

STANDARD REGISTER CO  
Form 10-K  
March 09, 2006

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 10-K**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES**

**EXCHANGE ACT OF 1934**

For the fiscal year ended January 1, 2006

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES**

**EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-01097

**THE STANDARD REGISTER COMPANY**

(Exact name of Registrant as specified in its charter)

**OHIO**

(State or other jurisdiction of  
Incorporation or organization)

**600 ALBANY STREET, DAYTON OHIO**

(Address of principal executive offices)

**31-0455440**

(I.R.S. Employer  
Identification No.)

**45408**

(Zip Code)

**(937) 221-1000**

(Registrant's telephone number, including area code)

**SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT**

Title of each class

Name of each exchange  
on which registered

Common stock \$1.00 par value

New York Stock Exchange

**SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT**

None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Edgar Filing: STANDARD REGISTER CO - Form 10-K

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes[X] No[ ]

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No[ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by checkmark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]

Accelerated filer [X]

Non-accelerated filer [ ]

Indicate by checkmark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes[ ] No[X]

The aggregate market value of all stock held by non-affiliates of the Registrant at July 3, 2005 was approximately \$192,605,035 based on a closing sales price of \$15.97 per share on July 3, 2005.

At January 29, 2006, the number of shares outstanding of the issuer's classes of common stock is as follows:

Common stock, \$1.00 par value	24,109,331 shares
Class A stock, \$1.00 par value	4,725,000 shares

Part III incorporates information by reference from the Proxy Statement for Registrant's Annual Meeting of Shareholders to be held on April 27, 2006.

**THE STANDARD REGISTER COMPANY**

**FORM 10-K**

**TABLE OF CONTENTS**

<b>Item</b>	<b>Description</b>	<b>Page</b>
Item 1.	Business	1
Item 1A.	Risk Factors	11
Item 1B.	Unresolved Staff Comments	14
Item 2.	Properties	15
Item 3.	Legal Proceedings	16
Item 4.	Submission of Matters to a Vote of Security Holders	16

Item 5.

Market for the Registrant's Common Stock and Related Shareholder Matters

17

Item 6.

Selected Financial Data

18

Item 7.

Management's Discussion and Analysis of Financial Condition and Results of Operations

19

Item 7A.

Quantitative and Qualitative Disclosures about Market Risk

40

Item 8.

Financial Statements and Supplementary Data

43

Item 9.

Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

79

Item 9A.

Controls and Procedures

79

Item 9B.

Other Information

80

Item 10.

Directors and Executive Officers of the Registrant

80

Item 11.

Executive Compensation

80

Item 12.

Security Ownership of Certain Beneficial Owners and Management

81

Item 13.

Certain Relationships and Related Transactions

81

Item 14.

Fees and Services of Independent Registered Public Accounting Firm

81

Item 15.

Exhibits and Financial Statement Schedules

82

Signatures

83

Index to Exhibits

84

Independent Registered Public Accounting Firm's Report on Supplemental Schedule

86

Schedule II Valuation and Qualifying Accounts and Reserves

87



## PART I

### Item 1 BUSINESS

#### COMPANY OVERVIEW

The Standard Register Company (referred to in this report as the Company, we, us, our, or Standard Register) is a publicly traded company that began operations in 1912 in Dayton, Ohio. Our common stock is traded on the New York Stock Exchange (NYSE) under the symbol SR. Our principal executive offices are located at 600 Albany Street, Dayton, Ohio 45408 (telephone number: 937-221-1000).

Standard Register, a leading document services provider, uses its extensive industry expertise to help organizations manage, control, and source their document and print-related spending. We have spent the last 90 years helping organizations better manage information and improve business processes in what was largely a paper-driven world. Now we're leveraging this expertise with the latest digital printing, Internet and supply-chain technologies to help organizations drive greater operational efficiencies, reduce supply chain costs, improve customer service, and gain a stronger position in an increasingly competitive, global economy. We offer consulting, technology, design, printing, and staffing services to address document needs across a customer's enterprise—from the desktop, to the data center and centralized print shop, to externally-sourced printing. Our products and services provide our customers the means to create, manage, and distribute documents. We are able to address our customers' current needs as well as guide them into the future with solutions for reducing costs, migrating to more efficient digital technologies, fulfilling compliance requirements, and driving business growth.

#### OUR INDUSTRIES

We primarily serve the healthcare, financial services, insurance, pharmaceutical, manufacturing, and transportation industries. We are a leading provider of products and services to the majority of the acute care hospitals as well as the majority of the largest financial institutions in the United States.

#### OUR PRODUCTS AND SERVICES

Our strategy is to provide a full spectrum of solutions—from print to digital—that help organizations effectively capture, manage, and use information to improve their business results. Our customers leverage our deep industry expertise and innovative solutions to increase efficiency, reduce cost, enhance security, and strengthen customer loyalty. We provide our customers the knowledge and means to discover what they spend company-wide on documents and printing.

Our Enterprise Document Management approach includes analysis of where, how and even if documents are printed. This document study includes everything from forms, stationery, and reports to four-color marketing collateral and also addresses what is printed internally, as well as externally. By improving the efficiency of these processes and applying appropriate sourcing strategies, customers are able to save on their entire document-related supply chain.

Our solutions give customers the tools to manage the entire lifecycle of their documents from concept to delivery to archiving. We are a document services company entrusted to manage business-critical documents with a variety of products and professional services including the following:

#### *Document Printing Solutions*

We provide the following document solutions that help customers find the most cost-effective way to format, print, manage, and distribute information, while using advanced security measures to protect the confidentiality of their printed and electronic communications.

**Document Management**

We offer a comprehensive solution to help organizations manage all aspects of their communications, plus a nation-wide network of Web-connected printing and warehousing centers. This solution includes:

- Statements and invoices
- Payroll and expense checks
- Purchase orders and shipping documents
- Product and compliance labels
- Letterhead and envelopes
- Marketing, investor and employee communications.



## **Digital Printing Solutions**

We combine Web technologies and state-of-the-art digital printing to enable our customers to print what they need, when they need it, and in the exact quantities they need. Just-in-time digital printing provides organizations with significant economic benefits. It eliminates the costs associated with warehousing and helps them avoid the cost and risks associated with document obsolescence. With an extensive network of digitally-enabled production facilities, we provide a broad capability and a layer of disaster recovery security. Our capabilities include:

- 

Black and white reprographic printing

- 

Digital color printing

- 

Tabs

- 

Binding, including perfect, tape, comb and coil

- 

Folding, cutting, trimming

- 

Perforating, punching, drilling

- 

Laminating

- 

Kit-building

- 

Fulfillment services.

