Great Companies, Inc.

Quarterly Review 3rd Quarter 2006

Great, Great, Great!

Before we discuss the last quarter, we have some news to talk about. By now, most of you have received the letter announcing the merger between Great Companies, LLC and EDMP, Inc., and the formation of Great Companies, Inc.

To those of you, who may have had any concerns, please allow me to go on record as follows: Everything at EDMP, now known as Great Companies, Inc., is GREAT, GREAT, GREAT!

First of all, I personally feel great. My health is excellent, and for the past several years I have been exercising every day and feel better than I did twenty years ago. Also, since I am doing what I love, I love what I am doing. Therefore, it is with GREAT vigor and enthusiasm that I look forward to a great and long future with Great Companies, Inc.

Also, the great people that have diligently served EDMP and our great clients are still performing their great work. Julie, Tim and Carl remain as dedicated and committed to our continuing success as the day they joined. The same can be said of our wonderful staff led by Donna, and including Jessica and Polly. Also, Ben has a greater story to market. In addition to our established great team, we have been joined by another great associate, Mr. Jim Huguet. And as Jim is so fond of saying, “no company ever became great by shrinking to greatness.” Finally, as I like to say, if you are not growing, you’re dying. We choose growing, and intend to be a greater company tomorrow than we are today.

Most importantly, our sound stock investing philosophy that generated our great track record remains EXACTLY AS IT ALWAYS HAS. NO CHANGES! However, today we have a greater team with which to execute it. Our philosophy is the truth about investing, and the truth is eternal.

Although meant to be offered in a somewhat tongue-and-cheek manner, the above is truth. The word “growth” applies more aptly to Great Companies a.k.a. EDMP rather than the word “change.”

As stated in the announcement letter that we mailed to you, we are confident that our ability to prudently and successfully manage your assets has never been stronger. We are very proud of the service and advice we have provided you thus far, and are supremely confident that it is only going to get better.

It’s important, however, to note that our confidence is not mere ego. Rather it stems from, and is founded on, timeless facts and principles of investing that are reliable and, in our learned experience, irrefutable. Great Companies rather than stock markets produce great long term returns for their shareholders. The following summary of our investment process clarifies this point:

A Different Approach: Invest in Great Companies, Don't Just Buy Stocks

1. The members of the investment team at Great Companies, Inc. do not consider ourselves to be money managers in the traditional sense. We are asset allocators. The people managing the investors' money are the executives leading the companies in which the portfolio invests. The executives, and the decisions they make, determine how much intrinsic value is translated into shareholder returns.

2. The investment team at Great Companies, Inc. strives for low turnover of holdings. We believe that great companies typically remain great over time; however, we are aware that great companies don't remain great forever. Since businesses change, managements change, and industries change, our team constantly monitors holdings to ensure compliance with the screening process.

3. Great Companies, Inc. has very few companies in our portfolios relative to other investment managers. There simply aren't that many great companies that meet our rigorous screening process.

4. Although the portfolios managed by Great Companies, Inc. are concentrated in the number of holdings we own, our portfolios are diversified across many industry sectors.

In summary, the sound investing principles that we follow are timeless and relevant regardless of short-term insanities. When the stock market behaves foolishly, opportunity knocks for those with the correct perspective. Regarding investing, this is always grounded in calculating true worth valuation. In other words, if you get valuation right, profitable long-term decisions are easily made.

A great example of how this works can be seen by looking at one of our newest investment holdings - Weatherford International Ltd. (WFT). This great company is a leader in oil field services. The recent drop in oil prices sent the company's stock price reeling from a high of $59 to a low of $36. This emotional behavior created a terrific buying opportunity in our view.

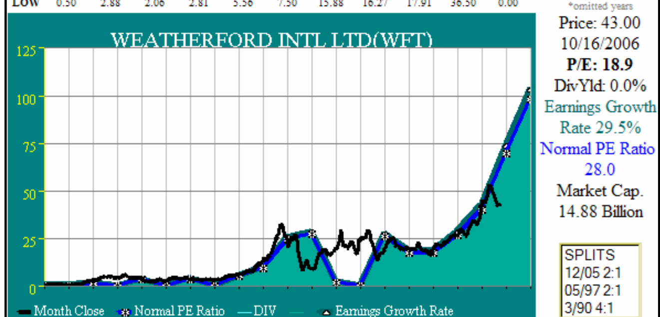
As you can see in the following pictures, Weatherford has a great operating record, growing earnings at 29.5% on average for the past 20 years.

