

DI ADVANTAGE

THE PRESSTEK DI® ADVANTAGE.

This report summarizes the results from an independent InfoTrends study conducted during the summer of 2005. The purpose of the study was to understand how Presstek Direct Imaging (DI) technology impacted the overall business of a new DI press user.



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Introduction

In September 2005, Presstek commissioned InfoTrends to complete an independent study to examine the overall impact a DI® press has on the business operation of a print shop. We were pleased to learn that since acquiring a Presstek DI press, the companies surveyed have seen higher profit margins, reduced makeready times, and increased productivity and revenue growth. These results are mainly attributed to the acquisition of new customers and being able to print more jobs. Further, this study told us that print providers are increasingly turning to their DI presses to meet the growing customer demand for high-quality, short-run color printing at a lower cost compared to other production methods for run lengths between 250 and 10,000.

Methodology

This independent study was conducted via the Internet during the summer of 2005, and focused on key decision-makers within companies that use DI presses employing Presstek ProFire and ProFire Excel imaging technology. Among these companies, 86% reported revenue of less than \$3 million and 72% employed fewer than 20 employees.

Key Findings

- Makeready (producing your first sellable sheet) on a DI press takes half the time of a conventional offset press
- 90% of respondents said DI printing allowed them to increase their business through new customer acquisition
- 96% of respondents increased business by growing the share of customers' total print business
- Job profitability is more than 13% higher on a DI press compared to conventional offset
- Among respondents, DI printing revenue is expected to grow 27.5% to reach 41.7% of their total printing revenue over the next two years
- 76% of respondents indicated that DI has enabled them to produce applications that they could not previously produce
- 72% of respondents indicated that DI has helped them grow other printing services

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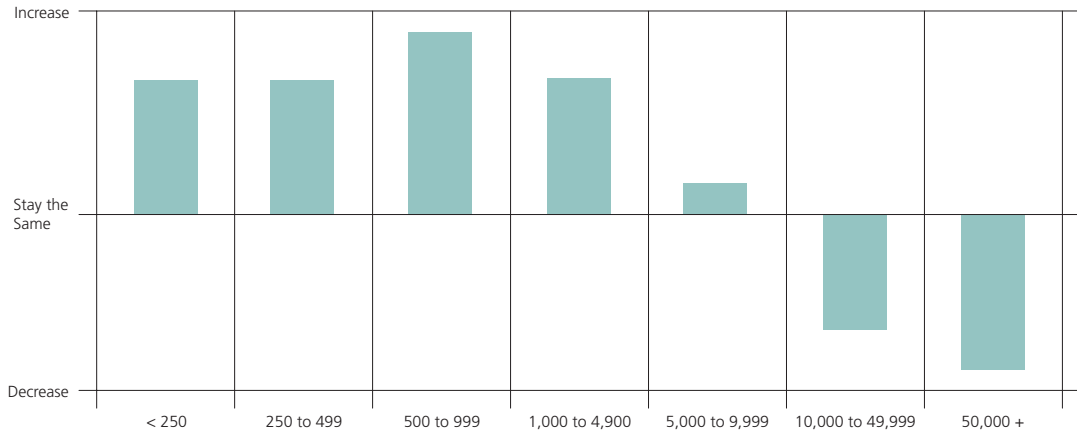
DI: Providing the perfect solution

The move toward shorter run lengths has been a consistent trend over the past several years. Survey respondents confirmed this trend by reporting an overall increase in jobs with run lengths less than 5,000, with the highest increase in jobs with run lengths between 500–999 sheets. At the same time, respondents said jobs with run lengths above 10,000 sheets have declined.