## **Intelligent Printing Solutions**

We provide the ability to link customers' data with our systems to deliver documents on demand. By integrating existing print streams to server- or PC-resident digital forms designs, customers achieve flexibility as they move to less paper. Whether the customer's application is payroll, grade reports, or patient documentation, we work with their existing data without costly reprogramming. Secure printing applications and bar code applications can also be converted into intelligent printing solutions.

### **Warehouse and Distribution Services**

With Web-enabled distribution warehouses across the country, we are positioned to not only print, but also warehouse and manage all documents and other items used by a company. We offer a cost-effective solution that enables customers to store items near their locations. Our distribution services help customers eliminate the administrative burdens of processing and tracking large numbers of purchase orders, acknowledgements, packing lists, invoices, and statements. We offer services in consolidation and direct-to-end-user shipping of combined document and product bundles saving our customers the complexity of multiple-vendor receiving, sorting, consolidation and forwarding. Our experienced logistics team helps manage time-sensitive events and corporate document conversions.

### **Secure Document Solutions**

We provide customers with document security solutions to protect against loss due to fraud. No single security feature is fully effective alone, but through a combination of specialized inks, secure papers, unique construction, and proprietary security features, we can help protect checks and other vital documents from copying, altering, and other types of fraud. Our intelligent printing solution, LinkUp®, creates secure disbursements easily. It can be used as a stand-alone system or attached to a network and can process thousands of documents per month with efficiency, flexibility and security. It is a total solution that includes both technical support and supplies.

Bar codes and data encryption offer an added layer of fraud protection for secure document processing. With expertise in the leading bar code, radio frequency identification (RFID), and other automated identification technologies, we provide our customers with a comprehensive solution for securely producing and managing vital documents, as well as tracking and controlling high-value, high-demand items, such as pharmaceuticals, tickets for sporting and entertainment events, and jewelry that are often targets for counterfeiting.

### ***Label and Tag Solutions***

Labels and tags perform vital functions in business and industry. They are at the core of process management, helping to convey information and ultimately drive revenue, safeguard assets, and mitigate risk. We have broad design and production capabilities, plus expertise in workflow management to help customers address virtually any application need. We provide innovative solutions to meet our customers' requirements including specially-formulated adhesives and substrates to withstand environmental stresses; highly specialized inks and patterns to provide the necessary level of security; smart chips to add intelligence and flexibility; and unique design configurations to eliminate redundancy, streamline processes and reduce costs. We also provide a total integrated solution that includes printers, applications, readers, and software to coordinate and process information.

## Identification

These solutions assist with a broad scope of identification requirements - products, parts labeling, assets, personnel - integrating information, branding, security, and bar-coding. Some of our customized identification solutions include:

- 

Wristbands for patient identification

- 

Clean release™ tags for membership and identification cards

- 

Nameplates and serial plates

- 

Vehicle and watercraft stickers.

## Instruction

We produce a wide range of instructional labels, such as wiring diagrams, installation, operating and service instructions - designing them for the life of the product. We have competency in more than 30 languages and are able to support global identification needs by providing translation services to complement our design and production capabilities.

## Tracking

As the basis of automated identification and data capture, labels play an essential role in the flow of information. Leveraging our process management and technology expertise, we help customers migrate from today's ink-on-paper solutions to more efficient technologies that help streamline processes, improve accuracy and productivity while gaining greater control over operations.

## Bar Code Solutions

Bar codes have made an indelible mark on supply chain operations. We help companies leverage bar code technologies to introduce greater accuracy, productivity, and control into target areas. We provide a comprehensive solution including:

- 

Workflow analysis

- 

Labels and forms

-

Application software

- 

Data capture solutions

- 

Printers and printer applicators

- 

Conveyor controls, sorting and manifesting systems

- 

Integration and implementation services

- 

Training and service support.

### **Logistics**

Labels are a crucial link in a company's supply chain. Working with our label team, customers can introduce new efficiencies to their production line, reduce costs, and streamline the shipping process. Labeling kits integrate all product-specific labels—identification, serial numbers, hazard warnings, and inspection labels—onto a single sheet for easier application, simplified inventory management and reduced inventory expense. Three-in-one shipping labels combine packing list, shipping label and envelope into one, helping to reduce errors, processing time and costs.

### **Compliance**

Many industries, including manufacturing, healthcare, pharmaceutical, and financial services, are challenged to meet both regulatory requirements and industry standards. Our design team is conversant with current standards and requirements and is a vital resource to customers' engineering, marketing, and compliance teams. We focus on the details, providing the appropriate symbology and specifications for compliant labels, tags, plates, and wristbands.

### **Product Configuration Control**

In the manufacturing industry, product warning, identification and other labels are a vital part of the assembly process and are critical parts of the finished product. Many product design changes result in frequent label design changes.

Our Manufacturing Label Solutions offering, combining world-class durable label manufacturing capability with our Label Management Information System, provides our manufacturing customers with a simple solution for managing and simplifying all of their critical product labeling needs. At the same time, the system and our expertise ensure continual compliance with regulatory and quality management system requirements, regardless of the dynamics of product design.



## **Security**

As a leader in document security, we assist customers with introducing greater security to product tags and labels, vehicle stickers, as well as personal ID cards. We develop customized solutions that utilize specialized inks, secure stocks, proprietary features, and the newest technologies along with secure systems and procedures to help minimize risk exposure.

## **Multi-Purpose Solutions**

As a strategic partner with our customers in improving processes, we help streamline workflow and reduce the total cost of labeling operations. We audit current labels in use, look at processes, and identify opportunities to combine functions into a single document. Examples of such solutions include:

- 

The Total Scripts™ solution combines a prescription label, patient advisory and promotional information into a single, cost-effective form.

- 

The 2-in-1 Enrollment solution combines a welcome letter with identification cards, perfect for membership programs, new employee kits and insurance programs.

## ***Print-On-Demand Solutions***

Combining our expertise in data processing and digital printing with our broad experience with both traditional and Internet methods of delivery, we offer products and services to assist our customers in developing an integrated solution for managing and delivering communications to their customers, investors, employees, and any other stakeholders. Our solutions are as varied as our customers' communication needs and range from the simple to the complex:

- 

Booklets and manuals

- 

Personalized information kits

- 

Single and multi-part mailings

- 

Bills and statements

- 

Privacy and other regulatory notifications.

