



It's October 2006 and the Chicago Bears are posting a very respectable season! At the same time, the M&A bears continue to hibernate, putting up less than menacing marks on the market scoreboard. Although nobody knows exactly how long the markets will continue with such fervor, we do not see any factors indicating an abrupt change to current levels of activity.

M&A Markets

Through August 2006, the total number of domestic M&A transactions was 3,743, compared to 3,544 through August 2005. For transactions with enterprise values less than \$250 million, the number of domestic M&A transactions through August 2006 was 3,101, compared to 3,036 for the same size transactions through August 2005. Middle market deal activity has continued to be strong, with both financial and strategic buyers contributing to the high deal volume.

Supply & Demand

Loan volume reached unprecedented heights in Q2 2006 as issuers continued to absorb the large demand for transaction financing. Credit statistics indicate that credit pricing and terms may relax to a relatively neutral state during late 2006, but loan volume is expected to continue at a similar pace as the first half of 2006. Consensus views of loan arrangers seem to indicate that loan demand will continue to lag loan supply in 2007.

Dollar volume of U.S. fundraising by private equity funds continues at significant levels, with more than \$273 billion raised in 2005 and 2006 year to date combined, compared to approximately \$183 billion raised in 2001 to 2004 combined. Based on current leverage conditions, the private equity markets could have pent up purchasing power of approximately \$750 billion. Even if the credit markets cool off to historical leverage and pricing levels, the pent up LBO purchasing power could translate into more than three years of continued strong M&A activity.

In summary, M&A activity will continue in the near future, supported by liquidity from private equity and an active lending market. Consistent with the market's 2006 activity, we are pleased to announce that Dresner Partners is tracking to a record year in number of closed transactions, average transaction size, and total dollar volume of closed transactions.

Regards,

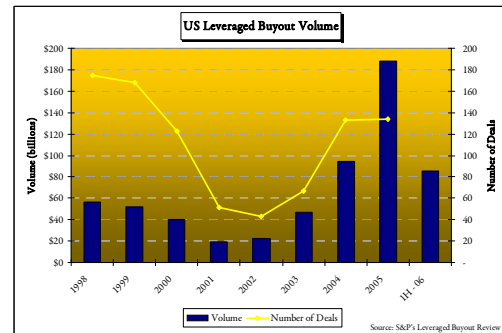
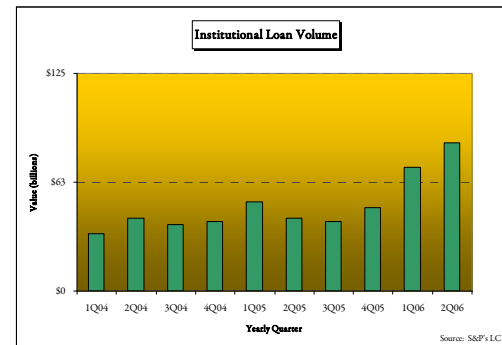
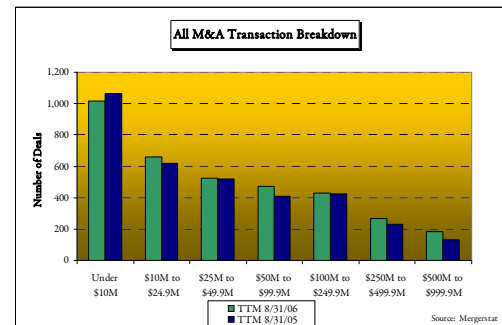
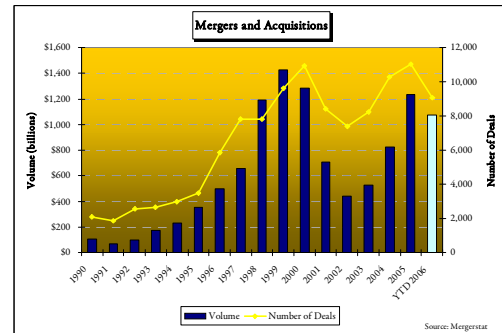
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The Printing Industry: Established, Fragmented & Still Consolidating

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“An investment in knowledge pays the best interest”

-Benjamin Franklin

Ben Franklin, a printing industry pioneer, was right. Today, printing companies that have invested in leading edge technologies, exceptional customer service, patented processes, niche, high quality products, superior human resources and infrastructure are highly sought after acquisition candidates. As merger and acquisition activity increases in the sector, these differentiating factors become increasingly critical.

After a five year merger and acquisition slowdown, the \$90 billion printing industry is witnessing an increased level of transaction activity. We are seeing increased activity from both strategic and financial buyers. Strategic acquirers include Illinois Tool Works and Consolidated Graphics, while financial buyers include Wellspring Capital and Wind Point Partners, among others.

Earlier this year, we advised Bay Area Labels, a leading manufacturer of high-quality, custom-printed components including panel overlays, pressure sensitive labels, membrane switches, bar coding labels and other custom fabricated components in the sale of the company to Illinois Tool Works. Subsequently, Illinois Tool Works acquired Dot Labels, a leading provider of custom labels. Having recently explored its own “strategic options,” Consolidated Graphics, a \$900 million public company, has recently announced its intent to acquire Annan & Bird Lithographers Ltd, a Toronto-based large format printer (*Dresner Partners previously completed the sale of Carqueville Printing Company, a large format printer to Consolidated Graphics*). A New York-based private equity group, Wellspring Capital, has recently acquired The Press of Ohio, printer of educational and commercial books and D.B. Hess, a printer of educational books, catalogs, and directories. Several printing companies have traded from one private equity group to another including WS Packaging (Brantley Partners sale to Churchill Capital) and York Labels (Huron Capital sale to Wind Point Capital).

At Dresner Partners, we have completed more than 15 transactions in the printing and packaging industries. A common theme to the success of these transactions has been the owners continued investment in customer service, technologies, niche processes, high quality products and strong infrastructure. Bay Area Labels, as an example, serves a diverse, international customer base in electronics, networking and communications, computing, test and measurement, medical and gaming industries. Over the years, the company developed a strong senior financial and operational management team. Its strong reputation coupled with industry leading turnaround times, high quality products and outstanding service made it an attractive target to both strategic and financial buyers.

For today’s business owners, we see four strategic options. One, stay the course, invest in technology, machinery and human capital, and see how things shake out in their specific market sector. Two, acquire or merge with other operations, rationalizing plant space / overhead and extending their product offering to a broader customer base. Three, achieve estate liquidity and diversification by selling the business. Four, sell a controlling interest while maintaining a stake in the acquiring firm. Dresner Partners advises firms across the spectrum of these strategic options.

In regard to the third, or sale option, Dresner has been involved in a variety of specialty printing and packaging businesses including pressure sensitive labels, panel overlays, membrane switches, large format printing (such as bus wraps), security documents, magnetic stripe transit cards, transportation documents, teslin and PVC gift cards, digital imaging, consumer packaging, printed mylar products, among others. Currently, Dresner Partners is working on several assignments in the sector including a niche producer servicing the outdoor advertising market. Armed with industry experience and an active transaction market, Dresner Partners advise and continue to guide successful companies through a variety of strategic options.

Recently, Dresner Partners acted as the exclusive financial advisor in the following significant middle market M&A transactions:

