

printing.com

Bolt-on franchise



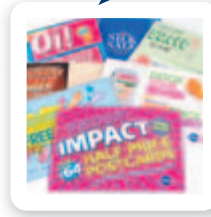
**a proven way
for graphic/
web design
agencies
and digital
printers
to add an
additional
revenue
stream**



how it works



Online
Receive leads directly from the printing.com website.



Offline
Use printing.com marketing collateral to assist local B2B networking.



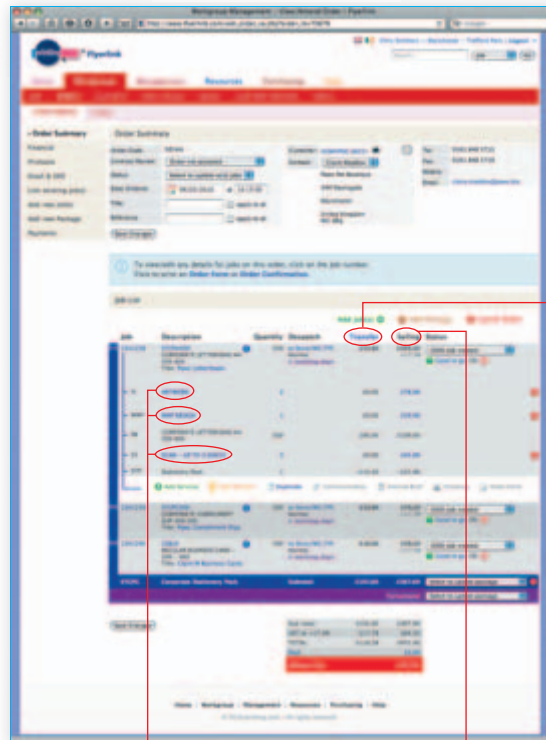
Samples
To help convey options and price points to the clients.



Next Day Delivery
Ensures swift delivery at an optimum price point.



Packing
Orders are banded, shrink-wrapped, carefully packed and bar coded to ensure safe carriage.



printing.com Buying Guide
'Fixed prices' eliminate the need to give out time-consuming individual quotations.



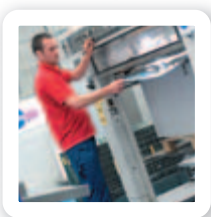
Transfer Price
This is the price you pay us for the printing.



Finishing
Programmable guillotines ensure the finished printed sheets are rapidly converted to final product size.



printing.com's Flyerlink® software
Controls every aspect of every order online.



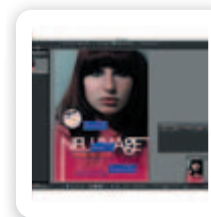
Press
Ultra efficient £2 million, commercial full colour presses ensure premium quality printing.



Pre-Press
Multiple images of similar orders are grouped together allowing advantageous pricing.



Graphic File Transfer
Once approved for printing, Flyerlink® software transmits the order to the production.



The Proofing Stage
The client's graphics needs are completed by the Franchisee and proofed by hard copy or online via Flyerlink®



what's different about printing.com?

Since opening the first printing.com outlet in 1998, the network today exceeds 290 outlets - with over 95% franchised. Interestingly, the vast majority fall under our 'Bolt-on' franchise format whereby an independent business - typically graphic and web designers, marketing consultants or small print businesses - can add the printing.com formula to their existing offering.

But what's the rationale for an established design or print business to partner with printing.com?

We're told it is because the printing.com system:

- Provides them with a competitive price advantage;
- Makes it easy for them to promote their business;
- Makes their business operations more efficient via our; proprietary software Flyerlink®;
- Gives them private remote access to low 'transfer' prices and guaranteed service levels and specifications at our central production hub.

The result is that the Bolt-on Partner can significantly increase their sales without a corresponding increase in overheads. This is possible as the type of business in question would typically already have the necessary people, IT and premises and would look to achieve stretch from that existing infrastructure.

Crucially, Bolt-on Partners remain autonomous with independent identity in addition to integrating printing.com branding.

For instance, design agency Colourbox would brand their new service 'printing.com @ Colourbox', although their corporate identity would remain as Colourbox.



the printing.com price advantage

On a biennial basis, printing.com commission market research agency Storecheckers to compare its prices with the printing sector at large.

Around the UK, Storecheckers' agents were given the brief that they were the owner of a small start up company and needed to find local print suppliers to provide a range of print items.

The results speak for themselves...

