

S.I.D.M. (Serial Impact Dot Matrix) PRINTERS

SIRIO PROGRAM

BUSINESS PLAN

S.I.D.M. WESTERN EUROPE MARKET (1995)

VENDORS CLASSIFICATION (Source: DataQuest)

SPEED (cps)	VALUE (I.S.V. -million \$)					VOLUME (shipments - kunits)				
	0-250	251-399	400+	total	rank	0-250	251-399	400+	total	rank
EPSON	105	124	36	265	1	381	156	15	552	1
OKI	62	150	28	241	2	113	162	19	295	2
TALLY	12	40	30	82	3	38	44	13	94	6
STAR	59	4	-	62	4	164	5	-	169	3
BULL	-	5	52	57	5	0	5	27	32	-
LEXMARK	20	28	9	56	6	35	49	4	89	9
SEIKOSHA	33	12	7	52	7	108	11	2	121	4
FUJITSU	14	16	13	43	8	40	14	6	60	-
NEC	37	1	-	38	9	92	1	-	92	7
OLIVETTI	14	21	3	37	10	61	26	4	91	8
PSI	-	-	37	37	11	-	-	13	13	-
IBM	-	-	36	36	12	-	-	9	9	-
Others	131	69	54	254	20%	289	36	17	342	27%
TOTAL	486	469	304	1259	100%	1320	509	129	1958	100%

EUROPEAN FACTORIES:

U.K. Epson - NEC

Germany: Tally - PSI

Spain: Fujitsu

Italy: Bull - Olivetti

S.I.D.M. W.E. MARKET

MARKET SIZE BY SPEED CLASSES (Source DATAQUEST)

	1992		1995		1998		2000	
	# (kunits)	I.S.V. (M\$)	# (kunits)	I.S.V. (M\$)	# (kunits)	I.S.V. (M\$)	# (kunits)	I.S.V. (M\$)
<i>400 + CPS</i>	116	359	129	304	110	229	94	176
<i>251-399 CPS</i>	703	804	509	469	353	283	274	198
<i>0-250 CPS</i>	3036	1734	1320	486	859	260	657	171
TOTAL	3855	2897	1958	1259	1322	772	1025	545

ABOVE DATA GIVE THE MESSAGE THAT ONLY HIGH END SIDM IS SURVIVING TO THE DISPLACEMENT BY NON IMPACT (INK JET, LASER) PRINTERS.

TWO REMARKS:

- SPECIALIZED PRINTERS ARE NOT INCLUDED (FOR INSTANCE BANKING AND STRIPE PRINTERS FOR P.O.S. & A.T.M.)
- SPEED IS NO MORE THE ONLY MARKET SEGMENTATION FACTOR (IMPACT PRINTING IS NO LONGER A GENERAL USE TECHNOLOGY).

WESTERN EUROPE BANKING PRINTERS MARKET

- BANKING PRINTERS MANUFACTURERS

	FACTORY LOCATION	1995 SHIPMENTS (Kunits)	
		W.E	W.W.
OLIVETTI	ITALY	> 50	80
SIEMENS NIXDORF	GERMANY	> 25	50
IBM	JAPAN	n.a.	n.a.
ICL / FUJITSU	SPAIN	n.a.	n.a.
I.E.R.	FRANCE	n.a.	n.a.
TOTAL		120-150	220-260

- LAST ANNOUNCEMENT OF COMPLETELY NEW PRODUCTS:

SIEMENS	MID 1995
OLIVETTI	SEPT 1996
IBM	SEPT 1996

SIDM - W.E. MARKET TRENDS

KEY FACTS ON VOLUME SHIPMENTS

- **GENERAL USE ENVIRONMENT**

VERY FAST DISPLACEMENT CAUSED BY LOW COST NIPS TECHNOLOGIES

- **ADMINISTRATIVE PRODUCTION ENVIRONMENT**

A) SIDM HIGH SPEED:

SLOW DECLINE

DRIVEN BY SELECTIVE EROSION FROM OTHER TECHNOLOGIES

- INTRODUCTION OF PAPERLESS TECHNOLOGIES FOR EXCHANGE OF DATA BETWEEN ORGANIZATIONS

- ONE TO ONE REPLACEMENT WITH NIPS (MEDIA AND ENVIRONMENTAL CONVERSION COSTS, NO LOW COST SOLUTION TO REPLACE COLOR PRE-PRINTED FORMS).

