

Press Release

MANUGRAPH'S HISTORIC ACQUISITION IN GRAPHIC ART INDUSTRY

Mumbai – 7th November 2006

Manugraph, the pioneers of Graphic Arts Industry in India, announced the historic step in their three decade long operations. The Indian giant in Newspaper Press manufacturing **has acquired 100% stake of the US based firm Dauphin Graphic Machines Inc. (DGM), at the value of approximately Rs. 90 crores.**

The management team of Manugraph announced today this historic, global acquisition in the web offset press business. By this acquisition, **Manugraph will be the No.1- Single width, Single circumference Press- manufacturing company in the world.**

In terms of production turnover, Manugraph is already the largest in the world in manufacture of machines in 4-page format. "The Company has established itself as the clear market leader in India with the **production of 1400 print units annually and enjoys market share of 70 %**. It has widened its horizons throughout the world in recent years," said Mr. Sanat Shah, the Founder and the Chairman of Manugraph. "With the acquisition of DGM as leader in 4-page segment in North America, Manugraph continues with the objective of dominating its business worldwide".

"In today's highly competitive, global press business, the need to form worldwide alliances is a must," said Mr. Chris Lunt, DGM's CEO. "We clearly saw the merits of a common umbrella from day one, as each company's strengths perfectly complimented the other's." DGM commands 60% market share in USA in 4-page press segment and

have a strong marketing network in North & Latin America. DGM have recorded the turnover of US \$ 70.65 million for the year 2005 & is expected to hit US \$ 75 million mark in the current year.

Mr. Sanjay Shah, Vice Chairman & Managing Director stated, "Manugraph would maintain manufacturing and assembly operations in its three facilities – two located in India and one in the U.S." The Company will now offer full product range of Manugraph and DGM products, while continuing sales through DGM representatives in North America and elsewhere, and through Manugraph's marketing network in India and throughout the rest of the world.

"Each time we analyzed the acquisition," said Mr. Sanjay Shah "we could not find a single weakness. Manugraph-DGM will have immense advantage in outsourcing of components & auxiliaries from Manugraph India. Elaborating further, Mr. Sanjay Shah said, "The two companies, blessed with immense engineering talent can now extract the synergies for innovative, cost effective & rapid product development."

Speaking on this historic milestone, the Company's Managing Director Mr. Pradeep Shah expressed, "The ultimate thing that brought the two companies together, however, was the culture of our respective companies. From our first meeting with Mr. Lunt, we knew our two teams would work well together. Simply put, we trusted each other."

"Our goal of becoming the recognized worldwide leader in 4 page press manufacturing is realized today, because with this acquisition Manugraph would be able to command nearly 50% share of the world market now," said Mr. Pradeep Shah. "We have already invested heavily in state-of-the-art facilities, machining capabilities and engineering resources. With Manugraph DGM Inc. we now look forward to launching Manugraph's high-end products like FRONTLINE &

MANULINE in the North American markets, to command significant market share.”

As a result of this acquisition, Manugraph’s projected sales would take giant leap to Rs. 751 crores (US \$ 158 million), in the financial year 2007-08.

The newspaper publishers will now get world-class products tested & proven internationally, at even more cost effective prices. Besides they will stand to gain from quick, innovative new product designs, created by international expert technicians and designers.

-----XXXXXXXXXXXX-----