

2008 FPPA San Antonio

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Great opportunity

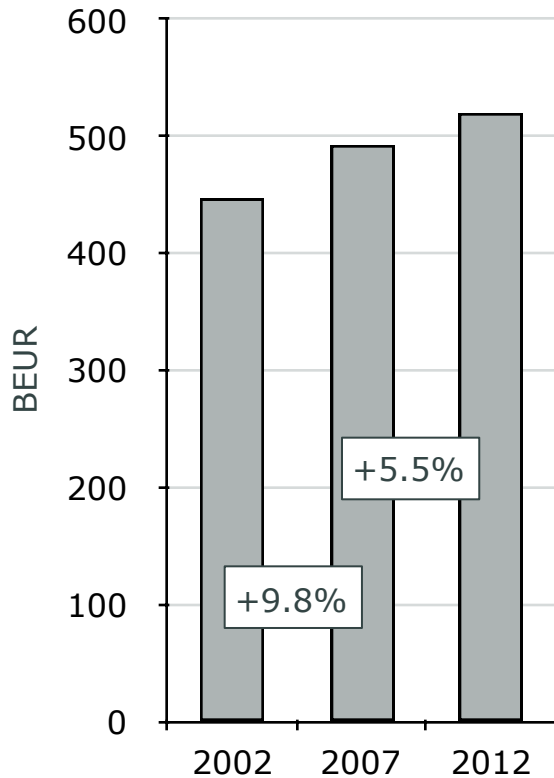


Summary

- Brief view of the industry
- Brief view of EskoArtwork vision and goals
 - Backdrop to how we view market trends
- How these trends can work for both of us

Global print markets 2002-2012

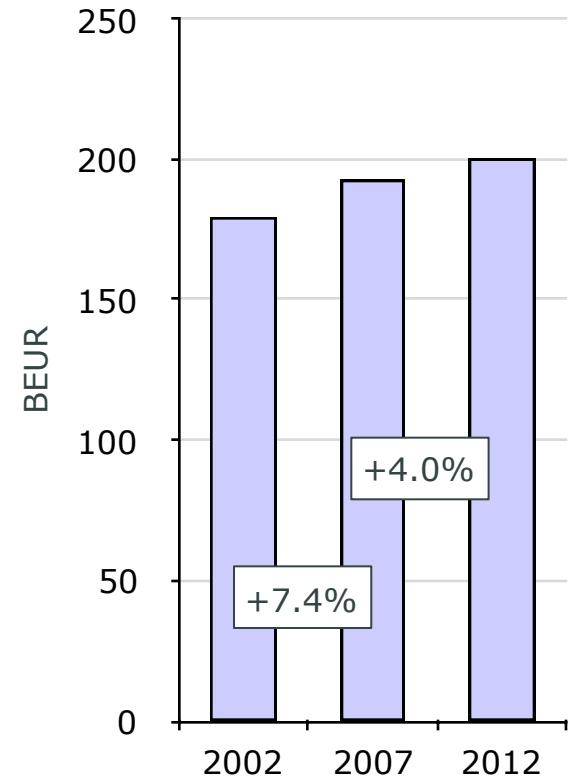
Market value of delivered end product



All print applications



Packaging & labels
33% of total in 2007



Commercial print
39% of total in 2007

World

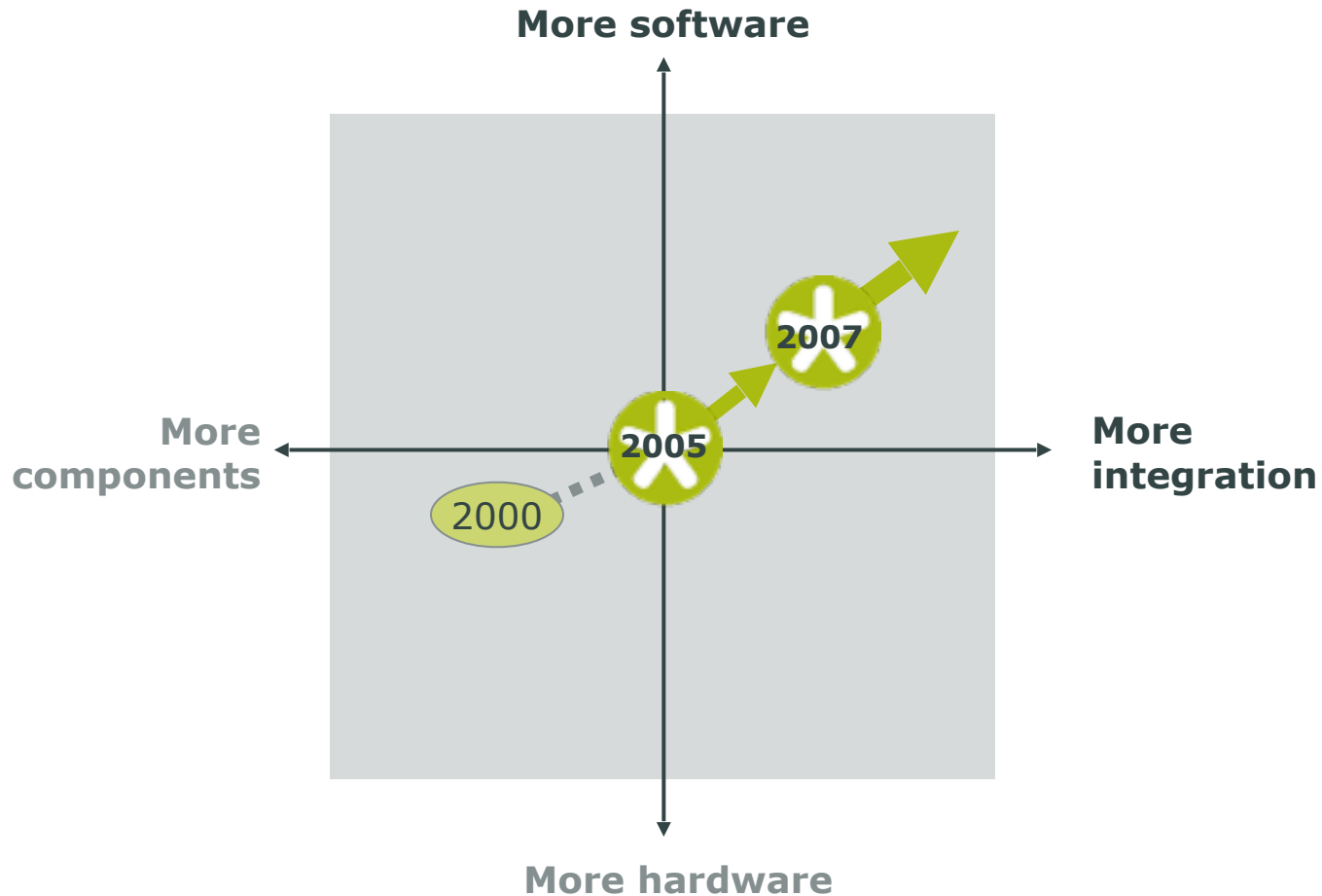
- 2007 great almost everywhere
- 2008 – slowing as Europe catches our cold
 - De-coupling a myth at present
 - Sub-Prime/credit crunch, housing
 - Inflation threat limits interest rate change
- 2009 – Further acceleration
 - Creation of wealth leads to increased consumer demand
 - Credit eases
- China and Asian centers provide more horsepower

