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## **J.L. Halsey Acquired Lyris**

J.L. Halsey Corporation announces agreement to purchase Lyris Technologies

Wilmington, Delaware. May 9, 2005, J.L. Halsey Corporation (OTC Bulletin Board: JLHY.ob) announced today that it has entered into an agreement to purchase Lyris Technologies, Inc., an award-winning leader in email marketing and email security software based in Berkeley, California.

The Stock Purchase Agreement provides that Halsey will pay to the owners of Lyris \$23.9 million in cash at closing and execute a promissory note in the amount of \$5.6 million. The promissory note bears interest at 10%, is payable on the second anniversary of the closing, and is subject to Lyris achieving specified revenue targets. The closing of the stock purchase is subject to customary closing conditions. Halsey and Lyris anticipate that the closing will occur within approximately one week.

John Buckman founded Lyris in 1994. He and his wife, Jan Hanford, led the company as it grew from one of the original providers of email discussion group software to a leading provider of email marketing software and services. The company's flagship product, Lyris ListManager, helps companies design and send newsletters, offers and other opt-in email campaigns to customers, members, and subscribers. ListManager is used by many of the largest and most respected organizations and companies in the U.S., including non-profit organizations, universities, publishing houses, media companies, record labels, professional sports teams and branches of government. In the 2004 elections, ListManager was used for both the Bush/Cheney and the Dean for America campaigns to communicate with supporters.

ListManager is offered both as a standalone software product and as a hosted solution. Jupitermedia rated Lyris' hosted solution, Lyris ListHosting, number one among middle market providers. As a software solution, ListManager has been purchased by more than 4,000 customers. Lyris believes this installed base is more than any competing software product.

Lyris' email deliverability solution, EmailAdvisor, was recently rated the number one email delivery tool by Jupitermedia. EmailAdvisor helps clients ensure that their emails will render properly in the dozens of different email clients. EmailAdvisor also assists legitimate permission-based email publishers in increasing the deliverability of important email to their clients.

MailShield Server is Lyris' award-winning entry in the network email security and anti-spam market. MailShield helps customers protect their networks from unsolicited and unwanted email messages and other email-based attacks. Deployed by very large enterprises, MailShield protects millions of unique addresses (primarily in the cell phone market).

After the closing, Lyris will operate as a subsidiary of Halsey. General Manager, Luis Rivera, will become President and Chief Executive Officer of Lyris. Halsey has elected Luis Rivera to be its Chief Operating Officer upon closing.

David Burt, Chief Executive Officer of Halsey stated, "We are tremendously excited by the opportunity provided by Lyris. We think it has great technology, a strong management team and a very bright future."

John Buckman, the founder and President of Lyris, commented, "I am pleased that Lyris is being purchased by a buyer who will fund its continued growth as a leader in email marketing and security." After the closing, Mr. Buckman will resign as President of Lyris but will remain an advisor.

Luis Rivera, the new Chief Executive Officer of Lyris, stated, "We are enthusiastic about the opportunity to deploy the resources provided by a public company to grow both organically and through acquisition in email marketing, hosting and security."

Halsey anticipates filing an additional press release upon closing that includes Lyris' historical financial results, including its rates of growth in both revenues and taxable income.

#### *Cautionary Statement*

*Except for historical information contained herein, the statements in the press release are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements and the business prospects of the Company are subject to a number of risks and uncertainties that may cause the Company's actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, the purchase of Lyris has not closed and there are conditions remaining to closing; no information about Lyris has been filed with the Securities and Exchange Commission; there are risks related to each of Lyris' businesses; these risks will be set forth in filings with the SEC after the purchase of Lyris has closed. There can be no assurance that Lyris will achieve the financial and business performance that Halsey anticipated when it agreed to purchase Lyris. Other risks relate to Halsey and are described in the J.L. Halsey Corporation 10-K report for the year ending June 30, 2004, the 10-Q for the quarter ending December 31, 2004 and other filings with the Securities and Exchange Commission.*