



Flexographic Pre-Press Platemakers Association

Annual Meeting February 20-22

Tucson, Arizona

Danielle Jerschefske

North America Editor

Labels & Labeling

A map of North America showing the United States, Canada, and Mexico. The United States is colored yellow, Canada is orange, and Mexico is blue. Various countries and territories are labeled, including Alaska, Greenland, the United States, Canada, Mexico, Guatemala, El Salvador, Costa Rica, Panama, Honduras, Nicaragua, Belize, Jamaica, Cuba, Haiti, Dominican Republic, Puerto Rico, San Juan, Santo Domingo, Barbados, and the Bahamas. Major cities like Washington D.C., Mexico City, and San Jose are also marked. A north arrow is in the top right corner.

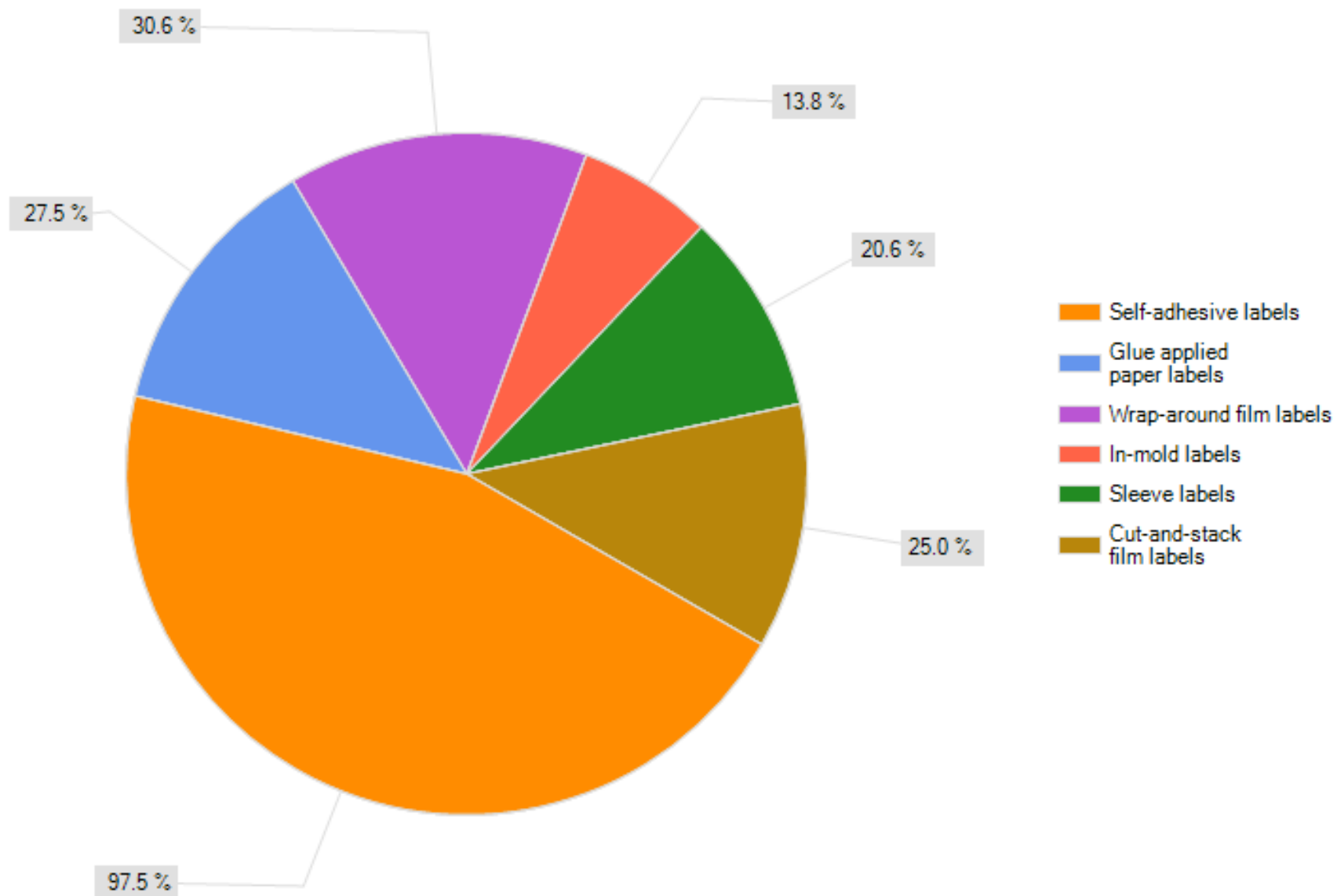
North America Label Converter Survey 2011

Danielle Jerschefske
NA editor

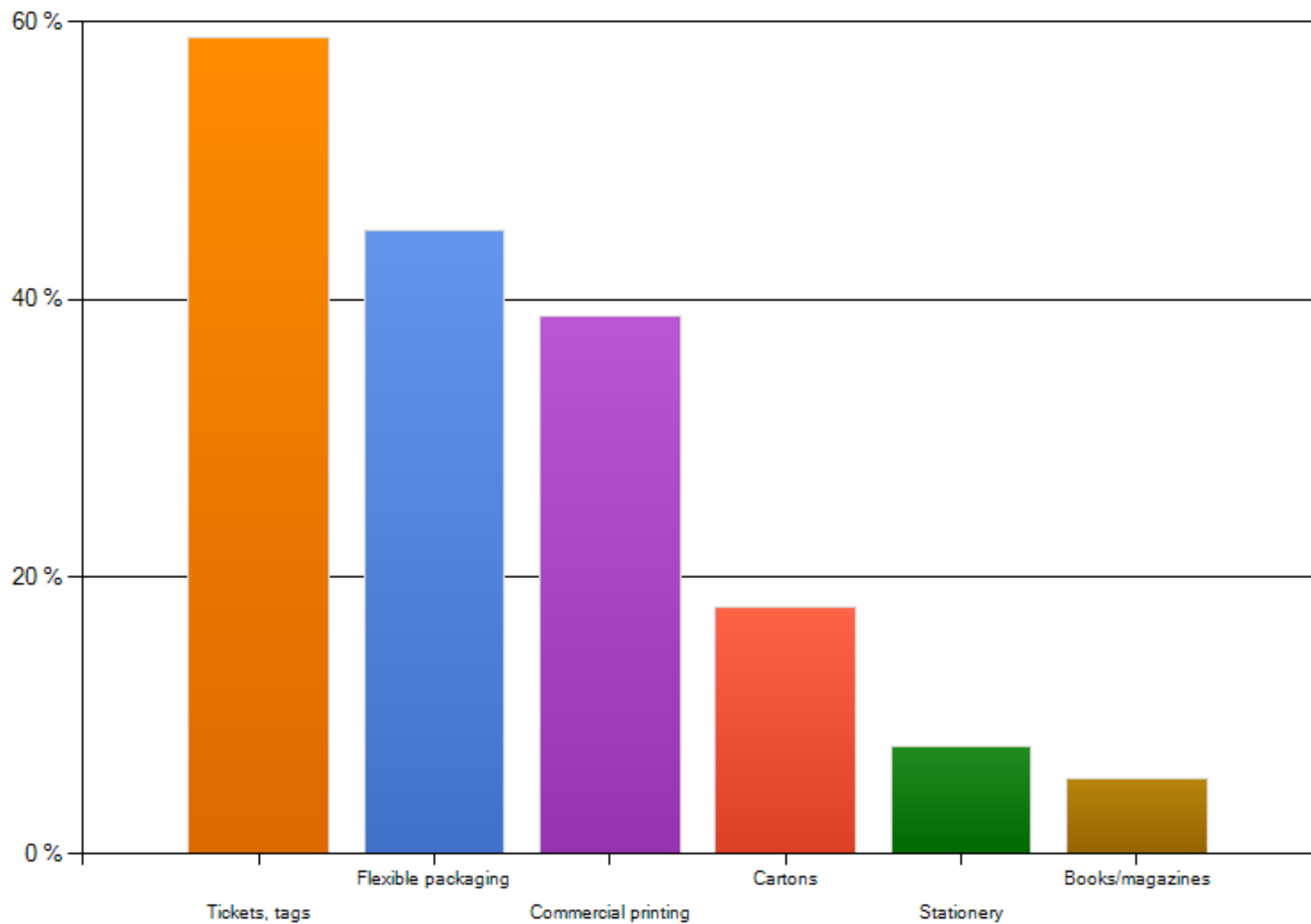
**LABELS &
LABELING**

Map not to Scale

Types of labels produced



Other printed products produced



You've increased
your prices again!
why?!

Take your
pick.

CASH

TODAY'S PRICE
INCREASE IS
BROUGHT TO
YOU BY:

- GLOBAL WARMING
- OIL PRICES
- OZONE LAYER
- LABOUR COSTS
- FALLING STOCKS
- SUB PRIME MORTGAGES
- WHEAT PRICES
- COFFEE PRICES
- GOLD
- TERRORIST THREAT
- CHINA
- Strong dollar
- Just because

