daffan, Inc. The new company will operate as a wholly owned subsidiary of Branch under the name of ***R. E. Daffan, Inc.*** “Daffan is recognized for its design-build services,” said James C. Harrison, IV, Branch CEO. “Adding Daffan to our family of companies will position Branch for additional growth in Northern Virginia.”

Besides Daffan, The Branch Group employs approximately 800 employees in four other companies. Based in Roanoke are Branch & Associates, Inc., a general contractor; Branch Highways, Inc., a highway and infrastructure contractor; G. J. Hopkins, Inc., a mechanical and electrical contractor; and E. V. Williams, Inc., a highway and site contractor. Williams is based in Virginia Beach. Branch’s combined revenues for 2007 will exceed \$280M.

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Larry Dickenson, a Branch executive, has been named President of Daffan. A University of Virginia graduate, Dickenson joined Branch in 1983.

The previous Daffan owners will remain involved in the new company. Bill Daffan is Vice President with focus on business development. Lee Daffan is Director of Field Operations. “Their commitment to help grow the new company will ensure a smooth transition as we move forward,” said Dickenson.

Founded in 1968, Daffan, Inc. is responsible for over \$200 million of commercial and industrial construction in Northern Virginia.

“This acquisition will firmly position Branch in Virginia’s fastest growing region,” Harrison said. “We will target private market design-build projects up to \$20 million, along with selected public sector projects.”

Founded in 1963, Branch is a 100% employed-owned company.

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