

# COVINGTON | ASSOCIATES

A Specialty Investment Bank

December 2005

Dear Friends:

Smoking Cessation. Women's health. Disease management. Teddy bears. Pharma data analysis. Integrated software solutions. Shoes for the island inspired life. Truck leasing and logistics. 4D ultrasound images. These are a few of the diverse businesses that we've been involved in over the last year whether it be an acquisition, a sale, a going private deal, a re-cap, a refinancing or a PIPE. We continue to be inspired by and in awe of the work these companies are doing.

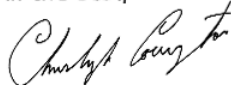
2005 has been a banner year for us. We have completed over 20 transactions, a new record for the Covington Associates team. We continue to focus on the middle market with transactions ranging anywhere from \$10 million to over \$1 billion but our true "sweet spot" is \$20 million to \$250 million. Traditionally, we have focused on the healthcare and technology sectors but in the last few years we have expanded our team to also include consumer and industrial services and this year we have added business services to our mix.

We've made some key additions to bolster our team. We now have 16 professionals. Tim McMahon, a long-time friend and investment banker, former CEO of Adams Harkness, joined the Covington team at the end of the summer and he leads the business services team. Associate Carly Seidewand brings her expertise in health care, pharmaceuticals, biotechnology, medical devices and nanotechnology to us. Analyst Merrill Muckerman rounds out the new additions with her experience in apparel, furniture, jewelry, and catalog businesses.

We are eager to hear about what is new with you as well. Please drop us an email or call us and let us know how you are doing and of course, any ideas you have for working together in 2006 and beyond are always welcome. We are constantly sourcing deals, looking for solutions and networking to provide the best possible opportunities for our clients.

As the holiday season falls upon us, we wish you and your family relaxation, rejuvenation and renewal for a happy and healthy new year.

All the best,



Chris Covington



Tom Cibotti



Ben Dunn



Tim McMahon



Michael Papile



Eric Shealy

And the Covington Associates Team