© Original Artist

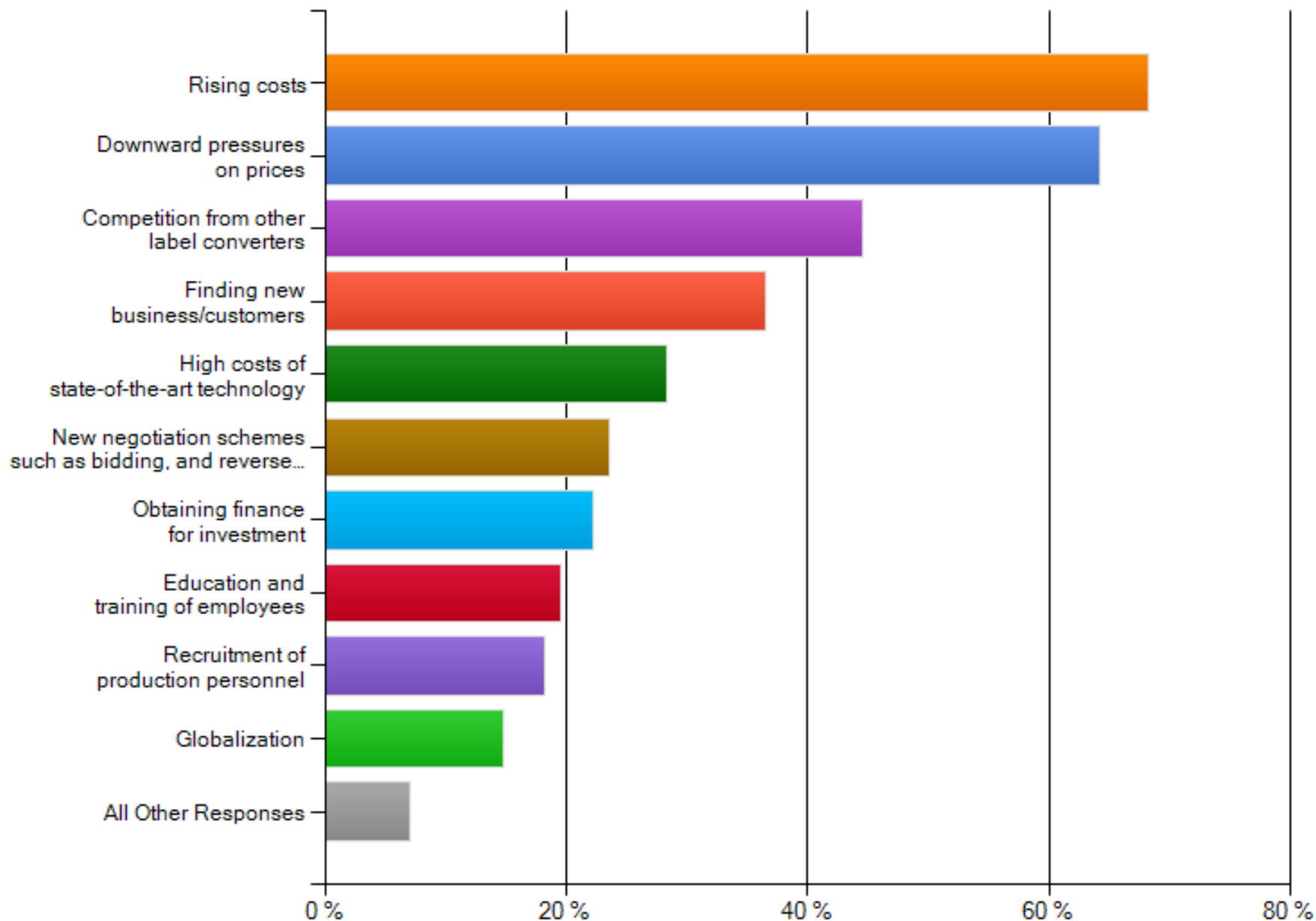
Reproduction rights obtainable from
www.CartoonStock.com

Rodgers

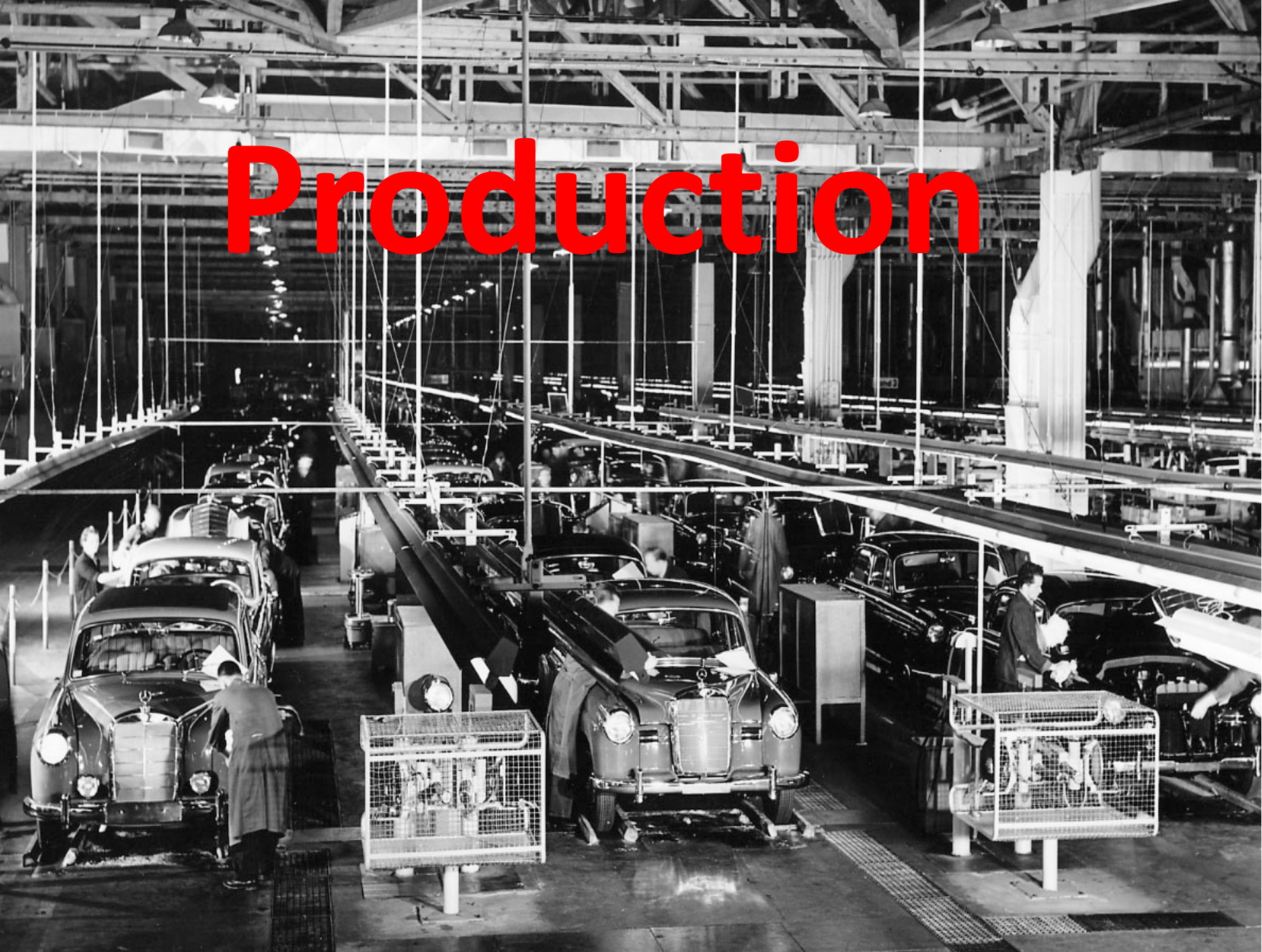
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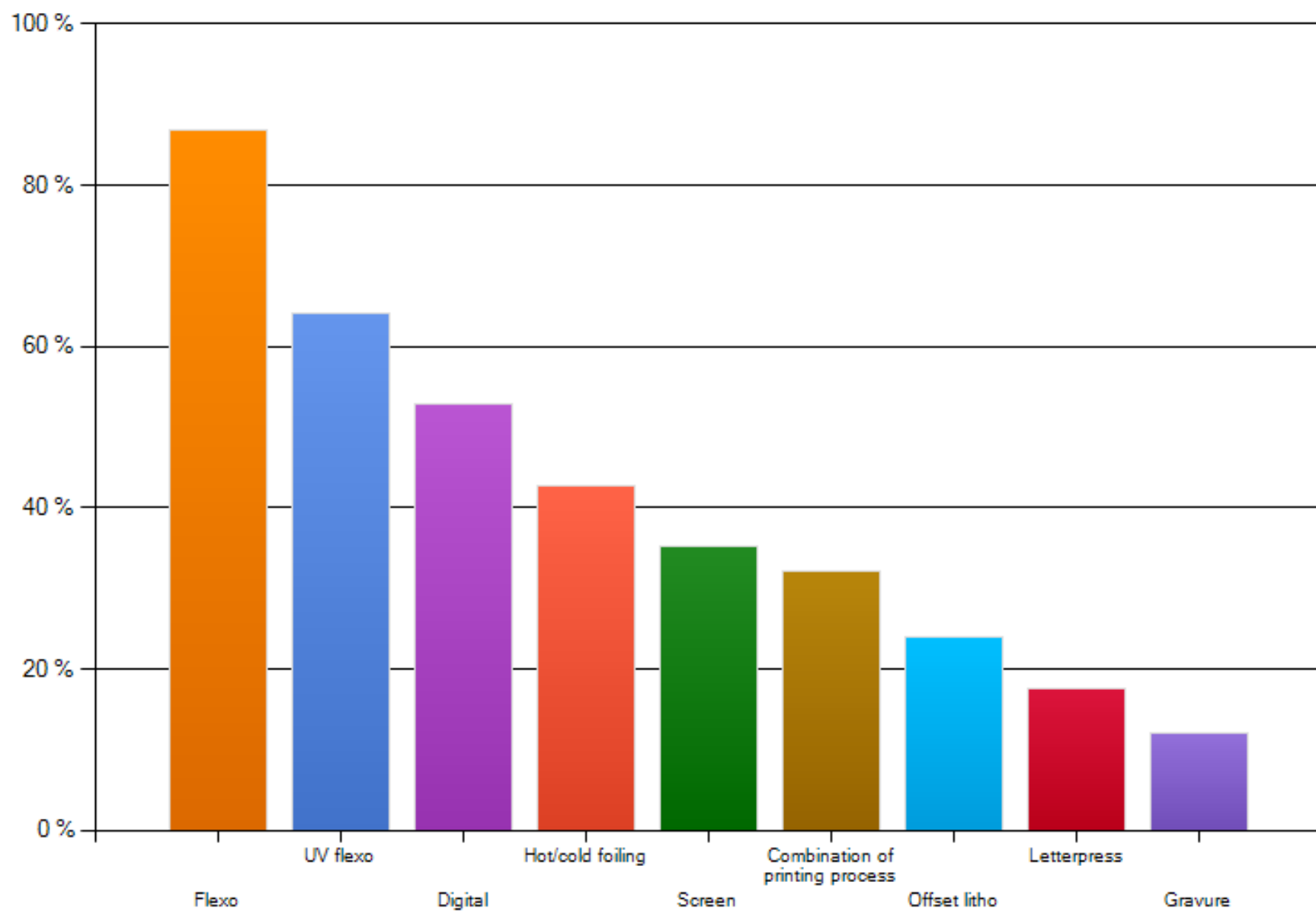
Main barriers to future growth of company