### **One-to-One Communications**

Using our customers' own data, we help them customize their communication programs to maximize the impact of their message by giving them the means to communicate one-to-one with targeted individuals. We assist with the creation of relevant, customized messages for specific individuals.

### **Complete Campaign Management**

This is an end-to-end solution that includes data management, printing, kit-building, mailing, and archiving. This offering can be used to manage one-time distributions or on-going marketing campaigns. With four fulfillment centers strategically located around the United States, we are able to produce and distribute mailings on a timely, cost-effective basis.

### **Secure Confidential Environment**

Recent regulations such as the Sarbanes-Oxley Act, the Health Insurance Portability and Accountability Act, and the Gramm-Leach Bliley Act, have created an increased focus on internal controls, security, and privacy issues. We understand the need to maintain the confidentiality of our customers' data and have put the secure controls and safeguards in place to host or process our customers' and their customers' data.

### **Marketing StoreFront**

Our Marketing StoreFront provides users throughout a company's enterprise with a central e-library of all their marketing materials that they can easily search, view and order. Customers can catalog both static and variable materials for print on demand as well as inventoried items. It is digital asset management providing an automated method of version control and gives customers the ability to catalog and manage:

- Product literature
- Presentations
- Campaign kits
- Signage
- Promotional items
- Commercially-printed items

- 

Business cards and stationery.



Within the Marketing StoreFront, our customers have access to the QuickPrint, DesignOnDemand®, and Dynamic Communications modules, giving them the flexibility to configure and order personalized collateral and manage ongoing campaigns.

- 

QuickPrint is a print fulfillment tool that automates the entire printing process from conception to specification, estimating and ordering. Documents can be printed as they are needed and usage and spending is easily monitored.

- 

DesignOnDemand is a marketing solution that enables users to create, order, and mail high impact, personalized communications to customers in as little as 48 hours. Leveraging SMARTworks® content-management technology, it simplifies creation of marketing literature, presentations, proposals and direct-mail campaigns while maintaining brand integrity. Users select the communications template they need, personalize it with industry-specific text, graphic images from their repository, and variable information from their own data sources. Within a matter of minutes, they are ready to review an online proof and dispatch their order to one of our digital printing centers or launch the communication electronically.

- 

Standard Register's Dynamic Communications is a Web-based solution for creating and managing complex documents, information kits and marketing campaigns that can help customers dramatically improve communications while reducing cycle time and costs. Driven by rules-based software and the content placed in a digital repository, Dynamic Communications allows customers to create and assemble booklets, letters and kits fully personalized for each recipient. It gives them the capability to create and distribute those materials in up to 14 languages, electronically via the Internet, in print or both. The rules-based matrix assures each recipient receives only the information relevant to him or her in the right language and the preferred medium.

### **Internet Presentment**

In moving from printed to online communications, customers can substantially reduce costs, broaden their marketing capability, and improve the experience for the growing number of customers, investors and employees who prefer receiving their communications electronically.

Standard Register has the technology, resources and secure environment to support electronic presentment of bills, statements and other communications. We provide complete e-services, including:

- 

Document conversion from print to PDF or HTML

- 

Electronic document presentment

- 

Encrypted e-mail statement delivery

-

Hosted archiving and e-notification

- 

Electronic payment

- 

CD-ROM production and archiving services.

Our solutions are designed to integrate with a variety of systems, including several online payment services, to provide a truly paperless system. We can customize a solution to fit a specific business need or provide a standard package.

### **Electronic Bill Payment**

Our electronic payment solution simplifies the payment process for customers while helping them secure payments on a timelier basis and reduce the need for collection calls and notices. A company's customers can manage their accounts, view payment history, contact customer service and pay electronically or by phone via check, credit or debit card. Even their customers who opt to receive statements by traditional mail can pay electronically or by phone.

### ***Document and Marketing Automation***

We use our document management and digital asset management technologies to simplify the process of creating and managing marketing communications while improving their effectiveness with full personalization. Built on our SMARTworks technology platform, our Web-based and software solutions offer companies decentralized content management with centralized brand control and ability to create one-to-one communications.

## **Workflow Automation**

Our SMARTworks technology platform allows customers to manage a specific process across their enterprise. Currently used for marketing automation, print management and E-procurement applications, this powerful Web-based solution allows customers to manage processes from their desktop, providing complete searching, tracking, and reporting capability. It is a comprehensive business process management tool, helping to reduce processing costs, errors, and cycle time while tracking spending.

## **Data Capture Solutions**

Standard Register is transforming data capture with an emerging technology solution - ExpeData™ digital pen and paper. Combining the simplicity of paper with the power of digital, this innovative technology gives organizations the ability to capture information simply and naturally - as it is handwritten - automatically converting the writing into a digital format, verifying it, and making it available to back-end systems such as customer relationship management, inventory management, and patient records.

Aimed at streamlining workflow and accelerating the flow of information, the ExpeData solution helps reduce errors commonly experienced in manual processing, while eliminating the time and costs associated with data entry, mailing, scanning and indexing. It helps establish greater accountability and control by providing an exact image of the handwritten document and a secure audit trail. Because pen and paper fit naturally with the way people work, the technology is readily accepted by even the most inexperienced users with minimal training.

## **Output Management Solutions**

Standard Register's LinkUp® Enterprise (LUE) is electronic forms software that streamlines document production, access and administration. It works within a customer's existing enterprise to retrieve and intelligently route data to printers, faxes, PCs - wherever needed - delivering hardcopy forms, electronic documents or e-mail messages in the formats needed by users.

Widely used in check disbursement applications such as payroll and accounts payable, this versatile output management solution can be used in virtually any document management application. In automating forms, LUE helps reduce the errors and costs associated with manual processing and it enables customers' employees to spend less time on documentation and more time on critical business tasks. By printing documents on demand, it facilitates the elimination of costly inventories of preprinted forms. Moreover, this cost-effective automation software provides a secure document production platform to help establish needed controls over confidential information and vital documents. A similar software solution, Patient Linkup® Enterprise system, is available for hospitals.

## **Document Automation for the Insurance Industry**

Standard Register also provides document automation solutions specifically tailored for the insurance industry through our subsidiary, InSystems™. Their powerful Calligo® suite automates creation, production and distribution of complex, customized documents such as correspondence, policies and certificates. InSystems also offers a solution to automate product development and compliance filings.

