



The Best People - Fast

First Quarter Industry Insight Survey

1st Quarter Industry Insight Survey 2011

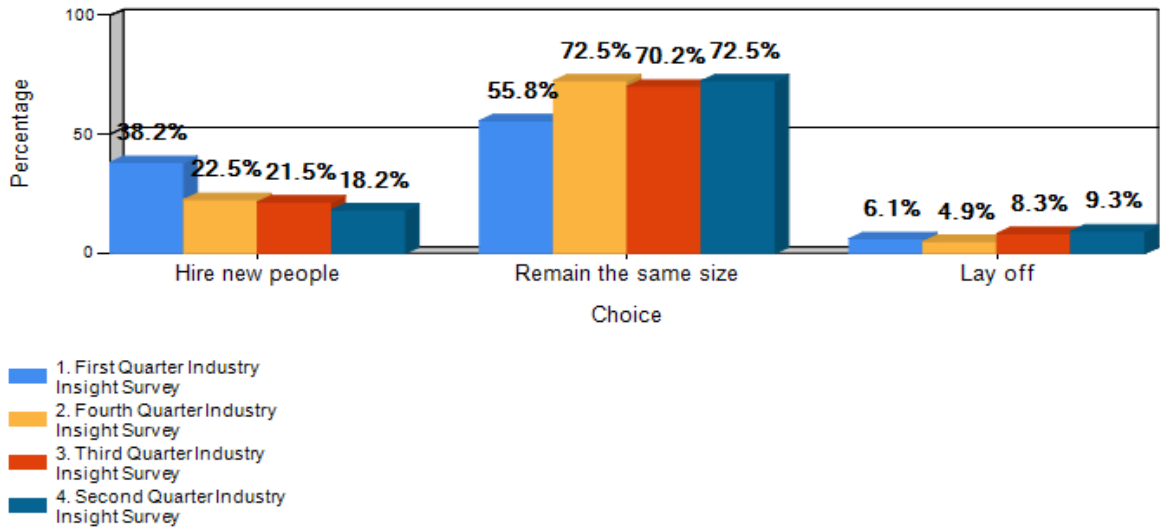
Looks like the last quarter of 2010 ended great but there was a slight slow down in the last month. The soft spot anomaly is continuing- pockets of business surrounded by definite slow spots.

This current survey is the first in many years showing significant changes in hiring and a marked increase of hiring via staffing companies. (Staffing is a traditional indicator that the labor market is turning positive.)

The special question this survey regarding costs centers will be used to help us modify future surveys. We thank you for your help.

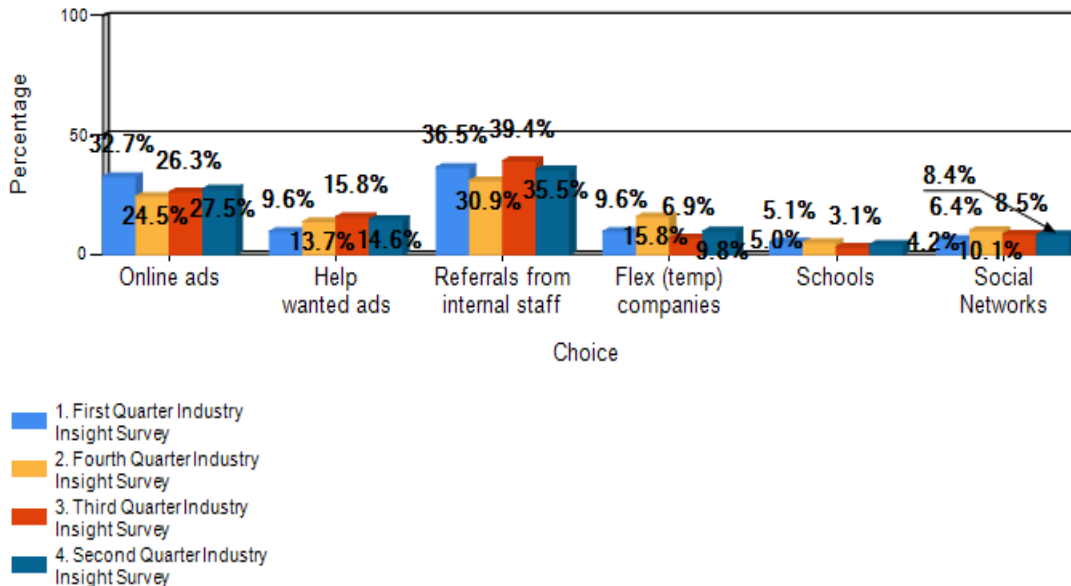
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The first set of questions relate hiring practices and outlook.
Is your company planning to:



