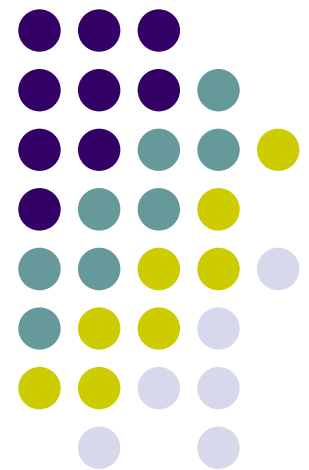


PIMA Leadership Conference

“Voice of the Customer”

Paul Fecke
Quad/Graphics



Quad/Graphics Overview



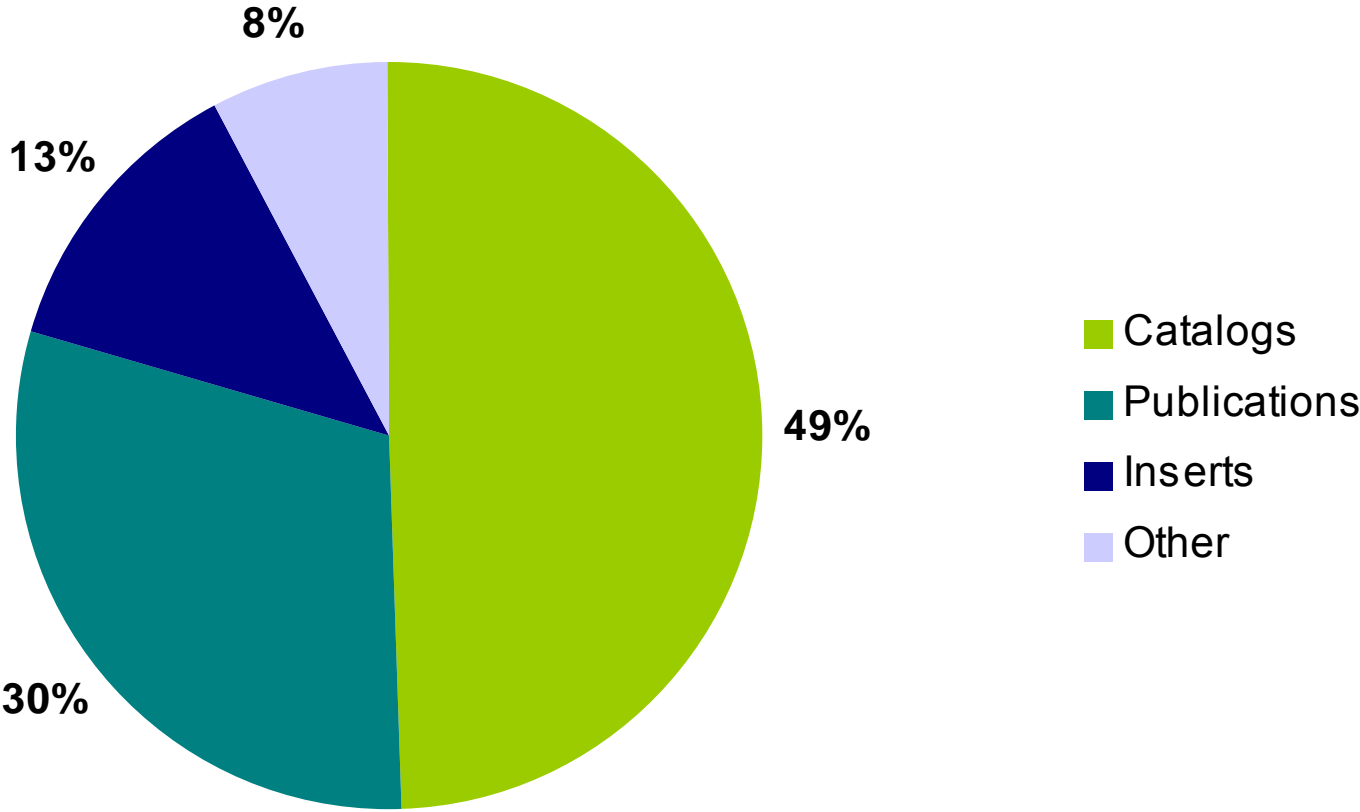
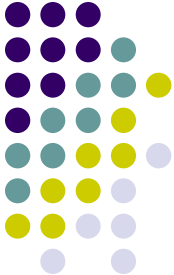
- **Largest Privately Held Printer in the World**
 - Third Largest in North America
- **Plants and Locations**
 - 9 Plants in 5 Different States

