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**Communication Supplies Consulting Service Europe**

**January 31, 2005**

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## Products & Services

### European News

#### ***EFI and Xerox Launch Xerox Phaser EX7750 Colour Laser Printer in Europe***

EFI and Xerox Corporation have announced the completion of a collaborative project to launch the Xerox Phaser EX7750 colour laser printer in Europe. The new system delivers high-calibre colour fidelity, image quality, and performance for graphic arts professionals who need to quickly produce complex colour documents such as brochures, mailers, and other documents.

The Phaser EX7750 is a bundled system that includes the EFI Fiery EX7750 Colour Server and the Xerox Phaser 7750 colour printer. Colour Servers are workstations that process print files and drive the printer. On its U.S. launch this month, Macworld Magazine awarded the new system a "Best of Show Award" during the Macworld Expo.

Expanding Xerox's portfolio of graphic arts products, the Phaser EX7750 provides the power, colour precision, and advanced workflow controls to support a wide range of graphic arts and production applications in environments including short-run printing and in-plant print shops. The Phaser EX7750 colour management tools produce consistently high-quality documents, while streamlining the printing process and eliminating extra review cycles.

The Phaser EX7750 is the latest result of the long-standing collaboration between Xerox and EFI, which includes Fiery servers optimised for the Xerox DocuColor 12 copier/printer, DocuColor 3535 multifunctional system, DocuColor 5252 digital press, DocuColor 6060 digital press, DocuColor 8000 digital press, and the Xerox iGen3 Digital Production Press.

Phaser EX7750 features include:

- **Colour Management:** Fiery ColorWise offers built-in intelligence for producing precise colours from all applications, platforms, and file formats. Features for novice and experienced graphic artists make the Phaser EX7750 easy to use. Advanced functionality includes auto trapping for layering graphics and Spot-On colour technology for colour accuracy.

- Job Management: With Command WorkStation, EFI's user-friendly interface, technologically enhanced architecture, and advanced engineering come together to ensure a cohesive workflow. Guiding users through every job process, Command WorkStation enables easy queue management and Raster Image Processor control.
- Performance: A powerful server supporting print resolutions of 600 dpi at 35 ppm, as well as a 1,200 dpi high gloss mode equip the Phaser EX7750 to produce glossy finish, high-quality brochures, posters, mailers, and more on-demand.

The Xerox Phaser EX7750 colour laser printer is available now through all Xerox channels. Prices vary by country.

### ***Lexmark UK Announces P315 Portable Photo Printer***

Lexmark International announced the Lexmark P315 Portable photo printer, which offers the latest in photo printing ease-of-use features, designed to uncomplicate the process of producing high-quality (4" x 6") images.

This is a truly portable photo studio that does not connect to a computer; as all of the editing features on the P315 can be performed standalone. Consumers can print borderless, 35mm-quality images directly from most digital cameras or memory cards in any place at any time.

Light and compact with a built-in handle for easy mobility, the Lexmark P315 is essentially a photo lab that can be used in any place with an electrical socket. Key features designed to simplify the photo printing process include:

- An adjustable 2.5" colour LCD that allows users to preview and edit images before printing them. The large screen also features a countdown timer that tells consumers how long it will take to generate output, giving them the freedom to multitask.
- Compatibility with PictBridge-enabled cameras
- On-board card readers that support CompactFlash Type I & II, Microdrive, MultiMedia Card, Secure Digital Memory Stick (MS, Pro, Duo), Smart Media, and xD
- Exif Print capability that immediately recognises camera settings

### ***Ricoh Europe Announces Aficio CL4000DN and CL4000HDN Printers***

Ricoh Europe BV announced the introduction of its new Aficio CL4000DN and Aficio CL4000HDN colour laser printers. Attractively priced, the units are designed to offer minimum maintenance, low cost per print, and print cost monitoring. Warm up time is under 30 seconds and colour and black & white output at 25 ppm in simplex and duplex modes. The HDN version comes with a built-in Hard Disk Drive to provide extra security and efficiency features.

With the AficioCL4000DN and CL4000HDN, Ricoh's designers have combined high speed and high quality in colour and black & white. Apart from the short warm up time and a 10-second first print speed, PDF Direct Print further increases performance. This feature allows print data to be sent to the printer without using server capacity. Colour print quality comes in at 1,200 dpi, effectively enhancing presentations, charts, and photos.

The Aficio CL4000DN/CL4000HDN are the first printers to feature Ricoh's new Embedded Software Architecture. This Java technology compatible platform allows the design of customised key applications. Via a special Web portal ([www.ricoh-developer.com](http://www.ricoh-developer.com)) software developers have access to Application Programming Interfaces (APIs), Software Development Kits (SDKs), and other support tools.

Both models handle A4 to B5 formats and take heavy and recycled paper up to 216 g/m<sup>2</sup>, as well as transparencies. Paper capacity is 1,750 sheets, extra optional paper trays being installable by sliding them in place. Maximum power consumption is less than 1,200 W, and both models are designed for a duty cycle of 150,000 sheets a month (at 50% colour).

Both models conform to Ricoh's zero waste and zero emission standards. They are compliant to the EU's 2005 legislation and global Energy Star guidelines. Standard duplex printing allows for paper saving, parts are recyclable, toner bottles are environment conscious, and power consumption modest.

## Worldwide News

### ***Canon Announces imagePROGRAF W8400, W6400, and W2200S Large Format Printers in Japan***

Canon announced the introduction to the Japanese market of three new large format inkjet colour graphics printers from the company's imagePROGRAF series: the B0+ Canon imagePROGRAF W8400, the A1+ W6400, and the A3+ W2200S.

The new B0+ (44"/1,117.6 mm) Canon imagePROGRAF W8400 and A1+ (24"/609.6 mm) W6400 continue the tradition of the imagePROGRAF series, combining high output speeds with high image quality. Also realizing substantial enhancements in basic performance, the new models satisfy the full range of large format printing needs.

Featuring a new one-inch-wide high-density printhead, the W8400 and W6400 produce microscopic 4-picolitre droplets for high-quality images that are free from graininess. Also, employing 7,680 tiny ink nozzles (1,280 for each of the six colours), the printhead enables the W8400 to achieve print speeds of up to around 2.2 minutes per page when producing A0 size output, and both models to produce A1 output in around 1.3 minutes per page. In addition, Canon's new high-intensity yellow ink makes possible a wider colour range and increased colour intensity, while a new image processor enhances image quality for the production of brighter photos and sharper point-of-purchase posters and materials.

Employing Canon's proprietary Pg pigment-based inks, the W8400 and W6400 printers realise output with light fastness, water resistance, and colour stability, while also achieving colour performance and gradation to rival dye-based-ink systems. The models also offer two interchangeable black inks—photo black and matte black—to enable printing on a wide variety of media. While photo black offers enhanced depth when printing on glossy media commonly used for photos, magazines, posters, and proofs, matte black enables users to achieve sharp, solid blacks when printing on matte media commonly used for art, newspaper proofs, and CAD (Computer Aided Design) applications.