We have been waiting a long time to see this. The 4 quarters before this survey have seen a slight incremental improvement in hiring. This survey shows a marked change in that trend. The results show a significant spike in hiring which is the sign many have been looking for that the general economy is truly turning. The more people working the more that can purchase goods and services (and pay mortgages) creating a positive feedback loop and faster, sustained growth! (Watch for some negative news about the slow down at the end of 2010 that may cause some concern in a few weeks.) Positive news is critical at this time to help build economic momentum.

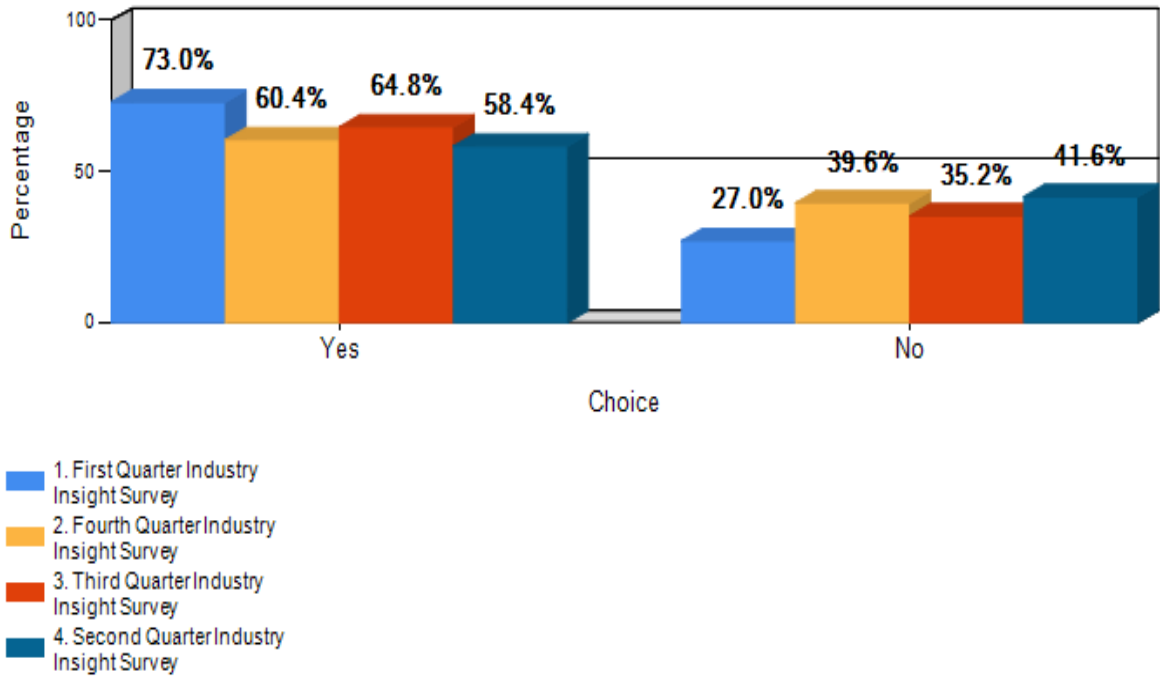
What is your primary source for finding skilled, full time workers?



Nice to see the rise in online ads rivaling internal referrals. There is continued pressure on traditional help wanted ads.

