

THE LATIN AMERICAN GRAPHIC ARTS INDUSTRY 2008 CAPITAL EQUIPMENT SPENDING SURVEY

MEXICO, CENTRAL AND SOUTH AMERICA (Excluding Brazil)

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Latin America: Stable Macroeconomic Conditions since 2004

- ◆ Positive growth rates for every country.
 - ◆ Real GDP double that of the 90's
- ◆ Active dynamics related to free trade agreements inside and outside the region
- ◆ Medium term internal market growth based on demographics has been forecasted
 - ◆ While external performance has continued to be supported by high prices for key commodity exports, domestic demand has become the main engine of growth.
 - ◆ Markets for printing products benefit from that growth

2007 Real GDP Projections

Latin America and the Caribbean. Main Trade Regions and Selected Countries.

Latin America and the Caribbean	4,2
Mercosur	4,5
Argentina	6
Brazil	4
Chile	5,5
Andean Region	4,1
Colombia	4
Peru	5
Mexico, Central America and Caribbean	3,8
Mexico	3,5

2008 Real GDP Projections

Latin America and the Caribbean. Region and Selected Countries.

South America and Mexico	4.2
Argentina	5.5
Brazil	4.2
Chile	5.1
Colombia	4.5
Peru	5.5
Central America	4.6
The Caribbean	4.2

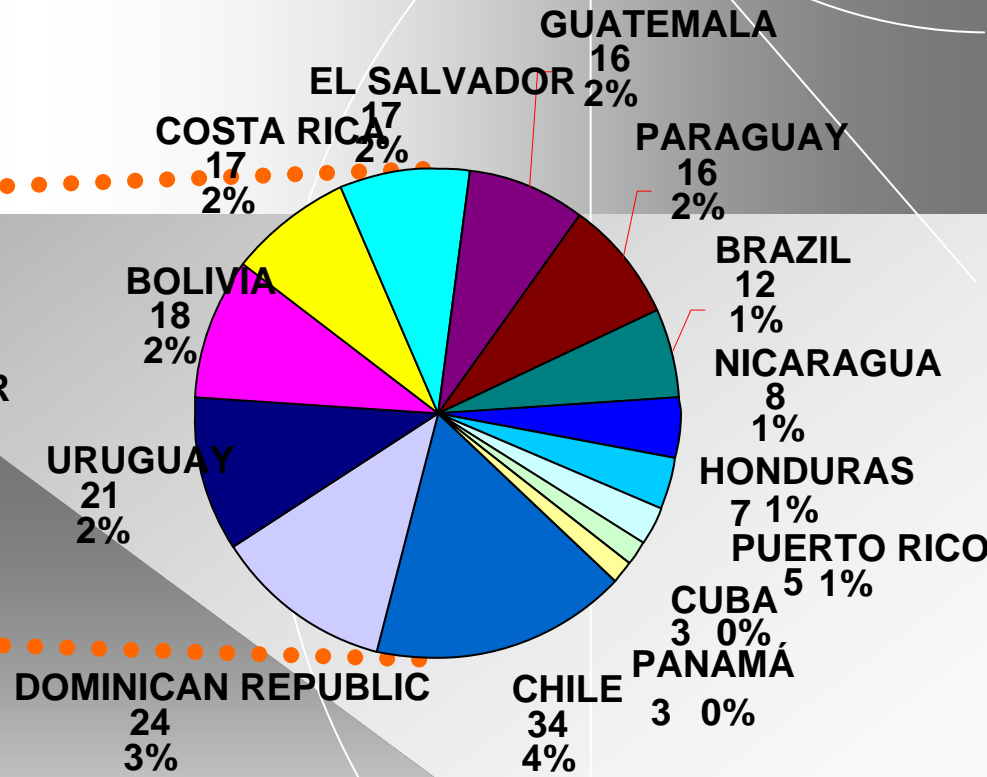
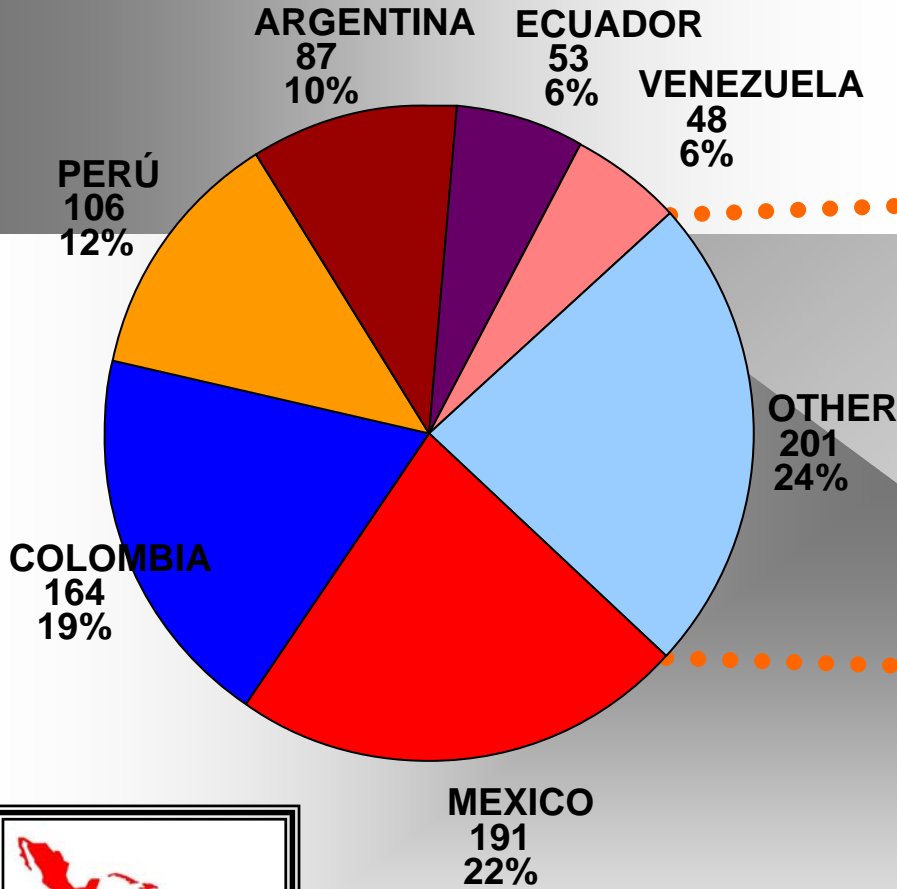
Source: International Monetary Fund - World Economic Outlook , April 2007.