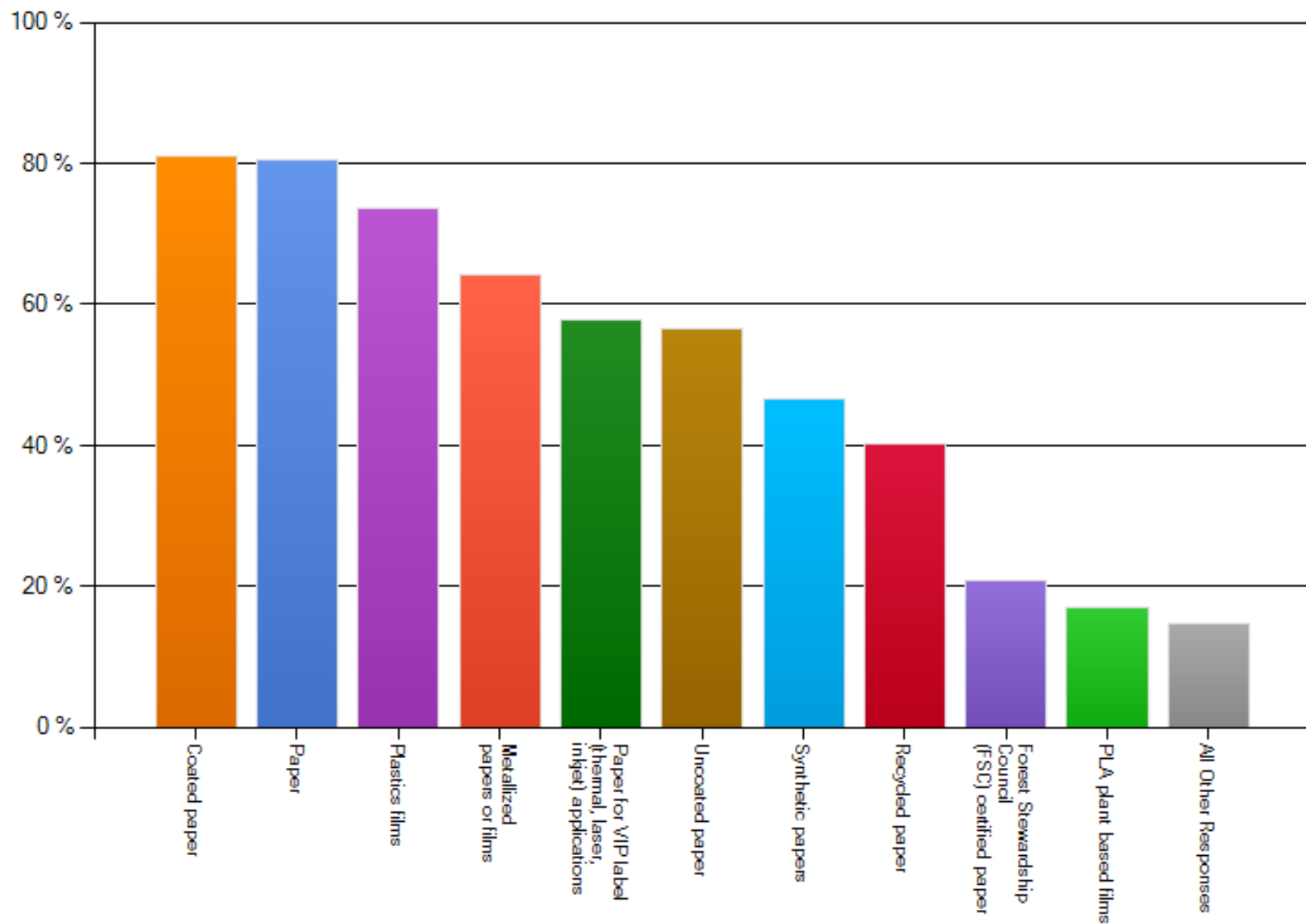
Production



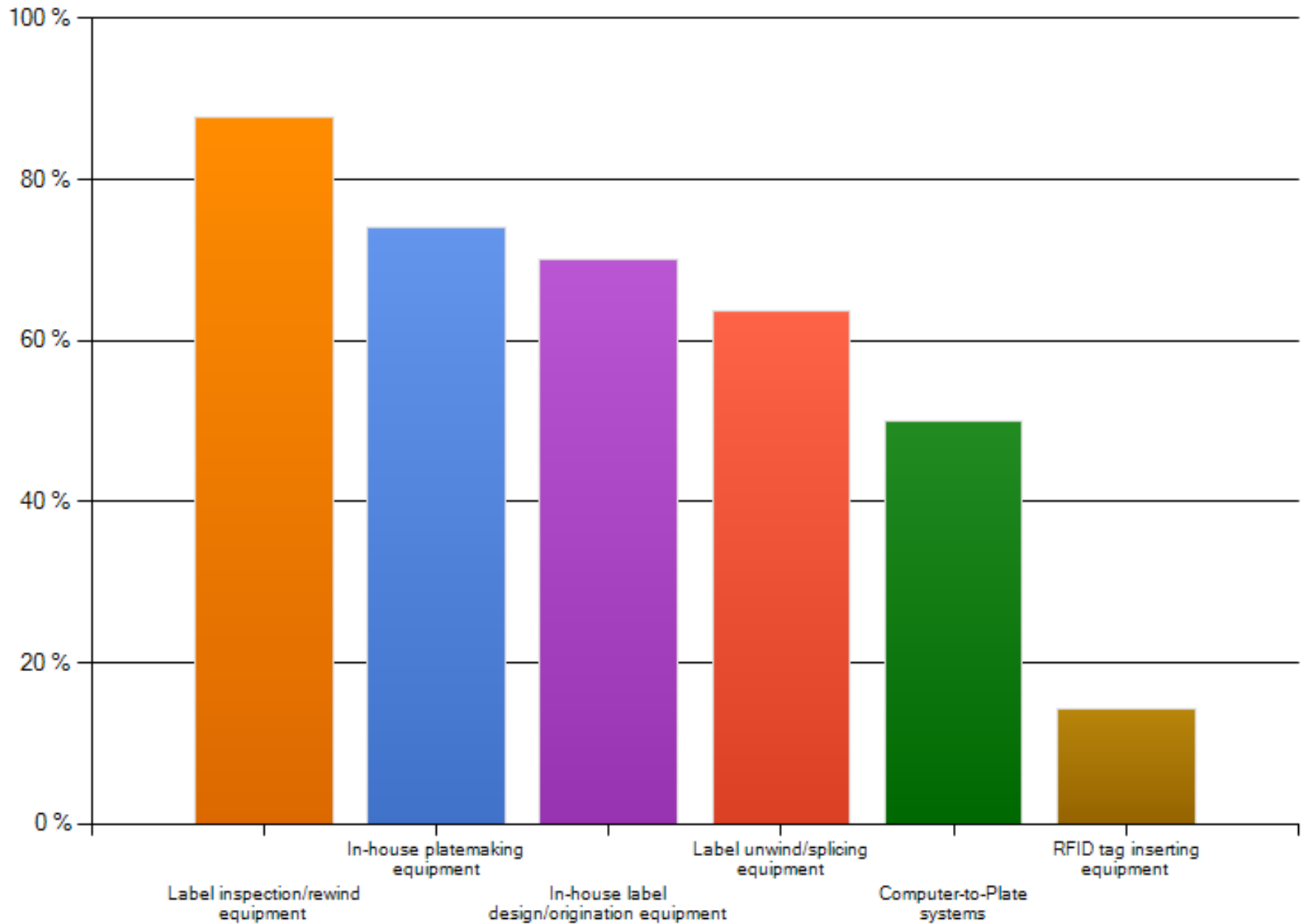
Printing processes used



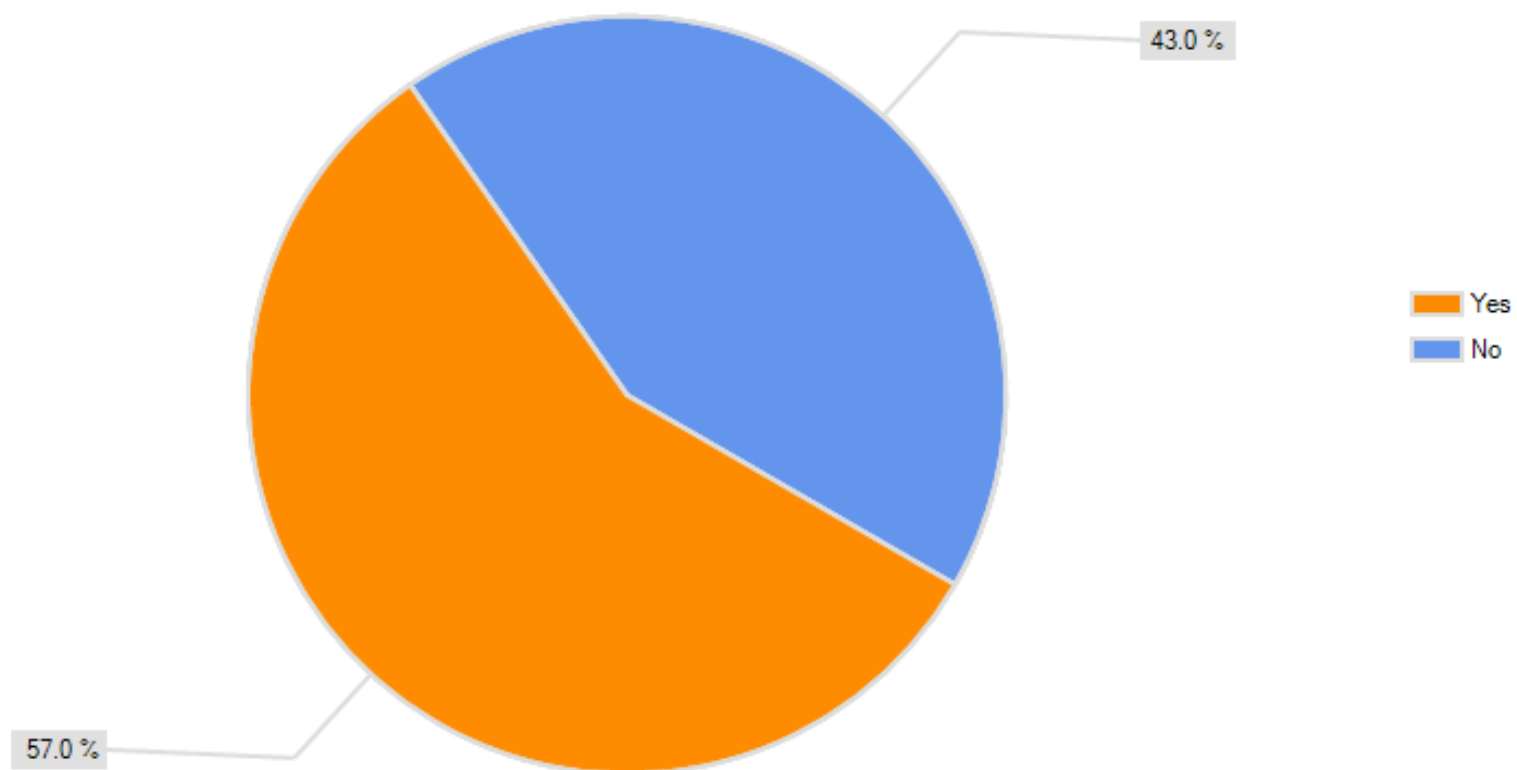
What are the main label materials that are printed/converted by your company?