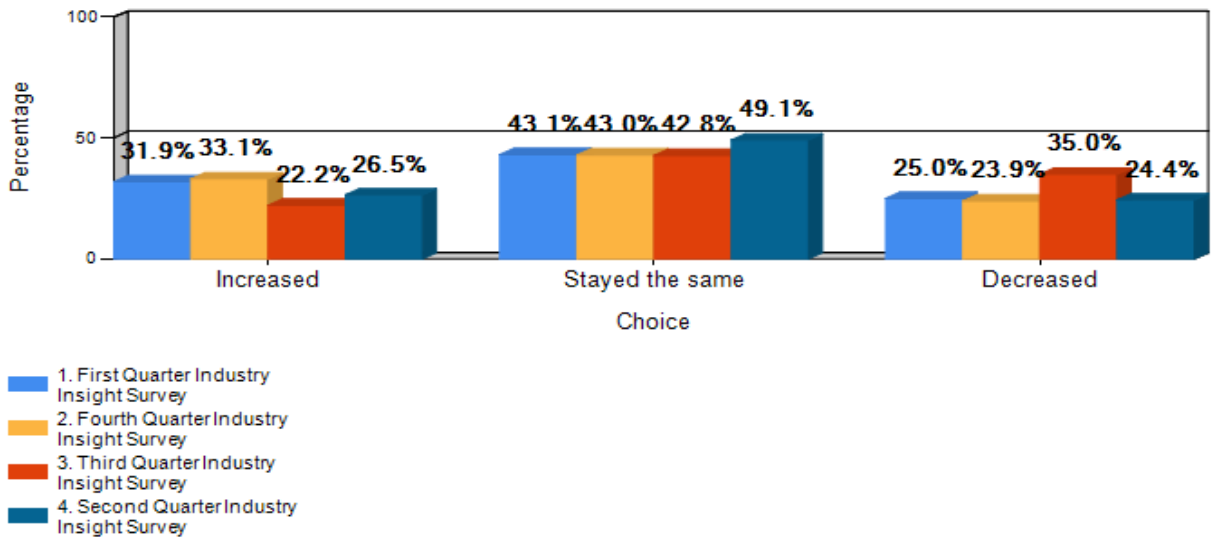
These questions focus on where the rubber meets the road: sales and profit.

Did your company have a profitable 4th quarter 2010?



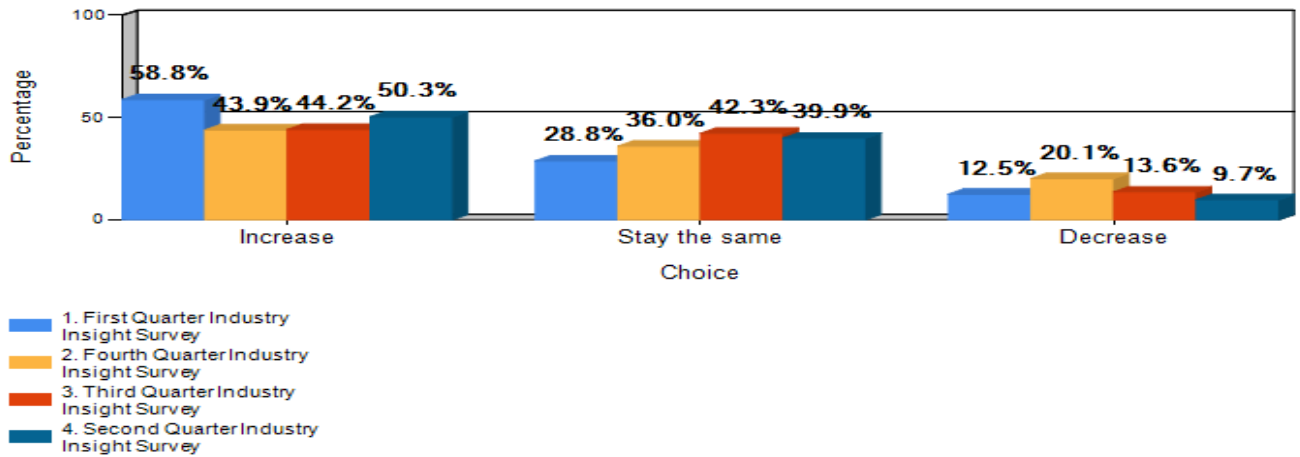
Profit is the name of the game. Another significant increase in profits, coupled with the results of question 2, underscore the likelihood of the strong recovery we all are looking for.