## **Consulting**

In addition to the products and services discussed above, our customers can choose to use our consulting services to help them transform their document-intensive processes and reduce the total cost of ownership. While we have been helping companies organize, manage and distribute information for nearly a century, we are also taking a proactive

role in helping businesses migrate from paper-based to digital processes.

### **Digitization**

We provide a structured approach to automation, examining an organization's total print spend - both promotional and operational - cataloging paper and electronic documents, documenting processes, then identifying opportunities to standardize, consolidate, streamline, and eliminate obsolescence or duplication. With a full audit of a company's documents and processes, we work with them to develop a migration strategy to introduce greater levels of automation and efficiency.

### **Process Re-Engineering & Document Automation**

Applying Six Sigma and Lean Manufacturing methodologies, we help streamline processes and develop an enterprise-wide document strategy to improve quality and throughput, reduce cycle times and reduce costs. We show customers how to organize, standardize and consolidate documents, recommend cost-effective alternatives for managing and producing documents, and chart a path that steadily migrates them from paper to more cost-efficient digital media. Moreover, we build in the controls and measurements to identify opportunities for ongoing process improvement.

### **Print Supply Chain Management**

With a blend of paper and digital documents, day-to-day management of document production and distribution of documents is particularly challenging. Identifying the appropriate technologies and suppliers is crucial to cost-effective management and ensuring the right information gets to the right people in the right format just in time.

We can map a strategy that addresses production and distribution of all documents in a company's supply chain to help reduce inventories and obsolescence while meeting the needs of internal and external customers. We can establish relationships with best-of-class suppliers to help further reduce expenses and enhance operating efficiencies.

We supplement these services with a broad offering of supplies, including:

- 

Printer supplies

- 

Computer supplies and accessories

- 

Fax machines and supplies

- 

Copier supplies

- 

Labels.

### **Document Security Analysis**

We seek to gain a system-wide understanding of the threats and risks that a given document will face. We conduct a comprehensive analysis of an organization's practices and procedures, document creation, authentication, tracking and reconciliation systems as well as the actual documents. We then work with the customer to develop a multi-level solution that addresses the document and the document management process to provide an effective deterrent to fraud and loss.

### **Technology Planning and Integration**

Today's automated identification and data capture technologies offer a viable means of streamlining workflows and introducing greater efficiency, integrity and security to a wide range of applications. Conversant with multiple technologies, we assist companies in evaluating their strengths, limitations, applicability and value to their application.

We will collaborate with the customers to define goals, analyze workflow and processes, and define output and environmental requirements. We will then evaluate which methods of data capture, identification and materials handling will best suit their application and how they can be integrated with their infrastructure and assist with both evaluation and integration.

### ***Outsourcing and Managed Services***

We offer a wide range of on-site and off-site managed services to help companies improve the way business gets done. We leverage leading technologies to manage both paper-based and digital document systems, helping to improve our customers' service to their internal and external customers while reducing the total cost of their business processes.

### **Commercial Printing Services**

We source high-quality commercial printing and provide supply-chain-management services to produce high-end, high-volume marketing collateral and business communications. We supplement our in-house printing capabilities with an extensive network of commercial printers throughout North America and abroad. By leveraging these relationships, our industry expertise, and e-procurement technologies, we deliver value for the full breadth of our customers' business communication needs, including:

- 

Annual reports

- 

Brochures, sell sheets, catalogs, directories

- 

Letterhead, business cards, envelopes

- 

Magazines, newsletters, books, pamphlets, manuals

- 

Point-of-purchase materials

- 

Direct mail pieces, postcards

- 

Posters, signs, displays

- 

Pocket folders.

### **Contracted Print Services**

We offer contracted print services beyond traditional facilities management models. Using the expertise of our PrintConcierge® group and a nationwide network of certified printing facilities, we help our customers determine how to free up space, people and assets related to document management. We can establish relationships with best-of-class suppliers to help reduce print spend and enhance operating efficiencies. Moreover, our associates can organize and

manage companies' inventories of documents and digital assets, helping to substantially reduce the total cost of document management.

## **Document Outsourcing**

We offer a comprehensive fulfillment capability for managing business communications, eliminating the need for dedicated resources or equipment investment. Companies can leverage our people and expertise in data processing, digital printing and distribution to manage and deliver all types of communication - via the Web or traditional delivery methods.

## **Conversion Management**

Acquisitions offer a tremendous opportunity for organizations to expand their market presence and generate new revenue. We provide both the manpower and experience to successfully plan and implement new store or branch openings and conversions, assuming responsibility for new signage, fixtures and furniture, new forms and supplies, and marketing materials. With expertise in conversion workflow, technology, standards, compliance, and how to work with people in a changing environment, we will help organizations meet critical timelines and make a seamless transition.

## **OUR BUSINESS SEGMENTS**

Our four reportable segments are Document and Label Solutions, POD Services, InSystems, and Digital Solutions.

You can read additional information related to products and services, revenues, operating profit, identifiable assets, financial information by geographic area, and capital expenditures of each reportable segment for years 2003 through 2005 in Note 17 Segment Reporting in the Notes to Consolidated Financial Statements.

### ***Document and Label Solutions***

Document and Label Solutions accounted for 68.7%, 69.0%, and 69.5% of our consolidated revenues in 2005, 2004, and 2003. Primary markets are large- and middle-market companies in the healthcare, financial services, manufacturing, and distribution/logistics industries.

***Market Trends*** Excess production capacity and price competition are prevalent in the Document and Label Solutions segment. The introduction of alternative technologies has reduced industry demand for traditional custom-printed business documents while a very competitive market has led to price competition. In spite of these challenges, we believe there is opportunity to increase our market share if we effectively carry out our sales strategies and offer an increasing array of application software and professional services.

Driven by an increase in both consumer and industrial end-use applications, the market for pressure-sensitive labels in North America is projected to exhibit steady growth. Companies in the industry will increasingly need to incorporate technologies such as bar code technology, RFID, Internet-based commerce, digital presses, and environmentally-friendly adhesives and inks. All of these factors will make the industry more efficient allowing us to compete for new markets with alternative technologies.