B) SIDM MID SPEED:

FAST DECLINE

- SATURATION OF SMALL BUSINESS MARKET STARTED EARLY 90'

- **ADMINISTRATIVE TRANSACTIONAL ENVIRONMENT**

ALMOST STABLE

- NO ONE TO ONE REPLACEMENT BY NIPS (COPIES REQUIREMENT)

- MIGRATION TO PAPERLESS EXCHANGE WITH A SIGNIFICANT DELAY VERSUS PRODUCTION CASE (EXCHANGE IS BETWEEN ORGANIZATIONS AND INDIVIDUAL/CONSUMER)

S.I.D.M. W.E. MARKET

DATAQUEST SHIPMENTS ESTIMATE BY SPEED CLASSES

	1992		1995		1998		2000	
	# (kunits)	I.S.V. (M\$)	# (kunits)	I.S.V. (M\$)	# (kunits)	I.S.V. (M\$)	# (kunits)	I.S.V. (M\$)
400 + CPS	116	359	129	304	110	229	94	176
251-399 CPS	703	804	509	469	353	283	274	198
0-250 CPS	3036	1734	1320	486	859	260	657	171
TOTAL	3855	2897	1958	1259	1322	772	1025	545

COMPUPRINT SHIPMENTS ESTIMATE BY APPLICATION SEGMENT (includes banking)

	1992		1995		1998		2000	
	# (kunits)	I.S.V. (M\$)	# (kunits)	I.S.V. (M\$)	# (kunits)	I.S.V. (M\$)	# (kunits)	I.S.V. (M\$)
ADMINISTRATIVE								
<i>PRODUCTION</i>								
400+ CPS	116	359	129	304	110	229	94	176
251-399 CPS	300	343	220	202	160	128	100	72
TOTAL PRODUCTION	416	702	349	506	270	357	194	248
<i>TRANSACTIONAL</i>								
banking	125	300	120	276	115	240	110	171
251-399 CPS	220	228	200	184	190	152	174	126
0-250 CPS	220	114	200	74	190	60	180	49
TOTAL TRANACT.	565	642	520	534	495	452	464	346
TOTAL ADMINISTR.	981	1344	869	1040	765	809	658	594
<i>GENERAL USE</i>								
251-399 CPS	183	233	89	83	3	3	0	0
0-250 CPS	2816	1620	1120	412	669	200	477	122
TOTAL GENER. USE	2999	1853	1209	495	672	203	477	122
TOTAL S.I.D.M.	3980	3197	2078	1535	1437	1012	1135	716

ADMINISTRATIVE TRANSACTIONAL ENVIRONMENT

1996 - 2000 TREND

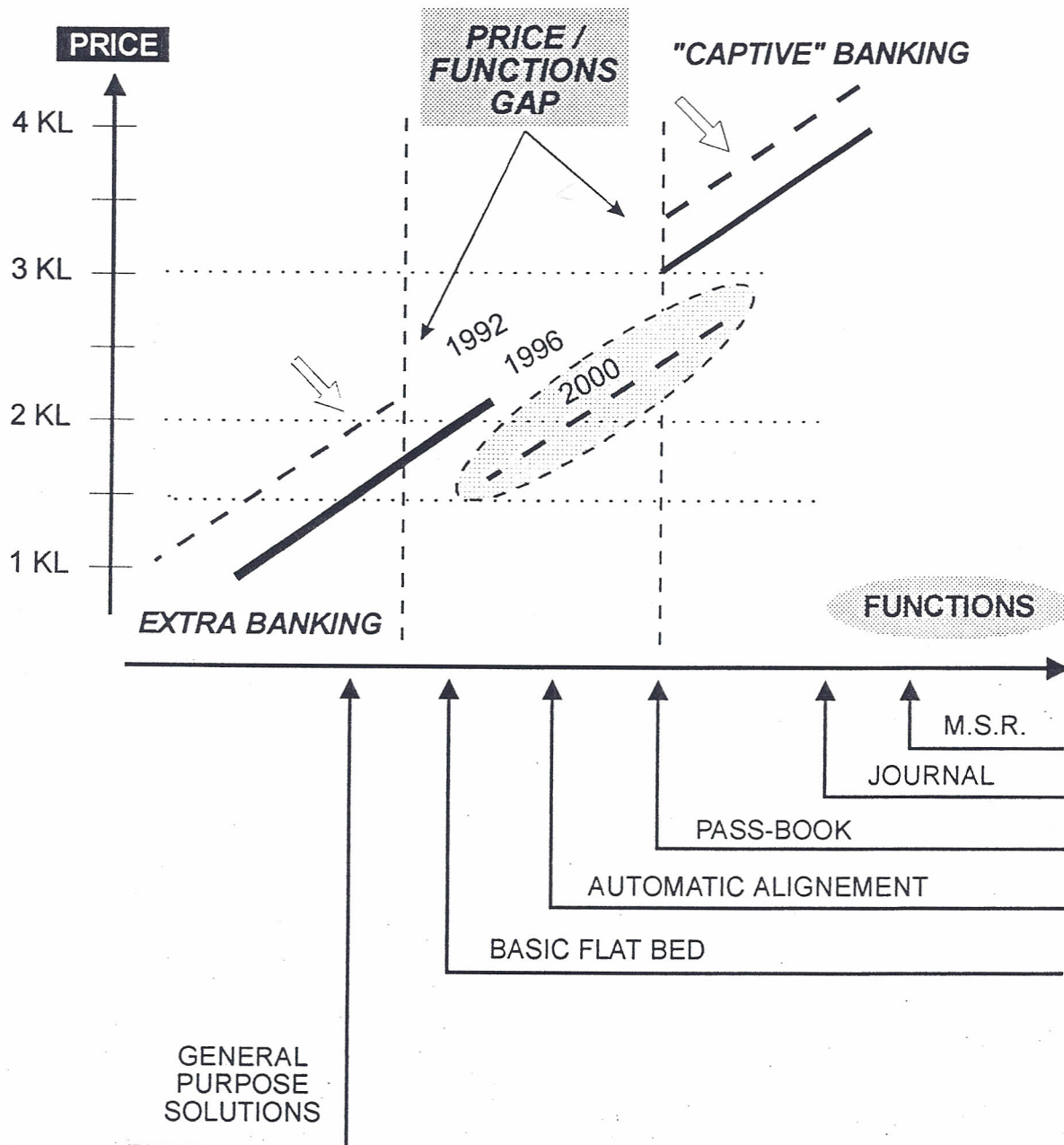
A) TWO KEY FACTORS IN BANKING ENVIRONMENT