How have sales changed in the last 2 weeks?



The variable length of traditional January slow-down coupled with the bad weather nationally will impact this quarter. The first quarter starts slow and ends like a lion!

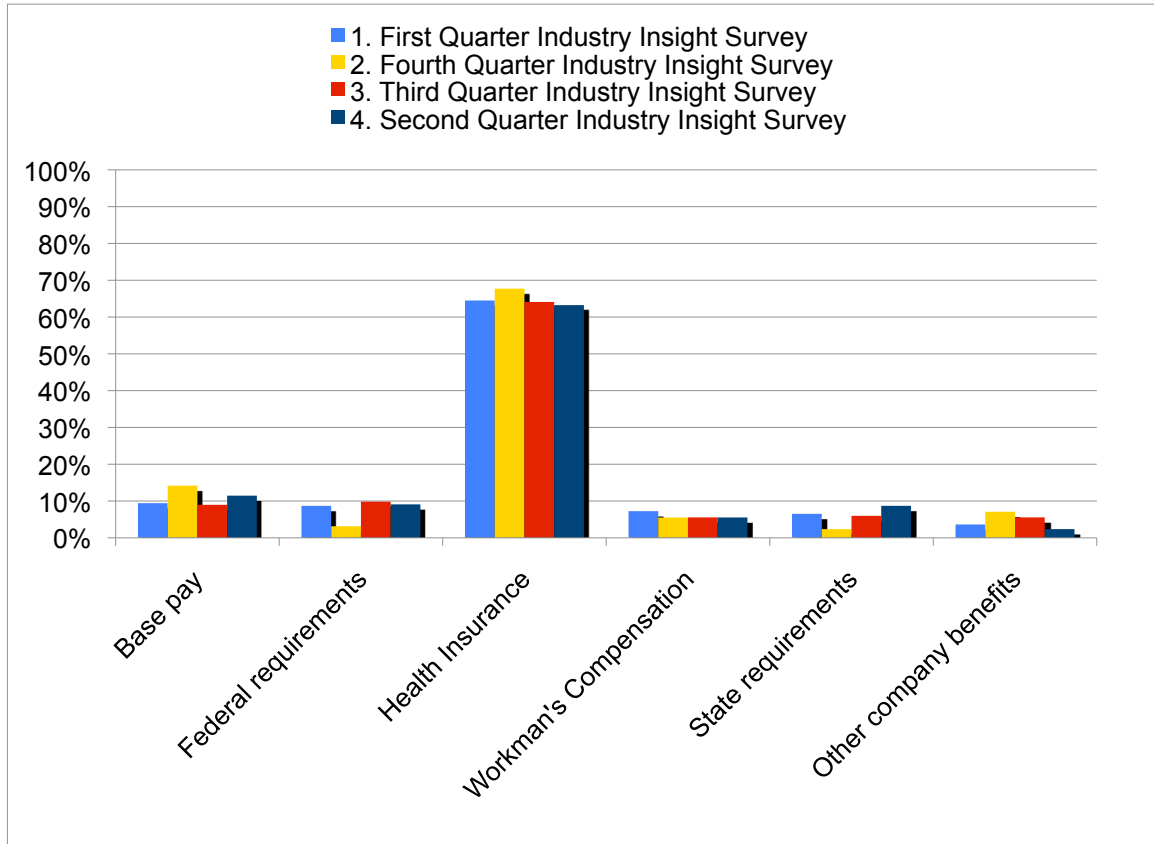
How do you expect sales to change during the 1st quarter of 2011?