Canon's imagePROGRAF W8400 and W6400 large format printers enable users to produce high-impact borderless prints in a wide range of formats, including photo-industry standard sizes 10" x 11" and 8" x 10" and common poster sizes B2 and A1, as well as A0 and B0 for the W8400. Also, in addition to a new printer driver that realises vastly improved usability, the new printers offer increased compatibility with industry-standard software, featuring an output plugin for Adobe Photoshop, and HDI drivers for AutoCAD and AutoCAD LT.

Further enhancing user convenience, the models come equipped with an easy poster creation function employing Canon's newly developed PosterArtist software. By combining the many poster templates with original data, users can produce and print high-quality borderless posters with ease. Moreover, when used in combination with Canon's Digital Photo Print Pro, which enables the easy output of large format digital camera prints, and the printer driver software, PosterArtist becomes a useful tool for small-lot poster production. The new A3+ (22"/558 mm) Canon imagePROGRAF W2200S inherits and improves on the functionality of the W2200 released in July 2002. Equipped with Canon's easy poster creation function, a host of software applications, and a newly developed printer driver, the new W2200S offers users enhanced operability and greater colour adjustment control.

### ***Canon Announces Satera LBP3000, LBP3210, and LBP5200 Printers in Japan***

Canon announced in Japan the introduction of three new compact Satera A4-model laser beam printers for SOHO and home users: the monochrome Canon Satera LBP3000 and LBP3210, and colour-model LBP5200.

Canon's new Satera LBP3000, LBP3210, and LBP5200 printers feature compact body designs that make them suitable for desktop use. Backing style with performance, the lineup incorporates a variety of advanced technology and features, including Canon's High-Speed On-Demand toner fusing technology, which facilitates highly efficient heat transfer for quick startup times and low energy consumption.

The A4 Satera LBP3000 is a low-priced monochrome model featuring a compact, lightweight body with a footprint measuring 369.8 mm (w) x 250.5 mm (d) for space savings in home or SOHO environments. Incorporating a newly developed printer engine, the LBP3000 achieves output speeds of up to 14 ppm when printing standard A4 documents. Also, Canon's New Super Smoothing Technology makes possible high-resolution 2,400 equivalent x 600 dpi output.

The A4-model Satera LBP3210 monochrome laser printer, replacing the LBP3200 released in September 2003, offers increased output-speed performance of 20 ppm for standard A4 documents and, employing Canon's New Super Smoothing Technology, high-detail 2,400 equivalent x 600 dpi output resolution. The model facilitates the use of a wide range of print media, including acetates for overhead projectors, envelopes, adhesive labels, and plain paper from postcard size up to standard A4. Moreover, a convenient 250-sheet-capacity paper cassette ensures a ready supply of paper for larger jobs.

The new A4 Satera LBP5200 colour laser printer, which replaces the LBP2410 released in February 2003, offers improved monochrome output speed, producing standard A4 documents at 19 ppm. Delivering 9,600 equivalent x 600 dpi resolution, the LBP-5200 also enables the production of colour documents at 4 ppm. Further enhancing work efficiency, the model ships with a 250-sheet-capacity paper cassette and enables up to 375 consecutive sheets to be fed automatically via the paper tray.

### ***Epson Offers Online Experience Digital Printing Course via Authorised Photo Dealers***

In response to the ongoing demand for high-quality education in digital photography, Epson America, Inc. has begun offering its Online Experience digital photography and printing programme via authorised photo dealers, enabling photo enthusiasts and advanced amateurs to participate in the on-demand programme. This programme offers participants expert techniques, valuable tips, and insider secrets the pros use to create quality digital prints.

Featuring a self-paced video-streaming programme hosted by photographer and musician Graham Nash, the Epson Online Experience provides participants with access to over 60 video segments and tutorials on digital photography techniques from capture to print including such topics as colour management, choosing the right papers and inks, understanding printer drivers, and using the latest Adobe Photoshop CS techniques. These tutorials are designed to show photographers how to get maximum quality prints from a broad range of digital cameras and scanners. In addition, subscribers get a true behind-the-scenes perspective on how each photographer works in studio and on location.

The Epson Online Experience features five master photographers with very different styles who take viewers on a personal journey into their worlds, enabling advanced amateur photographers and photo enthusiasts to discover how they think, pick up valuable pointers, learn expert techniques, and gain valuable insight into their visions and work. Viewers learn how to capture, scan, manage, and print high-quality digital photos. The photographers include Greg Gorman, John Shaw, Jay Maisel, Douglas Dubler, and Vincent Versace.

There are additional segments from digital experts such as Julianne Kost, Adobe's Photoshop evangelist, and Mac Holbert, Nash Editions' fine art printing expert, who will provide step-by-step Photoshop techniques, colour management tutorials, and insider printing tips.

The Epson Online Experience is available through leading authorised photo specialty dealers including: B&H Photo & Video; Calumet Photographic; Inkjet Art Solutions; Pro Photo Supply; Samy's Camera; Showcase Photo & Video and WB Hunt Photo and at [www.EpsonOnlineExperience.com](http://www.EpsonOnlineExperience.com). The subscription fee is \$29.95. More information about the Epson Online Experience is available online at [www.EpsonOnlineExperience.com](http://www.EpsonOnlineExperience.com).

### ***Kodak to Launch NEXPRESS Digital Printing Solutions In India***

NexPress Solutions, Inc. announced that it would begin selling its range of innovative digital printing solutions in India by the middle of the year. NexPress is launching its product line, including colour and black & white, at Printpack India 2005 in New Delhi, January 18-23. The KODAK NEXPRESS 2100 digital production colour press and KODAK DIGIMASTER print systems will be highlighted at the show.

The NEXPRESS 2100 press is known for its quality images, consistency, and reliability. Combining the power of a press with the flexibility of a printer, the 2100 provides high uptime and delivers consistent high-quality images. The NEXPRESS 2100 press offers a complete workflow solution for on demand printing, quick turnarounds, and personalisation to a wide variety of print providers. The 2100's fifth imaging solutions - Intelligent Coating, Intelligent Colour, and Intelligent Glossing - ensure quality digital colour technology.

The DIGIMASTER digital production system is a highly versatile and dependable answer for black & white digital printing. An array of robust solutions is available for customisation and integration, the DIGIMASTER E series for a print volume from 125 to 150 ppm and the DIGIMASTER 9110 system for 110 ppm. The DIGIMASTER system, like its 2100 colour counterpart, offers high image quality, speed, and workflow management options.

## ***Oki Data Americas Introduces Colour Signage Solution***

Oki Data Americas, Inc. introduced its Colour Signage Solution that enables retail customers to produce a full range of professional-quality signage and materials in-store. The solution combines Oki Data's innovative software applications, signage media, and digital colour printers.

With the signage capabilities from Oki Data, retailers can generate new materials on a wide variety of media immediately in their stores. That capability can effectively eliminate the 3- to 10-day lead time often required for hard-copy materials to be printed outside the store and shipped.

The Colour Signage Solution is based on high-end OKI digital colour printers, the OKI C9300dxn and C9500dxn. These units provide high print speeds, up to 1,200 x 1,200 dpi resolution, and an innovative print engine to offer the highest levels of quality, performance, and value. The printers are developed with Single Pass Colour and Digital LED technology, which enhances productivity and reliability levels.

