



Quarterly U.S. Commercial Printing Profits 1995 to Q1-2011

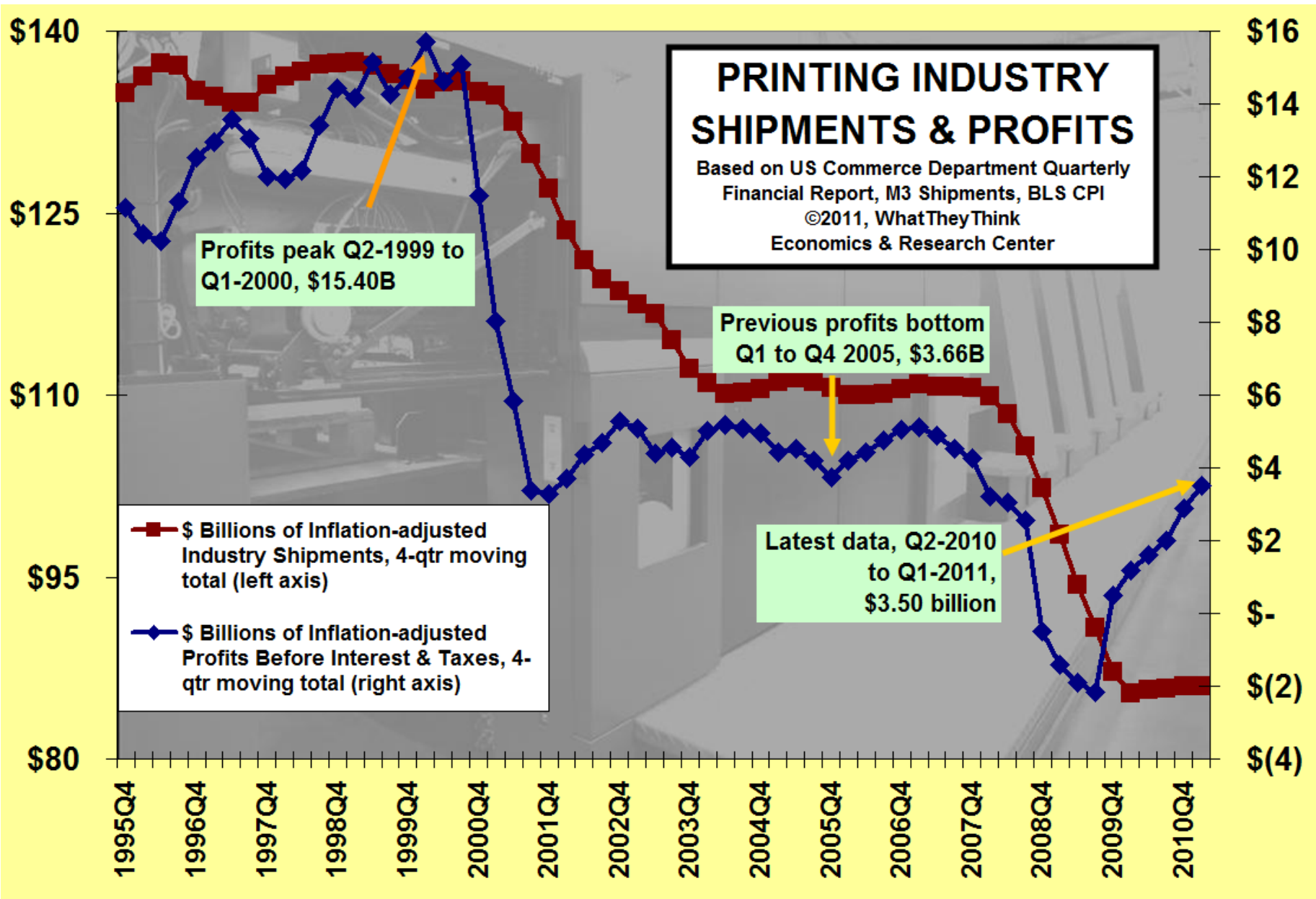