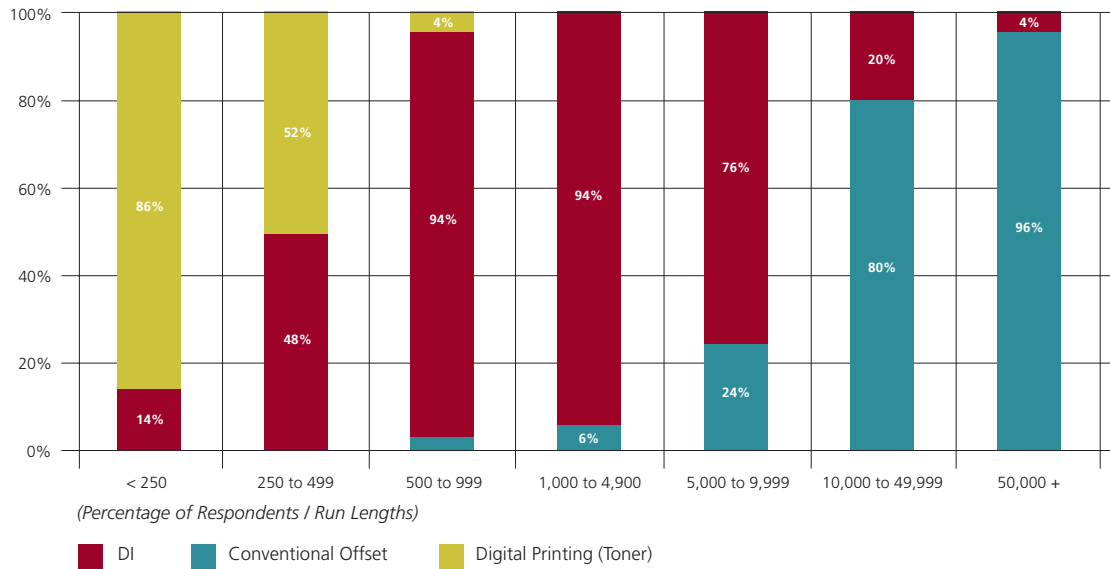
As print buyers move toward smaller print runs, print providers are increasingly finding DI printing to be the most suitable technology to meet their needs. Our respondents were asked to indicate the technology that they considered most suitable for each range of run lengths. The vast majority indicated that their DI press was most suitable for jobs with run lengths between 500 and 10,000 sheets.

Based on the trend of shorter run lengths and the respondents' opinion of the most suitable technologies, the sweet spot for DI printing is jobs with run lengths between 250 and 10,000 printed sheets.

Change in Frequency of Run Lengths



Technology Choice Based on Run Length



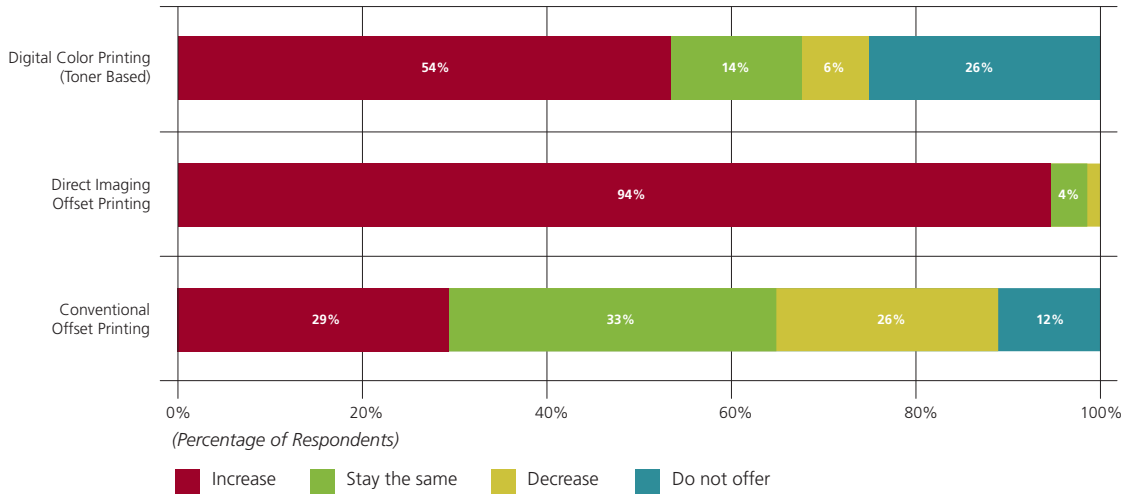
DI: Meeting customer demands

When asked to predict the impact of DI printing on their future print volumes, our respondents overwhelmingly indicated the DI will be a large part of their business. In fact, 94% predict DI print volumes will increase in the future. Their responses offer a clear contrast to the future of conventional offset printing volumes, where 59% of respondents estimate volumes will stay the same or decline.

