

Quipp Acquires Newstec

Acquisition to result in expansion of inserter manufacturing

Miami, FL, August 11, 2005 – Quipp, Inc. (NasdaqNM: QUIP) announced today that it has acquired all of the outstanding stock of Newstec, Inc., a manufacturer of inserting equipment located in Walpole, MA. Newstec will become a wholly-owned subsidiary of Quipp, Inc.

Michael Kady, President and Chief Executive Officer of Quipp, stated that, “Early this year, we publicly announced that we were seeking acquisition candidates that could enhance our position in the post-press market in a transaction that we believe would contribute to shareholder value. It is our opinion that Newstec fits this profile. After months of negotiations, we are excited to have reached an agreement with the principals of Newstec. By adding Newstec’s business and personnel, we benefit from a more complete product offering, expanded new product development capabilities, and increased depth of management talent.”

Mr. Kady also commented that, “We believe the strategic fit between the two organizations is excellent. We have worked together very effectively on some recent projects and also have some pending proposals that include both Quipp and Newstec equipment. As a result of our acquisition, we believe customers will quickly recognize the benefits of dealing with our growing company.”

Mr. Kady further stated, “Newstec’s inserter technology is a logical extension of our In-Line inserter product offering. The In-Line has performance characteristics and a price point ideally suited for smaller, cost conscious newspapers and certain direct mailing applications. On the other hand, Newstec’s inserting technology appeals to larger newspapers that have higher output demands and often require systems integration with other post-press equipment.”

Quipp also announced that John (“Skip”) Connors, President of Newstec, and Terry Connors, Vice President of Sales and Marketing of Newstec, will retain their current positions with the Newstec subsidiary and are expected to be key participants in the strategic planning for the combined organization. In addition, Skip Connors will serve as Vice President of Corporate Development of Quipp, Inc. The Connors family has been an important participant in the development of inserter technology for the industry.

Skip Connors stated, “This combination will enable Quipp and Newstec to achieve certain goals that, prior to the transaction, each company would have struggled to accomplish. As key managers in the expanded organization, we can accelerate Quipp’s inserting expertise and reputation, while benefiting from Quipp’s expanded market coverage and engineering resources in developing new products.”

Terry Connors commented that, “Quipp’s broad range of mailroom equipment and systems design capabilities, coupled with Newstec’s proven abilities in a variety of inserting applications, will result in a very strong portfolio of products and services to offer our customers. I’m excited to begin developing sales and marketing programs with Quipp.”

According to a Newspaper Association of America (NAA) survey taken earlier this year, 284 responding newspapers were planning to spend over \$86 million on inserters and collators in 2005. This compares to last year’s survey results in which 179 responding newspapers projected spending approximately \$37 million on inserters and collators. Published reports indicate that newspapers continue to experience growth in free-standing inserts (FSI) versus run-of-press (ROP) advertising because of the demographic and zone targeting capabilities, as well as daily production flexibility.

CAUTIONARY STATEMENT: This press release contains forward looking statements that address, among other things, anticipated benefits of the transaction (including expanded market coverage, engineering expertise and product and service portfolio strength). Actual results could differ materially from those described in the forward looking statements due to, among other things, economic conditions generally and in the newspaper industry specifically, unanticipated declines in newspaper advertising, competition, engineering difficulties in system integration, cancellation of orders received by Newstec, delivery or installation delays relating to Newstec equipment and unanticipated changes in Newstec or Quipp order flow.