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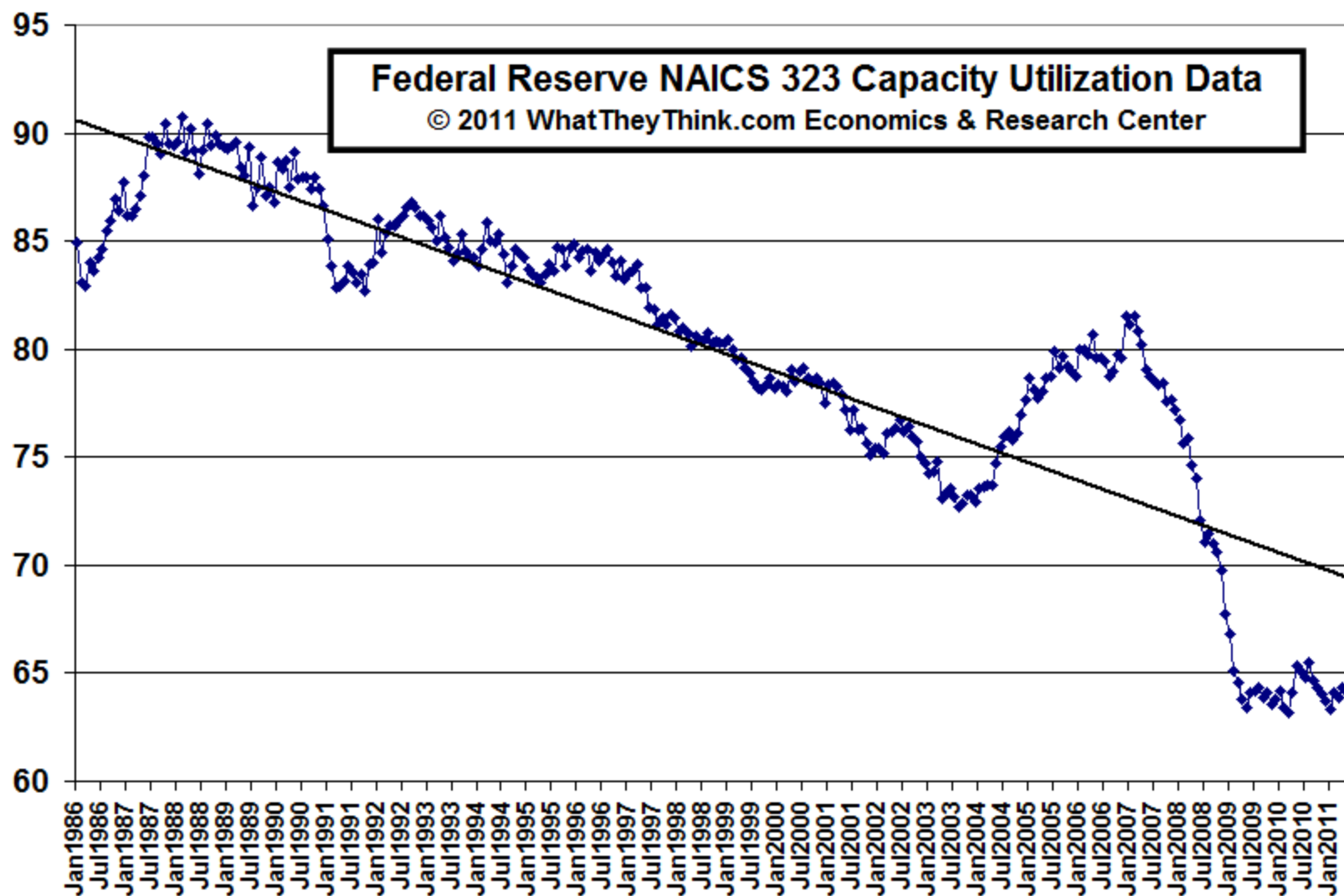
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