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New Woodford Group Imaging Industry Margin Index Report Reveals Sharp Downturn in Market as Companies Tighten Their Belts

Report notes shift in usage patterns, Ricoh's rise on revenue scale

Warwick, NY – June 8, 2009 – The newest update of the [Imaging Industry Margin Index Report](#) from the [Woodford Group](#) spotlights an once unflappable industry finally experiencing the full impact of a turbulent economy. Although the results of the imaging industry trends are dramatically lower this quarter, the downturn is not surprising given the overall state of the economy, according to [Rob Sethre](#), CEO and principal analyst at Woodford Group. The Woodford Group specializes in providing imaging industry consulting to the financial community.

“Industry *revenues* took a major dive, but were surprisingly not the lowest on record, “ said Sethre. “However, industry *margins*, taken together, were definitely the lowest ever, and yet some companies still managed to perform well. It’s a challenge to interpret these results, particularly on a macro level, as there are several overlapping factors and influences to take into consideration,” Sethre stated.

The first and most obvious of these is the tightening-the-belt effect that most companies experience in the face of a serious economic downturn. Both at channel and end user levels, restriction on purchasing is strictly enforced, as is tighter inventory control. Secondly, many imaging industry firms are opportunistically restructuring, which affects their bottom line. The final and perhaps most significant influence on the imaging industry is the shift in usage patterns, specifically a reduction in overall print volumes. This is difficult to quantify because it is

overshadowed by the other gating influences. Although all three radically affect revenue and margin, the third influence will likely have the most lasting impact on the industry as a whole.

Ricoh Rises to Second Place on Revenue Scale

On an individual company level, the IIMI report identifies some interesting developments, most notably with Ricoh who, for the first time, came in second on the revenue scale. Sethre commented: “By sustaining only a minimal sequential drop in a volatile economy, Ricoh was able to overtake competitors who traditionally have been strong industry performers, but who have suffered more drastic reductions in revenue. Ricoh has worked to build a broader business which addresses more attractive customer segments, a strategy which is clearly successful and profitable for them.”

Other key players experienced shifts in both directions as well, illustrating just how diverse and dynamic the imaging industry remains. Despite ongoing internal costs for restructuring and external market pressures, the ever-resilient imaging industry continues to offer attractive and stable returns, especially as the economy begins to improve and new business opportunities emerge.

Latest Report is 21st in Series

The twenty-first consecutive report in the quarterly series, the latest IIMI report provides the most recent data and analysis, highlighting key trends within the imaging industry as a whole, as well as individual strengths and weaknesses of 12 key industry players. Since 2004, the Woodford Group together with their partner, the Photizo Group, has tracked key revenue and profitability metrics of these companies, which represent more than 90 percent of the distributed imaging industry.

Companies Tracked in Imaging Industry Margin Index		
Brother	Hewlett Packard	Océ

Canon	Konica Minolta	Oki
Epson	Kyocera Mita	Ricoh
Heidelberg	Lexmark	Xerox

The [Imaging Industry Margin Index Report](#) is available immediately. To purchase a copy as an individual report or as part of a quarterly subscription package, please contact the Woodford Group at www.woodford-group.com or call 1-845-987-6201.

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ABOUT THE WOODFORD GROUP:

The Woodford Group (<http://www.woodford-group.com/index.html>) provides unique data and analysis to Wall Street decision makers and strategists. By providing unmatched insight into the imaging market, the Woodford Group assists Wall Street clients in making informed investment decisions. The Woodford Group is unique in its exclusive focus on the financial community, its institutional independence, deep industry experience and sophisticated analysis tools.

ABOUT THE PHOTIZO GROUP:

The Photizo Group (<http://www.photizogroup.com>) is the only source for ongoing business intelligence on the rapidly growing opportunity of Managed Print Services. Since its landmark MPS study released in April 2008 to ongoing research covering North America and Europe, Photizo has emerged as the recognized leader in dynamic business intelligence about the MPS market. Among Photizo clients are leaders in the digital marketplace, including six of the top ten imaging manufacturers.

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