Other market trends include:

- 

Organizations believe that documents that touch their customers are strategic to their business

- 

Customers are migrating to fewer suppliers and more strategic relationships



- 

Paper-based documents and workflow are increasingly being automated and migrated to digital form

- 

Demand for RFID, linerless, laser, thermal, and on-press adhesives is increasing

- 

Media recommendations by printer manufacturers are influencing designs

- 

Customers are buying labels as part of a package with printers, software, and services

- 

Customers are increasing their use of variable data

- 

Use of removable adhesive is growing

- 

Electronic commerce is driving an increase in shipping label demand as more businesses and individuals buy goods online.

**Competition** Our principal competitors include R. R. Donnelley & Sons Company and WorkflowOne. These companies offer products and services similar to ours. In addition, we compete against local and regional manufacturers, brokers, and distributors. We believe we have several strategic advantages over our competitors including:

- 

We are recognized as a leader in secure documents, particularly in the healthcare and financial services markets.

- 

We have knowledge and experience in document workflow management, a strong national reputation, excellent domestic geographic coverage, and a complete line of products from paper to digital.

- 

We have developed proprietary total-solutions offerings, such as our Manufacturing Label Solutions software, process management, and labels program.

**Backlog** Document and Label Solutions backlog of custom-printing orders at January 29, 2006 was approximately \$39.1 million compared to \$47.3 million at January 30, 2005. We expect to fill all orders in 2006.



### ***POD Services***

Print-on-Demand (POD) Services accounted for 26.4%, 27.0%, and 26.4% of our consolidated revenues in 2005, 2004, and 2003.

***Market Trends*** We expect the overall market for document outsourcing and POD to grow as companies seek outside help in creating and delivering business communications with more impact, while reducing print inventory levels and related costs. The POD market is one that permeates all industries and is a natural extension of our core business because it is a transaction-intensive market that we already serve with our core products. Increasingly, companies strive to reach their customers with targeted, customized, and personalized messages in order to maximize their sales and marketing investments. The ability to print and distribute these communications on demand will also fuel growth in this area. Our focus remains on growing digital color in support of the print-on-demand business.

***Competition*** Our principal competitors include R. R. Donnelley & Sons Company, Kinko's, and Xerox.

***Backlog*** POD Service's backlog of orders at January 29, 2006 and January 30, 2005 was approximately \$5.5 million. We expect to fill all orders in 2006.

### ***InSystems***

InSystems accounted for 1.2%, 1.3%, and 2.1% of our consolidated revenues in 2005, 2004, and 2003.

***Market Trends*** InSystems focuses on the financial services industry. Industry analysts predict modest growth in information technology spending for financial services organizations in general and specifically for insurance, with expected increases of at least 3% for large insurance carriers and higher for mid-size carriers forecast for the year ahead. These industries have historically been highly information technology intensive with an above average percentage of revenues being spent on information technology. Market trends include increased emphasis on regulatory compliance, pressures to accelerate bringing new products to market, security, customer and distribution channel loyalty, and the migration from paper to digital solutions.

***Competition*** Our competitors include in-house development by insurance companies and other companies that offer document automation and document management solutions, such as Docucorp and Document Sciences Corporation.

***Backlog*** Our backlog of professional services and software maintenance contracted for, but not yet performed, as of January 29, 2006 is approximately \$5.6 million, compared to \$6.4 million as of January 30, 2005. Of this, approximately \$0.3 million is not expected to be realized in 2006.

### ***Digital Solutions***

Digital Solutions accounted for less than 1% of our consolidated revenues in 2005. Digital Solutions is a start-up software and services venture based on the application of digital pen and paper technology which enables a user to directly transfer handwriting on a paper document to digital format as input to a software application. Standard Register is using its forms and business process improvement expertise to assemble new information and capture technologies that ease its customers' transition from paper to the digital world.

***Market Trends*** The ExpeData digital writing solution is commercially available and deployed in several markets including pharmaceutical, healthcare, field service, transportation and others, both domestically and internationally. ExpeData expects to see the use of the Bluetooth® digital writing solution on the rise as the Mobile and Wireless markets continue to grow. With the use of Bluetooth, handwritten information is transmitted through cell phones and/or BlackBerry® devices, providing virtual real-time data transfer and two-way communication, essential for the mobile workers.

**Competition** In the emerging marketplace for digital solutions, there are offerings similar to our solutions. There are, however, no clear leaders in the marketplace. In addition to competition from other companies, there is also competition from competing technologies such as PDAs, laptop computers, tablet PCs, and custom input devices.

**Backlog** Digital Solutions backlog of orders at January 29, 2006 was approximately \$0.1 million. There was no backlog for Digital Solutions orders at January 30, 2005.

## **OUR MARKETING AND DISTRIBUTION**

We utilize several sales channels that are devoted to selling a variety of our solutions and products as part of an enterprise solution or single product offering. These channels are primarily organized based upon a combination of their sales objective, market segmentation, and account segmentation as follows:

- A geographically-based, direct sales channel that focuses on the retention, expansion, and acquisition of primarily middle-market to larger accounts across all industries that we serve
- A strategic account sales organization that serves those customers that buy a breadth of our products and views the Company as a partner in the development of their enterprise business solutions; these customers tend to be in the financial, manufacturing, and distribution/logistics segments
- An inside-sales channel that is focused on the retention and expansion of business supplies and specialized product offerings targeted to smaller accounts or remote geographies where our direct sales force cannot be cost effective
- A business development group that focuses on the acquisition of new business
- A healthcare sales group that supports our direct sales channel; this group also directs the sale of, and provides specialized support for, selling software and systems integration
- A technical sales group that supports our direct and strategic accounts sales organizations in the expansion and acquisition of POD products, professional consulting services, and commercial print applications to our larger accounts.

We support our sales channels with a centralized marketing organization that provides product support, strategic marketing, alliance development and marketing communications. In addition, we utilize a direct client care organization that uses customer relationship management systems to improve sales productivity by automating repetitive and administrative tasks, reducing selling costs and enhancing account management. We plan to continue to invest in strategic marketing tools to help in our account management and satisfaction systems, one-to-one marketing, and e-business efforts.

Documents are printed at 36 geographically disbursed locations in the United States. Documents are shipped directly to customers or are stored by us in warehouses for subsequent on-demand delivery. The management of document inventories to provide just-in-time delivery is a major element of customer service.

## **OUR RAW MATERIALS**

We purchase raw paper in a wide variety of weights, grades, and colors from various paper mills in the United States and Canada. Carbonless paper, inks, and printing supplies are available nationally and are purchased from leading vendors. We continuously ensure that we have adequate supplies to meet present and future sales objectives. We generally order from suppliers with whom we have long-standing relationships.