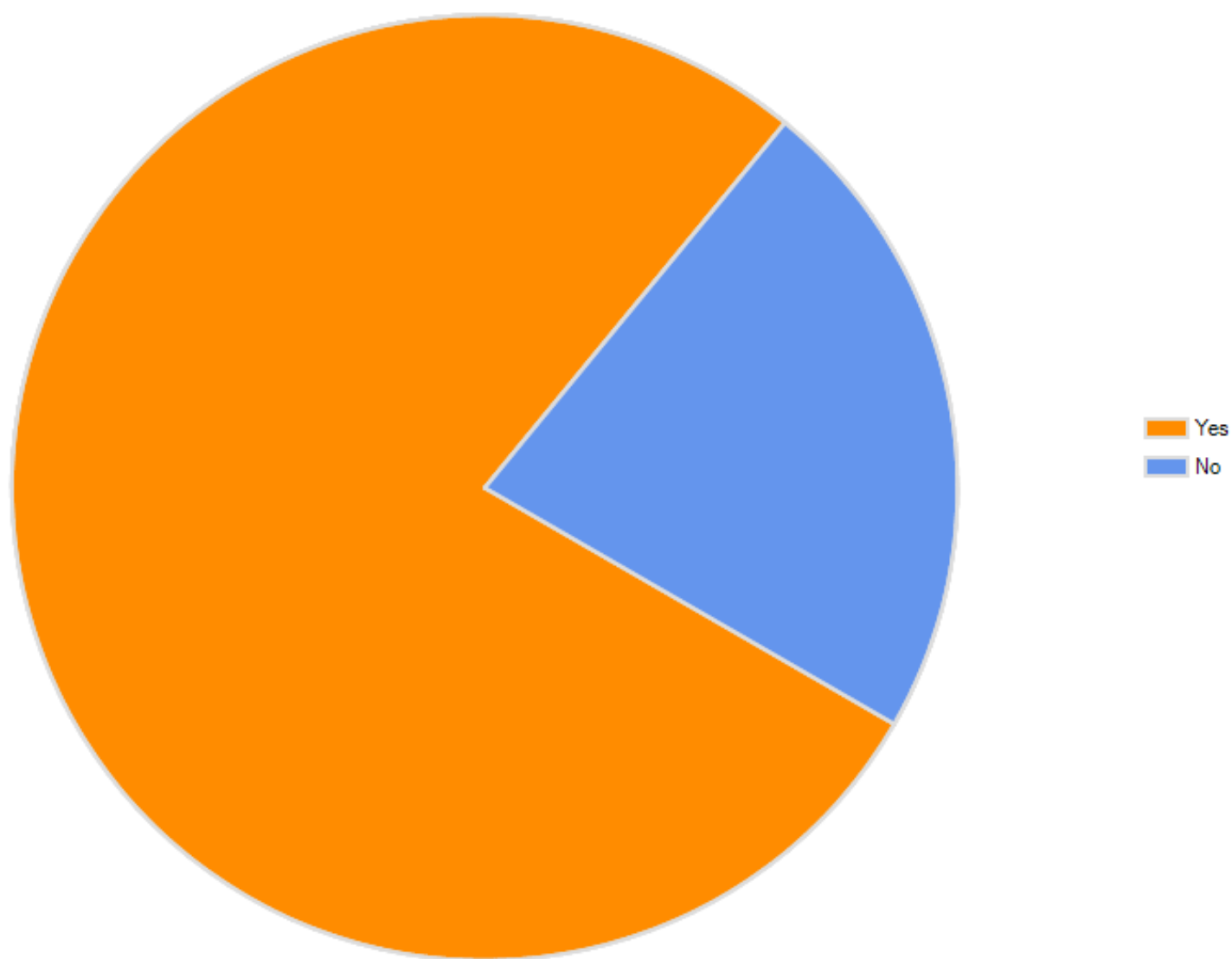
Ancillary equipment



Are you looking to invest in a new press or other capital equipment in the next 12 months?



Capital equipment investment in the next 12 to 24 months



Global Label Market Trends

End User Trends

- Packaging reduction
- Further down-gauging
- Run lengths decreasing

The logo for Procter & Gamble, featuring the letters "P&G" in a bold, blue, italicized serif font.The Unilever logo, consisting of a blue, ornate, circular crest above the word "Unilever" in a blue, lowercase, sans-serif font.The GSK logo, featuring the letters "gsk" in a white, lowercase, sans-serif font inside a red, rounded, heart-like shape.

Global Label Market Trends

End User Trends

- Shorter product lifecycles
- Ability to tap in to supplier databases (with MIS)
- Environmental challenges

MARKS &
SPENCER



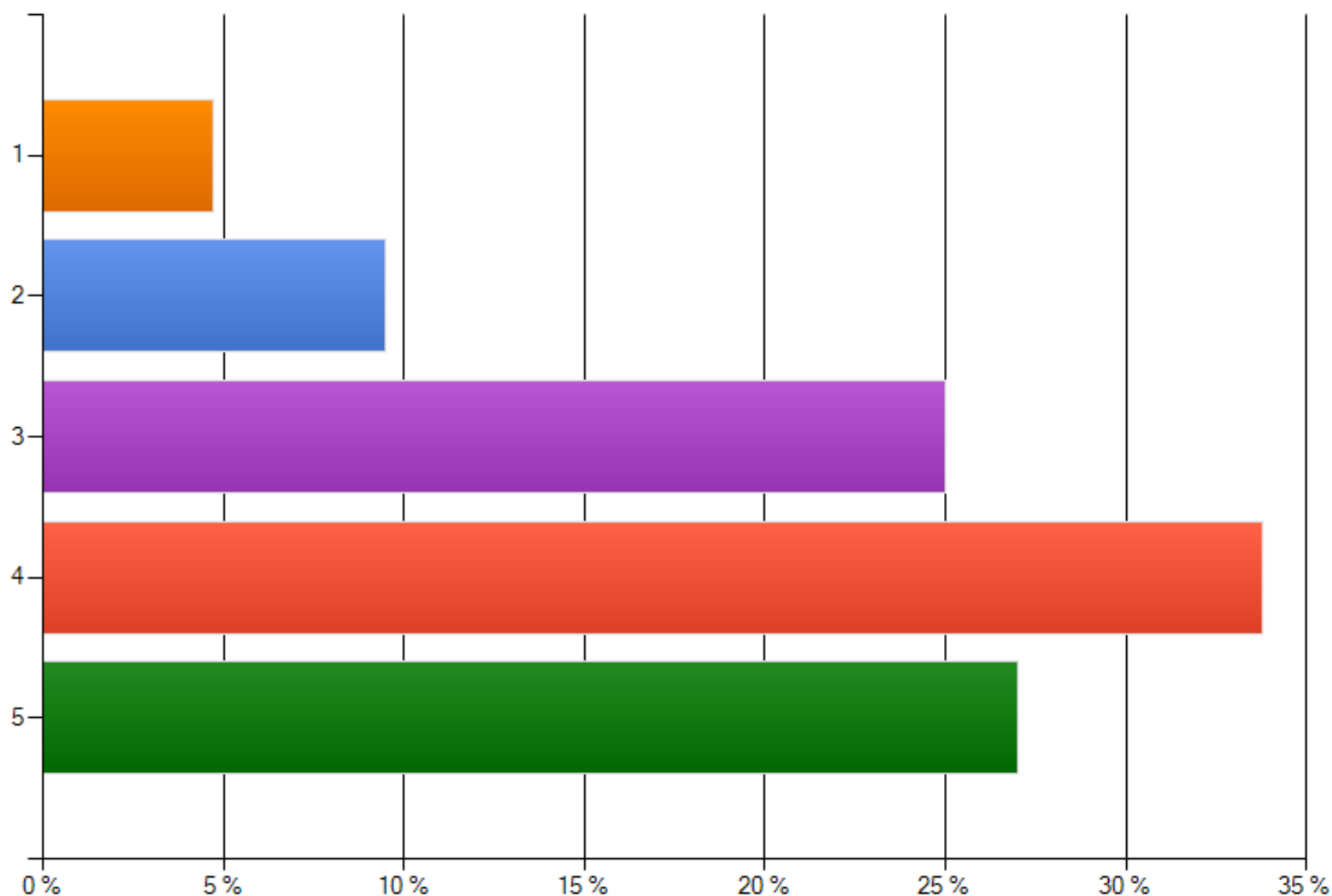
Some of the key environmental schemes and logos now found in the global label industry