OUR PRICES ARE UP TO **76%** LOWER THAN OTHERS

business cards full colour one side 500 - CSBUS	printing.com £49 SAVE 72% INDUSTRY AVERAGE PRICE £179
letterheads full colour one side 1,000 A4 - STREA40D	printing.com £104 SAVE 57% INDUSTRY AVERAGE PRICE £247
postcards full colour front, b&w reverse 1,000 A6 - GPA61	printing.com £129 SAVE 52% INDUSTRY AVERAGE PRICE £274
credit cards full colour both sides 10,000 - PRCC044	printing.com £129 SAVE 55% INDUSTRY AVERAGE PRICE £292
flyers full colour both sides 10,000 A6 - PRCA644	printing.com £199 SAVE 56% INDUSTRY AVERAGE PRICE £454
leaflets full colour both sides 10,000 1/3rd A4 - MMLS3A44	printing.com £211 SAVE 44% INDUSTRY AVERAGE PRICE £382

During the economic downturn, the design and print sector has faced certain challenges. To combat these and maintain competitive advantage, printing.com has enhanced its monthly half price deals for the benefit of its Bolt-on Partner community. This means that in most months, five or six key products are offered at half price, providing a potent offering for printing.com Bolt-on Partners to reach out to their clients.

This is the reason that printing.com has outperformed the sector at large during a particularly challenging period.



Industry average price refers to the average of quotes obtained from an independent survey of printers, July 2008. Results of survey are copyright and may not be reproduced in any way without prior written consent from printing.com plc.

the printing.com product range

printing.com offers a broad range of full colour printing, collectively able to meet the vast majority of print needs for the SME and corporate business community.

Delivering the end product requires two essential elements. Firstly, as a Bolt-on Partner, you identify the most appropriate product from printing.com's range of over 3,000 set price deals. Secondly, you add the creative inspiration that solves your client's promotional needs. That's the art of printing.com – you supply the graphic design, copy writing, marketing consultancy and concepts with the assurance that the printing.com system will deliver on time.

In addition to our core product range, printing.com Bolt-on Partners also have access to a range of branded promotional items and an integrated website solution.



- appointment cards
- banners
- booklets
- bookmarks
- business cards
- case calendars
- CD jackets
- compliment slips
- continuation sheets
- corporate folders
- credit card passes
- cut-out cards
- desk calendars
- desk notepads
- document corners
- DVD sleeves
- envelopes
- exhibition stands
- flyers
- folder inserts
- glossy postcards
- greeting cards
- hanging calendars
- invitations
- key wallets
- laser forms
- laser mailers
- large format posters
- leaflets
- letterheads
- litho posters
- menus
- mini brochures
- one-piece mailers
- place mats
- pocket calendars
- presentation folders
- promotional card flyers
- scratch cards
- showcards
- stationery packs
- stickers
- swing tickets
- tent cards
- voucher cards
- wallplanners
- wobblers

marketing collateral with punch

offline marketing

At the heart of printing.com's marketing collateral is our buying guide. At over 100 pages, it details the entire printing.com range, enabling clients to effortlessly plan their marketing. It also eliminates the administrative burden of producing bespoke quotations.

Complementing the buying guide is an extensive range of other marketing devices including direct mail, publication inserts, eshots and product samples. This range is aimed at maximising revenues throughout the client's life cycle – mailers to win new clients, strategic offers to nurture the relationship, and client questionnaires to ensure the relationship stays on course.

Why waste time (and money) giving out the same quote over and over again?



online marketing

Founded on what is arguably the preeminent domain name in the sector, 'printing.com' is the ubiquitous 'clicks and mortar' franchise. Combining the best of online efficiency, together with a real presence in the local business community.

In March 2000 the domain name was acquired, representing an investment of over £500,000. Today we believe this investment is well justified and provides a brand differential in the market place.

The domain name alone is not simply relied upon. The profile of printing.com is carefully managed by a combination of SEO* and paid for Google Adwords, this representing an investment of circa £200,000 per annum.

The prominence of the printing.com brand is reflected on 'alexa.com' a leading web traffic analysis company. They found that printing.com was the 2,656th most visited site in the UK, we believe, the highest of any B2B printer. In comparison, our nearest printing network competitor came in at over the 16,000th mark.

Leads from the printing.com website are channelled to the nearest printing.com outlet. Bolt-on Partners are listed on a par with all other printing.com outlets.