Also, with the advanced internal colour matching software and ICC colour profiles, the Colour Signage Solution delivers consistent colour accuracy. Hard disk drives and duplex printing are standard features with the C9300dxn and C9500dxn. Additionally, these printers are customised with special features to print a variety of signage media, including custom OKI print drivers, special media settings to handle cling film, and specific media like 4-up labels and enhanced media handling features through the multi-purpose tray.

As part of the Colour Signage Solution, Oki Data also offers its OKI Signage Media Collection, which includes a variety of specially developed media to support creative, profitable signage campaigns. The media collection includes popular formats, including card stock up to 203 gsm, cling film, 4-up labels, shelf strips, table tents, and premium gloss paper. Oki Data also offers banner paper, which at 47.4" x 12.9", is the industry's longest banner media. The OKI Signage Media Collection, in conjunction with the Colour Signage Solution, provides a significantly lower cost per print versus typically outsourced, short print production runs. It has been thoroughly tested to ensure high-quality when used for printing signage. Moreover, OKI is certified to handle numerous other varieties of signage media.

## ***Xerox Introduces Premium Digital Carbonless Paper***

Xerox Corporation introduced its new Premium Digital Carbonless paper designed for digital colour as well as black & white printing in office and production environments. Carbonless paper is specially treated paper used to create multi-part forms in industries like insurance, healthcare, and finance. The new paper makes it possible to quickly and economically add colourful logos and highlights to each sheet of an invoice, contract, receipt, or claim form.

Xerox Supplies engineers at the Media Technology Center in Webster, New York worked directly with product development teams to create and optimise Premium Digital Carbonless paper for Xerox digital production and office printing systems. A patented capsule-control coating of tiny beads stays intact while the paper runs through digital printers in a clean, consistent manner. This produces high-quality documents and enables users to load and leave jobs running without machine contamination or service issues. When people fill out forms produced with carbonless paper, the pressure breaks the capsules to create a permanent image on each sheet.

Xerox research shows that producing forms in colour reduces end-user errors and makes it easier for people to fill out forms faster. In addition, the ability to design, create, and print customised forms on-demand eliminates the cost and complexity involved with producing large inventories of offset pre-printed forms. To make the paper easy to use, Xerox incorporated a print-side identification arrow on the edge of each paper ream that shows which way to insert the paper into the printer, increasing productivity while helping to reduce imaging errors.

Xerox Premium Digital Carbonless paper is available in a range of sizes and configurations and can be customised for special applications. The paper is compatible with Xerox office network colour printers (Phaser 8400, DocuColor 12) and high-volume production DocuColor Digital Presses (2060, 2045, 5252, 6060, and 8000), as well as an array of monochrome machines, including the DocuTech and Xerox Nuvera production product families. For production products already installed in a customer location, a software upgrade is available at no charge from a Xerox service representative.

Xerox Premium Digital Carbonless paper will be available Feb. 1 in the United States, Canada, and Europe, and March 1 in Latin America, Eastern Europe, and other parts of the world from Xerox's direct sales force, authorised resellers, and the Web (Xerox Supplies).

## Acquisitions & Alliances

### Worldwide News

#### ***Appleton Acquires New England Extrusion***

Appleton announced that it has acquired New England Extrusion, Inc., a privately-held company that manufactures single and multilayer polyethylene films for packaging applications. The purchase price was approximately \$68 million plus the assumption of certain liabilities.

According to Doug Buth, Appleton's Chief Executive Officer, NEX will continue to do business as New England Extrusion. Gary Stetson, NEX founder and President, added that NEX and Appleton share an operating philosophy that focuses on customer service.

The addition of NEX complements Appleton's current film production capabilities from its subsidiary American Plastics based in Rhinelander, Wisconsin. American Plastics manufactures high barrier coextruded films that consist of five to eight layers. Those films are primarily used in flexible packaging for meat, cheese, and other food and industrial products requiring high barrier or strength properties. Combining the capabilities of American Plastics and NEX will enable both companies to expand their abilities to design and produce film products with customer-specified properties.

#### ***Fuji Photo Film Announces Acquisition of Sericol Group***

Fuji Photo Film Co., Ltd. announced that it will acquire U.K.-based ink manufacturer Sericol Group. Fujifilm has concluded an agreement to acquire Sericol at an acquisition price of approximately 123 million pounds sterling (approximately JY24.5 billion). Through this acquisition Sericol will become a wholly-owned subsidiary of Fujifilm and be known as FUJIFILM Sericol Limited.

Sericol is a global corporation engaged in the development, manufacturing, and sale of inks for screen and package printing, as well as industrial inkjet inks and materials. With inks for screen printing and wide format digital UV inkjet inks, the company maintains a market share position world wide.

Fujifilm has been involved in the development, production, and sale of film for platemaking, primarily for offset printing, PS plates, and CTP plates for which demand is currently growing rapidly. The company has also been involved for many years in providing various systems such as image processing software for prepress, filmsetters/platesetters, and digital proofing as part of its global scale printing business. The acquisition will further expand and develop the printing business, one of the core businesses of Fujifilm, as it will extend the company's business domain into other areas of industrial printing, which in the future are expected to grow steadily in demand. The acquisition will also enable Fujifilm to extend its operations into industrial printing and package printing further expanding its existing business range of commercial, publishing, and newspaper printing.

The demand for high-speed inkjet UV inks, in which Sericol has a major market share, has been growing dramatically due to the digitalisation of printing. UV ink utilises a technology that hardens ink through its exposure to UV light, giving it high-speed drying times that improves the productivity of printing. Also, UV inks have the ability to print on a wide variety of materials.

Significant synergistic effects are expected from this acquisition in sales and product development. It will be possible to establish a UV ink system that incorporates superior characteristics by combining photo-polymerisation technologies that Fujifilm has been nurturing over the years through the development of photopolymer CTP plates and other products, as well as material technologies for raising the sensitivity levels using Sericol's existing technologies.

To make further headway toward new growth strategies, a key part of its medium-term management plan, Fujifilm has been aggressively making capital and R&D investments. Fujifilm will continue to actively expand its business through M&As, such as the purchase of Arch Chemicals' Microelectronic Material Business and the acquisition of Sericol Group, expanding its semiconductor processing materials business and printing business.

Fujifilm is planning to expand consolidated sales figures from the current approximation of JY240 billion to approximately JY300 billion in four years for fiscal year 2008 through this acquisition and expansion of sales.

### ***MeadWestvaco Agrees to Sell Papers Assets for \$2.3 Billion***

MeadWestvaco Corporation announced that it has reached a definitive agreement to sell its Papers business and associated assets for \$2.3 billion to a new company controlled by Cerberus Capital Management L.P., a private, New York-based investment firm.

After the closing, MeadWestvaco will have more than \$6.0 billion in annual revenues, with about three-quarters coming from the packaging business and about one-third coming from international sources, and approximately 24,000 employees. The company will focus on expanding its higher margin packaging business geographically by leveraging its strong positions in North America and Europe to penetrate growth markets in Asia, Eastern Europe, and Latin America. Additionally, the company will continue to benefit from strong market positions in Consumer and Office Products, Specialty Chemicals, and Specialty Papers.

MeadWestvaco expects the transaction to result in after-tax net proceeds of approximately \$2.1 billion at closing, which it will use to improve its overall capital structure. The company expects to use approximately \$900 million to \$1.1 billion of the proceeds to pay down debt and between \$500 million and \$700 million to return value to shareholders through stock repurchases. At the completion of the capital restructuring, the company expects its debt to capital ratio to be 40% or better. The remaining cash will be available for strategic growth opportunities or to further pay down debt and return value to shareholders.