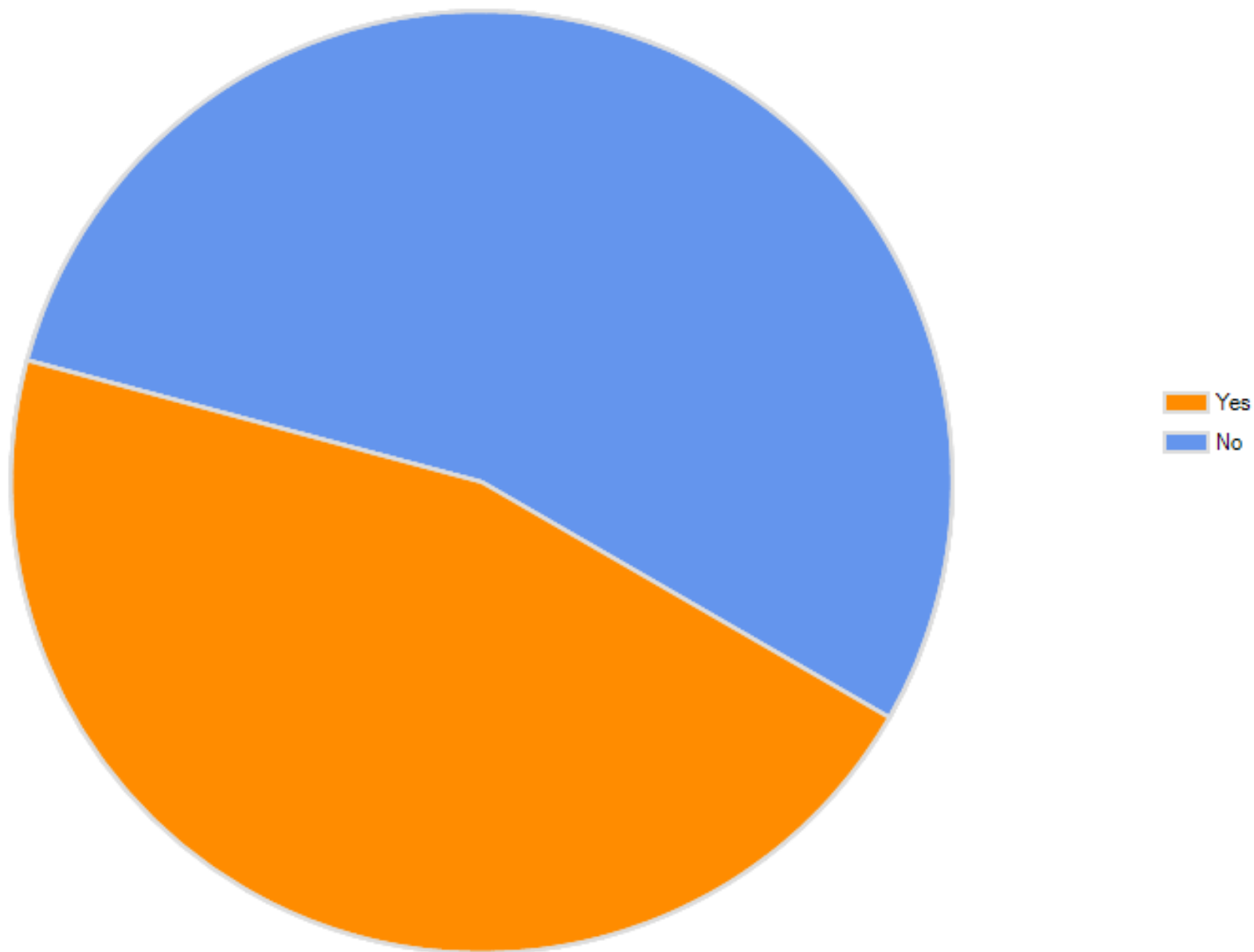
Spear Earth®



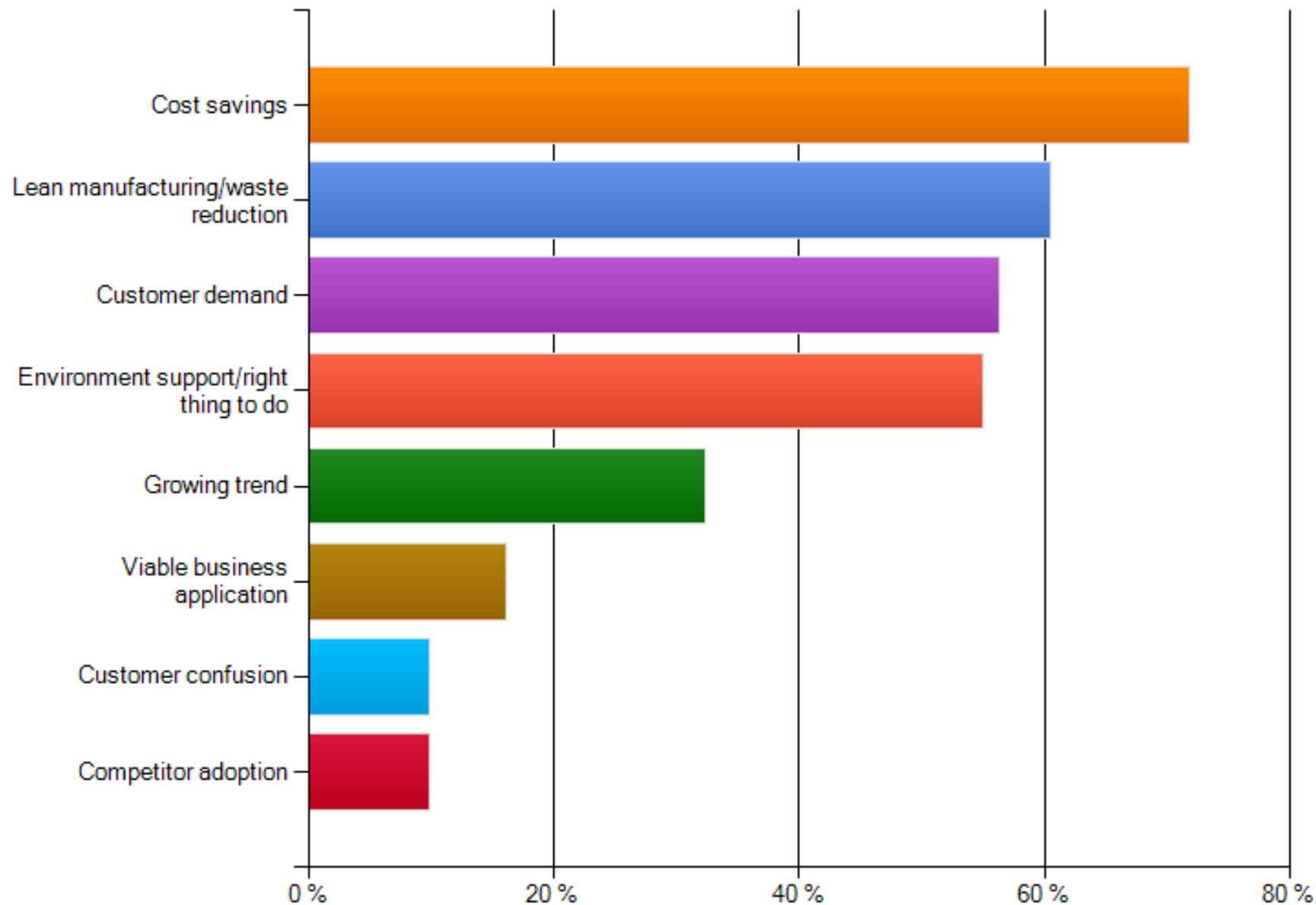
How important is sustainability to your business on a scale of 1 to 5 with five being extremely important?



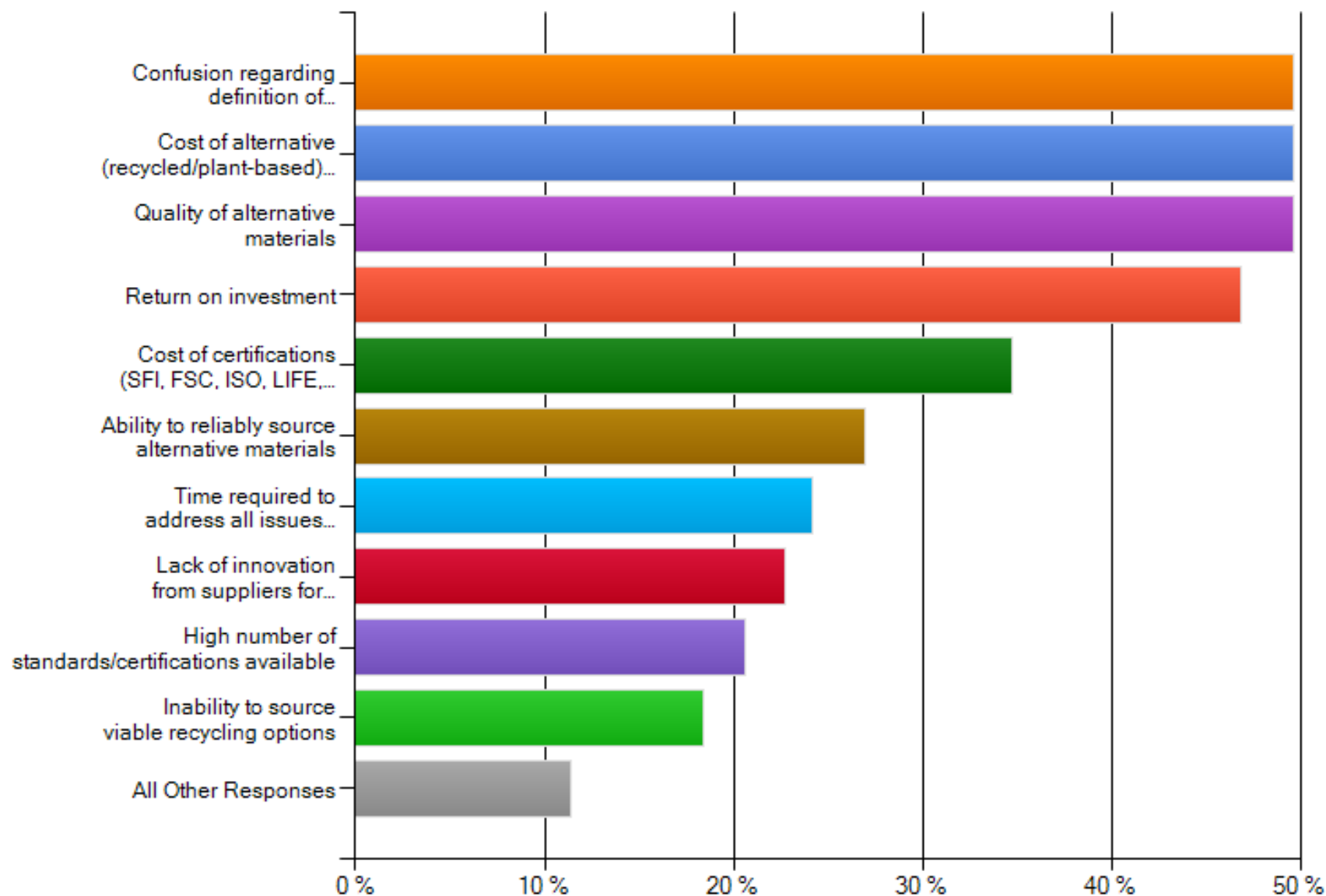
Do you have an Environmental Management System (EMS) implemented at your plant(s)?



What are the most important factors of sustainability and how it relates to your business? Tick all those you feel are appropriate



What are your main concerns regarding sustainability? Tick all those you feel are appropriate



Global Label Market Trends

End User Trends

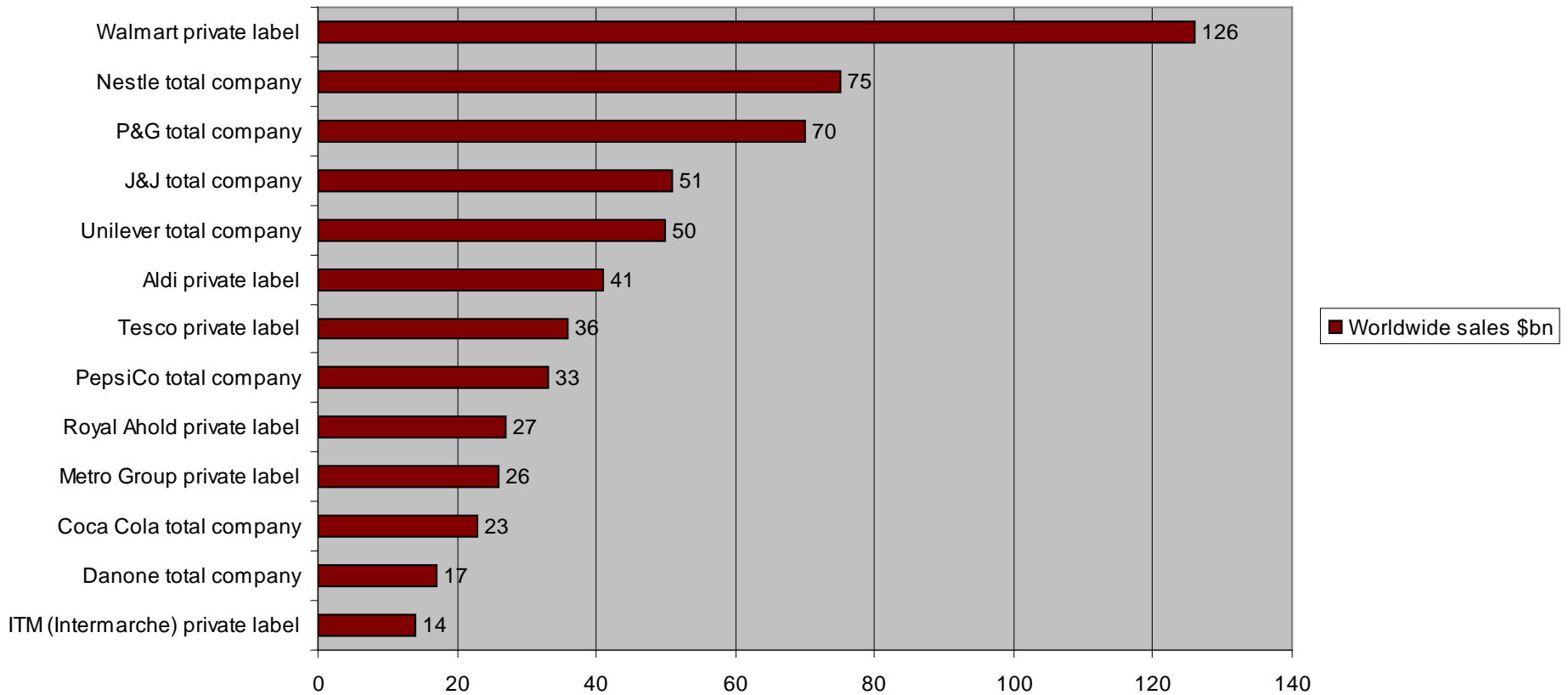
- The rise of the private label
- More variations
- What can go digital, will

