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*Reports of the Death of Printing are Greatly
Exaggerated*

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Keynote Speech
ITEX 2002
February 6, 2002

Good morning, it's a pleasure to be here at ITEX. I'm here today to talk about the death of printing!! Actually, I'm here to prove that the experts who claim printing is dying are making a foolish bet.

We adapted Mark Twain's famous quote – referring to news reports of his death when he was still alive and kicking – to let you know what we think about such exaggerated claims about the future of our industry.

The future of printing is bright. As the world's leading provider of software and hardware imaging solutions for network printing, EFI has been at the forefront of printer technology since the introduction of the world's first color server -- the Fiery -- in 1991. Today, with over a million controllers in printers throughout the world and with strong demand for all of our products, we can say that printing is increasing dramatically...and that presents tremendous opportunities for every one of us.

But these opportunities won't be realized by focusing on our past successes. Just as the Internet and Wireless technology have transformed many aspects of our lives, our industry must continue to evolve and offer new ways to enhance the printing experience.

So, we don't believe printing is a dying technology... we think it's about to explode... and today we'll prove it and put the "experts" claims to rest.

First we'll look at the myth of the "paperless office" and why technology hasn't ended printing, it has actually created a printing boom. We'll explore the trend of printing from the birth of the PC through the Internet Age. We will also look at some new ideas that offer new avenues for future growth. And, we'll share one breakthrough idea that may change the way we print as

dramatically as the way cell phones changed the way we communicate. Are you ready to roll the dice? Let's begin...

False prophets of the future...

The explosion of the computer age did stump many of the experts. Let's look at some famous predictions that missed the mark...

"There is no reason anyone would want a computer in their home."

Ken Olson, chairman of DEC, 1977.

Good thing we don't make experts eat their words when they are wrong!

"640K ought to be enough for anybody."

Bill Gates, 1981.

I think Bill was talking about his bank account before Microsoft went public. Today Bill might say – "640K ought to be enough for *anybody else*."

Then, of course, there was this famous quote from a century ago,

"Everything that can be invented has been invented."

U.S. Office of Patents in 1899

Well, just as a matter of fact, IBM alone had over 3500 patents with the U.S. patent office in 2001 alone. And that's just a drop in the of bucket of the millions of patents issued each year – including many from EFI!!

So our feeling is – don't listen to so called experts. Instead, look at the facts.

Mark Twain once said, *“I come loaded with statistics, for I've noticed that a man can't prove anything without statistics.”* So, in order to prove that printing has a great future, I've come loaded with statistics.

Let's begin with the paperless office...

The age of the paperless office...

In the spring of 1979, a “model” office opened in Washington, D.C., touting itself as a business world without paper. It was a workplace with the best technology available. And it held the promise that technology would end the use of paper forever...

The office was full of electronic scanners and microfiche readers and products from dozens of vendors – all put together by some management consulting firm. Although the office looked impressive, its first public demonstration didn't work out exactly as planned.

As the person giving the tour spoke excitedly about all of the modern technology and how it would put an end to paper use, the phone began to ring. It kept on ringing and ringing, until finally the tour leader answered it. After a moment, he looked around frantically, then turned to the group and --in a very embarrassed voice – asked--- if he could borrow a piece of paper!

This is a silly example, but it highlights an important point about the use of paper—people need it. If you think about it, paper's become an important part of our daily lives.

When workers were sifting through the wreckage from the World Trade Center, they were astounded at the amount of paper in that high tech building. Here's an excerpt from Time Magazine...

“Most offices in the World Trade Center were equipped with the latest computers, storage devices and broadband connections. Yet when volunteers showed up to clear the site, they weren't overwhelmed by electronic debris so much as by paper. Printouts of emails, employee review sheets, interoffice memos, training guides. They dug through tons and tons of it.”

My point is that there are similar volumes of paper in office buildings all over the world – even though they're all equipped with the latest PCs and servers.

So, despite advances in technology, paper remains the foremost way that people communicate. What technology has actually done is change the way people distribute that information.

The birth of decentralized printing...

The PC age gave people the freedom to print for themselves. Before printers and copiers, making copies was a hassle.-- remember those messy blue carbon copies and mimeo machines!?!

When the PC emerged, all of a sudden you could type something once and print as many copies as you wanted on your very own printer. And when networked printing came along, it was now possible for many other people to print your documents—whether it was the latest financial report from your department or the latest joke circulating around the office. You sent an electronic document and the recipients ended up making their own printouts.

This was the birth of decentralized printing... and this movement continues today. There aren't fewer documents being printed in offices everywhere. Instead, there are more documents being printed on more printers.