Website ranking for businesses in the UK

printing.com: 2,656th

nearest other print Franchise: 16,791th

source: www.alexa.com (March 2010)

www.printing.com website stats - per month

- 5,000,000 hits
- 12,000 referrals from other sites
- 26,000 visitors go directly to printing.com



In the last year our Google ads were shown 35,085,514 times

202,557 visitors clicked through

20,555 people then went on to make contact with us

*This is not simply making our website content more search engine friendly, but also posting on relevant forums and blogs and creating links to the website.

Flyerlink® – our IT heart

As a Bolt-on Partner, printing.com's proprietary software, Flyerlink®, provides the backbone for all your operational practices. From within your business, Flyerlink® allows easy management of your workflow – including prioritising which jobs need designing first and which orders are approved for printing. Having the scheduling process online means that workflow is managed effectively without the need for an antiquated 'card-based' system.

Flyerlink® connects Bolt-on Partners to their end user clients and to the production hub. Clients may place new orders and reorders online at my.printing.com, saving the Bolt-on Partners admin time and making the process more efficient. Clients can view and approve proofs using Kodak SmartReview, which is integrated with Flyerlink®, making the artwork approval process more robust.

Flyerlink® produces the necessary order forms, confirming the exact specification of a client's order, and also provides data output to accounting software. This enables the interrogation of commercial data to provide management information such as value adding, profitability by sector and key performance indicators.

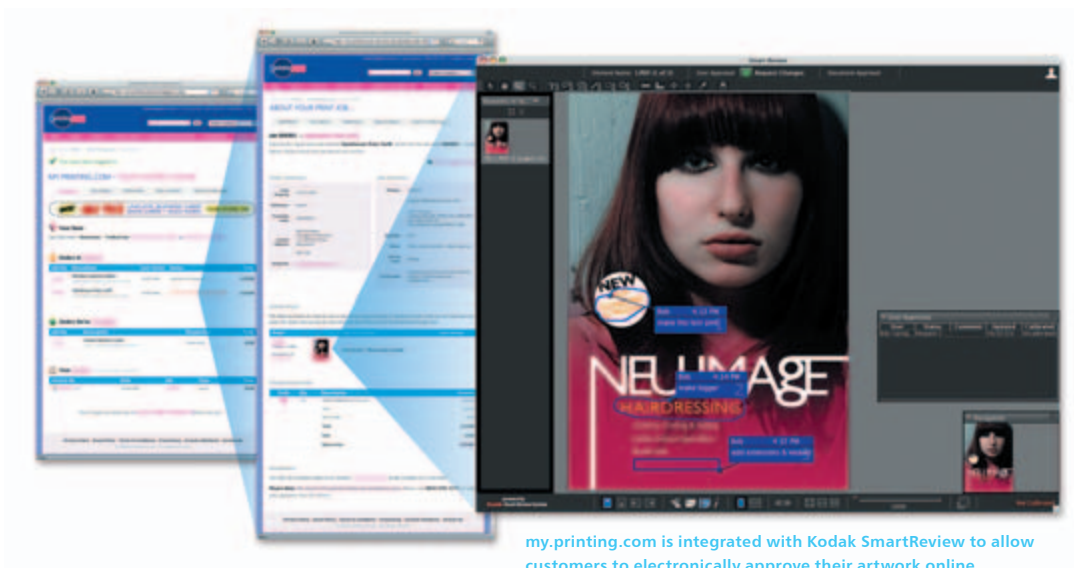
Via Flyerlink®, Bolt-on Partners control the exact specification of the printing, including the type of paper and turnaround, together with finishing options such as lamination.

Flyerlink® is also directly linked to our carrier, giving Bolt-on Partners control over where goods are delivered and also the time at which they will arrive at the chosen destination. Of course, clients can track their order online at my.printing.com without needing to contact the Bolt-on Partner.

"Flyerlink™ connects Bolt-on Partners to their end user clients and the production hub"



Flyerlink® makes it easy to manage lots of jobs at the same time



my.printing.com is integrated with Kodak SmartReview to allow customers to electronically approve their artwork online.



the production hub

printing.com's state-of-the-art UK production hub is one of the most advanced printing facilities in the country. As a Bolt-on Partner, these facilities are at your disposal and only a click away via your Flyerlink® software.

There is no need to invest in expensive capital, equipment and operations – our expert team are yours when you need them. Capacity planning becomes a thing of the past – that's our problem, not yours. Send a simple set of business cards or many complicated orders on any given day and your 'Service Level Guarantee' assures you that your job will return on time and printed to the highest quality.

We have made contingencies at every critical stage of production to ensure that a breakdown in the middle of the night won't affect the all-important turnaround.