MeadWestvaco estimates that the transaction will result in a one-time after-tax accounting loss of between \$650 and \$675 million, the majority of which will be recorded in the fourth quarter of 2004. In addition, the Papers business operating results will be reported as discontinued operations in MeadWestvaco's consolidated financial statements beginning in the first quarter of 2005. The Papers business has approximately \$2.3 billion in annual sales.

Under the terms of the agreement, the new company will acquire MeadWestvaco's Papers business, which consists primarily of mills located in Chillicothe, Ohio; Escanaba, Michigan; Luke, Maryland; Rumford, Maine; and Wickliffe, Kentucky. These mills have a combined annual capacity of approximately 2.05 million tons of coated paper, 290,000 tons of carbonless paper, and 110,000 tons of uncoated paper.

The sale also includes approximately 900,000 acres of forestlands in Illinois, Kentucky, Michigan, Missouri, Ohio, and Tennessee, which provide wood to these mills. After the sale of the Papers business, MeadWestvaco will own approximately 1.2 million acres of forestland.

### ***Océ Acquires Azon Assets from Precision Paper Company***

Océ announced the acquisition of assets associated with two converting and distribution facilities in Arlington, Texas and Torrance, California. These assets were purchased from Precision Paper Company, a supplier of printing substrates to the reprographic industry throughout the southeastern United States.

Precision Paper recently purchased these assets from IntelliCoat Technologies as part of a larger transaction in which IntelliCoat divested its reprographic business, primarily known for the Azon branded product line. Precision Paper, in turn, sold the interests in Arlington, Texas and Torrance, California to Océ. Financial details were not disclosed.

Through its Océ Imaging Supplies division, Océ will serve the former IntelliCoat reprographic customers who purchased the AzonColor, Comstoc, and Reprographic Classic brands of supplies for reprographic and computer-aided design (CAD) printing applications.

Former Azon brand customers will be served through the current Océ sales and distribution network, effective immediately. Current Azon phone and fax numbers will remain in place for the next four weeks. A chart providing equivalent Océ products for over 200 Azon products is available at <http://www.oceusa.com/azonproducts>.

### ***Stora Enso Plans to Acquire French Merchanting Business from International Paper***

Stora Enso announced that it is in negotiations to acquire a French paper merchant, Papeteries de France, from International Paper. PdF, which has net sales of about €160 million from a sales volume of some 160,000 ton of paper, would become part of the Stora Enso Merchants division, Papyrus. PdF has about 220 employees, all of whom are located in France.

The acquisition is expected to be closed at the end of March 2005, subject to formal processes and approval by regulatory authorities. The financial terms of the proposed transaction will be disclosed following signing of a definitive agreement, which is expected to take place in February.

The planned acquisition of Pdf is a further step in strengthening the Papyrus presence in France and Western Europe.

Papyrus is a wholly owned paper merchandising subsidiary of Stora Enso with annual sales of about € 740 million. Papyrus holds a leading position in the Nordic countries and a strong market position in Western Europe. Papyrus currently has a presence in thirteen European markets, including operations in France with net sales of some € 100 million and about 135 employees.

## Distribution

### Worldwide News

#### ***Document Security Systems Signs Distribution Contract for Security Paper with Boise Paper Solutions***

Document Security Systems, Inc. and Boise Paper Solutions have signed a definitive contract which ratifies their previously announced agreement to launch a new line of high-quality security papers based upon Document Security Systems' AuthentiGuard technology.

The agreement provides for an initial term of two years, with mutual automatic one year renewals and provides for minimum quarterly sales volumes. Boise will be the exclusive North American marketer and distributor of Document Security's blank Safety Paper to printers and paper distributors by maintaining certain minimum sales quotas which would result in approximately \$1.5 million of revenue to Document Security Systems over the initial two year term. If the contract is renewed following the initial two-year term, the annual minimum sales quota required to maintain exclusivity would increase to approximately \$900,000. There can be no assurance that the contract will be fully completed. Either party can terminate the agreement under certain circumstances, including a provision allowing Document Security Systems to terminate the agreement after 18 months if Boise has not satisfied the minimum sales volumes.

The new security papers, being marketed by Boise Paper Solutions under the name "Boise BEWARE Security Papers," are organized into various end-use categories, including Legal, Health Care, and Business. The papers allow individuals to print original documents with the confidence that unauthorised copies cannot be made. Documents printed on Boise BEWARE Security Papers will reveal a hidden word when scanned, copied, or faxed. The Boise Beware product Web site address is [www.boisebeware.com](http://www.boisebeware.com).

Document Security Systems, Inc. brings to the relationship its patent-pending AuthentiGuard 4000 technology that is effective on scanners, copiers, and fax machines in the marketplace.

#### ***Xaar Signs Triangle Digital as First Ink Partner in India***

Xaar and Triangle Digital, a global supplier of professional inkjet products, have signed an agreement to enable Triangle to sell solvent ink approved for the XJ128 printhead in India. Following the opening of Xaar's first Indian office in New Delhi in November 2004, Xaar's Indian customer base is continuing to grow, and this agreement is a key step in supporting Xaar inkjet printhead users moving forward.

## Financial

### Worldwide News

#### ***3M Reports Fourth Quarter and Year-End Results***

3M announced its sales and profit results for the fourth quarter and full year 2004. Net income for the quarter was \$720 million, or \$0.91 per share, versus \$619 million, or \$0.77 per share, in the fourth quarter of 2003. Fourth quarter net income and earnings per share increased 16.3% and 18.2%, respectively. This result is at the high end of previous earnings guidance of \$0.90 to \$0.91 per share.

Fourth quarter worldwide sales totalled \$5.1 billion, up 7.9% compared to the fourth quarter of 2003. Global sales volumes increased 4.8% in the fourth quarter and selling prices declined 0.9%. Local-currency sales, which excludes the impact of currency translation, increased 8.3% in Consumer and Office; 7.9% in Safety, Security, and Protection Services; 7% in Industrial; 5% in Health Care; 4.8% in Transportation; and declined 0.8% in Display and Graphics and 7.3% in Electro and Communications. Currency effects increased sales by 4%.

Sales outside the United States totalled \$3.1 billion in the fourth quarter, an increase of 9.5% versus last year's comparable quarter. Volumes increased 4.1%, while selling prices declined 1.2%. Currency translation effects increased international sales by 6.6%. Local-currency sales increased 3.9% in the combined Latin America, Africa, and Canada region, 3.7% in Asia Pacific, and 1.3% in Europe.

In the United States, sales totalled \$2.0 billion, up 5.4% from the fourth quarter of 2003. Volumes increased 5.7% in the fourth quarter and selling prices declined 0.3%.

For the calendar year, 3M net income totalled \$3.0 billion and earnings per share increased 21.4% to \$3.75 per share, up from \$2.5 billion and \$3.09 per share in 2003 excluding special items.

2004 calendar year sales totalled \$20.0 billion, a 9.8% increase over 2003. Sales volumes increased 6.7% for the year, and selling prices declined 0.7%. For the calendar year, local-currency sales growth was driven by increases of 10.4% in Display and Graphics; 9.1% in Industrial; 6.9% in Consumer and Office; and 6.6% in Safety, Security, and Protection Services.