According to those predictions from 30 years ago, by now most people should be working in offices so computerized that we've forgotten what paper looks like. But instead the PC created a printing explosion. In 1997, office workers around the world churned through 150 million tons of paper – more than double the amount used in 1980!! The personal computer and networked printing were transforming technologies – and they changed the way we print.

The rise of the Internet and email...

Then came the Internet, email and wireless technology – and the next wave of experts who once again confidently predicted a paperless society. Now that millions of people around the world were able to access the Internet to send and receive emails and documents – we wouldn't need paper – right!?! Wrong! The Internet spurred another gigantic printing boom.

In their new book, *The Myth of the Paperless Office*, authors Richard Harper and Abigail Sellen discovered that new digital technologies like the Internet and email are actually increasing paper use. They found that the use of email in the workplace has led to a 40% increase in paper consumption because people prefer working with paper rather than reading from a computer screen. It appears that digital technology still fails to take on the 'properties of paper'. People like to scan, cross-reference and study documents in depth. They like to hold paper in their hands. Computer screens are not designed for this.

Lexmark recently issued a study on the impact of online technology on the use of paper and printing. The survey confirmed that the Internet and email are increasing paper use, with more and more pages being printed closer to the end user. Over 90% of the respondents said they printed Internet content. One out of ten printed from the Internet every day.

The Internet has become another transforming technology. The reasons people print documents from the Internet are obvious – people store them for their files or share with others or simply prefer reading hard copies. Today, it's common to print out Internet driving directions before leaving on a trip or to print important emails that need to be referenced. Would a college student working on a literary paper run to a bookstore at midnight to write a report on Romeo and Juliet? Or would they simply print Cliffs Notes from the Internet? Sorry about that, Mr. Shakespeare, but I'm betting on Cliffs Notes!!

In 1994, 400 billion total pages were printed in the U.S. In 2001, a total of 1.4 trillion pages were printed That's a pretty impressive jump in seven years. Well, in the next two years, that number will practically double to almost 2 TRILLION pages in the U.S. alone. So is printing a dying phenomenon??? It looks pretty alive to me.

What about the increased use of email? Do you think it's hurting traditional snail mail—you know the postal service? Well, think again...

AOL has 28 million subscribers and processes billions of emails daily. But AOL is also the fastest growing user of direct mail in the U.S. Just how did AOL get its 28 million subscribers in the first place? By sending millions of free CDs containing its software via the U.S. mail. In fact, AOL's signature message, "You've got mail" is a completely accurate description of its postal

service mail program. The Internet isn't spelling the doom of printing – it's clogging our mailboxes. (Hold up a copy of AOL mailer for 7.0)

And since Valentine's Day is just around the corner, let me be the first to warn you about sending only an email Valentine. While sending an email Valentine is fun, anyone who wants to keep the one they love happy had better follow up with a genuine, printed Valentine card (and a box of chocolates, too) if you know what's good for you!!

So, I rest my case. Can you relax now and go watch the Sigfried and Roy show at the Mirage? Not yet – we still have to look at the transformational technologies that may give new life and direction to the printing industry and reveal one breakthrough idea that may change the way we print forever.

The problem with printing...

While print volume continues to explode, most printer technologies have not kept pace with other advances. The world has gone Internet crazy – consumers want everything to be wireless, instant and hassle-free. But printing still requires drivers, cables, and network connections. In fact, since the dawn of digital printing ten years ago – which EFI helped found – printer technology hasn't advanced very much.

For the sake of our industry, we all need to think bigger about our future. What are the major trends that may give new life and direction to the printing industry and help people print more effectively? Here are a few trends we've been thinking about:

The first is electronic document management. As we all know, business is going electronic and online. Electronic document

management, collaboration and archiving are the future. What can our industry do to get a bigger piece of that electronic document pie?

E-printing is another big new direction. I'm sure on the ITEX show floor today you will see lots of ideas for e-printing to seamlessly connect buyers of printing to sellers and providers. If we can make the process of ordering and tracking printing easy for our customers online, we'll increase our business.

A third growth area is to add value to our customer's printing orders by offering variable data printing and other on-demand options that improve their sales results. That will mean more profit for our customers and higher margins for ourselves.

These are some of the directions that industry leaders like EFI and many others are exploring that will lead to more printing in the future.

But the most significant trend that we see – is increased consumer mobility – everything is getting faster, smaller, wireless, easier to use and very portable. This trend is suddenly empowering people to work in new ways – to work wirelessly, to work outside the office, to interact with customers on the other side of the world – as easily as they would interact with customers next door.

People are becoming “self-contained” offices with all their wireless gadgets. I'm going to wake you all up now for a quick, little survey to see how many of you are “mobile professionals”!:

How many people in the room have an electronic device on them to do their work? Will everyone with a pager, cell phone, Palm pilot, BlackBerry or other PDA, please raise your hands and keep them up? How many in the audience brought a portable computer?