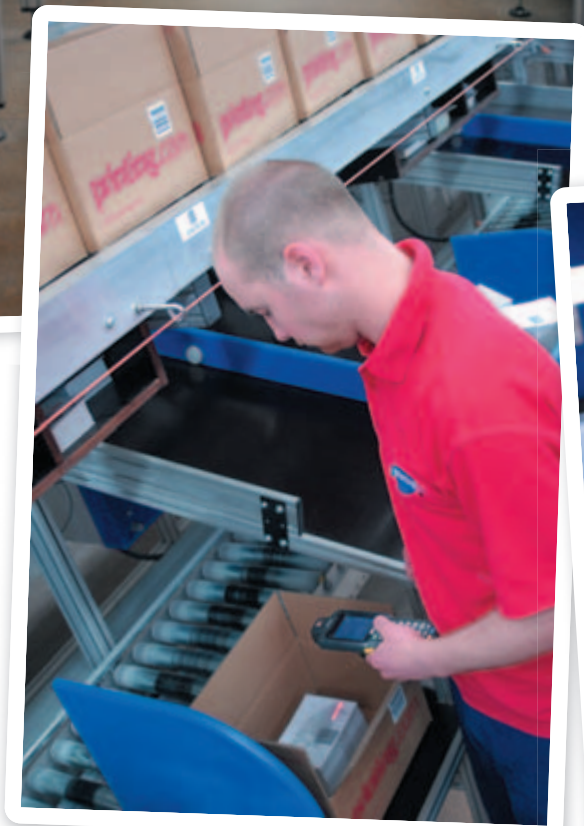
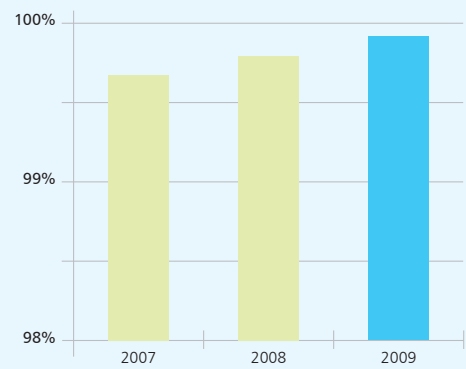
Flyerlink® controls every stage of production, from outputting plates, through printing on our B1 offset presses, to the sortation of individual orders using our bespoke SmartPack system.





A single set of business cards takes under eight seconds to print - and that includes the set-up process

despatch: % on time



we believe in sharing our expertise

At the heart of the printing.com ethos are Total Quality Management ("TQM") principles. No matter how experienced a prospective Bolt-on Partner is in their given field of graphic design, web design, printing or consultancy it is absolutely essential that the printing.com induction courses are undertaken.

The prerequisite entry point for a Bolt-on Partner would be that they possess effective graphic design skills within the business (subcontracting to freelance designers would not be acceptable) coupled with experience of managing client relationships. When this is the case, the Bolt-on Partner's initial training would include the following:

Pre Launch

- Flyerlink Order Processing & Contract Review
- Graphic File Verification & Validation

Post Launch

- Hand Holding Period
- Quarterly Strategy Meetings with a printing.com Business Development Manager

Aside from mandatory courses, printing.com also run a wide variety of training courses that are available to all Bolt-on Partners on an 'a la carte' basis. The courses are grouped across the various business disciplines, as set out below:

PDCQ Quality Management

PDCC Commercial Management

PDCG Graphics Technology

PDCP People Management

PDCM Marketing & Sales

All sessions take place at printing.com's UK Hub – comprising class rooms fitted with state of the art equipment to ensure the highest teaching standards.

"our national training centre provides a leading edge environment for your classroom training sessions"



making it happen in difficult times

There's no pretence that the economic situation in the UK remains difficult and recovery is at an embryonic stage.

printing.com recently reported that 'like-for-like' performance was 3-4% down*. This was disappointing as previously only positive growth had been reported. However, in context with the printing sector at large, printing.com performance is eminently more favourable.

Whilst it is difficult to be precise in this matter, we believe printing.com is continuing to increase market share. This, we believe, is attributed to clients seeking out better value, and the printing.com advantageous price points. This bodes well for the printing.com network, as economic recovery becomes more certain.

printing.com plc continues to generate profits, a strong cash flow and a strong balance sheet. This provides peace of mind to prospective Bolt-on Partners, knowing that printing.com plc will be around for the long haul.