### ***Avery Dennison Reports Fourth Quarter Results***

Avery Dennison Corporation reported fourth quarter diluted earnings per share of \$0.83, compared with \$0.59 per share for the prior-year fourth quarter. Excluding a special charge and a gain resulting from a divestiture in the year-ago fourth quarter, earnings per share from continuing operations grew 28%.

Financial highlights for the fourth quarter of 2004 include:

- Net income was \$83.6 million, compared with \$59.3 million in the fourth quarter of 2003. Excluding the prior-year charge and gain, net income was \$64.8 million in the fourth quarter of 2003, reflecting 29% growth in net income from continuing operations compared with the prior-year fourth quarter.
- Reported sales from continuing operations grew 16.5% to \$1.4 billion for the fourth quarter of 2004, compared with \$1.2 billion in the fourth quarter of 2003.
- Sales growth in the U.S. exceeded 11%. Local currency sales (which excludes the impact of currency translation) were up 8% in Europe, excluding the contribution of an acquisition in the retail information services business, and increased 23% in emerging markets. Sales in emerging markets contributed approximately 20% of the company's total revenue.
- Operating margin improved 30 basis points in the fourth quarter of 2004, compared with the fourth quarter of 2003, excluding restructuring charges in the prior-year fourth quarter. The improvement reflects lower operating expenses as a percent of sales, partially offset by reduced gross profit margin. On a sequential basis, operating margin remained essentially unchanged compared with the third quarter of 2004.

Avery Dennison said that it has reorganised its reporting segments, which will provide enhanced transparency of operational results. The change will have no effect on the way the company operates or manages its businesses. The four new segments are:

- Pressure-sensitive Materials: consists of the roll materials and the graphics and reflective materials businesses, as well as the performance polymers and engineered films operations.
- Office and Consumer Products: manufactures a variety of consumer products under the Avery brand name.
- Retail Information Services: serves the retail and apparel manufacturing industries, and in the past was included in the Consumer and Converted Products segment.

- Other Businesses: consists of the industrial and automotive products business and the security printing business that produces postage stamps and battery labels, previously reported as part of the Consumer and Converted Products segment. This business is also made up of the specialty tapes business, previously included in the Pressure-sensitive Adhesives and Materials segment.

The Pressure-sensitive Materials segment reported strong sales growth of approximately 19%. The North American pressure-sensitive roll materials business reported double-digit sales growth. Likewise, local currency sales in the pressure-sensitive roll materials business grew at double-digit rates in Europe, Asia, and Latin America. Pressure-sensitive materials sales growth in China was particularly robust, with an increase of approximately 50% compared with the prior year quarter. In addition to the growth in emerging markets, the roll materials business increased sales through market share gains and new applications, particularly in the premium packaging markets.

Sales in the Office and Consumer Products business increased by approximately 11% compared with the prior-year fourth quarter. Approximately 90% of the growth is attributable to the extra week in the fiscal year and the pre-buying activity by large customers. The company said that raw material cost inflation had negatively affected this business during the quarter; however, a price increase that will go into effect during the first quarter of 2005 was recently accepted by all customers.

The Retail Information Services segment reported strong sales growth of approximately 20%, with approximately one-third of the growth due to the impact of currency translation and benefit from the acquisition of Rinke Etiketten, a woven label manufacturer in Germany. The company said that new facilities in China as well as in Central and South America expanded its production capabilities.

### ***Domtar Reports Fourth Quarter Results***

Domtar, Inc. announced a net loss of \$42 million (\$0.19 per common share) in 2004 compared to a net loss of \$193 million (\$0.86 per common share) in 2003. When excluding specified items, net loss in 2004 was \$33 million (\$0.15 per common share) compared to a net loss of \$10 million (\$0.05 per common share) in 2003.

The \$131 million decrease in operating profit excluding specified items in the Papers segment was mainly attributable to the negative impact of a weaker U.S. dollar and higher costs, particularly for purchased wood and freight. These factors were partially offset by higher shipments for paper and pulp, higher average selling prices for pulp, the realisation of savings from restructuring activities, and lower depreciation expense.

The \$1 million increase in operating profit excluding specified items in the Paper Merchants segment was primarily due to higher shipments, partially offset by the negative impact of a weaker U.S. dollar.

The \$4 million increase in operating profit excluding specified items in the Packaging segment (50% share of Norampac, Inc.) was attributable to higher average selling prices for containerboard and corrugated boxes, as well as lower chemical and energy costs, partially offset by the negative impact of a weaker U.S. dollar and higher freight costs.

The decrease in results when compared to the third quarter of 2004 is mainly due to lower shipments for the majority of products except for pulp, the negative impact of a weaker U.S. dollar, lower average selling prices for pulp and lumber, as well as higher costs for fiber and energy usage. These factors were partially offset by higher average selling prices for paper, higher shipments for pulp, and lower softwood lumber duties on exports to the United States.

### ***Kodak Reports Fourth Quarter Results***

Eastman Kodak Company reported a preliminary fourth quarter net loss of 4 cents per share and a revenue increase of 3%. While charges for restructuring generated the loss, rising demand for the company's digital portfolio more than offset reduced sales of some traditional products and services.

Sales totalled \$3.765 billion, an increase of 3% from \$3.648 billion in the fourth quarter of 2003. Excluding foreign exchange, sales increased 1%.

The company reported a net loss of \$12 million, or 4 cents per share, compared with net income of \$19 million, or 7 cents per share, in the fourth quarter of 2003. The net income from discontinued operations of 2 cents per share in the fourth quarter of 2004 reflects a \$5 million adjustment to the gain reported in the third quarter of 2004 from the sale of the company's Remote Sensing Systems operation to ITT Industries, Inc.

In the fourth quarter, Kodak provided more evidence that it is executing on its strategy to drive digital growth while managing smartly its traditional businesses. The company's digital revenue rose 40% in the quarter, more than offsetting a 16% decline in traditional revenue. The company's Digital & Film Imaging Systems Group, which includes the consumer film business, posted an earnings increase of 6% even as sales declined by 3%, reflecting effective cost and capacity controls in the traditional portfolio.

Gross Profit on an operational basis was 29.5%, down from the year-ago level of 32.7%.

Selling, General, and Administrative expenses on an operational basis were 18.7% of sales, down from 19.6% in the year-ago quarter.

Digital & Film Imaging segment sales totalled \$2.550 billion, down 3%. Earnings from operations for the segment were \$149 million on a GAAP and operational basis, compared with \$141 million a year ago. Highlights for the quarter included a 49% increase in consumer digital capture sales, which includes the KODAK EASYSHARE line of cameras; a 48% increase in the sales of KODAK Picture Maker kiosks and related media; and continued strong sales of motion-picture origination and print film. The segment's earnings from operations increased largely because of cost reductions.

Health Imaging sales were \$742 million, up 5%. Earnings from operations for the segment were \$118 million on a GAAP and operational basis, compared with \$134 million a year ago. Highlights included an 11% increase in sales of digital products and services.

