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Acquisitions, Mergers and Channel Expansion

October 11, 2006: It seems every time I sat down to comment on the latest acquisition news, something else came across my desk. **Pitney Bowes** acquired Print, Inc., **Global Imaging Systems** announced they have acquired their 20th core dealership, **Danka** concluded the sale of its Australian business unit and announced it's now looking to find a buyer for its European operations, **MWA Intelligence** purchased Imaging Portals and entered an exclusive agreement with BEI Services, **Xerox** acquired XMPie, **EFI** acquired Jetrion LLC, **Konica Minolta** opens its Richmond, Virginia branch, **Ricoh** announces it's recruiting 100 IT VAR's in the UK, **Sharp** supplies copiers to Duplo and **HP** advised its VARs to quit selling printers and start selling printing.

MWA Intelligence:, Known for its focus on the collection of meter readings and device status information from copiers, MFP's and printers-from all major printer/copier manufacturers, Imaging Portals, Inc. was a perfect acquisition for the newly formed company MWA Intelligence.

The acquisition of Imaging Portals, Inc. allows MWA Intelligence to cast a wider net in establishing itself as an enterprise asset management solution provider. The acquisition of the company that holds the patents on remote monitoring, also adds net worth and positive cash flow to the fledgling organization. Imaging Portals was a pioneer in market development of remote technology and later in remote diagnostics. Prior to the acquisition, Imaging Portals had recorded its 4 millionth revenue monitoring event.

MWA was founded on the business strategy of offering modular software solutions capable of enabling service organizations a means to manage their outbound service technicians and hardware assets. MWA Intelligence "go to market" products included asset and resource management tools and related software that give dealerships and branches the capability to better manage dispatching of service tech, their parts inventory and related service activities, as well as service reporting. This acquisition provides a critical element to MWA's Intelligent Assets solution suite in that it supplies

the means to enhance service management and profitability. Having the technology to accurately capture and report copier/MFP and printer throughput is one leg of the stool to a dealer's ability to sustainable earnings, the other two are people and products. This couldn't come at a more opportune time as more dealers offer leasing (70% in the latest SAI Dealer survey) of which 49% are based on cost-per-copy billing program.

On the tail of the aforementioned acquisition MWA Intelligence announced it has entered into an exclusive agreement with BEI Services to co-develop enhanced functionality in their current combined offering, which offers a dealer service department a set of tools and real-time metrics in assessing its service technicians performance. BEI has a 14 year history of data collection and analysis of service calls, machine performance, technician reporting and technician compensation. The agreement is another step for MWA Intelligence to augments its Dispatch system and use BEI metrics to provide macro analyses that result in greater efficiency and profitability within dealerships in the Office Equipment. Service managers will be able to identify the key strengths and weaknesses of technician activity, providing empirical data from which dealers can best plan service department growth. In return BEI Services will now have access to MWA Intelligence's engineering and design resources, as well as a widespread customer base.

We believe MWA's management team, headed by its President and CEO, Michael Stramaglio, has a vision of the role it will play in the ever evolving office equipment industry. Stramaglio's successful 30-year career including senior positions at Minolta, Ricoh, president of Hitachi Koki Imaging Systems and CEO of Imaging Portals, makes him imminently capable of coming to grips with the trend of diminishing hardware revenue, growing suspicion of manufacturers opening branches in dealer territories and an overall mistrust that has started to permeate the industry. In the past third party companies such a MWA Intelligence were looked at with a skewed sense of purpose but now, with dealer less apt to share their machine performance data with the manufacturer in fear of revealing customer information, it makes sense for a company such as MWA Intelligence to succeed where others have struggled. MWA Intelligence can not only provide a value service to the dealership but to manufacturers who would only have access to product performance and maintenance issue. Sounds like a win-win-win.