2008 CAPITAL EQUIPMENT SPENDING SURVEY

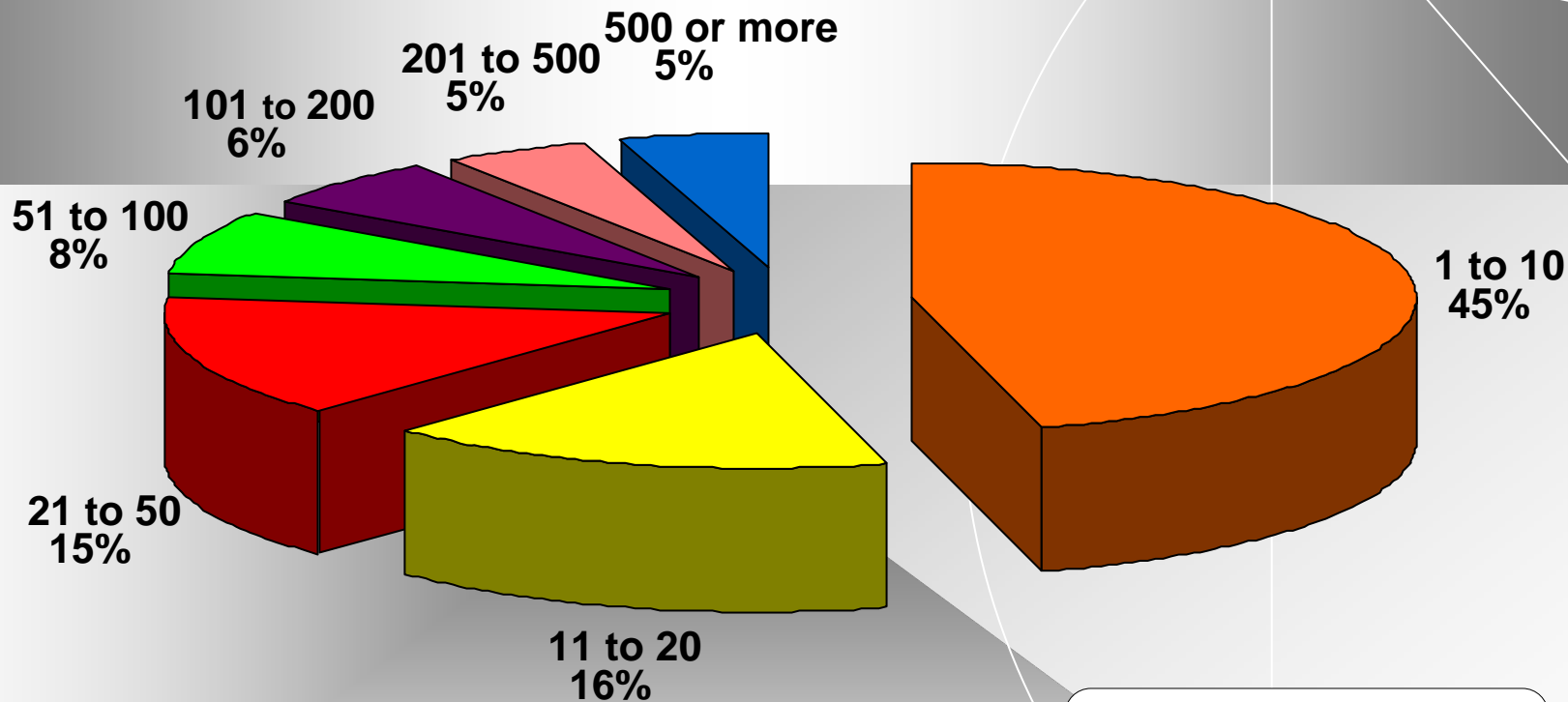
Technical Chart

- ◆ **OBJECTIVE:** To learn 2008 capital equipment purchase intentions of the Latin American graphic arts companies.
- ◆ **TARGET:** General managers, production managers and other mid level managers with purchase decision functions at Latin American