#### **OUR RESEARCH AND DEVELOPMENT**

During 2005, we spent \$11.0 million on research and development compared to \$12.9 million and \$17.2 million in 2004 and 2003. Research and development is primarily focused on two areas: the design and development of new products, services, software and technologies, and process improvement activities. The design and development of new products and technologies also includes equipment design and development used in production as well as the integration of new technologies available in the marketplace.

#### **OUR INTELLECTUAL PROPERTY**

We have many patents related to documents, equipment, systems, labels, and security products that provide a competitive advantage or generate license income. None of these, individually, have a material effect upon the business.

#### **SEASONALITY**

No material portion of our business could be considered seasonal.

#### **OUR CUSTOMERS**

The business of the Company taken as a whole, or by individual business segments, is not dependent upon any single customer or a few customers. No single customer accounts for 10% or more of total consolidated revenue.

## **GOVERNMENTAL AND ENVIRONMENTAL REGULATION**

We have no significant exposure with regard to the renegotiation or termination of government contracts. Any expenditure made to comply with federal, state, or local provisions of environmental protection have not had a material effect upon our capital expenditures, earnings, or competitive position.

## **OUR EMPLOYEES**

At January 1, 2006, we had approximately 4,000 employees compared to 4,100 at January 2, 2005 and 5,000 at December 28, 2003.

## **OUR WEBSITE**

Our Internet website is [www.standardregister.com](http://www.standardregister.com). Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to these reports are available, without charge, on the website as soon as reasonably practicable after we file these reports with the SEC. You can also obtain these reports, free of charge, by contacting Investor Relations, Standard Register, Corporate Offices, P.O. Box 1167, Dayton, Ohio 45401, E-mail: [investor@standardregister.com](mailto:investor@standardregister.com), phone: 937-221-1304. You can also obtain these reports and other information, free of charge, at [www.sec.gov](http://www.sec.gov). You may also read and copy materials we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 800-732-0330.

We are not including the information contained in our website as part of, or incorporating it by reference to, this Annual Report on Form 10-K.

## **FORWARD-LOOKING INFORMATION**

This report includes forward-looking statements covered by the Private Securities Litigation Reform Act of 1995. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. All statements regarding our expected future financial condition, revenues or revenue growth, projected costs or cost savings, cash flows and future cash obligations, dividends, capital expenditures, business strategy, competitive positions, growth opportunities for existing products or products under development, and objectives of management are forward-looking statements that involve certain risks and uncertainties. In addition, forward-looking statements include statements in which we use words such as anticipates, projects, expects, plans, intends, believes, estimates, targets, and other similar expressions that indicate future events. These forward-looking statements are based on current expectations and estimates; we cannot assure you that such expectations will prove to be correct. The Company undertakes no obligation to update forward-looking statements as a result of new information, since these statements may no longer be accurate or timely.

Because such statements deal with future events, actual results for fiscal year 2006 and beyond could differ materially from our current expectations depending on a variety of factors including, but not limited to, the risk factors discussed below.

## **Item 1a RISK FACTORS**

### **Risk Factors**

Investment in any business involves inherent risks and uncertainties. In addition to the other information presented in this Annual Report on Form 10-K, and beyond the risks and uncertainties of ordinary business operations, important factors that could cause our actual results to differ materially from those contained in this Annual Report on Form 10-K include the following.

**Digital technologies may continue to erode the demand for our printed business documents.**

Many of our custom-printed documents help companies control their internal business processes and facilitate the flow of information. The increasing sophistication of software, intranets, and our customers' general preference for a paperless office environment will continue to reduce the number of printed documents sold. Moreover, the documents that will continue to coexist with software applications will likely contain less value-added print content.

Many documents we sell to customers, such as purchase orders, checks, and statements, serve to facilitate transactions between businesses. These applications will increasingly be conducted over the internet or through other electronic payment systems.

The predominant method of our clients' communication to their customers is by printed information mailed to their homes or offices. As the customers become more accepting of internet communications, our clients may increasingly opt for the less costly electronic option, which would reduce our revenue.



The pace of these and other technology substitutions is difficult to predict. These factors will tend to reduce the industry-wide demand for printed documents and require us to gain market share to maintain or increase our current level of print-based revenue.

For reasons discussed below, we operate in a very competitive industry and we may not be successful in gaining market share in which case the rate of decline in revenue could outpace our rate of cost reduction, lowering our margins.

**The document printing industry is likely to continue to be oversupplied and highly price competitive, which may reduce our gross margins.**

Flat-to-declining market demand for many printed products, steady advances in manufacturing productivity, and the absence of meaningful industry consolidation may prolong or even worsen the current overcapacity situation within the industry, further weakening market pricing and lowering our margins. The increasing use of reverse auctions or other bidding tools may also contribute to lower prices for our printed products.

Although we have endeavored in the past to continually improve productivity and reduce our cost structure in an effort to maintain a competitive position, there is no guarantee that we would be able to do so successfully in the future. Consequently, our margins could be unfavorably impacted.

**Our plans to deal with the threats and opportunities brought by digital technology may not be successful.**

Digital technologies pose a significant threat to many of the printed documents that have been the mainstay of our historical profit and cash flow. In 2000, we embarked on a multi-year restructuring program to maintain our competitive position in our traditional markets, invest in existing products and services not threatened by technology and add new offerings with future growth potential.

We have eliminated unprofitable business and aggressively reduced costs in an effort to maintain a competitive position. These actions produced significant restructuring and impairment charges as we reduced staffing levels, excess production capacity and other operating costs.

It is likely that market forces will require us to continue to improve our productivity and cost structure, possibly resulting in additional restructuring charges. Margins on traditional products could suffer if we do not successfully realize market share gains or productivity improvements in the future to offset the effects of declining unit sales and weaker pricing.

Digital technology poses less of a threat to some of our traditional products other than printed documents, such as labels and secure documents, and we will invest in an effort to grow the sales of these products. We plan to open a manufacturing plant in Mexico to supply labels to our customers who manufacture there. We have limited experience in operating a manufacturing facility outside of the United States and may have difficulty with the cultural and administrative aspects of this venture, which could unfavorably impact our margins.

As our traditional printed products come under increasing pricing pressure, we will endeavor to separately price and sell related software and services. These include document design, application software, software support, consulting, program management and other services that we believe our customers need and will value. Some of these services have traditionally been bundled into the value of the product; others have been sold at a highly discounted price. Our success in this initiative will require a change in behavior on the part of our sales representatives and our customers, and accordingly it is difficult to predict the rate of adoption. There is no guarantee that will get the increase in margins we need to offset potentially weaker product margins.