EskoArtwork Mission Statement

To be the leading
solutions integrator
to the **packaging** and
commercial printing
value chain

EskoArtwork's strategic direction 2008-2010

Confirmation of the current direction – only **stronger** from the combination!



Why **more integration** and **more software**?

- **Integration** creates **competitive benefits**
 - By making processes more efficient and reliable
 - By letting information flow seamlessly between (sub)systems
- **Software** is the ultimate **integration enabler**
 - By automating workflows and processes
 - By using the expertise embedded in the products to guide the operators
 - By linking (sub)systems into end-to-end production solutions
- **Consulting, education** and **support** complete the package
 - By identifying the optimal workflow for the customer
 - By guaranteeing optimal use of the software's capabilities

Trends (what do they mean for both of us)

- Customers
 - Consolidation
 - Great for the strong and innovative. (True in all segments - Lead the change)
 - Leads to faster customer adoption of technology (Can drive change both ways – in-house and outsourcing)
 - All moving towards the same markets
 - Design houses, Converters, Trade shops
 - Brand Owners and Private Label
 - Intellectual Property management (Assets and Specs)
 - Efficiency – Time to market, cost control, knowledge based.
 - (Tremendous opportunity in expert use of new technologies)
 - Cost control
 - Customers squeezed as much as we are – customers pushed to improve margins.
 - Cost of capital, cost of people, cost of travel (As above – expert use provides incentive for customers to outsource)
 - Massive savings possible(\$2M in comps)
 - Example – Visualization.

Visualization

Create and share ultra-realistic on-screen mock-ups and soft proofs of complex packaging designs.



Courtesy of Russian Standard Vodka and Field Packaging

Trends – Open opportunity to new services.

- Markets
 - Globalization
 - Driven by cost
 - Driven by Opportunity.
 - Segment marketing
 - Short runs
 - Sustainability
 - Size, logistics, materials
 - Market specific in many cases.
 - Specialty design
 - Aging, security, Market research

Market specific tasks remain behind – Design, comps, market research, the need to reduce time to market.

New services allied to design



Trends

- Technology
 - Automation will continue
 - Driven by continuous improvement
 - Driven by inflexible labor markets in Europe.
 - Dramatic increase in software tools
 - Driven by the Internet
 - Driven by standardization – allows integration
 - Driven by demand for efficiency
 - Driven by desperate need to cut costs and do more with less
 - (Open up opportunity to communicate and integrate)
 - Rise of Digital print
 - Twice as fast – half the price
 - (Understanding color + finishing opportunities)

How do these trends affect us.

- Flight of manufacturing – return of market specific needs
- Standardization
- Critical shortage of resource as a result of cost cutting
- Etc.
 - Change required in discovering and charging for value
- Decouple the intelligence from the functional.
 - How do you charge for the value and service and not just for the product.
- Need to understand the business drivers
 - What and how!
- Partnering opportunities
 - Don't reinvent the wheel
 - Market research, comps., integration.

What about our internal processes

- Change is risky
 - Apply the right resource and enough resource to the management of risk
- Understand where our Unique Selling Points (USP) lie.
 - Not necessarily in making dies and plates
 - Rather in dealing with large and complex files and color.
- Setting strategic goals that meet the “What and How”
 - Reducing time to market
 - Providing service based products that can be charged
 - Quality, service and price a given.

Thank you.