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FOR IMMEDIATE RELEASE

2 Local Printers Announce Formation of Pegasus Printing Group

Valley's Largest Commercial Printer Eyes Acquisitions

BOARDMAN, Ohio (May 10, 2006) -- The owners of two local commercial printing companies have combined their operations to form a new company, Pegasus Printing Group, and are now looking to acquire additional companies in the printing, graphic arts and related industries.

Allegra Printing of Youngstown and St. Regis Printing of Boardman recently merged to form Pegasus Printing. The new company operates the largest and most modern commercial printing operation in the Mahoning Valley. It has 20 employees, including three added in the past month.

All of the former Allegra operations from Mahoning Avenue in Youngstown have been relocated to the state-of-the-art former St. Regis facility at 590 E. Western Reserve Road in Boardman. John N. Moliterno, who was president and chief executive officer at Allegra, is president and chief executive officer at Pegasus.

"The printing industry has changed drastically, and the best way to survive and grow is to consolidate," Moliterno said. "We have taken the best elements of two printing companies to create a very good printing company. More importantly, we now have the expertise and facilities we need to grow further."

Moliterno, a former president of both the Youngstown Warren Regional Chamber of Commerce and the Better Business Bureau of the Mahoning Valley, had been president of Allegra since 1997. He is also a part-owner of two related companies, Postal

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Mail Sort of Youngstown and The Letter Shop of Canton.

The Pegasus Printing management team also includes:

- Jeffery Dorn, vice president. Since 1990, Dorn had been president of St. Regis, which was established in 1965, and is a former press foreman at Youngstown Lithography.
- Tim Cearfoss, vice president. Cearfoss was most recently vice president of production at Allegra, and was the founder of Graphic Service Co. in 1973.
- Urban Olmi, chief financial officer. Olmi had been CFO at Allegra and is a former owner and president of Dinesol Plastics in Niles.

Moliterno said Pegasus is actively looking to acquire the following types of companies:

- General and digital commercial printers with strong customer relationships.
- Commercial printers that specialize in particular niches so that their customer bases can be nationwide.
- Direct mail companies
- Graphic design firms.

The printing industry and related businesses have become more difficult in recent years, Moliterno said, as a result of cost cutting by client companies and a shift toward utilizing more electronic and fewer printed communication pieces.

"Many company owners understand the technical aspects of printing and graphics, yet feel very uncomfortable running a business during such challenging times for our industry and for business in general," Moliterno said. "We are well positioned to be an alternative for some of those individuals."

Meanwhile, he said, many printers need to upgrade to modern technology in order to deliver the speed and quality customers are demanding. However, at a time when competition makes margins so thin, some printers are reluctant to take on the multimillion dollar costs of new equipment.

The Pegasus facility is the 20,000-square-foot Boardman complex St. Regis built in 1999, with new equipment, at a cost of more than \$3 million.

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"We have a very modern plant, and we have capacity that is not fully utilized, even though we are printing six days a week," Moliterno said. "We also have more than two acres of land for expansion."

He said the company's facilities and expertise form the foundation for its business strategy, which is represented by the mythical Pegasus, the winged horse.

"You don't see a flying horse very often," Moliterno said. "We want our company to be very different, very special and an improvement over what people are used to."

Pegasus Printing Group is a full-service commercial printer, offering full color, offset and large-format printing services to customers in Northeastern Ohio, Western Pennsylvania and beyond. The company was established in 2006 with the merger of Allegra Printing of Youngstown and St. Regis Printing of Boardman. Pegasus has 20 employees.

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