Quad/Graphics Overview

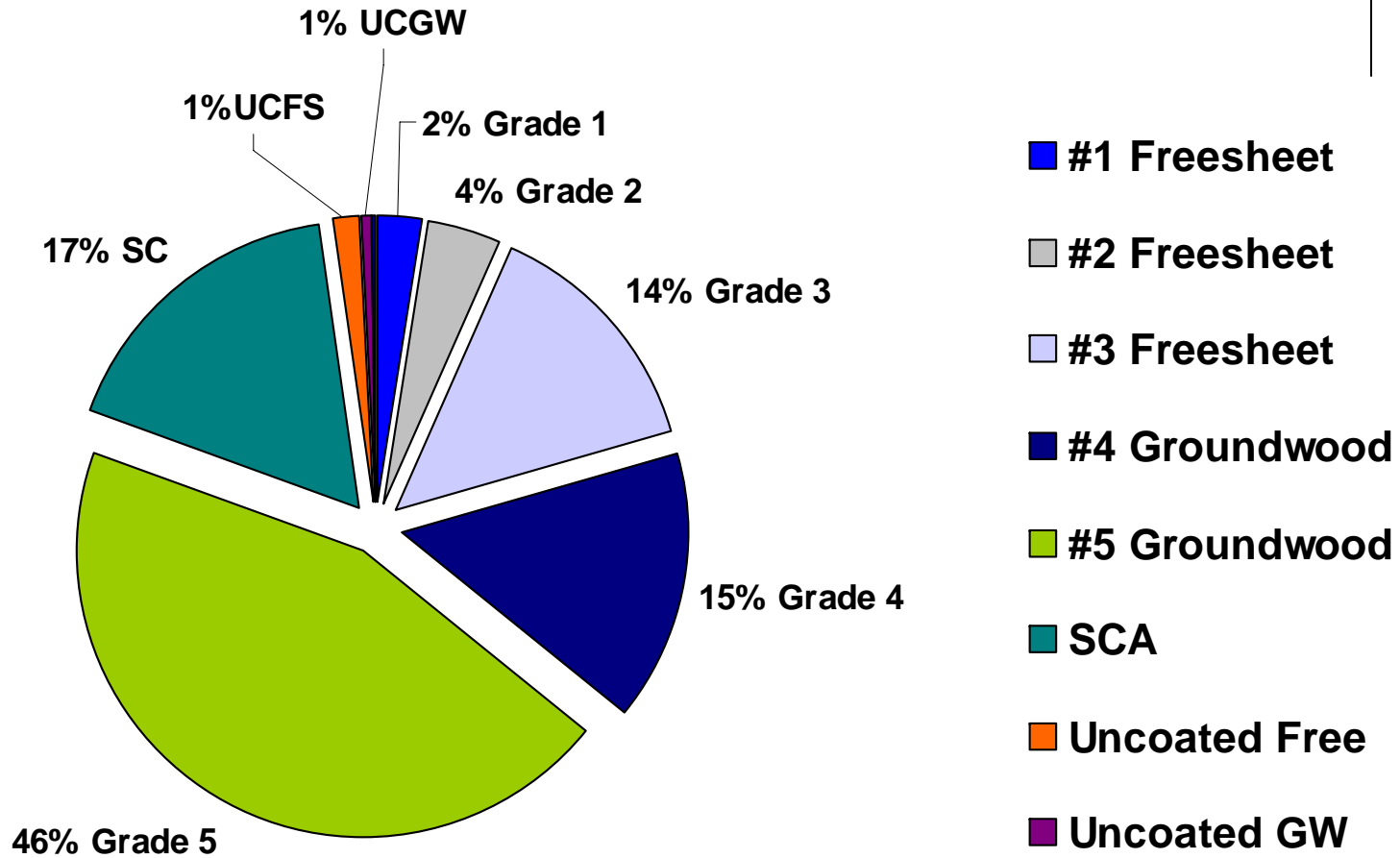


- **Press Capacity**
 - Over 80 Offset
 - 25 Gravure
- **Currently Service over 1,000 Customers**
 - Producing 1,800 different titles