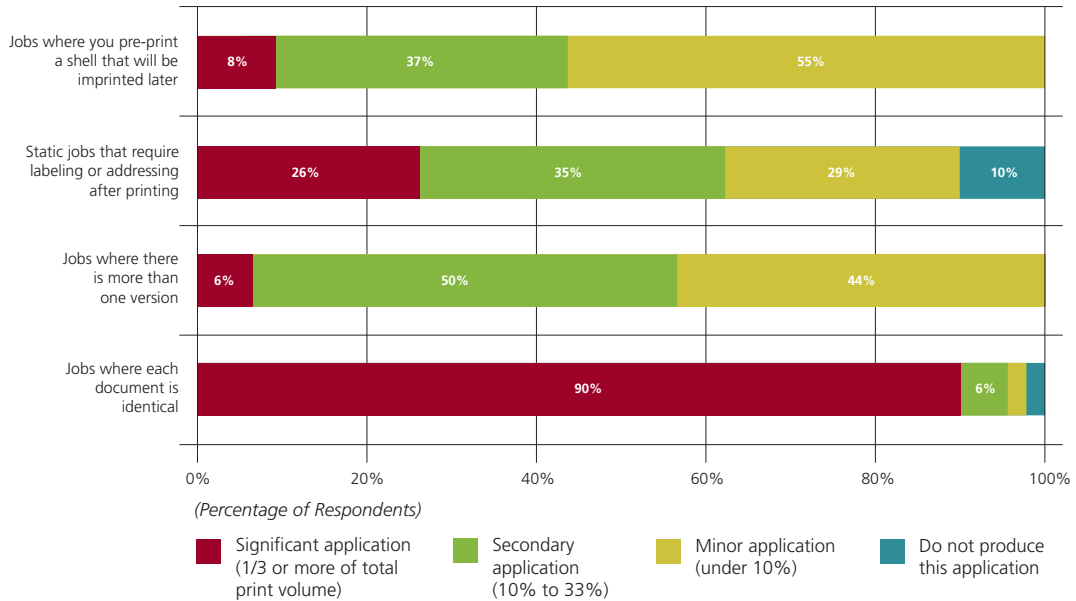
Most of our respondents indicated that one-third or more of their total print volumes are jobs where each document is identical. 6% indicated that versioning accounts for more than a third of their volume, but 50% said versioning accounts for 10 to 33% of their work and they expect this percentage to grow.

This anticipated growth of versioned jobs again points to the print services best suited for DI technology.