We are also investing to bring our customers new services which we believe have future growth potential. Among these are Print on Demand Services, PathForward Consulting Services, ExpeData digital pen and paper, and our Commercial Print Exchange. These initiatives depend heavily upon our ability to develop and deploy software that will streamline order workflow, enrich the customer experience and differentiate us from the competition. Our success will depend upon our ability to invest the required capital and attract and retain experienced talent. Given the challenging market dynamics for each of these services, there is no guarantee that we will be successful and we may incur operating losses as we progress through the learning curve.

**A significant downturn in the general economy could adversely affect our revenue, gross margin and earnings.**

Our business could be unfavorably affected by changes in national or global economic conditions, including inflation, interest rates, availability of capital markets, consumer spending rates and the effects of governmental plans to manage economic conditions. The demand for many of our printed documents, and hence our revenue and gross margin, is strongly correlated with general economic conditions and with the level of business activity of our customers. Economic weakness and constrained customer spending has resulted in the past, and may result in the future, in decreased revenue, gross margin, earnings, or growth rates. We also have experienced, and may experience in the future, gross margin declines reflecting the effects of increased pressure for price concessions as our customers attempt to lower their cost structures. In this environment, we may not be able to reduce our costs sufficiently to maintain our margins which, in the case of severe financial difficulty, may affect our ability to pay dividends for a period of time.

**We may not be able to pass through increases in our paper costs or may experience several quarters of delay in recovering higher paper costs.**

Paper is a commodity that is subject to periodic increases or decreases in price, with all major paper mills setting their prices within a narrow band at any point in time. There is no effective futures market to cost-effectively insulate us against unexpected changes in price, and corporate-negotiated purchase contracts provide only limited protection against price increases.

When paper prices are increased, we attempt to recover the higher costs by raising the prices of our products to our customers. Since each order is custom printed to each customer's specification, the price increase varies by product and customer and is accomplished by individual negotiation between the sales representative and the buyer.

In the price-competitive marketplace in which we operate, the sales representative may not be able to pass through any or all of the higher paper cost, or more likely, may experience some negotiated delay in achieving the higher price. In addition, we have contracts with some customers that limit the amount and frequency of price increases. To the extent we cannot recover the full cost increase, our gross margins would be reduced. We have generally been successful in the past in recovering higher paper costs, albeit with some delay; there is no guarantee, however, that this experience will be repeated in the future.

**We may make larger contributions to our pension plans in the future, diverting cash from other corporate purposes.**

Our qualified defined benefit pension plan has shifted from over funded to under funded, largely as a result of poor stock market returns in years 2001 and 2002 that reduced the market value of our pension plan assets, and lower interest rates which increased the present value of future benefit obligations.

We have been making voluntary contributions to our pension plan over the last four years, averaging approximately \$15 million annually. Although subject to change, we expect to make voluntary contributions of approximately \$20 million annually which would bring the plan to a fully-funded position in about six years based on current actuarial assumptions.

Competing legislative proposals are pending in the United States Senate and House of Representatives that would, among other things, require more rapid funding of underfunded plans in order to improve the funded position of pension plans. We expect a compromise bill to emerge from committee and be passed in 2006, but we cannot be certain that the amount of the future contributions we currently expect to make will comply with the new legislation.

Also, if our actuarial assumptions are not realized we may have to increase our contributions to our pension plan, diverting cash from capital expenditures or other important corporate purposes, or perhaps increasing the level of our long-term debt. For more information related to our actuarial assumptions and pension obligations, see Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates.

**Our investment in digital pen and digital paper may not be successful.**

We are investing in the development of software and services to serve the emerging digital pen and paper market. Our solution translates handwriting on a custom-printed paper document to digital format for automatic input to a customer's software application. Digital Solutions operates primarily as a web-based Application Service Provider (ASP). In addition to ASP services, this segment markets custom-designed and printed digital documents, software, digital pens, and professional services.

Our technology solution has been successfully demonstrated in customer pilot tests and is now in full operation with several customers. Our offering is being primarily marketed through third-party channels, both in the United States and abroad, with which we have limited past experience. Because this is a relatively new application, it is difficult to

judge the size of the potential market and the rate of adoption.

Our development and marketing costs have been substantial and have produced operating losses for this segment of our business. We are encouraged by the progress we have made, but are not yet certain that the market will develop successfully. We may continue to incur operating losses over the near term as we pursue our product development and marketing plans. We will continue to evaluate the future costs and benefits of this program.

**Failure to attract and retain qualified personnel may result in difficulties in managing our business effectively and meeting revenue growth objectives.**

Our success in efforts to grow our business depends on the contributions and abilities of key executives, operating officers and other personnel. If we are unable to retain and motivate our existing employees and attract qualified personnel to fill key positions, we may not be able to manage our business effectively including the development of both existing and new products and services. Success in meeting our revenue and margin objectives also depends in large part on our ability to attract, motivate, and retain highly qualified personnel in sales and information management positions. Competition for such personnel is intense and there can be no assurance that we will be successful in attracting, motivating and retaining such personnel. Any inability to hire and retain salespeople or any other qualified personnel, or any loss of the services of key personnel, could harm our business.

**Steps that have been or may be taken to restructure our business and align our resources with market opportunities may not be effective or could disrupt our business.**

Over the past several years, we have undertaken several actions designed to restructure our business and to reduce future operating costs and dispose of excess assets. These actions have included reductions in workforce, dispositions of assets, and plant and office closures and internal reorganizations of our sales force to better match our resources with market opportunities. The completion of these activities or the introduction of additional restructuring programs could be disruptive to our business. Reductions to headcount and other cost cutting measures could result in the loss of technical expertise that could adversely affect our plans for growth and development of new and existing products and services.

Any additional restructuring efforts to reduce components of operating expense that may occur in the future would most likely result in additional restructuring or asset impairment charges. If this were to occur, our earnings per share or net loss per share would be adversely affected in such period.