Product Mix

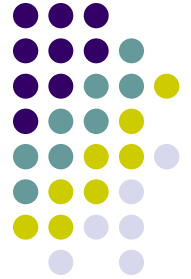


2005 Paper Consumption



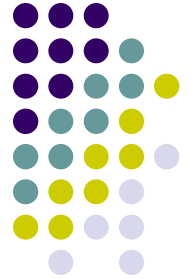


Print Industry Challenges



- **Print Buyer's Concerns**

Print Buyer's Concerns



- **Postal Increases**
 - Highest single cost – currently 50%
 - 5.4% increase this year
 - 8.5% increase proposed for next year
- **Paper price and availability**
 - 2nd highest cost – typically 35%

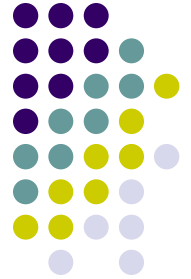
Print Buyer's Concerns



- **Publication Ad Pages**
 - 2005 to 2004
 - Year to Date
 - Looking Forward
- **Competition from other media**
 - Internet Ads are up
- **Produce a Quality Product**
 - Match the contract proof

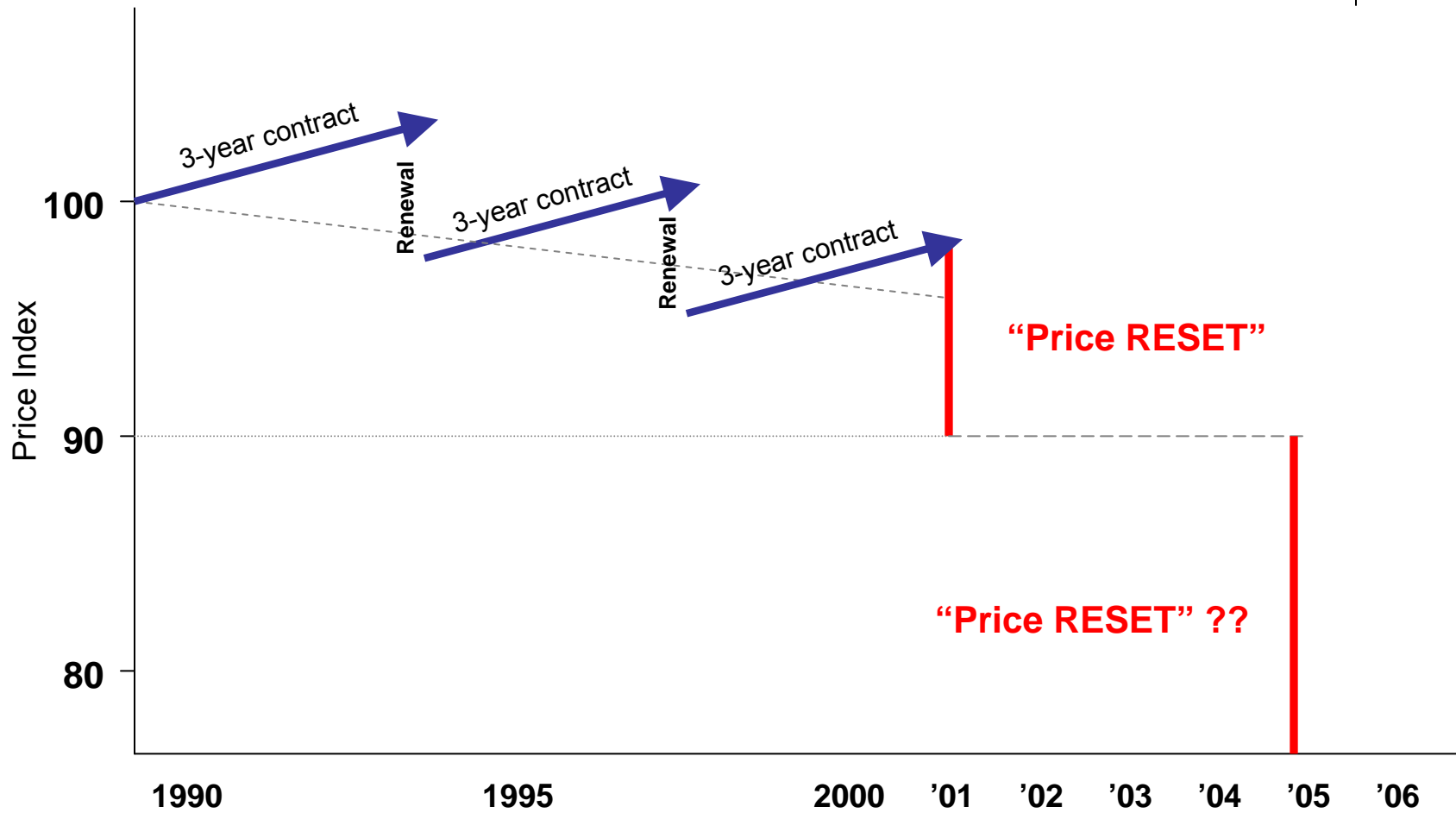


Print Industry Challenges



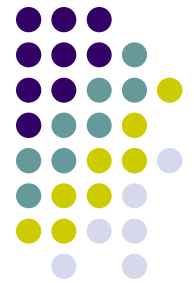
- ***Trends in Market Pricing***

Marketplace Pricing





Print Industry Challenges

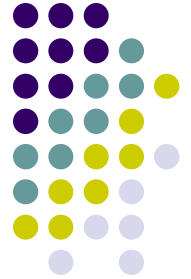


- ***Maintain Profits***
 - ***Market Share***
 - ***Corporate Growth***

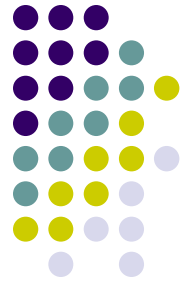
Offset Pressroom 2 x 8 Technology



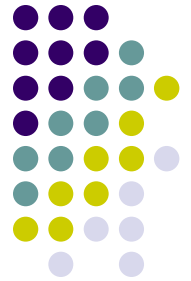
Plate Sizes



64 Page Comparison



	2 x 4	2 x 8	
Feet Per Minute	2,400	3,000	25%
Crew	5	6	
Pages per Hour	2,571,906	6,429,760	
2x4 equivalents		2.5	
Pages per Employee per Hour	514,381	1,071,627	
Cost per thousand Pages	100%	61%	-39%