Take a look around. Most of you have at least one of those items to allow you to continue to do your work while you are away from the office

We've all become wireless workers in an age of mobile necessity. You are the modern day road warriors. The caveman had his club to bring home the bacon. You have your wireless devices.

But there's one problem with this lovely little vision of the future. The caveman didn't need to print on the road. You do!!!

In a recent survey we commissioned, the number one problem mobile workers cited is the difficulty of printing documents while away from the office. There are 45 million mobile professionals in the U.S alone. – and they all need easy, convenient printing solutions while on the road. Mobile users often find themselves in airline lounges, hotels or remote offices with a need to print but no easy way to do it.

Technology has enhanced so many aspects of our lives. Talking on the phone, checking voice mail and obtaining cash from an ATM are as easy as pushing a few buttons from anywhere on the globe. But printing is not easy. In fact, in many cases, printing is almost impossible.

Unless I'm mistaken -- I'm pretty sure everyone in this room has a vested interest in solving this problem. It would increase printing and paper use dramatically. And that's why EFI has come up with a transforming technology that would allow people to print anytime, anywhere from any device to any printer.

This new technology is called PrintMe!

Anytime, anywhere on any device printing...

PrintMe is the first wireless technology device that gives anyone the ability to print anything, anywhere, from any device. PrintMe is like a global phone system for printers. It connects printers to the Internet and gives each printer a unique ID that's like a phone number. Users can then use this ID to print to any printer on the PrintMe Network. There is no setup or cables required. Anyone with an Internet-connected mobile device or a wireless connection can easily print to any PrintMe-enabled printer.

Let me give you some quick examples of how it works:

Fred's a corporate executive who's traveling to Vegas for ITEX. He receives an URGENT email on his Palm Pilot en route to the airport. But he can't read the attached business proposal and he needs to respond before the end of business that day. So, Fred goes to the nearest print shop or to the airport lounge and forwards the email to a PrintMe-enabled printer and the attachment prints out perfectly. The proposal looks good and the deal goes forward.

Suppose you have a document coming to the front desk of your hotel that's highly confidential – a document you wouldn't want your competitors to see. You just walk up to the front desk's PrintMe-enabled printer, punch in your document ID code and get your document.

Or perhaps you're about to make a huge announcement at ITEX, but you discover there's a mistake in your press release and you're already on the showroom floor. You simply correct the document on your PC, or PDA and walk over to the PrintMe booth and print new documents. You don't need to hook up or download anything, you just need to click "PrintMe." It's that easy.

Right now, I'm going to stop talking and let you see PrintMe in action for yourself. I would like to demonstrate our vision of a world in which printing anytime and anywhere is not just possible – *it's totally irresistible.*

[DEMO] 2 different demos (pc and palm or blackberry and palm)

Now you can see why we believe PrintMe will revolutionize the printing experience for users. If you think about how ATM machines have changed the way people think about carrying money on the road, then you have an idea of how PrintMe will change the way people think about printing. You can print to any printer or fax machine from any device...anywhere in the world without any hassle.

Empowered printing...

When we launched PrintMe in October, we announced some pretty high profile partners who share our view that the way we print must reflect the new wireless, mobile way we live. Among those partners were Xerox who will include PrintMe in their new products, Adobe who will make PrintMe a print option on Adobe Acrobat, Yahoo who will let mobile users print to any printer with PrintMe on their interface, Sir Speedy who is rolling out PrintMe in their retail centers and several other key partners. We believe this technology will revolutionize the way people print – from mobile professionals, to print manufactures and print providers, to IT managers and the hospitality industry.

But don't just take my word for it. If you're interested in seeing this technology up close for yourself, you're welcome to come by our booth #>>>> and see what it can do.

We're sharing our vision of PrintMe at ITEX this week because we believe that the bottom line is simple – anything that makes printing easier for customers– is good for the printing industry. PrintMe makes printing anytime, anywhere easy...very easy.

Summary & conclusion...

It is our belief that printing is not dying. I think we've proven that today. In fact, with recent technological breakthroughs, we think printing is entering a golden age.

Think about it – printing is an essential part of life. We want to print everything – from letters, memos and presentations – to spreadsheets, emails, PDF documents and our children's handmade artwork.

In our information-driven global economy, more documents race around the globe than ever before and people still want copies of them.

So, in honor of Mark Twain – the famous writer (*and printing advocate!!!*) – we wanted to close with one more adapted quote – that Twain adapted himself from poet Alexander Pope...

*“To print is human.
To print anytime, anywhere is divine!”*

We think Twain would have enjoyed this version!!!

Have a great time here in Las Vegas and thank you for sharing your valuable time with me this morning.