The Walmart logo, featuring the word "WALMART" in blue capital letters with a yellow six-pointed star between the "W" and "M".The Tesco Finest logo, featuring the word "TESCO" in red capital letters above the word "Finest" in a black script font, with a small red star to the right of "Finest".The Tesco Value logo, featuring the word "TESCO" in red capital letters above the word "value" in white lowercase letters on a red rectangular background.

Growth of Private/Own Brand Labels

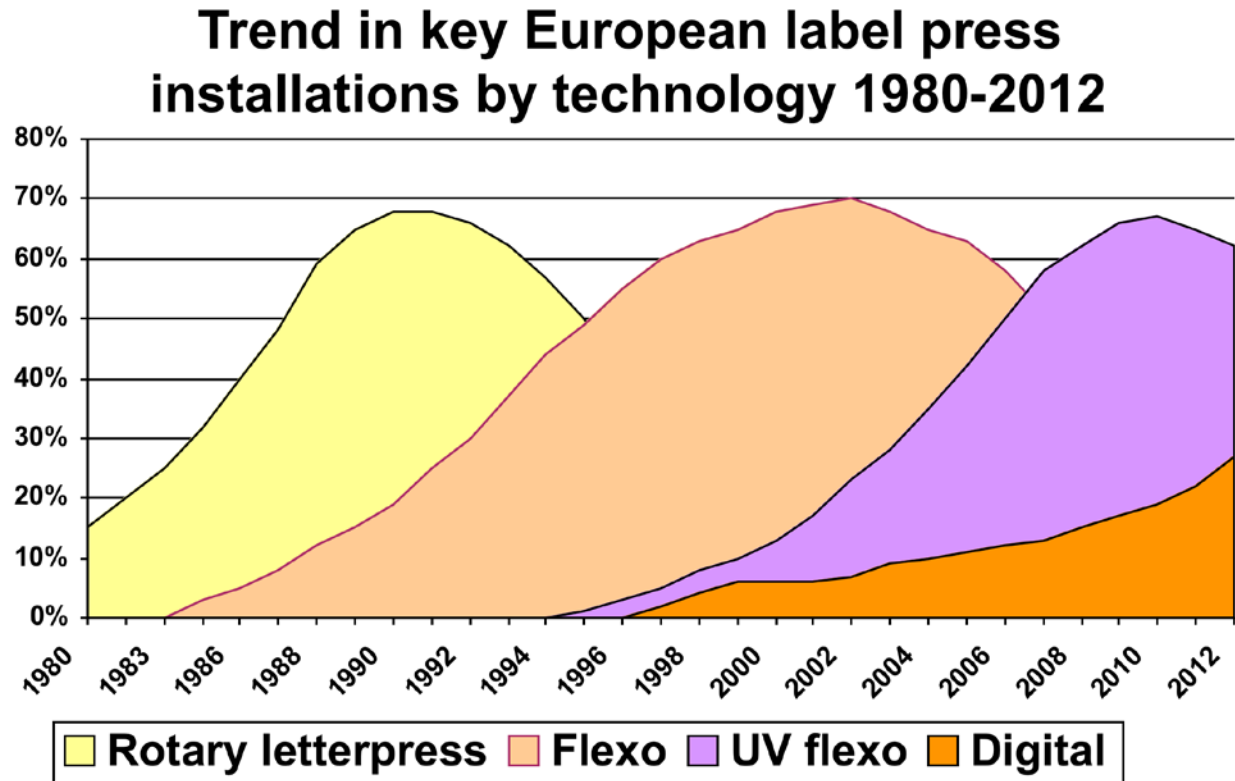
- Private labels now account for over 22% of all retail unit sales in North America
- Private label growth up 25% in UK, Germany, France and Spain
- One in five items sold in U.S. supermarkets, pharmacies is private label
- Store brand private label growth up 10% for 30 countries, 2008 survey

