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**FOR IMMEDIATE RELEASE**

## **X-Rite to Acquire Pantone, Inc. Extending Reach in the Color Industry**

*Acquisition expected to leverage X-Rite's worldwide leadership in color hardware, software and services with Pantone's innovations in color standards and color communication*

**Grand Rapids, Michigan, August 23, 2007** – X-Rite, Incorporated (Nasdaq: XRIT) a leading provider of color solutions for measuring, formulating, matching, and simulating color, announced today it has entered into a definitive agreement to purchase Pantone, Inc. for \$180 million. The deal is expected to close in the fall of 2007.

Pantone, Inc., headquartered in Carlstadt, New Jersey, is an authority on color inspiration for the design world with the PANTONE MATCHING SYSTEM, an innovative system for identifying, matching and communicating colors to solve color reproduction problems in the graphic arts market. Pantone has expanded its color matching system to other industries where accurate color reproductions are critical, including digital technology, fashion, home, plastics, architecture and contract interiors, and paint.

Pantone generated revenue of approximately \$42 million in 2006 with adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) of approximately 27 percent of revenue. Pantone sells its products, services and technology directly, and through hundreds of licensees in over 100 countries in the graphic arts, fashion, home, interior, plastics, architectural, paint, industrial design and consumer markets.

Anticipated strategic, operational and financial benefits of the acquisition include:

- Deepening X-Rite's range of offerings by adding Pantone's color standards to its leadership position in hardware, software and services solutions
- Leveraging X-Rite's global presence and distribution capabilities to expand the reach of Pantone's color solutions
- Enhancing X-Rite's revenue-generating opportunities and further diversifying its revenue base
- Accelerating technology and business model innovation
- Achieving significant synergies in marketing, operations and administration

The transaction is expected to be accretive to X-Rite's cash earnings per share during year two of the combined operations. X-Rite expects to achieve approximately \$6.5 million of annual operating expense cost savings associated with the transaction in year two. During the first year, the company expects to incur cash restructuring costs of approximately \$5.5 million.

"Larry Herbert and his team have built Pantone into a very successful business and we are delighted that it will now be part of the X-Rite family," said Tom Vacchiano, chief executive officer of X-Rite. "This iconic brand is the perfect complement to X-Rite's business bringing Pantone's expertise and market position in color communication and standards to our color solutions product offerings. We believe that this strategic acquisition will provide value for our shareholders, customers, employees and partners."

"We have proven expertise in integrating sizable, strategic acquisitions into our business," Vacchiano continued. "We are confident that we can successfully blend the Pantone integration with our existing responsibilities as we evolve into a faster growing, more diverse business."

"Pantone and X-Rite have enjoyed a strategic partnership in providing color management solutions for the digital imaging market for the last two years," stated Larry Herbert, chief executive officer of Pantone. "Our company is

wholly committed to color communication and inspiration and we are enthusiastic about combining our growing business with X-Rite to apply even greater resources to this work.”

**Organization of the Combined Entity:**

Pantone will become a new business unit within X-Rite. Current Pantone leaders will continue to play key roles in the organization.

**Financing:**

This transaction will be funded exclusively with cash, which will be financed through new borrowings. Merrill Lynch, Fifth Third Bank, National City Bank, LaSalle Bank and GoldenTree Asset Management, LP have committed to a total debt package of up to \$415 million to fund the transaction and refinance X-Rite's existing debt.

**Closing:**

The transaction is expected to close in the fall of 2007, subject to customary regulatory approvals.

**Advisors:**

X-Rite was advised exclusively by Headwaters MB for investment banking and financial advisory services, including securing debt financing. McDermott, Will & Emery provided legal advice. Goldman, Sachs & Co. served as financial advisor to Pantone and Skadden, Arps, Slate, Meagher & Flom LLP provided legal counsel to Pantone

**Investment Community Conference Call:**

Key members of X-Rite management will hold an audio web cast conference call to discuss the transaction at 11:00 am EDT on August 24, 2007. The conference call can be accessed live via telephone as follows:

North America: 1-877-407-9210

International: 1-201-689-8049

A replay of the call, as well as other information related to the transaction, will be available and can be accessed online at [www.xrite.com](http://www.xrite.com)

For Further Investor Information:

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**About X-Rite:**

(NASDAQ: XRIT) X-Rite is a global leader in color measurement and color management, offering hardware, software and services for measuring, formulating and matching color. The Company serves a range of industries, including printing, packaging, photography, graphic design, video, automotive, paints, plastics, textiles, dental and medical. X-Rite serves customers worldwide from its offices in Europe, Asia and the Americas. Visit X-Rite's website at [www.xrite.com](http://www.xrite.com) for more information.

**About Pantone:**

Pantone, Inc. has been the world's color authority for more than 40 years, providing design professionals with products and services for the colorful exploration and expression of creativity. Always a source for color inspiration, Pantone now offers paint and designer-inspired products and services for consumers. More information is available at [www.pantone.com](http://www.pantone.com).

**Forward Looking Statements**

This release contains forward-looking statements based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management's beliefs and assumptions. Forward-looking statements may be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "anticipates," "plans," "estimates," "projects," "targets," "forecasts," and "seeks" or the negative of such terms or other variations on such terms or comparable terminology. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that could cause actual outcomes and results to differ materially. These risks and uncertainties include, but are not limited to, the risk that X-Rite's and Pantone's businesses will not be integrated successfully; the challenges of integration and restructuring associated with the transaction or other acquisitions, and the challenges of achieving anticipated synergies; costs related to the transaction; the possibility that the market for the sale of certain products and services may not develop as expected; X-Rite's ability to manage its international operations; the existence or enactment of adverse U.S. and foreign government regulation; the risk that the development of products and services may not proceed as planned; adverse general domestic and international economic conditions including interest rate and currency exchange rate fluctuations; the difficulty of efficiently managing the company's cost structure for capital expenditures, materials and overhead, as well as operating expenses such as wages and benefits due to the vertical integration of the company's manufacturing processes; the possibility that the transaction or other contemplated acquisitions may not close; the impact of competitive products or technologies and competitive pricing pressures; potential business disruptions; the economic downturn in the U.S. or other world economies; and other risks that are described from time to time in X-Rite's Securities and Exchange Commission reports. Readers of this release are cautioned not to place undue reliance on these forward-looking statements, since, while we believe the assumptions on which the forward-looking statements are based are reasonable, there can be no assurance that these forward-looking statements will prove to be accurate. This cautionary statement is applicable to all forward-looking statements contained in this release. We undertake no obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

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