**There are inherent limitations in all control systems, and misstatements due to error or fraud may occur and may not be detected.**

While we continue to take action to ensure compliance with the disclosure controls and other requirements of the Sarbanes-Oxley Act of 2002 and the related SEC and NYSE rules, there are inherent limitations in our ability to control all circumstances. Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that any company's controls, including our own, will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. In addition, the design of a control system must reflect the fact that there are resource constraints and the benefit of controls must be evaluated in relation to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, in our Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple error or mistake. Further, controls can be circumvented by individual acts of some persons, by collusion of two or more persons, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may be inadequate because of changes in conditions or the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

**Other Risk Factors**

There are numerous other factors, many of which are outside of our control, which could adversely impact our financial condition, cash flows, and results of operations. Such factors include: adverse events such as natural disasters; large scale medical outbreaks; acts of international or domestic terrorism; and international, political and military developments. Among other things, such factors could provoke economic uncertainty which could reduce demand for, and consumer spending on, our products; price increases in commodities such as paper, which would increase our product costs; and legal and regulatory developments that could impact how we operate. Any of these factors could have a material adverse effect on our business.

**Item 1b UNRESOLVED STAFF COMMENTS**

None



**Item 2 PROPERTIES**

Our corporate offices are located in Dayton, Ohio. InSystems is located in Toronto, Ontario, Canada. The following table is a list of our major production facilities:

<u>Location</u>	<u>Square Footage</u>	<u>Business Segment</u>	<u>Type of Facility</u>
Fayetteville, Arkansas	146,349	Document and Label Solutions	Continuous, Form Labels
Middlebury, Vermont	115,698	Document and Label Solutions	Continuous, Form Labels, 50" Rolls
Murfreesboro, Tennessee	82,209	Document and Label Solutions	Short-run Continuous
Salisbury, Maryland	114,607	Document and Label Solutions	Continuous, Form Labels, 50" Rolls
Shelbyville, Indiana	60,930	Document and Label Solutions	Short-run Zipsets and Cut Sheets
York, Pennsylvania	214,110	Document and Label Solutions	Zipset, MICR Cut Sheet, Laser Forms
Radcliff, Kentucky	79,000	Document and Label Solutions	Custom, Labels, Matchweb Labels, and Doculabels II Labels
Tampa, Florida	39,634	Document and Label Solutions	Custom Labels and Roll Labels
Terre Haute, Indiana	53,757	Document and Label Solutions	Custom Labels and Specialty Labels
Charlotte, North Carolina	57,191	POD Services	Document Outsourcing, Imprinting, Digital Color
Sacramento, California	51,760	POD Services	Document Outsourcing, Kitting/Digital Color
Tolland, Connecticut	56,159	POD Services	Document Outsourcing, Kitting/Imprinting, Financial Forms
Carrollton, Texas	81,435	POD Services	Document Outsourcing, Imprinting, Digital Color

Sacramento, California; Tampa, Florida; Carrollton, Texas; and Tolland, Connecticut are leased facilities. In addition, we operate 23 smaller Stanfast Print Centers. In most cases these facilities are located in major metropolitan cities in the United States and are leased.

Our current capacity, with modest capital additions, is expected to be sufficient to meet production requirements for the near future. Utilization by press varies significantly, averaging an estimated 66% overall. We believe our production facilities are suitable and can meet our future production needs.

**Item 3 LEGAL PROCEEDINGS**

a)

We have no material claims or litigation pending against us.

b)

Standard Register has been named as a potentially responsible party by the U.S. Environmental Protection Agency or has received a similar designation by state environmental authorities in several situations. None of these matters have reached the stage where a significant liability has been assessed against the Company. We have evaluated each of these matters and believe that none of them individually, nor all of them in the aggregate, would give rise to a material charge to earnings or a material amount of capital expenditures. This assessment is notwithstanding our ability to recover on existing insurance policies or from other parties that we believe would be held as joint and several obligors under any such liabilities. However, since these matters are in various stages of process by the relevant environmental authorities, future developments could alter these conclusions. However, currently we do not believe that there is a likelihood of a material adverse effect on our financial condition in these circumstances.

**Item 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

During the fourth quarter of fiscal 2005, no matters were submitted to a vote of our shareholders.

**Executive Officers of the Registrant**

The following is a list of our executive officers, their ages as of January 29, 2006, their current titles, and any positions they held during at least the last five years:

<u>Name</u>	<u>Age</u>	<u>Office and Experience</u>	<u>Officer Since</u>
Donna L. Beladi	56	Vice President, Chief Strategy Officer. Ms. Beladi has served in this position since September 2005. From January 2004 to September 2005, she served as Vice President, Chief Marketing Officer, and as Vice President, Business Development, from January 2000 to December 2003.	2000
Craig J. Brown	56	Senior Vice President, Treasurer and Chief Financial Officer. Mr. Brown has served in his current position since March 1995, having previously served as Vice President, Finance and Treasurer from April 1987 to March 1995.	1987
Paul H. Granzow	78	Chairman, Board of Directors. Mr. Granzow has served as Chairman of the Board of Directors since January 1984. He is co-trustee of the John Q. Sherman Trust.	1984
Kathryn A. Lamme	59	Vice President, General Counsel and Secretary. Ms. Lamme was appointed to this position in April 2002, having previously served as Vice President, Secretary and Deputy General Counsel of Standard Register from April 1998 to April 2002.	1998
Joseph P. Morgan, Jr.	46	Vice President, Chief Technology Officer and General Manager, On Demand Solutions Group. Mr. Morgan has served in this position since January 2003, having previously served as President and Chief	2003



Executive Officer of the Company's wholly-owned subsidiary, SMARTworks, LLC, from July 2001 to January 2003. Prior to joining Standard Register, from January 2001 to July 2001, he was President and Chief Executive Officer of Transvision, Inc. and served as President and Chief Operating Officer of eflatbed.com from February 2000 to January 2001.

Dennis L. Rediker

62

President and Chief Executive Officer. Mr. Rediker has served in his current position since June 2000. Prior to joining Standard Register, he was elected Chief Executive Officer of English China Clays plc in 1996. He led the merger with Imerys in 1999 then and then was named Chief Executive Officer of Imerys' Pigments and Additives Group in 1999. He has served on The Standard Register Company's Board of Directors since 1995.

2000

There are no family relationships among any of the officers. Officers are elected at the annual organizational meeting of the Board of Directors, which is held immediately after the annual meeting of shareholders, to serve at the pleasure of the Board.

**PART II**

**Item 5 MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS**

a)

**Market Price**

The following table lists the high and low market prices as reported on the NYSE and cash dividends paid per share:

<b>Quarter</b>	<b>Dividend</b>	<i>2005</i>
----------------	-----------------	-------------