Private Label as a whole is the biggest brand in the world

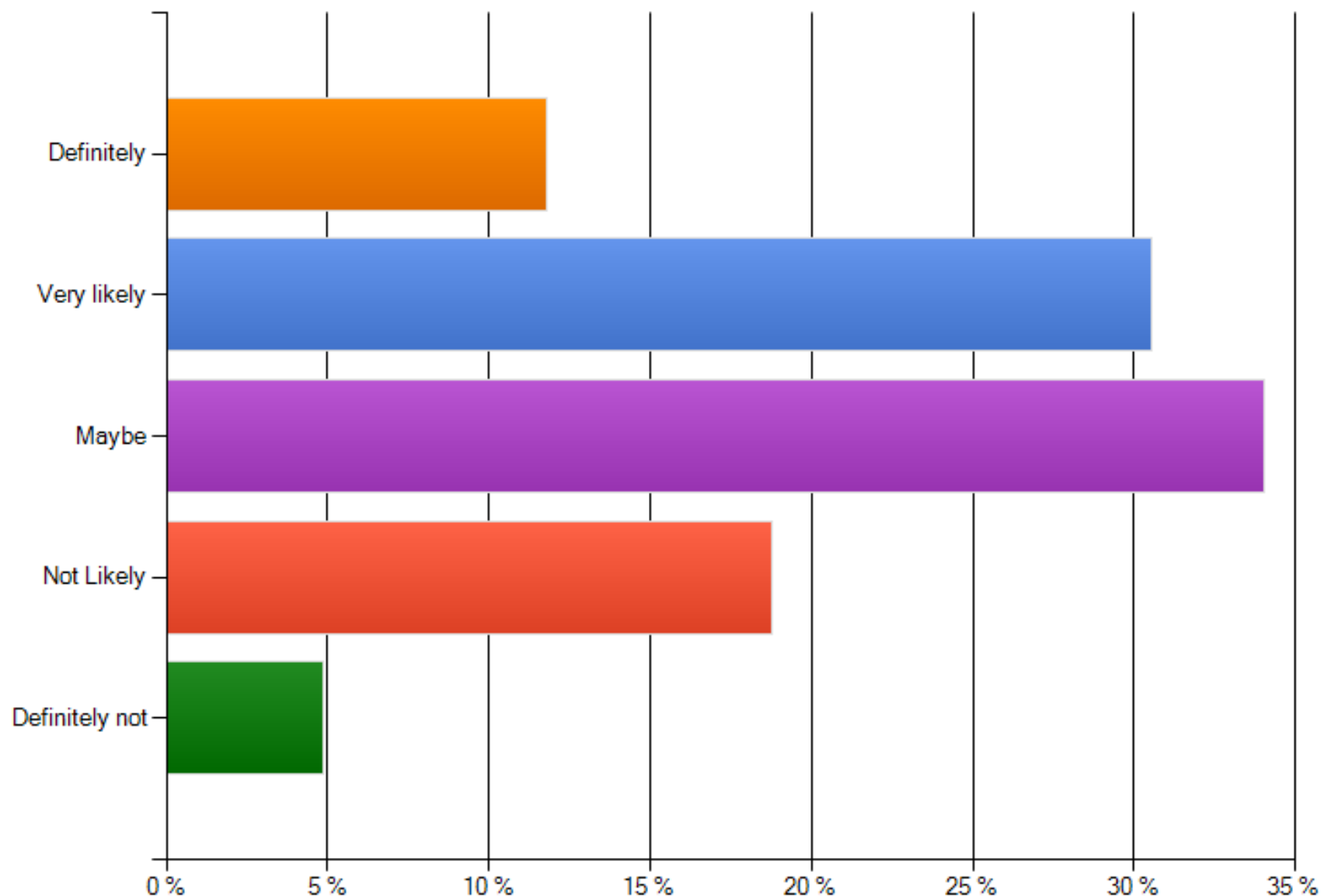


Growth of digital label printing

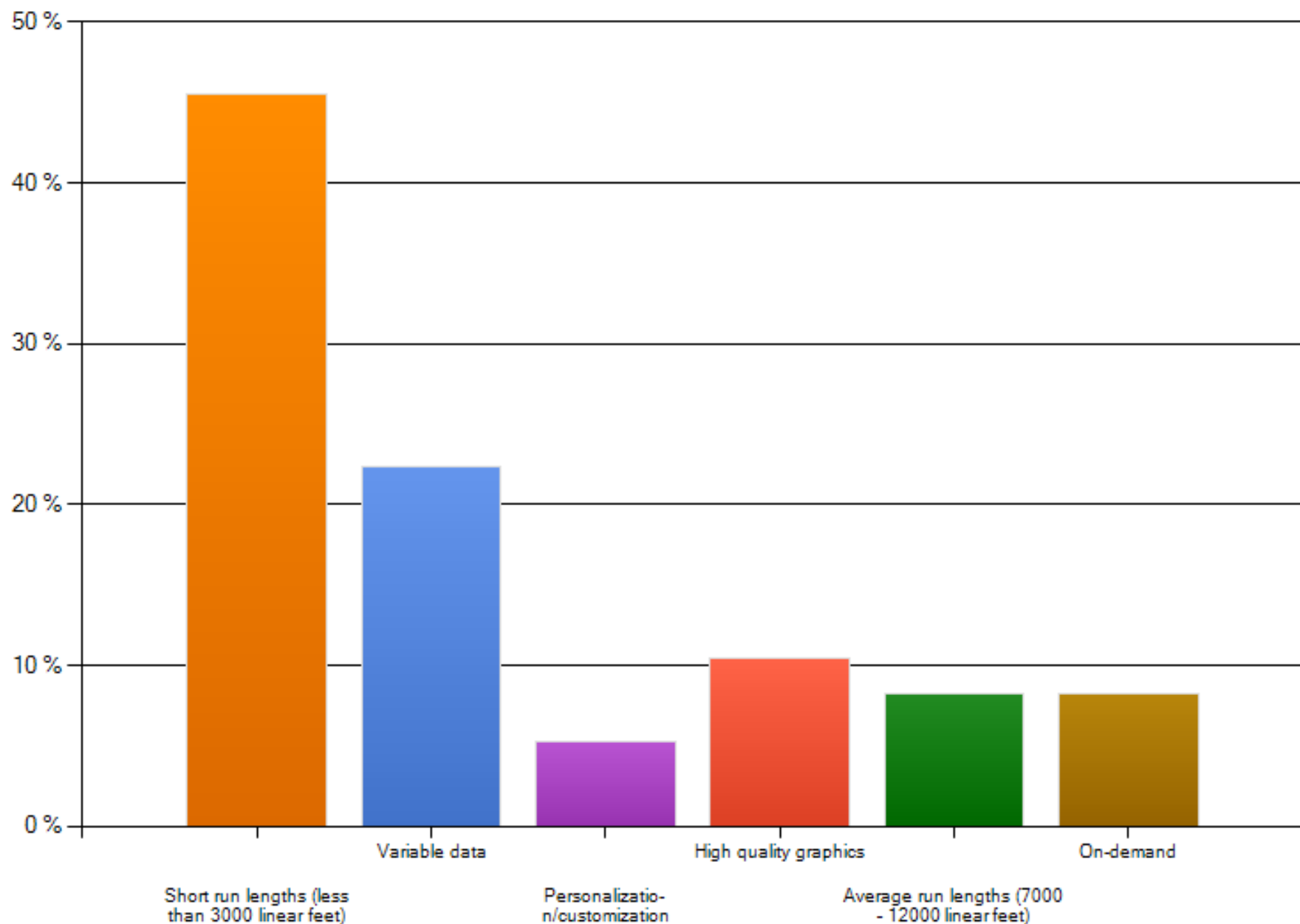
- 15% of all new roll-label presses installed WW in 2009/10 were digital
- 40% by 2020?
- *Digital is the new growth technology*



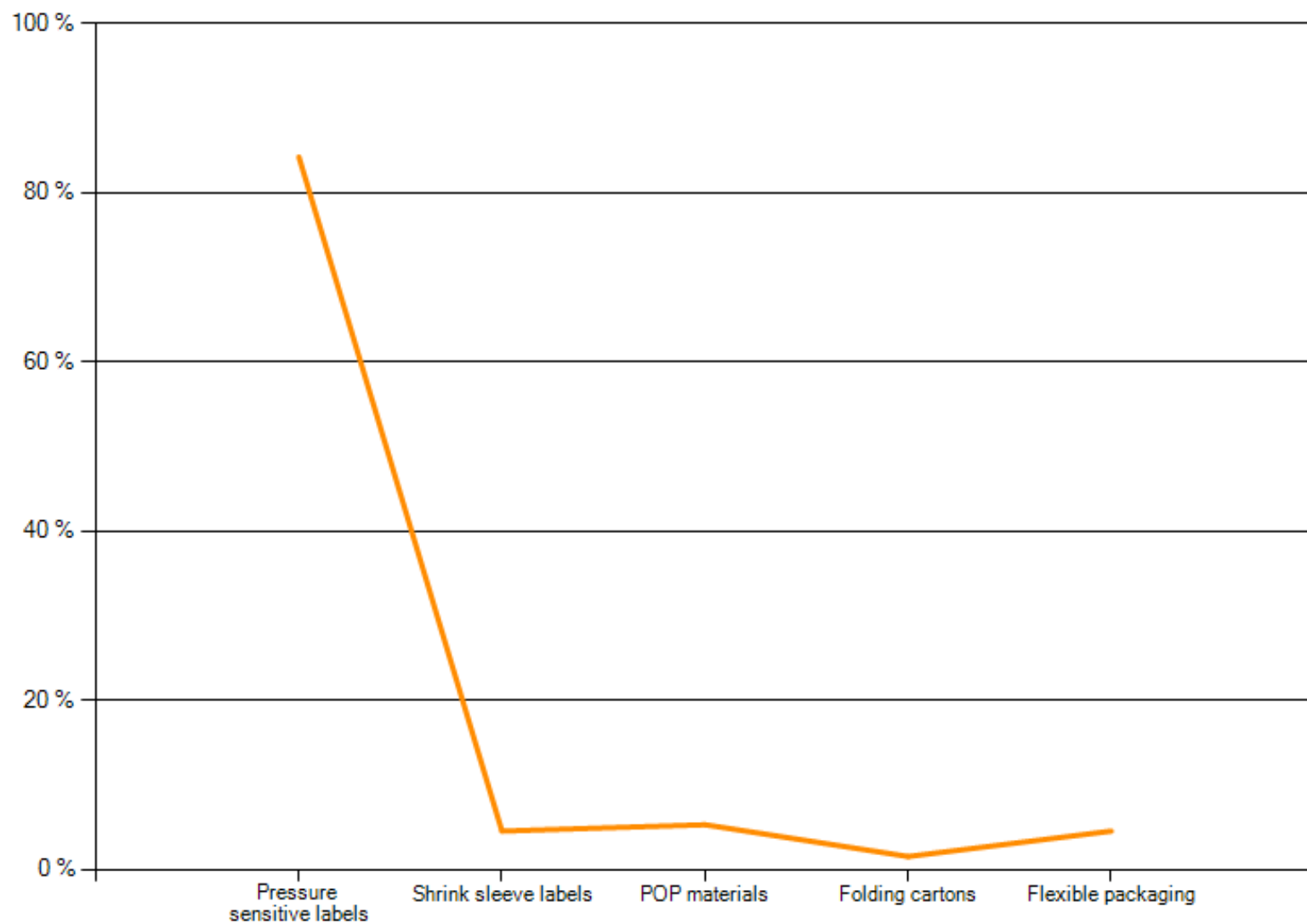
How likely is it that you'll invest in digital printing equipment in the next 12 to 24 months?



In what area do you see digital printing as the best fit within your production?



Where do you see the most opportunity with digitally printed labels?

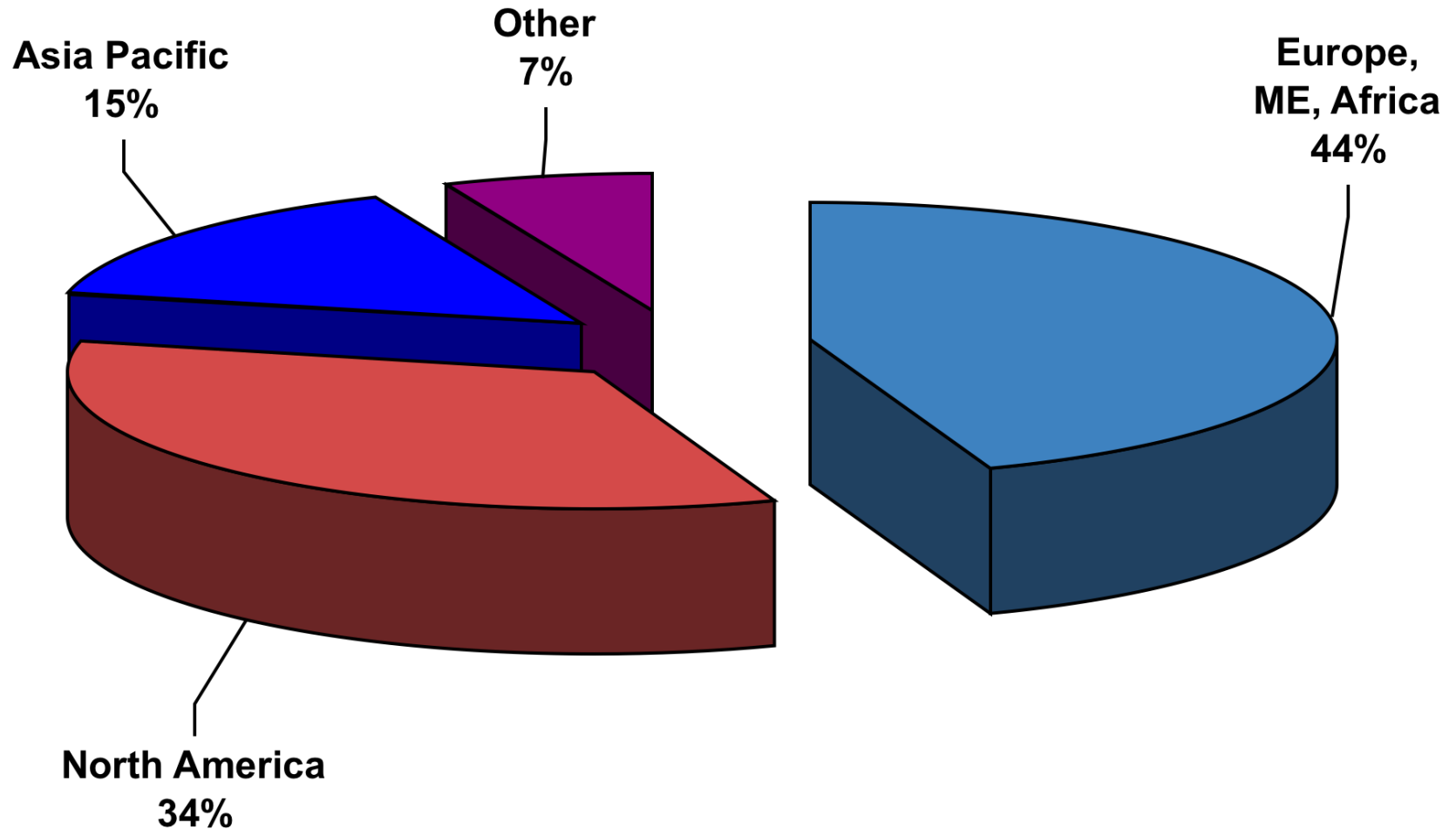


Digital Trends

- 1600 digital presses installed to date
- 300 additional for 2010
- 15% label presses are digital
- 3% of label converters use digital

Total label printers worldwide 35,000- 40,000

Regional distribution of installed base of digital label presses



Global Label Market Trends

End User Trends

- End users becoming pure marketing & sales operations
- Global brands looking for one stop shop
- Reduced time to market

Technology Workshop



THREE digital and one flexo presses are put through their paces in well attended sessions

Labelexpo Americas Technology Workshop

JAN DE ROECK, EskoArtwork's director solutions management, looks at the lessons learned from the Technology Workshops held for the first time at Labelexpo Americas in Chicago last September – and likely to be repeated this year in Brussels

Anyone who went to Labelexpo Americas was probably impressed with the Technology Workshops. Demonstrations were extremely well attended. Four working presses from Nipeter (flexo), EFI Jettron (inkjet), HP (liquid toner) and Xaikon (dry toner) ran alongside each other with a neutral moderator demonstrating how each press produced the same job on identical substrates. Without a doubt, the workshops provided an extraordinary forum to exhibit the quality and speed of each press. The sheer investment of vendor time—and resources—should be commended.