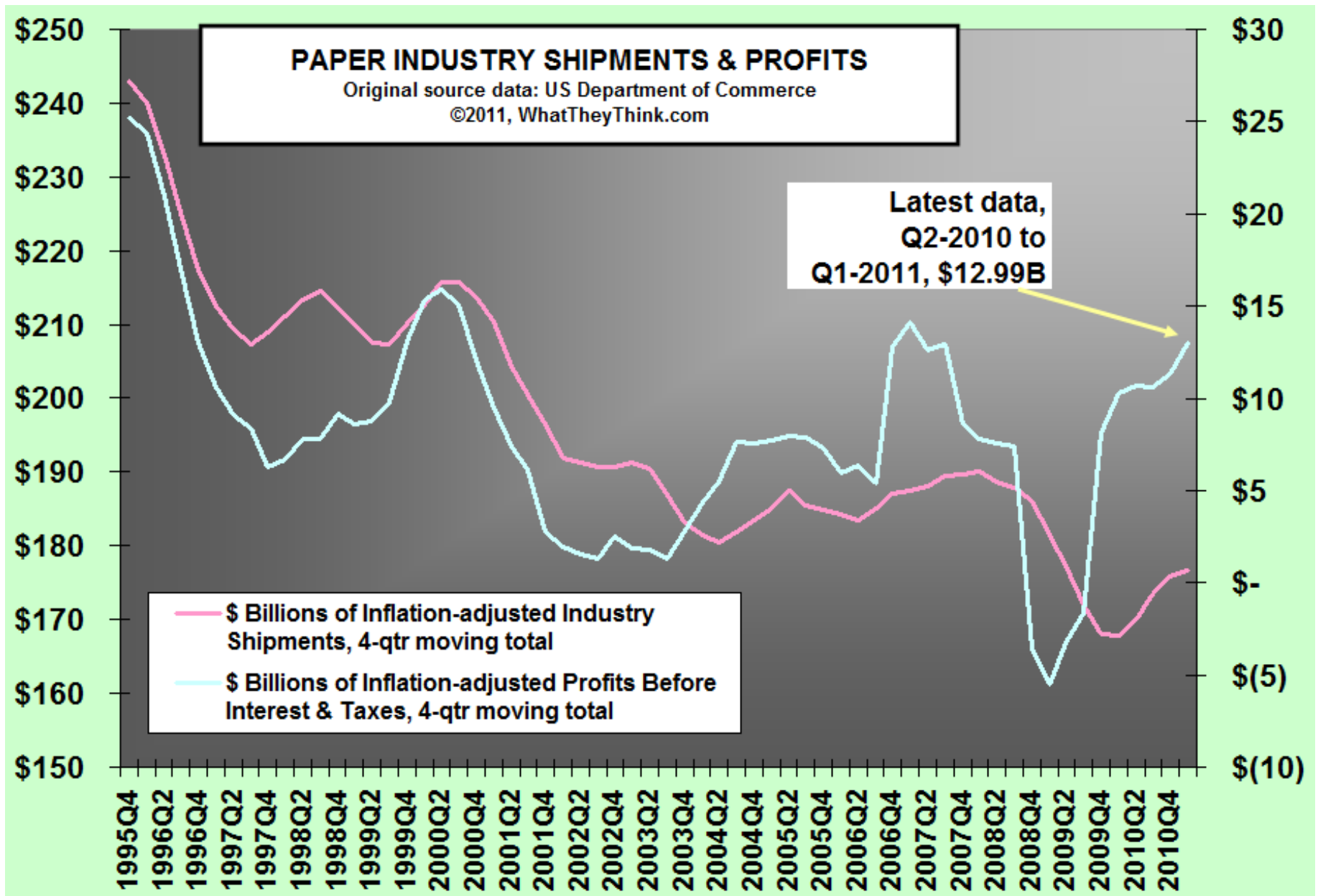
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Executive Summary

