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Auto-Graphics, Inc. Announces Tender Offer

POMONA, Calif.--(BUSINESS WIRE)—October 12, 2006--Auto-Graphics, Inc. (Pink Sheets: AUGR - News), a technology innovator providing library automation solutions for over 35 years, today announced that it intends to initiate a tender offer to purchase up to 1,000,000 shares of its common stock at a purchase price not less than \$0.50 per share or greater than \$0.85 per share in increments of \$0.01 (the current market price is \$0.51 per share as of October 12, 2006). Shares tendered will be paid in cash less any mandatory withholding and without interest at the conclusion of the tender offer.

The tender offer will officially commence on October 12, 2006 and will expire at 5:00 PM, New York City Time, on November 15, 2006, unless otherwise extended. Shareholders of record on October 6, 2006 will shortly be receiving a packet of information by mail from the Company including an Offer to Purchase and a Letter of Transmittal describing the offer and providing instructions for participating. The Offer to Purchase will include the details and risk factors associated with the tender offer. The Letter of Transmittal will be used by the shareholder to respond to the tender offer. The Depository Trust Company will also be announcing to its member firms the terms of the tender offer. Member firms will be able to respond electronically through the DTCC ATOP system. Shareholders who hold their stock in broker or nominee accounts should contact their brokers as soon as possible to obtain further information and instructions regarding participation. Shareholders should also determine their broker/nominee imposed deadline for responding to the tender offer, as it may be earlier than the actual final deadline of the tender offer above.

The tender offer will NOT be conducted using a modified Dutch auction commonly used by public companies. Instead, shares tendered by shareholders at the lowest price of \$0.50 per share in the range will be selected first. Shares at \$0.51 per share will be selected second. Shares at \$0.52 per share will be selected third. The process will continue in increments of \$0.01 per share until the Company has accepted tender offers for a total of 1,000,000 shares. Shareholders who tender shares at a price above the maximum purchase price selected above will not have their

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shares purchased and will not participate in the Tender Offer. Accordingly, shareholders who wish to be assured of participation in the Tender Offer should offer shares at the lowest possible price they are willing to accept.

The Board of Directors has approved the Tender Offer. However, neither the Company nor its Board of Directors is making any recommendation to any shareholders as to whether to tender or refrain from tendering their shares, or as to the price or prices at which a shareholder may choose to tender their shares. The shareholder must decide whether or not to tender their shares. If a shareholder decides to tender their shares, how many shares to tender and the price or prices at which a shareholder will tender them will need to be determined by the shareholder. In doing so, the shareholder should read carefully the information in the Offer to Purchase and related Letter of Transmittal.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of such transaction or passed upon the adequacy or accuracy of the information contained in the Offer to Purchase. Any representation to the contrary is a criminal offense.

Shareholders can find more information regarding the Tender Offer including copies of the Letter of Transmittal and Offer to Purchase, which may be viewed, printed or downloaded, on the Auto-Graphics website at <http://www4.auto-graphics.com/company/investors.htm>.

About Auto-Graphics, Inc.

Founded in 1950, Auto-Graphics has been a technology innovator for more than five decades, providing data automation solutions to customers across multiple industries. For the past 35 years, Auto-Graphics has helped libraries of all sizes become more efficient and patron-centric. Its flagship solution, AGent, is one of the most comprehensive library automation platforms available today, allowing libraries of any size to manage, share and search their resources. The AGent integrated product suite – currently used by more than 5,000 libraries in North America – comprises a complete ILS system for public libraries; a robust ILL solution for consortial entities and member libraries; and a powerful federated search solution for both public and academic libraries. For more information, please visit www.auto-graphics.com.

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