Print Volume Growth Trends by Technology



Mix of Jobs by Category



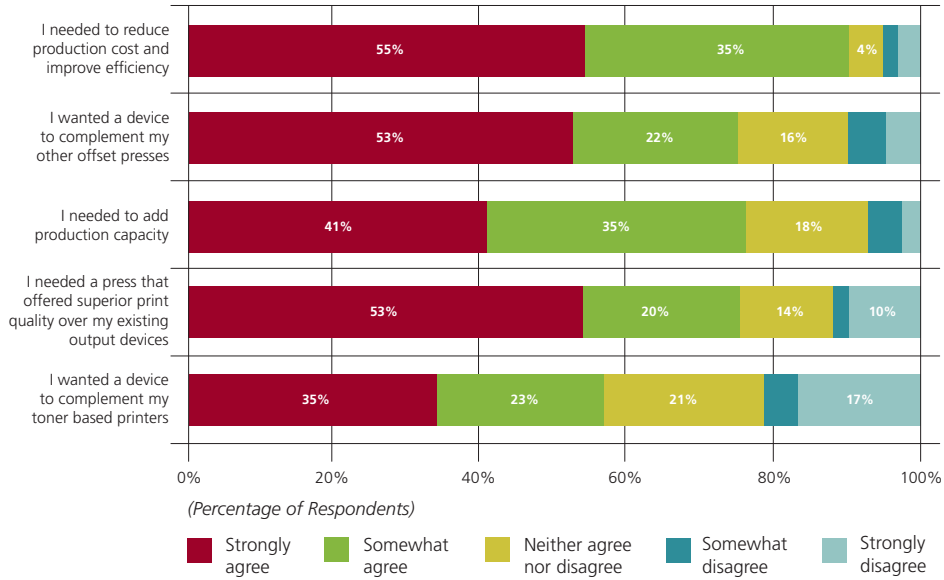
DI: Improving the bottom line

Survey respondents offered a range of motivations for acquiring a DI press, all of which indicate a desire to improve their capabilities and grow their bottom line. Of the respondents, 90% agreed that they needed to reduce production costs and improve job efficiency. 75% of respondents specified that they wanted a device that would complement their offset printing equipment and 58% wanted a device to complement their toner based systems.

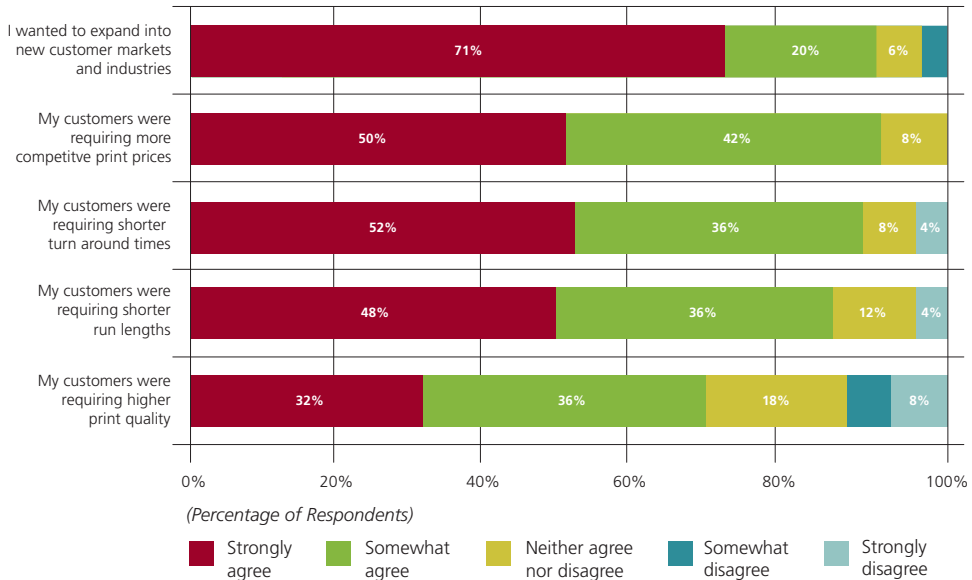
Further probing illustrates that certain business drivers were key in respondents' decisions to acquire a DI press. New customers, markets and industries were all motivating factors in expanding their services with DI equipment. In addition, more competitive prices, shorter turnaround times, shorter run lengths, and higher print quality were all key drivers.

Respondents also expected DI revenue to continue to grow and represent a still greater portion of their overall revenue. In fact, these companies estimate DI revenues will increase by 27.5% over the next two years, to reach 41.7% of total revenues. Today, our respondents said profit margins on their DI printing are exceeding that of conventional or other offset jobs by more than 13%.