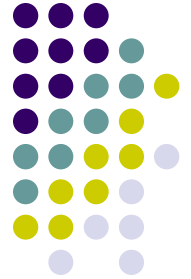
Supply Challenges

- **Driving The Cost Out Of Throughput**



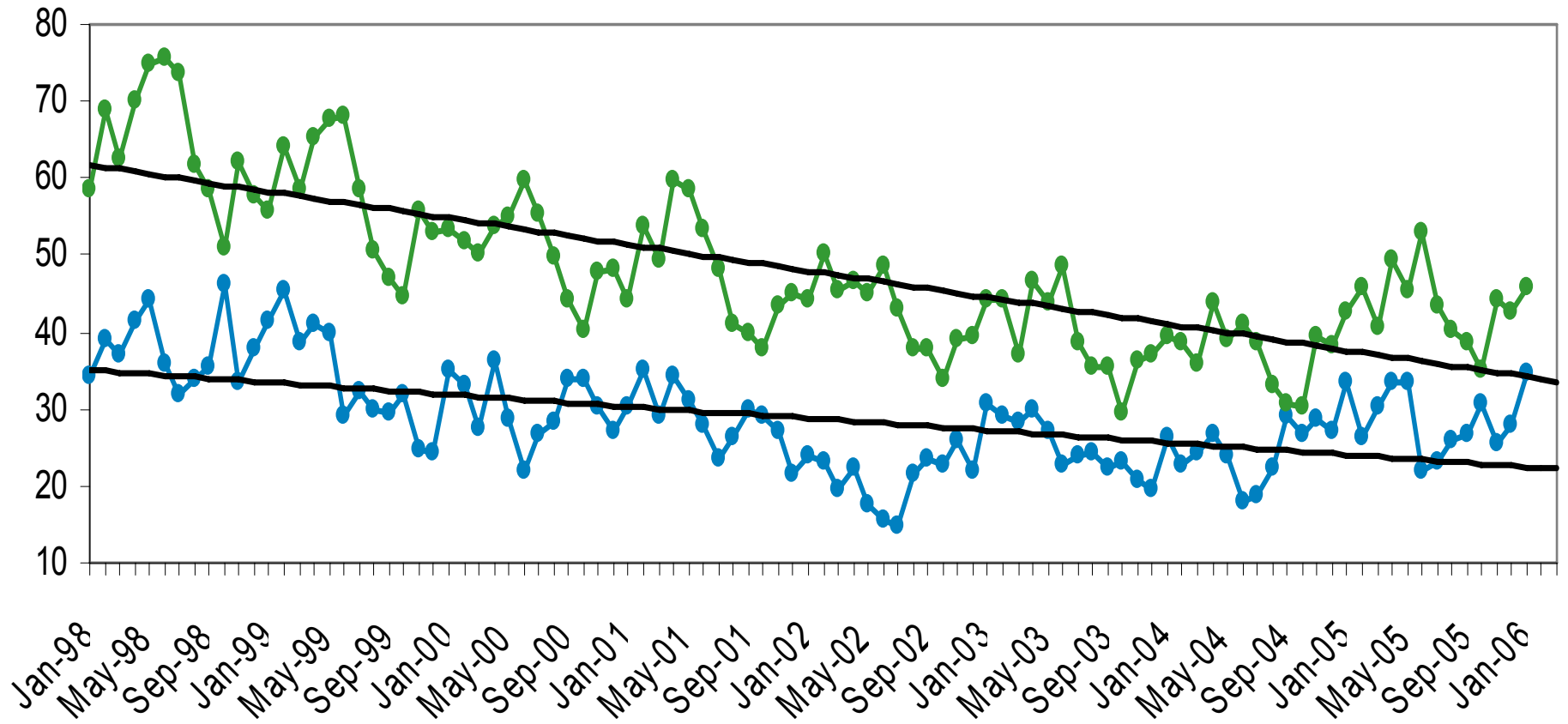
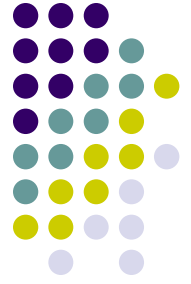


Supply Challenges



- **Controlling supply chain costs to Quad**
- **Factors**
 - **Basis Weight Variance**
 - **Web Breaks**
 - **On Time Delivery**
 - **Maintain Lean Inventories**

Inventory Levels

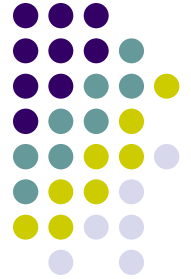


How Suppliers Can Help



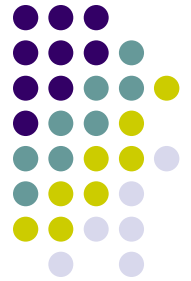
- **Keep the presses running**
 - Need to increase productivity this year to match last year's profit margins
 - 1% decrease in price requires
 - 2% increase in productivity
- **Reduce Overall Breaks and Waste**
 - Tighter control of profiles for wider rolls
 - Reduce Bursts, Wrinkles and Baggy Rolls @ 50" Dia.

How Suppliers Can Help



- **Tighter control of Basis Weights**
 - Reduce the variance in yield
- **Deliver it when we need it**
 - 5 Day Window 5 Days Before Press

Let's Work Together!



- **Identify opportunities to:**
 - **Increase Efficiencies**
 - **Improve Performance**
 - **Reduce Waste**