printing companies, subscribers of ArtesGráficas Magazine.
- ◆ **INSTRUMENT:** E-Mail Survey (closed questions Questionnaire)
- ◆ **TYPE OF SAMPLE:** Nonprobability Sample
- ◆ **SAMPLE:** 850 responses
- ◆ **MARGIN OF ERROR:** 3.00 %

Participating Countries



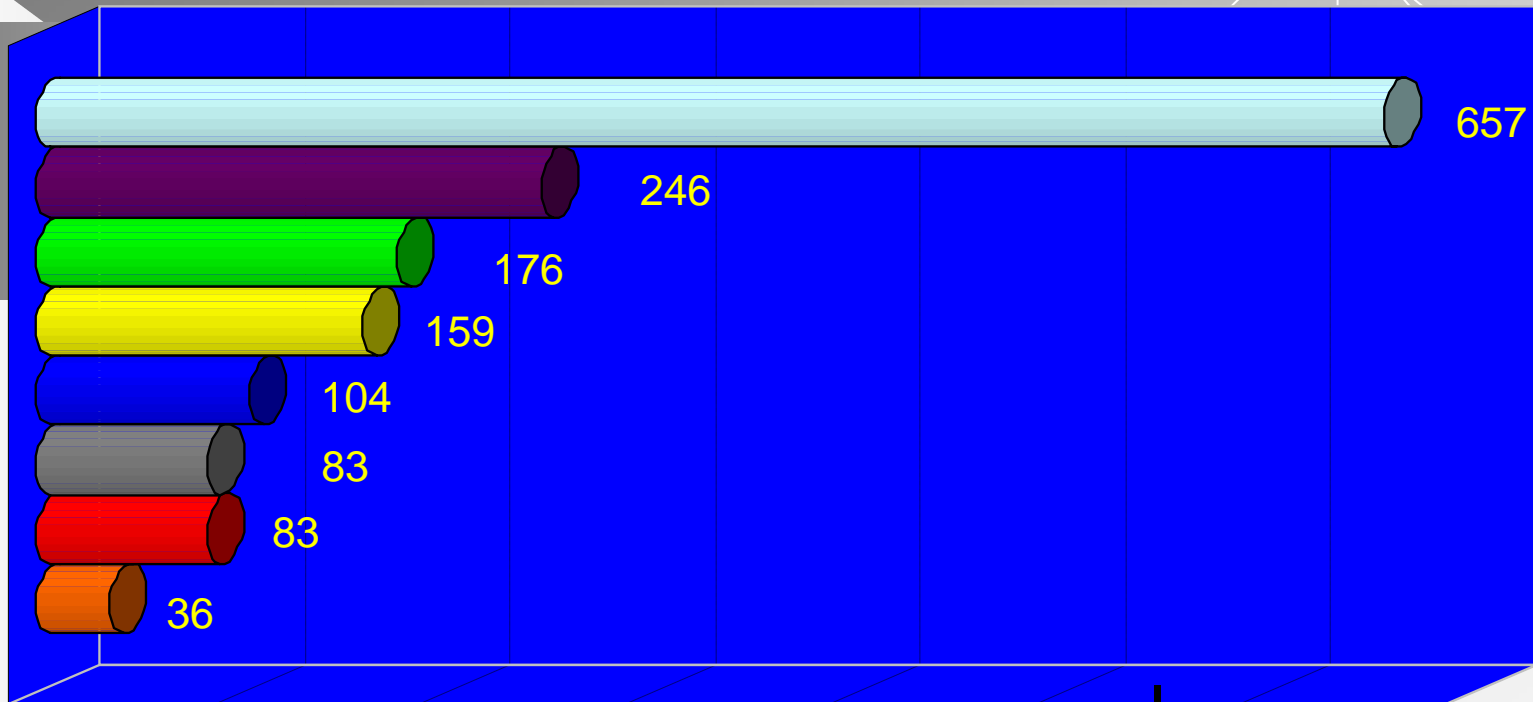
Profile of the companies by number of employees