Clearly the strong majority of respondents are willing to hire banking on the coming quarter being very busy one. Optimism is way up compared to the last 4 quarters. Respondents who expect an increase in sales this quarter are up almost 15%.

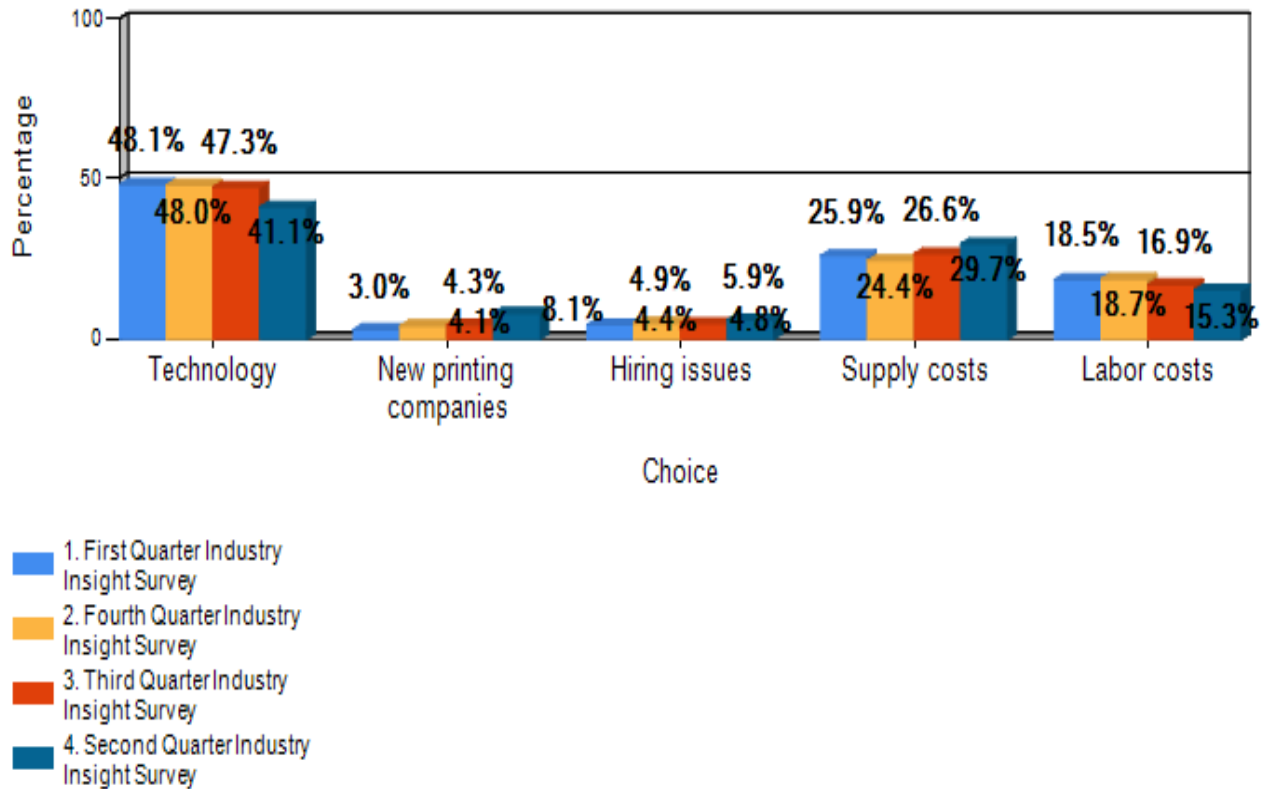
The last set of questions focus on competitive threats and the costs of doing business.

Regarding labor costs, what component of the costs has been increasing the fastest last quarter?