However, we are not nonchalant in this respect. Since the demise of the economy we have set out to assist printing.com Bolt-on Partners in a number of ways:

- Increased potency of monthly offers
- Subsidised regional sales training
- Sent over 360,000 free mailings
- Funded eight central mailings
- Increased online marketing spend

Collectively we believe that these measures represent a responsible approach in these difficult times.



* Figures taken from the printing.com plc Interim Report and Accounts 2009

some of your questions answered

Who do we partner with?

We partner successfully with digital printers, graphic designers, web designers and marketing consultants.

What equipment do I need as a Bolt-on Partner?

A Mac or PC with InDesign and Photoshop, a suitable printer for producing 'proofs' plus a broadband connection to the Internet (all printing.com software runs from your standard web browser).

Can I work from home?

In certain instances, we will grant a 'probationary' Bolt-on licence, which allows the business to trade initially from a home office. In these circumstances, we would usually expect the business to progress to commercial premises (which could simply mean serviced offices) within a year of commencing training. During the home phase, we would put certain restrictions in place.

Can I work part-time?

Sorry, but we do require Bolt-on Partners – even if initially operating from home – to work principally full-time in the business.

Do you charge a turnover royalty?

No, our revenues simply comprise an initial licence fee – covering our costs of setting up the Bolt-on Partnership, a modest on-going licence fee, plus the Transfer Price for each order that goes through the system.

What restrictions are placed on my core business?

None really. We're keen that this element should continue to develop in tandem with printing.com. Of course, we wouldn't allow you to offer other services where there was a material conflict with the printing.com offering.

What happens if printing.com fail to deliver an order on time?

Our success rate is in excess of 99.7% - that's up 0.1% on last year. This year we're determined to make our service even more assured. When we do fail, there is a pre-determined scale of recompense that reflects the primary loss and administrative burden.

How much gross profit do I make on each order?

In the order of 50%. However, with such favourable price points it is possible in many situations to significantly increase artwork charge out. We encourage this approach.

Can I charge more for each order?

Very definitely no, regarding print prices. Otherwise clients would become confused about the printing.com offering. However, a Bolt-on Partner can set their own artwork prices.

There's something else I'd like to ask/I'd like to take things further

You can drop us an e-mail at bolt-on@printing.com or call the franchise team on **0161 848 5709**.

the investment

The Initial Licence Fee £6,000-£12,000

What does this cover?

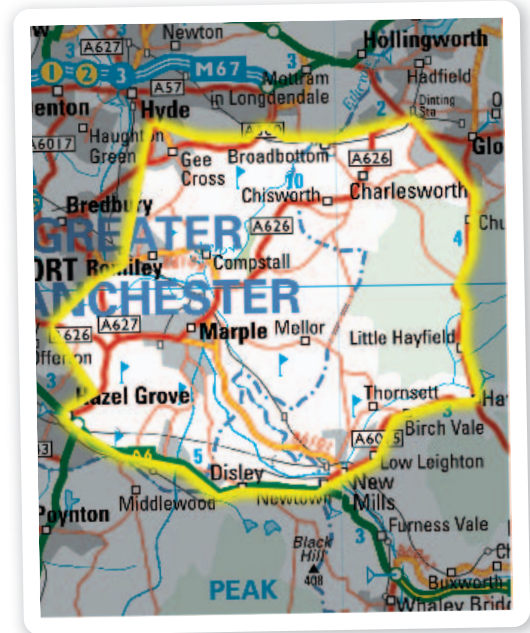
This amount covers the cost of providing all of the initial training, intensive on-site hand-holding during the early months of operation and most initial marketing samples to effectively merchandise the new outlet. It also includes an element of contribution to the printing.com infrastructure – we think of it as our Bolt-on Partners owning a ‘time share’ in our state of the art Hub, our Central Marketing Team and our Central Software Development Team. The licence fee also allows us to grant an exclusive territory providing peace of mind for our partners.

What determines the level of licence fee?

Location and the size of the exclusive Territory granted are the essential drivers. A prime location in the centre of London would be near the top of this range, with a small town or tertiary district near the bottom. It is important to highlight that there is no geographical restriction on where Bolt-on Partners may deal with clients. The average initial licence fee is in the order of £8,000.

Secondary Licence Fees £3,000-£5,000

The Secondary Licence Fee is charged in the second and subsequent years which covers the ongoing cost of providing regular on-site support.



Each Bolt-on Partner is granted an exclusive area

printing.com plc

FRAN/PRG/CRH/05-10/R1

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