10% of the companies has more than 200 employees; 61% has less than 20

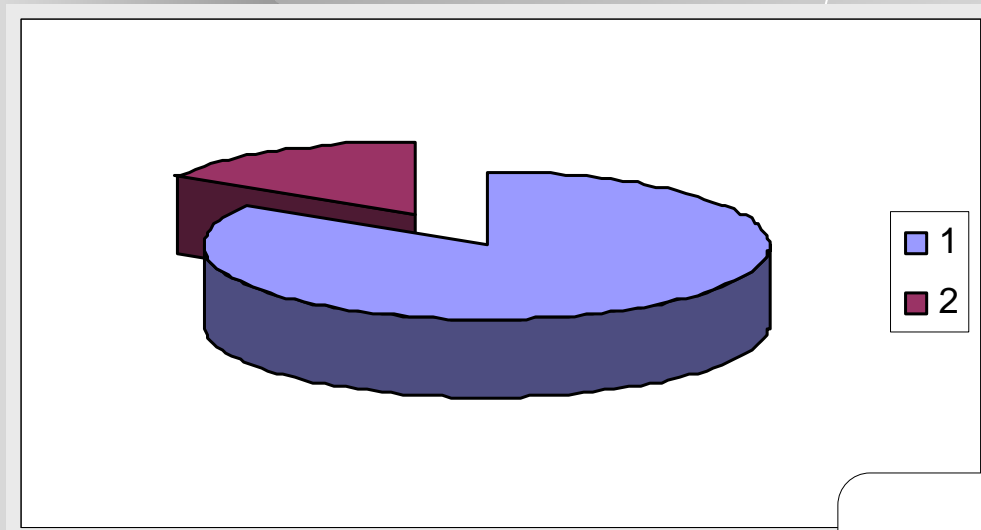


Processes



- COMMERCIAL PRINTING (BOOKS, MAGAZINES, BROCHURES, AND OTHERS)
- PREPRESS
- FINISHING
- LABEL PRINTING
- NEWSPAPER PRINTING
- BUSINESS FORMS PRINTING
- FOLDING BOXES
- FLEXIBLE PACKAGING (FILM, PAPER AND FOIL)

