

## Quipp acquires Newstec, hires David O'Neill as Central Sales Manager and sells major mailroom project to Capital City Press in Baton Rouge, LA

### *Quipp Acquires Newstec*

#### *Acquisition to result in expansion of inserter manufacturing*

Quipp, Inc. announced August 11, 2005 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."



**From Left to Right: John "Skip" Connors, Michael Kady, John Connors (standing) and Terry Connors.**

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."



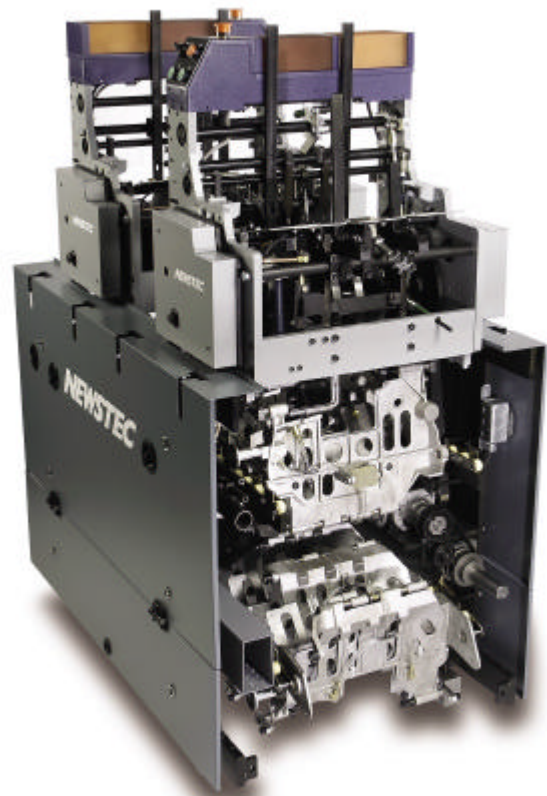
Quipp also announced that John (“Skip”) Connors, President of Newstec, and Terry Connors, Vice President of Sales and Marketing of Newstec, will retain their current positions with the Newstec subsidiary and are expected to be key participants in the strategic planning for the combined organization. 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.”



**From Left to Right: Terry Connors, John Connors, Michael Kady and John “Skip” Connors**



## QUIPP SELLS MAILROOM PROJECT TO *CAPITAL CITY PRESS* IN BATON ROUGE, LA

Quipp just received an order from The *Capital City Press* for the following equipment:

- ✓ four (4) Quipp PACKMAN Packaging Systems
- ✓ two (2) Model 501C Stackers
- ✓ two (2) Quipp Vipers <sup>3</sup>/<sub>4</sub> Wrappers
- ✓ two (2) High-Resolution Ink Jet Systems

The equipment will be installed in their facility in Baton Rouge, LA in 2006.



Quipp PACKMAN Packaging System:  
STACK, WRAP, PRINT & STRAP  
IN ONE FAST, RELIABLE OPERATION

The Quipp PACKMAN addresses the primary challenge inherent with Sunday inserted products: **bundle quality**. Containing the bundle through the entire process solves this issue, resulting in **substantial labor savings**.

The Quipp PACKMAN stacks, wraps, prints & straps all in one fast, reliable operation. All of this is achieved with a machine that is utilizing **proven technology**.

The **Quipp Model 500C Stacker** has a unique capability to operate in dual mode: Standard and C-Mode (compression mode).

The versatile Quipp 500C, operating in its Standard Mode handles large page counts where higher cycle time is required.

**The C-Mode with a Bundle Compression Capability and a Stream Squeeze Roller handles thinner products**, whether tabloid or broadsheet, with ease. A lift plate on its turntable compresses the stacks, removing most of the air trapped between pages and copies, **producing improved bundle integrity**.

# QUIPP HIRES DAVID O'NEILL AS CENTRAL SALES MANAGER

We are pleased to announce **David W. O'Neill** joined Quipp Systems, Inc. on July 18, 2005 as our **Central Sales Manager** reporting directly to Angel Arrabal, VP of Sales & Marketing.

As the Central Sales Manager, David will be responsible for the Sales activities in:

- Colorado (CO)
- Iowa (IA)
- Kansas (KS)
- Minnesota (MN)
- Missouri (MO)
- Montana (MT)
- Nebraska (NE)
- New Mexico (NM)
- North Dakota (ND)
- Oklahoma (OK)
- South Dakota (SD)
- Texas (TX)
- Wyoming (TX)

David brings exceptional knowledge of newspaper mailroom operations with over twenty (20) years of industry related experience.



**David O'Neill can be reached at:**

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