- Q1-2011 profits before interest & taxes reported as \$820 million
- Q4-2010 profits before interest & taxes revised down from \$1.11B to \$860MM
- 2010 inflation-adjusted PBIT revised down from \$3.4B to \$2.89B
- Last 4 quarters (Q2-10 to Q1-11) profits are \$3.5B
- Six quarters of consecutive profits
- Profit levels continue to rise, not because of higher market prices or better capacity utilization, but because of continuing downsizing, and the departure of weakest printers
- Our WTT Economics and Research Center forecasting models continue to indicate profit levels will remain under serious pressure and will be relieved only by the continuing and aggressive restructuring of the industry
 - Total profits need to increase almost 50% to reach last profits peak of Q2-06 to Q1-07, which was \$5.11B
 - Profits need to rise more than 4x to reach levels seen in late 1990s.
 - Forces that encourage consolidation still very strong
 - Shipment levels are now likely to be less than with 2010 levels starting in March; April 2011 inflation adjusted terms was worst since beginning of our data series
 - Postal trends negative, worsening in 2011







June 2011 Inflation Adjustments

Year	Inflation Multiplier
2005	1.148
2006	1.120
2007	1.076
2008	1.075
2009	1.046
2010	1.031
2011 (6/11)	1.000

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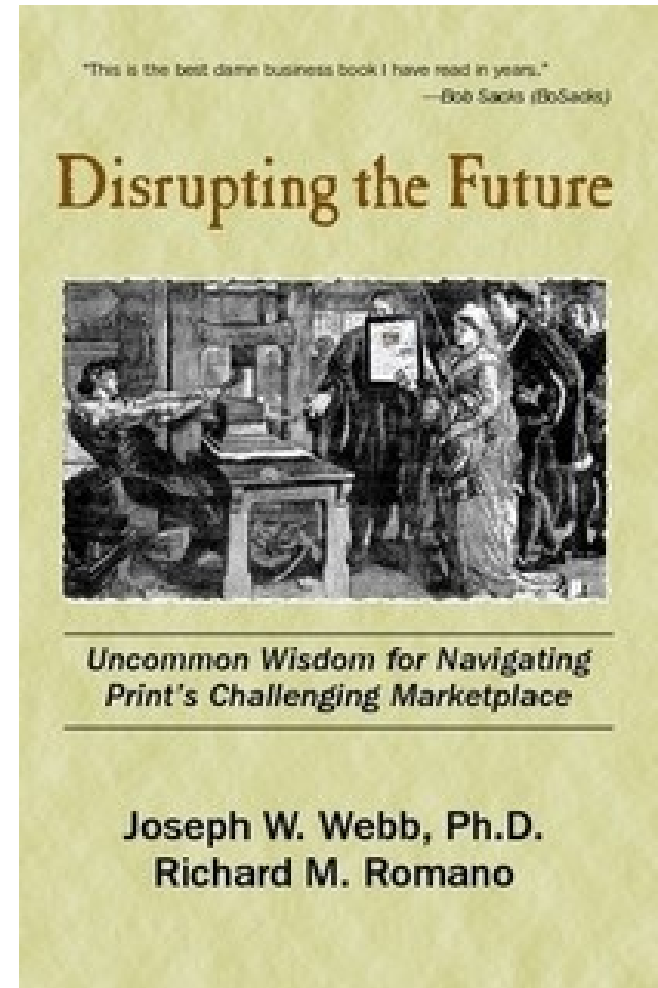
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Notes about this data series

- Original data series is published by the U.S. Commerce Department and can be found at <http://www.census.gov/indicator/www/m3/>
- Profits data are adapted from the Quarterly Financial Report of the Commerce Department <http://www.census.gov/csd/qfr/>
- CPI adjustment is based on data supplied by the U.S. Bureau of Labor Statistics www.bls.gov .
- Data series are for “Printing” and include all segments in NAICS 323; the data series includes commercial printing and trade services such as prepress and postpress.
- The data series does not include inplant printing, printing of newspapers in captive plants owned by newspapers, or packaging.
- This report is updated quarterly; subscriptions are available.

About the WhatTheyThink.com Economics & Research Center

- The Economics & Research Center (ERC) is an expanded service of WhatTheyThink and features access to a wide range of industry data through text, audio, and video.
- The Center also produces a quarterly economic webinar where we review general economic, industry trends, and key issues that affect the demand for print and printing technologies
- Be sure to visit our [web site](#) for more information.