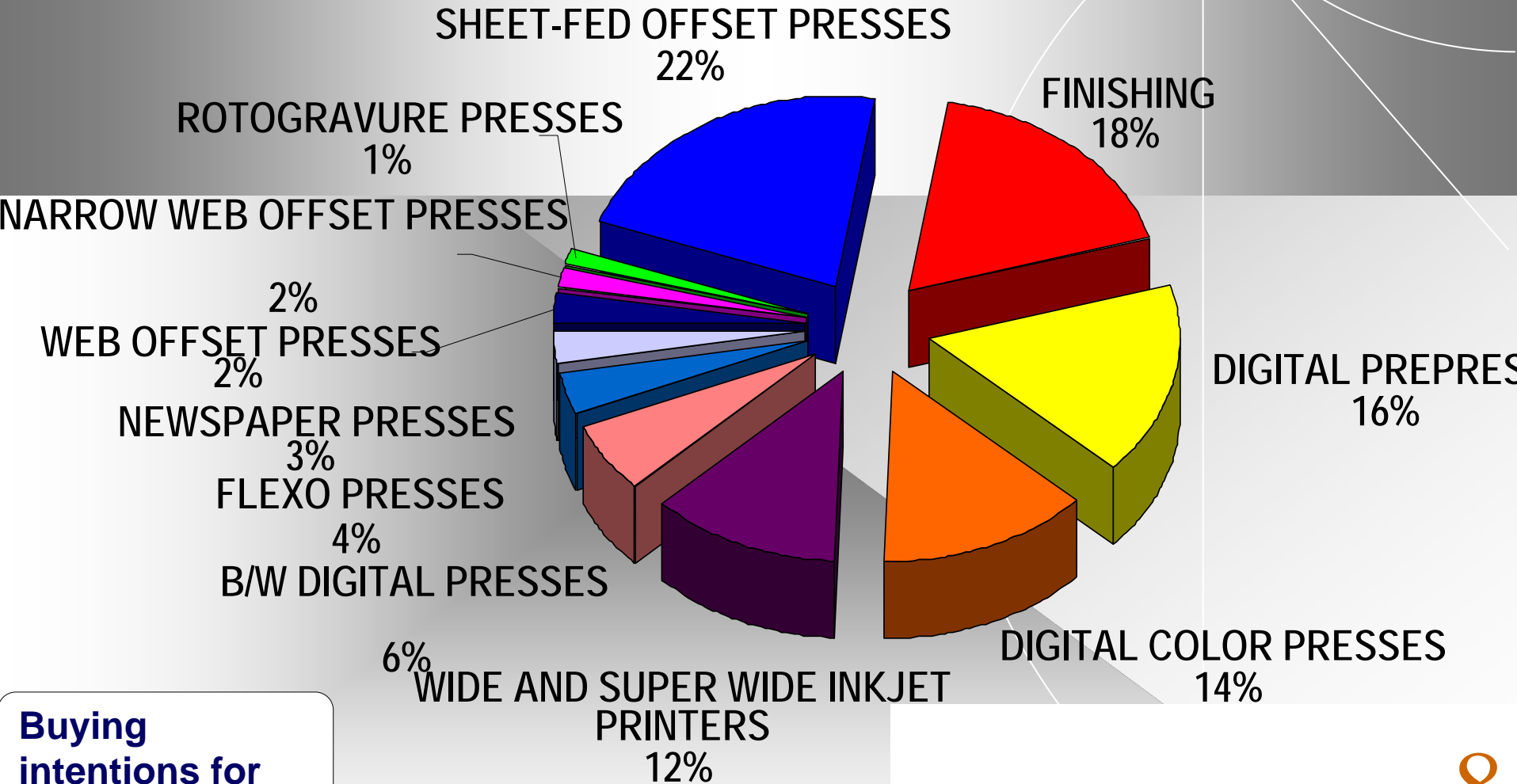
Is your company planning to buy Printing and/or Converting Machinery in 2008?



**83% said YES,
they intend to
invest!**



Buying Intentions by Type of Equipment (#)



Buying intentions for more than one product category

Buying Intentions by Type of Equipment (\$ ranking)

1. SHEET-FED OFFSET PRESSES
2. WEB OFFSET PRESSES
3. FLEXO PRESSES
4. NEWSPAPER PRESSES
5. FINISHING EQUIPMENT
6. DIGITAL OFFSET PRESSES

Conclusions

- ◆ Sustained economic expansion in Latin America combined with more stable macroeconomic conditions benefits the graphic arts and conversion industries
- ◆ There is an outstanding opportunity for modernization:
 - ◆ Process Technology.
 - ◆ Management Practices.
 - ◆ Workflow Improvement (digital end-to-end, plant workflow, business data).
- ◆ Productivity performance will be key to sustaining stronger rates of growth.

Thanks for your attention!

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