www.weatherford.com

20 Year Performance History

YEAR	1988	*1990	*1992	*1994	*1996	*1998	*2000	*2002	*2004	*2006	2007
HIGH	0.69	6.50	4.06	4.06	12.88	29.22	31.00	27.13	27.62	58.73	0.00
LOW	0.50	2.88	2.06	2.81	5.56	7.50	15.88	16.27	17.91	36.50	0.00

*omitted years



EPS	0.02	0.00	0.00	0.00	0.35	0.98	0.00	0.64	0.97	2.50 E E	3.50 E
Change /Yr	0.0%	-100.0%	-100.0%	-100.0%	84.2%	11.4%	-100.0%	-31.9%	51.6%	73.6%	40.0%
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Historical Chart for WFT

As expected, this terrific operating record also translates into a terrific return to its shareholders.

WEATHERFORD INTL LTD(WFT)

20 YEAR PERFORMANCE RESULTS

Amount Invested: $ 100,000 Shares: 181,818 **Closing Value: $7,818,174.00**

Split-adjusted Price(12/31/1987): 0.55 Closing Price(10/16/2006): 43.00

		S&P 500
Total Cash Dividends:	$ 0.00	
Closing Cash Value:	**$7,818,174.00**	**$554,465.25**
Closing Annualized ROR:	**26.1%**	**9.5%**
Total Value:	**$7,818,174.00**	
Total Annualized ROR:	**26.1%**	

Performance History for WFT -

The following "THESIS FOR GROWTH" and "OUTLOOK: GROWTH BY THE NUMBERS" on Weatherford International will exemplify the concept of forecasting future operating results.

Thesis for growth

Weatherford is the world's fourth largest diversified upstream oil field services company. Begun in 1941, the company has over 25,000 employees in over 100 countries. Following the August 2005 acquisition of Precision Drilling Corporation's Energy Services and International Drilling divisions, Weatherford was reorganized into four distinct businesses. These include: Completion & Production Systems (CPS), Evaluation, Drilling & Intervention, Pipeline and Specialty Services, and International Contract Drilling. Weatherford's strategy has been to build one of the industry's broadest and deepest offerings of services and products for drilling, completion, production, and intervention applications. The company is better positioned to provide more integrated product and service packages in key regional markets such as the Middle East and North Africa.

With increasing demand for oil, particularly from the rapidly expanding economies of the Eastern Hemisphere, and turmoil in many of the major oil producing parts of the world, oil prices have shown a dramatic increase over the last several years. As growth-oriented investors, we believe Weatherford provides investors with an opportunity to participate in a longer-term growth story even as oil prices may move lower from the unsustainably high levels they have recently achieved. Weatherford's high value added products and services provide a lower risk and more predictable earnings stream versus pure-play oil and gas companies. Its activity-driven drilling services business is complimented by a less volatile production systems business, with a diverse international footprint.

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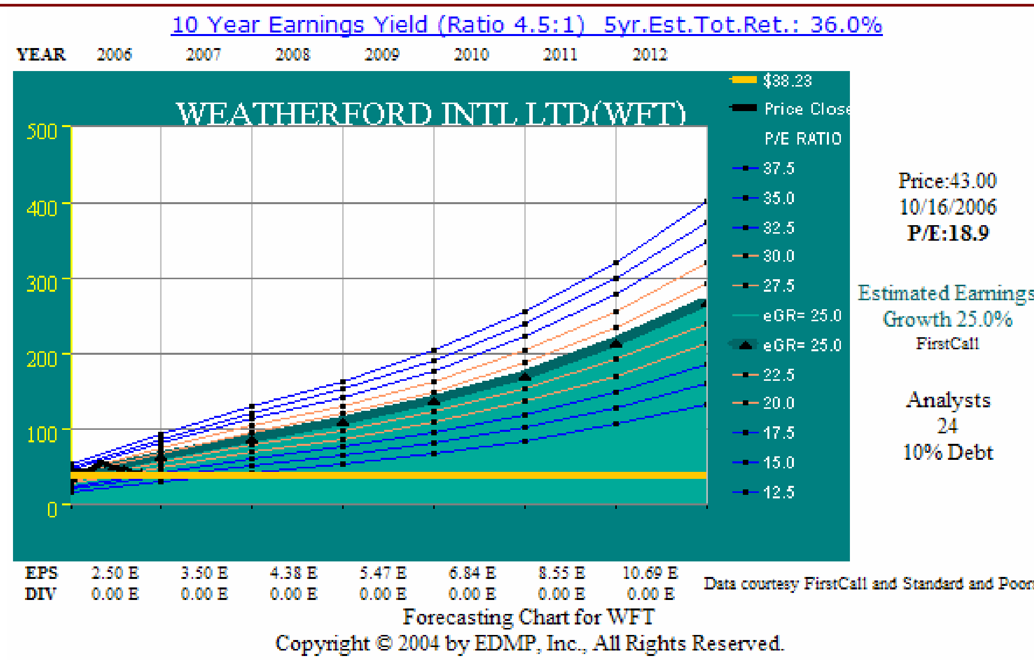
Importantly, Weatherford has a strong reputation for providing "fit-for-purpose" and responsive service. As the search for new sources of energy becomes more complex, the company is a leader in the development and deployment of production-enabling technologies that add significant value. To maintain technology leadership, Weatherford has tripled its research and development budget over the last five years.