Graphic Communications sales were \$219 million, up 152%, largely reflecting the acquisition in 2004 of Kodak Versamark and NexPress. The loss from operations was \$42 million on a GAAP and operational basis, compared with a loss of \$18 million a year ago, reflecting the anticipated dilution of the NexPress acquisition. The integration plans are on or ahead of schedule for Kodak Versamark and NexPress, and both subsidiaries are enjoying solid demand for their products and services.

Commercial Imaging sales were \$219 million, up 1%. Earnings from operations were \$33 million on a GAAP and operational basis, compared with \$37 million a year ago.

### ***Lexmark Reports Fourth Quarter Results***

Lexmark International, Inc. announced financial results for its fourth quarter and full year ended December 31, 2004. Fourth quarter revenue was \$1.544 billion, an increase of 13% compared to \$1.370 billion last year. Laser and inkjet printer revenue increased 16% year over year and revenue from laser and inkjet supplies was up 13%. Diluted net earnings per share for the quarter were \$1.18, up 12% compared to \$1.05 in the same quarter last year.

Gross profit margin was 32% for the quarter versus 31.9% a year ago. An increase in the mix of printers was offset by improved product margins. Operating expenses, which included an approximate \$15 million increase in advertising, were \$297 million compared with \$249 million in the prior year. Operating income was a record \$197 million, up from \$188 million last year.

Net cash provided by operating activities was \$284 million in the fourth quarter. Capital expenditures for the quarter were \$79 million. Lexmark repurchased 1,620,000 shares of its common stock during the quarter for \$139 million. The company's remaining share repurchase authorisation was approximately \$901 million at year-end.

Revenue for the 12 months ended December 31, 2004 was \$5.314 billion, an increase of 12% versus \$4.755 billion in the same period of 2003. Gross profit margin was 33.7%, up 1.2 points from the prior year. Operating income was \$732 million versus \$594 million a year earlier, an increase of 23%. Net earnings per share on a diluted basis increased 28% in 2004 to \$4.28. Net cash provided by operating activities for the year was \$775 million. Full-year capital expenditures were \$198 million. The company repurchased 3,220,000 shares in 2004 for \$281 million.

### ***Xerox Reports Fourth Quarter Results***

Xerox Corporation announced fourth quarter earnings of 24 cents per share that reflect increased sales of colour technology, demand for document services, and continued success in the company's operational performance. Equipment sales grew about 3% in the fourth quarter and total revenue was \$4.3 billion, an increase of 1% from the fourth quarter of 2003. Equipment sales and total revenue included a currency benefit of 3 percentage points.

The overall post-sale trend improved as the revenue stream from new digital systems and services partially offset declines from the company's older light lens technology and weak performance in Brazil, both of which significantly

impacted total revenue. To drive growth in Brazil, the company continues its implementation of a two-tier distribution channel.

Fourth quarter revenue from Xerox's targeted growth areas (office digital, production digital, and value-added services) grew 5% year-over-year, and now represents about 76% of the company's revenue.

Revenue from colour products grew 21% in the fourth quarter, and it is a key driver of Xerox's growth strategy, as the increasing volume of pages printed on Xerox's colour systems flows through to post-sale revenue. Colour revenue represents 27% of Xerox's total revenue, a year-over-year increase of 5 percentage points.

The company continues to deliver double-digit growth in Xerox Global Services, which offers consulting, imaging, and content management. Increasingly, information technology companies are partnering with Xerox to integrate Xerox's expertise in document management with IT infrastructure services. Last month, Xerox and EDS announced a \$40 million contract with Barclays Plc to manage Barclays' procurement, service, and helpdesk for more than 2,250 Xerox and other devices across nearly 200 Barclays Group office sites in the United Kingdom. Revenue from Xerox's value-added service offerings such as this grew 25% in the fourth quarter.

Production revenue was up 1% in the fourth quarter, largely due to a 10% increase in production equipment sales. Install activity in the fourth quarter was more heavily weighted toward higher-end digital colour systems like the Xerox iGen3 and DocuColor 8000, which generate strong revenue and higher page volumes that flow through to future post-sale growth. As a result, production colour installs were down 4% and install activity in production monochrome declined 9%. For production monochrome, the success of the Xerox Nuvera copier/printer light production systems only partially offset declines from light lens as well as declines in production publishing. In this segment, activity was impacted by customers choosing to delay purchasing decisions until the North American launch of the Xerox Nuvera digital production system.

Total revenue from Xerox's office business was flat, with equipment sales down 1% in the fourth quarter largely due to product mix. Install activity was strong, with office colour multifunctional systems up 17% and office colour printing installs up 135% driven by laser and solid ink printers. Installs of office monochrome products were up 6%, reflecting strong placements of Xerox WorkCentre desktop multifunctional systems.

The company reported fourth quarter selling, administrative, and general expenses of 25% of revenue, its lowest in the past decade. Fourth quarter gross margins were 40.1%, reflecting particularly strong performance in desktop office products and light production systems that impacted traditional product mix. The decline in gross profit from decreased revenue in Brazil also had an adverse impact on the company's overall gross margins.

Xerox generated operating cash flow of \$816 million in the fourth quarter, and ended the year with \$1.8 billion in operating cash flow after contributing about \$400 million to pension plans. The company's year-end cash balance was \$3.2 billion, an increase of about \$750 million from year-end 2003. Debt was down more than \$1 billion year-over-year.

## Market Trends & Statistics

### Worldwide News

#### ***InfoTrends/CAP Ventures Projects Ink Jet Coding Market to Grow to \$432 Million by 2008***

InfoTrends/CAP Ventures has released a new multi-client study entitled Ink Jet Coding Overview and Outlook 2004: A Market Report. This study examines the North American market for ink jet coders and related annuities and provides a near-term forecast for the various ink jet technologies involved. It also estimates and forecasts coder revenues in the EMEA (Europe/Middle East/Africa) region, the Asia-Pacific region, and Latin America.

According to the study, the North American ink jet coding market will increase from \$377 million in 2003 to nearly \$432 million by 2008, representing a Compound Annual Growth Rate (CAGR) of nearly 3%. This solid yet slow growth rate can be attributed to the maturity of the market, declining device prices, and the rise of alternate technologies.

"A general theme of this study is the market's maturity. Only thermal ink jet units, which now represent a tiny part of the market, are young and growing fairly quickly," commented Bob Leahey, a Director at InfoTrends/CAP Ventures.

"In spite of its maturity and competition from laser and other technologies, the ink jet coding market is expected to have a steady source of customers in the years ahead. Some core applications such as bottle coding are deep, but scores of different business categories report extensive use of ink jet coding."

Key findings include:

- Continuous ink jet (CIJ) and piezoelectric printers for primary coding accounted for \$95 million in sales in North America during 2004 and are expected to grow to \$104 million in 2008. All secondary printers accounted for \$57 million in North American sales during 2004, and this number will reach \$58 million in 2008.
- The world market for primary and secondary ink jet coding equipment totalled nearly \$534 million in 2004, and this is expected to reach \$627 million in 2008.
- North American shipments of thermal ink jet (TIJ) based coders are expected to show a CAGR of 13% through 2008, the highest growth rate among all coding devices.

Research for this study consisted of an examination of annual reports from equipment vendors or their parent companies, as well as a series of telephone interviews with leading equipment vendors and distributors.