The aim of the workshop was to show attendees how to set up and run label presses, whether conventional or digital, to optimize label print performance and quality. It was also intended to teach how to assess new product and market opportunities, and to compare print quality and performance across different conventional and digital printing processes. EskoArtwork pre-press systems delivered the files to each press, and in some cases drove them, which gave us a unique perspective on the project.

The idea of a workshop came from Mike Fairley, whom we consider the 'guru of labels'. He tested the idea with press vendors and asked us to develop the artwork for three benchmark labels.

MIS: CRITICAL FOR DIGITAL PRINTING

While there is a significant demand for prepress systems for digital presses, the prepress workflow that was utilized for the Technology Workshop was pretty classic and, apart from trapping for the flexo press, automated. The challenge was automatically delivering the right file, of sufficient quality, along with correct color. The rules that dictate printing on a traditional press versus a digital printer are not quite as clear as just label quantity. It's also the cost of the press, the number of colors, and the availability of the presses, among other parameters. However, with digital presses typically delivering jobs of smaller quantities, the challenge is not to have a customer service rep spend as much time on a 2,000-unit job as for one of 20,000 labels.

Most of our customers have conventional flexo and more than one digital press. While management information systems (MIS) are relevant for every flexo packaging run, it is more critical for digital presses, putting more pressure on order management systems and prepress. That's why our best advocates for more automation are among digital print companies. Integrating MIS can create a supercharged automation system, sharing workflow data and automatically driving prepress. That's why we decided, early on, to talk with MIS/ERP providers.

A few months before the event, we organized ideas with two MIS providers. We decided it would be best if we could look 'like



led on all four presses

As an EskoArtwork representative, I would be remiss if I did not add a few comments about the use of our HD Flexo plates, produced very nicely by Phototype, on the Nilpeter press and how the press performed compared to the digital presses.

[illegible]

We did not create any of the label designs to compensate for flexo inadequacies. On the contrary, HD Flexo was able to match any of the digital presses. The tonal range was most interesting. The actual file and printed job had the same 0-100 range. With the same tonal range of digital presses, flexo color matching was similar. There were no highlight blowouts, and the shadows, with Microcell screening technology, provided solid ink density in the shadows. This means that for brand owners, both digital and flexo are able

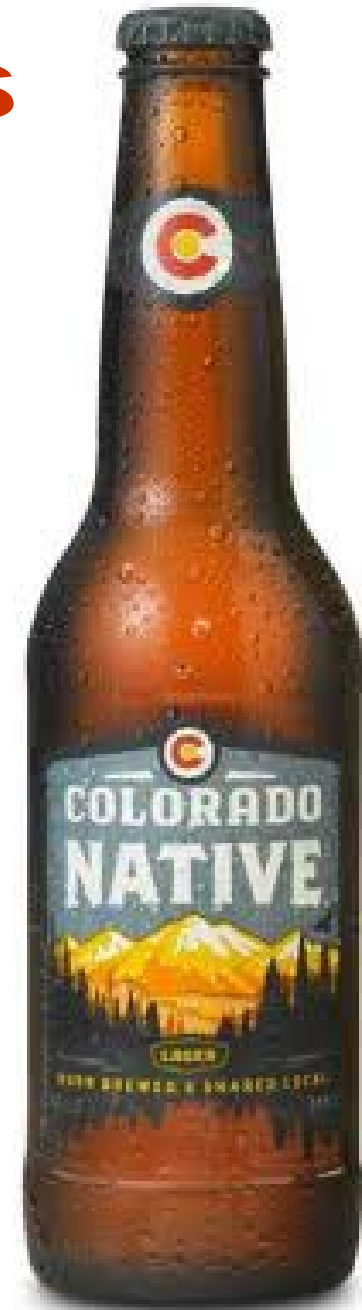
Thus, the question is not which process is better but, rather, comes down to understanding the differences of each process, and when and how each one is used. It also allows an MIS system to make a judgment as to which press to send a job based upon business requirements; not quality differences. There is no tonal conversion or other color process that might limit press decisions.



Value-Add Labels



Interactive Labels



New Media



Some of the hottest discussions buzzing on Twitter

@packagingdiva Eco Packaging
Tweet Of The Day: USDA Introduces Renewable Packaging Label @
<http://t.co/qlgW7P1> And yet another #packaging icon

@BrandSquare: What do U think of IBWA's response Water wars: Industry association defends bottled water -
<http://is.gd/O2Eel2> #packaging

@DanielleJersche: Only 1/3 of P&G's sales are from developing nations. 50% of #Unilever sales from developing. Growth = sm.packaging 4 cheap products

@DanielleJersche: W/ digital print private labels look great; b4 too \$\$\$ RT @packfutura Consumer approval of private brands <http://bit.ly/g3dvai> #packaging

@DanielleJersche: "Killer Paper" Preserves Food With Silver Nanoparticles | Fast Company <http://inkd.in/a4NmIA>

@DanielleJersche: BIG news 4 #labels #packaging #sustainability RT @DaniDawnJ RT @TIME Wal-Mart coming 2 Africa <http://su.pr/1jz4XW>

@packagingdiva RT @DogwoodAlliance: Made @greenbiz's Top 20 stories of year @ <http://reut.rs/eRV8ZE> #packaging @kfc_colonel #ecomonday

@DogwoodAlliance: Fm @change.org welcoming #KFC's new Chief Sustainability Officer asking 2 do better @ <http://bit.ly/dNjIwB> #packaging

@DanielleJersche: P&G's 1st NA plant 2 achieve zero waste @ <http://bit.ly/eTJwa7> #packaging #sustainability #ecomonday

@packfutura Packaging: Growth Leader in 2011 @ <http://bit.ly/hOswib> #packaging

@DanielleJersche: How bout this on #labels #packaging: RT @mashable Word Lens: Translation Augmented Reality.. <http://on.mash.to/exSPDc>

LinkedIn

Label converters and suppliers from the US and Europe responded to one of the most popular discussions on the TLMI's LinkedIn group: Building an environmentally friendly label – what is the best way to achieve this?

As one converter posted, the first issue to address is understanding and defining the customer's definition for an environmentally friendly label. While many are looking for a recycled content paper, others are more interested in a recyclable label.

Another comment made refers to the issue of adhesives gumming-up recycling systems. This is not an easy issue to get around but converters are making advancements; it's only a matter of time before major suppliers introduce adhesives that meet quality standards and recyclability requirements. Spear USA already offers its SpearPET, a BOPP film facestock with a proprietary adhesive

that releases from the PET flake in the recycling process without gumming up the system. Separating the BOPP from the PET maintains the material's clarity and deems it reusable.

Linerless labels offer the solution of an environmentally friendly label solution. Removing the liner from the pressure sensitive equation eliminates a high percentage of waste to landfill, another way to claim sustainability of a label. S (The capital investment and slower application speeds for new application lines is a tough barrier to overcome but improvements are on the horizon.

One comment highlighted the importance of informing customers about efforts being made behind the scenes to positively impact on the environment – waste reduction, energy and water consumption monitoring, strategic shipping etc. Converters need to maintain communication to aid brand owners understanding of such steps.

M&A and Packaging & Labels

Multi-Color Corporation

Further investment for Multi-Color in South Africa
Posted in Latest News on October 15, 2010
Multi-Color Corporation (MCC) has signed a deal to acquire larger facilities in Paarl, South Africa. The USD 2.3 million (RSA Rand...

Multi-Color invests in Chinese operation
Posted in Latest News on October 05, 2010
US converter Multi-Color Corporation plans to establish a label operation in China. Having received Chinese..

Multi-Color acquires French wine label converter
Posted in Latest News on September 13, 2010
Multi-Color Corporation has acquired French wine label printer Monroe Etiquette in a deal worth 8 million euros (USD \$10.14 million). Monroe will be incorporated into the

...



Consolidation and innovation drive inks market

ANDY THOMAS rounds up the latest technology and corporate developments in the global narrow web and packaging ink sectors

Last year marked further consolidation in the global narrow web inks market. Ink suppliers wrestled with shortages of key ingredients while meeting the challenges presented by new label materials and production techniques.

One of the biggest global consolidations was Siegwerk acquiring Environmental Inks and Coatings Corporation (EIC). EIC serves the packaging and label manufacturing industries in the US and Canada with water-based and energy curable inks and coatings. The newly formed organization will operate as 'Environmental Inks – a member of the Siegwerk group'.

Acquiring EIC is part of Siegwerk's strategy to boost its North American business in the narrow web sector in water-based flexo ink technology. Ansgar Norn, president of Siegwerk NAFTA, explained: 'EIC is well positioned to capitalize on excellent growth prospects, particularly in the segment of self-adhesive labels. Taken together with Siegwerk's existing expertise in UV-based inks, the combined businesses will be the market leader in narrow web labels.'

Almost 80 percent of Siegwerk USA's 2009 revenues were realized in the flexible packaging segment, with converters operating wide-web presses using mainly solvent-based ink technology.

Siegwerk CEO Herbert Forker, confirmed: 'Over the past decades, EIC has built a strong reputation for environmentally friendly water-based inks for the growing and demanding narrow-web segment.'

Earlier in the year, Actega, a division of Altana, acquired Water Ink Technologies, forming Actega WIT. Actega WIT will focus on the production of water-based and UV flexo inks and coatings. Its operations will be combined with the Actega radcure division, which specializes in the production of UV specialty coatings and adhesives.

Last year also saw Toyo Ink Group form a new subsidiary, Toyo Ink Technologies, to acquire US group Fluid Ink Technology, which operates in Moorpark, California, and Plainfield, New Jersey. Fluid Ink manufactures flexographic, gravure and UV inks for wide web and narrow web converters of flexible packaging and labels.

LABELS&LABELING

The acquisition strengthens the Toyo Ink Group's position in the US in line with its global expansion plans.

'The combination of the Toyo Ink Group and Fluid Ink Technology brings significant new synergies to the table,' said Jim Newkirk, president of Fluid Ink Technology. 'The strength of our combined product, service and technology portfolio will create tremendous growth opportunities and customer value for years to come. It's a win-win situation for all involved.'

PRICE RISES

These acquisitions have taken place against the background of a seemingly unstoppable rise in the price of ink's key raw materials. Most recently Flint Group announced a 22 percent price increase in Europe for narrow web inks containing the violet PV 23 pigment.

'During the past 12 months we have been fighting dramatic cost increases for this product of up to 70 percent. Further increases are expected,' explained Jens Zimmermann, director of global marketing and business development at Flint Group Packaging and Narrow Web. The main cost driver for Violet 23 is the reduced availability of the key ingredient Carbazole, which is mostly produced in China and India.



Printing's Alive

- <http://www.youtube.com/watch?v=VpAuDrs5ocg>