The earnings growth for large services and drilling companies should continue even if the price of oil falls. Companies such as Weatherford are paid by major international explorers to get oil and gas out of the ground, and these projects would continue to be profitable at prices under $50 per barrel for oil. Unlike the producers, the service companies don't own reserves so their earnings growth is based on capital spending which is trending up even if oil and gas prices are coming down. With a highly experienced and strategic thinking CEO, who has been with the company for nearly 20 years, we believe Weatherford is an excellent stock to own to take advantage of the long-term secular growth in the oil and gas markets.

Outlook: growth by the numbers

Forecasting future earnings growth, bought at sound valuations, is the key to sound, and profitable performance.



The consensus of the 24 leading industry analysts reporting to FirstCall estimate Weatherford's 5 year earnings growth rate at 25.0%. Weatherford has low long-term debt at 10% of capital. Weatherford is currently trading at a P/E of 18.9, which is just below the value corridor (defined by brown lines). If the long-term earnings materialize as forecast, Weatherford's True Worth™ valuation would be $267.25 at the end of 2012, which, assuming the company is trading at a 25 P/E at that time, would be a 36.0% annualized rate of return.

We had a solid third quarter 2006, and as has been the case all year, our portfolio companies' operating results have done better than their stock prices. Since earnings determine market price in the long run, it is inevitable that our portfolio companies' stock prices will eventually catch up. From our perspective, your current portfolio is among the best we have ever built. Therefore, we look toward the future with great anticipation for profit. We truly do own great companies that were purchased at excellent valuations relative to their long-term growth potential.

We think it is also important to understand where the general stock market is valued today and how it got here. This is critically important because as always is the case, valuation is a primary determinant of future returns and the risk you take to get them. During the spring of the year 2000, the S&P 500 was on average valued at 40 times earnings or higher. Since its historical normal valuation is around 14 to 15 times earnings, simple math indicates the S&P 500 was between 2 to 3 times overvalued. Today, at around 16 to 17 times earnings, a case is easily made that the market is close to normal, maybe slightly expensive.

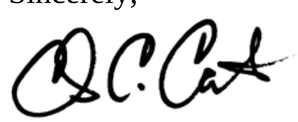
The reason for bringing this up is profoundly important. The past seven years have brought poor stock market returns (S&P 500) due to overvaluation. This has frustrated investors at all levels and caused them to seek alternative investment choices. Ironically, this is occurring precisely at the point where stocks have become attractive investments again. As we pointed out so many times in the past, buying high and selling low is a disastrous investment philosophy. Since the demand for alternatives has been strong, prices for them are high while many individual stocks in high growth areas have become cheap. Buying low and selling high is a surefire winning strategy. You own reasonably priced stocks and this is where the best opportunities at the lowest risk currently reside.

Finally, I started this quarter's newsletter with what was intended to be a light-hearted explanation of the changes at EDMP, Inc., now known as Great Companies, Inc. Therefore, I feel it appropriate to end this newsletter on a more serious discussion on the same subject. Since our inception, EDMP, Inc., now known as Great Companies, Inc., has been dedicated to providing you, our valued clients, the pinnacle of advice and service. Consequently, there were times where the interest of our company, primarily in the area of marketing, was forced to take a back seat to the management of your assets. In other words, your interests and the interest given to your portfolios were never neglected. The growth of our business, on the other hand, at times was.

Changes that we have recently made fixed that problem. With Jim Huguet now on board, the money management team has been freed of the burden of marketing. Therefore, we can focus our resources entirely on your money and trust that our business interests are in good hands as well. We hope you all join us in our enthusiasm regarding this win-win endeavor.

And, as we hope you all agree: in the long run **Earnings Determine Market Price.** Always have, and always will.

Sincerely,



Charles C. Carnevale
Chief Investment Officer

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