InfoTrends/CAP Ventures also received confidential shipment data from individual manufacturers of ink jet coders and used it to create aggregate market estimates for this study.

By weighing insights and viewpoints from the sources cited above, InfoTrends/CAP Ventures has created a strong view of the current market for ink jet coders in North America and beyond. This study contains critical information that will enable ink jet coders to stay ahead of the trends while informing them about significant market obstacles that lie ahead.

InfoTrends/CAP Ventures study entitled *Ink Jet Coding Overview and Outlook 2004: A Market Report* is available immediately for purchase. For more information on the study or to make a purchase, please contact Scott Phinney at (781) 616-2100, ext. 123 or via e-mail at [scott.phinney@capv.com](mailto:scott.phinney@capv.com).

### ***InfoTrends/CAP Ventures Releases Findings on Ink Jet Addressing and Personalization Market***

According to InfoTrends/CAP Ventures' research, the worldwide market for ink jet addressing and personalization printers totalled about \$116 million at end-user prices in 2004. This figure is growing at about 4.5% per year and is expected to surpass \$144 million by 2009. This slow, steady growth rate can largely be attributed to the maturity of the collective market.

"North America, which is really the focus of this report, is by far the biggest region in terms of printer and fluids purchases, accounting for about two thirds of the world's total," commented Bob Leahey, a Director at InfoTrends/CAP Ventures. "Europe comes in second, while other regions are tiny by comparison."

In terms of trends, the continuous ink jet segment is relatively flat. This segment has been hurt in direct mail environments by the competition from piezoelectric and thermal ink jet technologies. In bindery and other intensive commercial printing uses, however, continuous ink jet printer placements are still growing at a modest rate. Meanwhile, piezoelectric is increasing at a moderate rate (7.1% per year in revenues), as is thermal ink jet.

The greatest amount of growth in the thermal ink jet (TIJ) market can be attributed to console units, the high-end TIJ printers that marry TIJ ink jet heads to high-speed mail tables (mail transports). TIJ console revenues are expected to show a 10% CAGR (Compound Annual Growth Rate) through 2009, representing the strongest growth among all types of printers.

InfoTrends/CAP Ventures' new study entitled *Inkjet Addressing and Personalization: Overview and Outlook 2004* sizes the ink jet addressing and personalisation market in the U.S. and Canada and also provides insight into the habits and preferences of the print providers that purchase these services. The study also provides market estimates for Europe and the rest of the world.

Research for the study consisted of extensive desk research, telephone interviews with the industry's top equipment vendors and distributors, and two structured surveys yielding more than 200 responses. To support its market estimates, InfoTrends/CAP Ventures also received confidential shipment data from some individual manufacturers of ink jet coders for use in creating aggregate estimates.

Regarding the structured surveys, the first survey questioned lettershops, direct mail houses, and other print providers about their use of high-speed ink jet technology and their preferences for future products. The second survey questioned print customers about the addressing and personalisation services that they buy and their preferences for changes in ink jet printing.

InfoTrends/CAP Ventures' study is available for purchase immediately. For more information on the study or to make a purchase, please contact Alison Hipp at (781) 616-2100, ext. 126 or via e-mail at [alison.hipp@capv.com](mailto:alison.hipp@capv.com).

## Miscellaneous

### European News

#### ***Konica Minolta Launches £1 Million Awareness Campaign in the U.K.***

On January 20, 2005, Channel Info reported that Konica Minolta is launching a £1 million brand awareness campaign for 2005 in the United Kingdom. After the global merger of Konica and Minolta last year, the company feels there is a need to build brand recognition and recall for Konica Minolta Business Solutions in the United Kingdom. The budget will be spent on a three-month intensive advertising burst, with similar campaigns across Europe. The campaign will use the theme "to the power of two" to emphasise the company's belief that the merger has produced a premier league supplier in the document imaging market.

### Worldwide News

#### ***HP and Intergraph Reach Settlement of Patent Litigation***

HP announced that it has settled all ongoing patent litigation with Intergraph Corporation, and the companies have entered into a patent cross-license agreement. The agreement resolves all legal claims between the two companies.

Under the terms of the agreement, HP will pay Intergraph \$141 million. The accounting treatment is not yet final, although HP expects this settlement to reduce earnings by approximately \$0.03 for the first quarter of fiscal year 2005.

HP and Intergraph will immediately dismiss, withdraw, or terminate with prejudice all pending lawsuits, and neither company will have any further financial obligations stemming from any disputes to date. HP and Intergraph have been in litigation against each other since 2002, in U.S. federal court and in the European Union.

According to the terms of the cross-license agreement, HP is granted a license to all Intergraph patents for all fields of use. Intergraph is granted a license to all HP patents in specific fields covered by Intergraph's current product categories.

#### ***Xerox Produces More Than 500 Patents in 2004***

Xerox Corporation's research and development investment continued to pay off in 2004, adding 520 U.S. utility patents in areas as diverse as mobile document imaging, colour print reproduction, management of print shops, and advanced materials that can improve the performance of printers and copiers.

This unflagging commitment to innovation fueled by the brainpower of Xerox scientists and engineers has netted more than 16,000 patents since Xerox was founded and is the launch pad for future growth.

Hervé Gallaire, Chief Technology Officer and President of Xerox Innovation Group, noted that Xerox introduced 40 new products in 2004. Through the third quarter of last year, about two-thirds of the company's equipment sales were generated from products launched in the last two years.

Xerox provides expertise in document systems, services, and solutions. Its research helps customers in workplaces and commercial-printing environments increase the intelligence, quality, and productivity of their documents and work processes and build new businesses. Much Xerox research is tightly coordinated with business units; the remainder is aimed at developing future opportunities in its core business and in related areas of expertise.

Xerox was awarded a number of strategic patents in 2004 that strengthen its intellectual property portfolio. Included were patents in the areas of capturing and converting documents from hardcopy to digital form using a mobile phone or phone camera; streamlining production printing shop operations to become more productive; and achieving even more accurate colour reproduction from one printer to the next.

Other key patents include ones that help make printer parts like photoreceptors last longer; belt coatings that improve product performance; and a flexible and efficient way to compress and decompress digital documents that allows print professionals to produce high-resolution colour prints with fully personalised content and images at speeds of 100 ppm.

In addition to the patents granted to Xerox last year, its joint-venture partner in Japan, Fuji Xerox Co. Ltd., was awarded 202 patents, raising the overall patent total for the Xerox Group to 717. (Because the two companies' research is strategically coordinated, the group total includes five jointly held patents where Xerox Corporation and Fuji Xerox worked together on research.) The combined total ranks the Xerox Group among the top 25 U.S. patent winners in 2004. With more than 16,000 U.S. patents granted since the company's founding, Xerox is one of the country's most prolific generators of inventions.

## Organisation & Personnel

### European News

#### ***Brother UK Appoints Sasaki as Managing Director***

On January 24, 2005, Channel Info reported that Brother UK has appointed Ichiro "John" Sasaki as its youngest-ever Managing Director. The 47 year old will replace Shoichi Kayaba, who has occupied the role of acting Managing Director since April of last year. Mr. Sasaki joined Brother over 20 years ago, initially as an Electronics Engineer. He was at the forefront of the company's laser printer development programme from 1985, culminating in Brother's first laser product two years later.