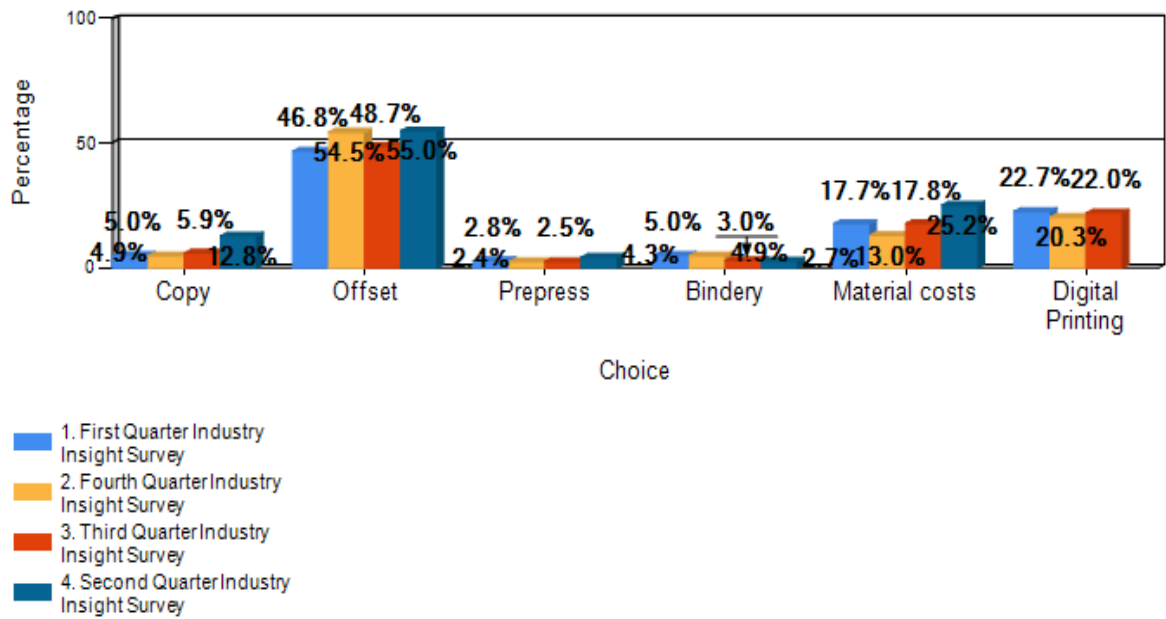
And the winner is ... healthcare! In the news this week is talk about how BCBS is offering health plans to small businesses that penalize members for using the most expensive hospitals by charging \$1000 extra. The majority of plan purchasers are opting for this kind of plan to help reduce the renewal rates.

What do you consider to be your greatest competitive threat?



Technology comes out again as the winner but lets take a look at number two and three: the cost of supplies and labor. With paper and labor costs starting to rise companies should look to apply new technologies to help differentiate and add value to their products. In that light, technology can be considered a positive. Conducting a survey of your clients to find out what needs they have may well help you to find opportunities.

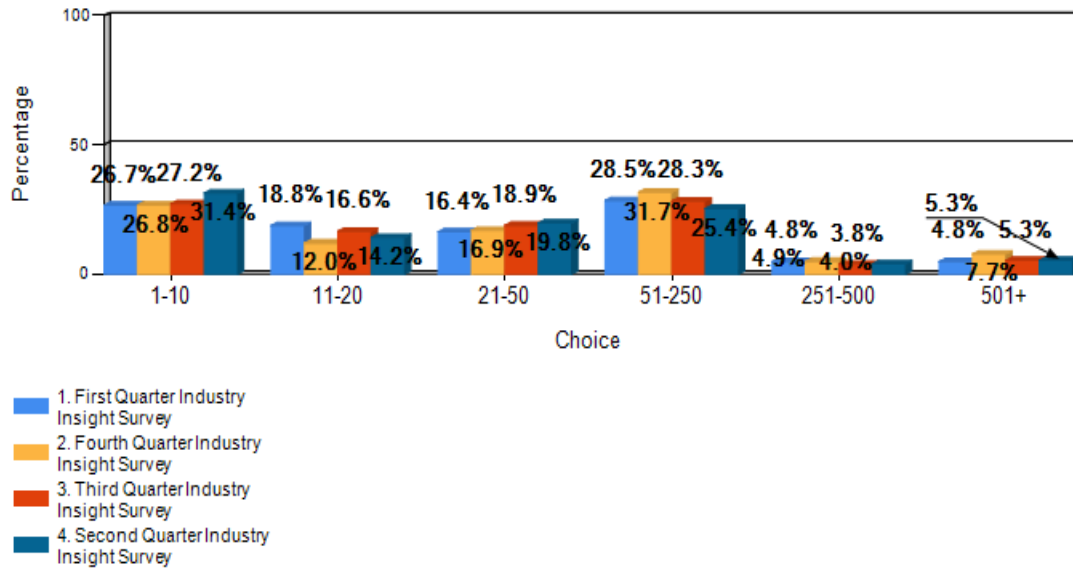
In what business segment do you find the most pricing pressure from your clients?