Motivations for Acquiring DI Press



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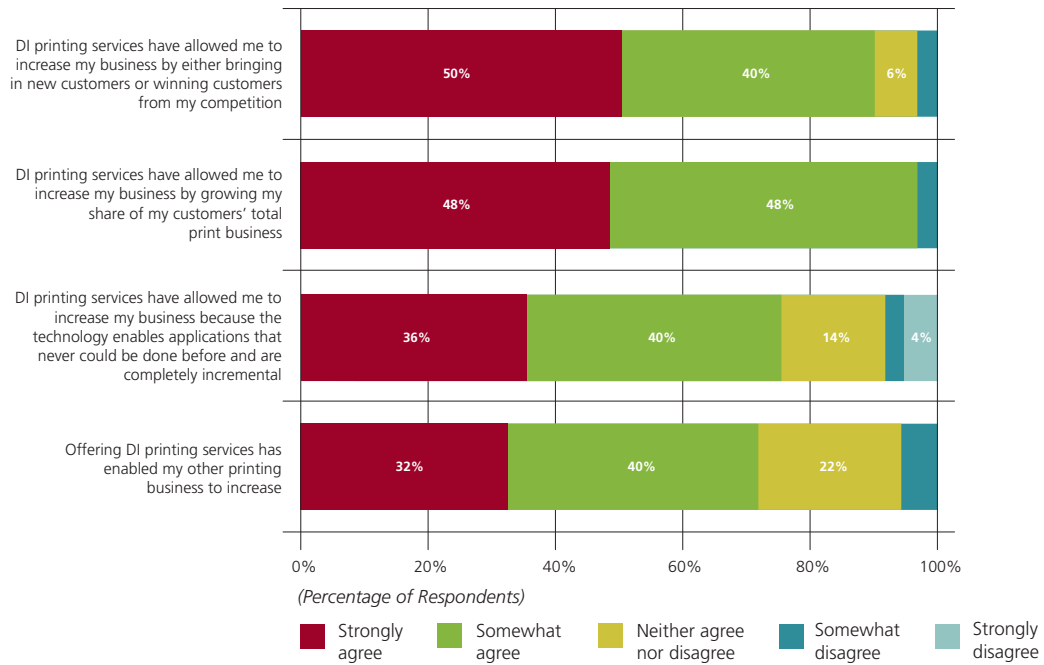
DI: Growing your business

The addition of DI capabilities has allowed the majority of the companies we surveyed to grow their businesses through several opportunities made possible by their DI presses. For example, the ability to offer an expanded range of jobs—from customized pieces to short runs—has played a large role in this growth.

A full 90% of those surveyed agreed to some extent that DI printing has enabled them to increase their business by bringing in new customers or winning customers from their competition. Further, 96% agreed that their DI press has enabled them to increase their business by growing their share of customers' total business.

By expanding the scope of printing services available to customers, our respondents said they were also able to grow their businesses by producing applications that they were not able to produce without a DI. These companies also report that, with the addition of a DI press and the means to offer a more robust set of printing capabilities, they have seen increases in other printing services.

Impact of DI Press on Business



Conclusion

DI users have been able to grow their businesses, while better meeting the changing requirements of today's market. The survey clearly shows that DI printing is a growth opportunity and owners' profitability expectations are being met. The growing print volumes and revenues DI printers are experiencing indicates that they are building their businesses around DI. ■

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To download the complete InfoTrends report or to schedule a product demonstration, please visit us at **www.prestek.com**.

Want a hands-on demonstration of a DI press? Attend one of our regional open houses and see DI in action. Please visit **www.prestek.com/events** for a complete event schedule, or call to arrange a demonstration at **1.800.524.0003 x3599**.

DI: In their own words

“I would do it all over again in a heartbeat. I hate to think of where we would be today without this press. It is already making a huge difference in the way we run our company. When you get right down to it, the press does everything Presstek says it can do and more. It is the right press for the times”

– *Dave Braun, Owner, Braun Printing & Design*

“I tell everyone that the DI is the one product I have purchased that has actually turned out to be better than it was represented during the sales cycle.”

– *Tony Vaccari, Owner, Manhattan Mailers*

“Because of the increased demand for four-color printing and our improved ability to produce it, thanks to the DI, I expect to see our revenues grow by at least 20% over the next couple of years.”

– *Brent Lawrence, Owner, Kwik Kopy*

“We were able to do four-color in-house without adding any people by purchasing the DI press. The ramp up went faster than we had planned for... we anticipate the DI press will pay for itself in six months.”

– *Mitchell Freundlich, COO, Accela Graphics*



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