#### ***Konica Minolta UK Appoints Koby Amedume as Head of Marketing***

On January 26, 2005, OPI reported that Konica Minolta Printing Solutions UK has appointed Koby Amedume as Head of Marketing for the U.K. and Ireland. Mr. Amedume joined the company from copier manufacturer Kyocera Mita.

#### ***Mondi Business Paper UK Appoints Brod Geary as Sales Manager***

Mondi Business Paper UK announced the recent appointment of Brod Geary as Sales Manager. Having spent all of his working life in or around the trade, Mr. Geary comes to Mondi Business Paper with a wealth of knowledge in the print and paper industries.

### Worldwide News

#### ***Caboodle Cartridge Launches New Inkjet Retail Location in Eugene, Oregon***

Caboodle Cartridge announced the grand opening of its newest franchise retail location in Eugene, Oregon. The new location marks the first time a Caboodle franchise has opened outside of California, where the company is based. Caboodle also announced plans to open dozens of other locations around the country within the next several months. The new Caboodle inkjet and laser printer exchange centre is located in the Delta Oaks Area at 1050 Greenacres Road, suite #5.

Caboodle Cartridge is creating an entirely new channel for inkjet and laser printer cartridges by introducing an advanced recharging laboratory and first-of-its-kind retail service outlets. Caboodle Cartridge enables printer users to walk into a local store and have their cartridges exchanged within minutes for a savings of as much as 50%. Caboodle cartridges meet or exceed OEM quality and specifications.

Headquartered in Silicon Valley, Caboodle Cartridge is the first company in North America to build an advanced facility to rebuild and recharge laser and inkjet cartridges that are at or exceeding OEM-quality. While other companies inject or refill inexpensive ink and toner, Caboodle ensures that all of the intricate, high-tech components of the cartridge are up to spec while providing the premium ink all in one affordable solution. The main production facilities then support the local retail stores allowing customers to walk in and exchange their cartridge instead of waiting for processing. Caboodle recharges all popular cartridges for colour and black & white laser and inkjet, including Hewlett-Packard, Canon, Panasonic, Lexmark, Brother, Samsung, Minolta, Epson, Canon, and Lexmark.

Caboodle founders have invested in a high-quality recharging facility that does not compromise quality and yet offers substantial savings. When servicing laser printer cartridges, the company refills the toner and also replaces the inside components. Typical savings are 40% to 60% of the price of a new cartridge.

The Eugene store is open weekdays from 10:00 am - 6:00 pm and on Saturday from 9:00 am - 2:00 pm. Additional Caboodle locations are now open in Santa Clara, Saratoga, Vallejo, Mountain View, Palo Alto, and Fresno, California.

### ***Caboodle Cartridge Opens New Retail Location in Massachusetts***

Caboodle Cartridge announced the grand opening of its newest franchise retail location in Marlborough, Massachusetts. The new location marks the first Caboodle franchise to open on the East Coast. Caboodle also announced plans to open dozens of other locations around the country within the next several months. The new Caboodle refilling and exchange service centre is located at 416 Boston Post Road East, #8. Businesses can call the store via a toll free business line at 1-866-280-4INK.

Caboodle Cartridge is creating an entirely new channel for inkjet and laser printer cartridges by introducing an advanced recharging laboratory and first-of-its-kind retail service outlets. Caboodle Cartridges enables printer users to walk into a local store and have their cartridges exchanged within minutes for a savings of as much as 50%. Caboodle cartridges meet or exceed OEM quality and specifications.

The Marlborough store is open weekdays from 10:00 am - 6:00 pm and on Saturday from 11:00 am - 4:00 pm. Additional Caboodle locations are now open in Santa Clara, Saratoga, Vallejo, Mountain View, Palo Alto, and Fresno, California. This week Caboodle also opened a location in Eugene, Oregon.

### ***HP Combines Imaging & Printing and Personal Systems Groups***

HP announced that it is combining its Imaging and Printing Group and Personal Systems Group to accelerate profitable growth, leverage the power of its portfolio, and strengthen its market position.

To continue to provide investors with transparency and visibility to financial performance, HP's external segment reporting will not change.

The newly formed Imaging and Personal Systems Group (IPSG) will be led by Vyomesh Joshi, a 24-year veteran of HP, who has served for three years as Executive Vice President of the Imaging and Printing Group.

Duane Zitzner, former Executive Vice President of the Personal Systems Group, has retired from HP after 15 years with the company. Zitzner, 57, played a key role in HP's success.

Zitzner will work with Joshi, 50, to ensure the organisation's smooth transition.

The establishment of the IPSG business brings together HP's Imaging and Printing Group, responsible for the company's printer, imaging and supplies business, projectors and digital cameras, with the Personal Systems Group, which includes desktop and notebook PCs, handheld products, personal storage appliances, and workstations.

The new IPSG organisation will maximise efficiency, accelerate time to market, and intensify competitive focus. Combining the Imaging and Printing Group and the Personal Systems Group builds on the collaboration already established between the organisations. The partnership resulted in the company's Big Bang and digital entertainment initiatives, as well as solution bundles for the consumer and small- and mid-size business segments.

### ***InteliCoat Sells Reprographics Business Unit***

InteliCoat Technologies announced that it has sold its Reprographics Business Unit to Precision Paper of Tampa, Florida. According to InteliCoat, this move will enable it to continue to focus on its core competencies with respect to the development and marketing of coated products and services for technically demanding applications. In addition,

the sale positions IntelliCoat to better service its electronic and engineered films and digital imaging customer bases, as well as to pursue new business development opportunities.

### ***Sun Chemical Elaborates on Deal with Kodak Polychrome Graphics***

Sun Chemical Corporation elaborated on its deal with Eastman Kodak Company, under which Eastman Kodak will become the sole owner of graphic arts supplier Kodak Polychrome Graphics (KPG) through redemption of Sun Chemical Corporation's 50%. Completion of the deal, which will exceed \$800 million in cash, is expected in April. Currently, Kodak and Sun Chemical each own half of KPG, a joint venture that was established in 1998.

As part of its plans, Sun Chemical recently purchased Rycoline, Inc., which manufactures pressroom consumables such as press blankets and fountain solutions. This is part of the company's strategy to offer a total pressroom solution. Sun Chemical has also begun offering Smart Colour, a complete colour solution with such benefits as colour definition and control systems backed by a library of over 70,000 colours. It can be used all the way through the graphic reproduction process.

Under the SunJet name, Sun Chemical has long supplied digital and UV inks for use by manufacturers of inkjet printers. Sun Chemical also launched plans to introduce a high-speed, fixed-array inkjet printer called FastJet, designed to print four-colour corrugated packaging.

Sun Chemical recently formed Sun Chemical Security, which offers a variety of security solutions for branded consumer goods and documents such as currency and other financial instruments. In 2004, the security group also acquired the assets of Veritec Group, Inc., which provides technology and services to protect product integrity and brand security.

Through recent acquisitions such as the purchase of Bayer's pigments business, Sun Chemical also continues to grow as a supplier of pigments used in a wide variety of applications like inks, paints, cosmetics, and plastics.

As part of the agreement, existing sales and distribution arrangements between KPG and Sun Chemical will remain in place. Final value for redemption of the shares will be confirmed when the deal is completed in April. It will involve cash payments over future years.