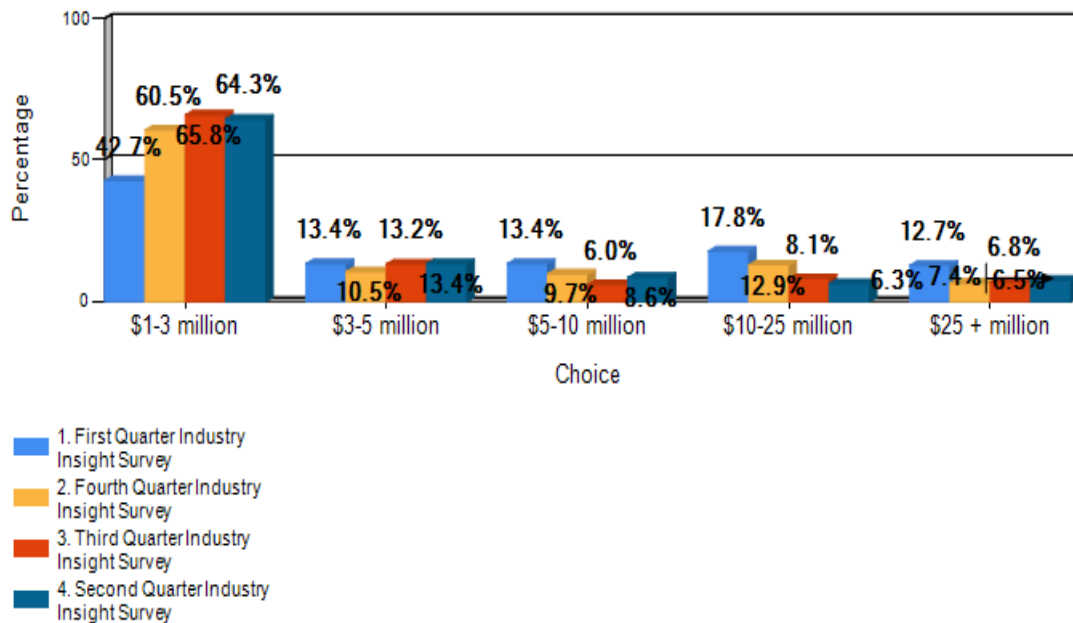
Nice to see the reduction in offset pricing pressure. Areas where there is less pricing pressure could offer avenues of growth.

The following questions provide background on the companies who responded to the survey.

How many employees do you have within your organization?



What was your company's estimated revenue in 2010?



Methodology

Semper International provides this survey based on quarterly estimate of trends in the printing and graphics industries. To prevent bias, the survey questions were designed by Semper corporate partner Cvent. Questions were designed to be both qualitative and quantitative. To preserve confidentiality, individual company information is not part of the tabulation. Survey participants are more than 300 small, medium and large printing companies, both clients and prospects of Semper International. Participants provide data on revenue and hiring as well as estimated outlooks on future trends. Data was requested from a random sample. They were not screened.