- EMERGING NON CAPTIVE BANKING PRINTER MARKET DRIVEN BY INTRODUCTION OF OPEN HW AND SW ARCHITECTURES .
- DECLINING DEMAND FOR SOME OF THE BANKING SPECIFIC FEATURES, NAMELY MAGNETIC STRIPE FOR PASSBOOK HANDLING AND JOURNAL OPTIONS (PRESENTLY LESS THAN 10% OF OLIVETTI SHIPMENTS).

B) IN OTHER FRONT-DESK APPLICATIONS

- PRINTERS DESIGNED FOR GENERAL USE DO NOT OFFER SATISFACTORY LEVEL OF OPERABILITY, NAMELY WHEN RIGID AND/OR MULTIPLE MEDIA HAVE TO BE HANDLED.
- USERS ARE WILLING TO PAY PREMIUM PRICE FOR BETTER SOLUTIONS, AS SHOWN BY OKI FLAT BED PRINTERS GROWING VOLUMES (INTRODUCED 2 YEARS AGO AND PRESENTLY REPRESENTING AT LEAST 25% OF OKI MIX IN EUROPE).
- FEW OTHER PLAYERS ARE FOLLOWING OKI (ONE OF THE TWO MARKET LEADERS):
 - FUJITSU (1996)
 - SEIKOSHA (1996) BASED ON TEC MODEL
- THESE PRODUCTS GIVE GOOD SOLUTION FOR RIGID FORM HANDLING, NEVERTHELESS THEY DO NOT OFFER THE OPERABILITY LEVEL PROVIDED BY BANKING PRINTERS (LARGE END USERS - HOSPITALS - HAVE INSTALLED BASIC BANKING PRINTERS).

ADMINISTRATIVE TRANSACTIONAL PRINTING



SIDM - R.O.W. MARKET TRENDS

MARKET SIZE AND KEY FACTS ON VOLUME SHIPMENTS

- **U.S.A. AND NORD AMERICA**

HALF W.E. SIZE (SOME DIFFERENCE IN MIX BY CLASS)

TRENDS SIMILAR TO W.E.

- **JAPAN**

VERY SPECIFIC MARKET

STRONG BARRIERS (LOCAL CAPTIVE MARKET)

- **GROWING ECONOMY COUNTRIES**

MARKETS SIZE FAR FROM SATURATION

- ADMINISTRATIVE MARKET SHIPMENTS ARE GROWING IN PROPORTION TO GROWING NUMBER OF ENTERPRISES.

SAME FUNCTIONAL REQUIREMENTS OF W.E. PRODUCTS

- IN FAR EAST COUNTRIES GRAPHICS CHARACTERS REQUIRE HIGH RESOLUTION PRINTING --> HIGH PERFORMANCE PRINT-HEADS (SAME BASIC P.H. TECHNOLOGY OF W.E. PRODUCTION HIGH SPEED PRINTERS ARE NEEDED ALSO FOR LOW SPEED TRANSACTIONAL PRINTERS)

ESTIMATE OF WORLD WIDE SIDM MARKET
SIZE AND TRENDS BY APPLICATION SEGMENT (*)

(Japan not included)

COUNTRIES	WESTERN COUNTRIES (N.A. + W.E.)				DEVELOPING ECONOMY COUNTRIES (*)			
	1995 SHIPMENTS		1995-2000 AAGR		1995 SHIPMENTS		1995-2000 AAGR	
	# (kunits)	I.S.V. M\$	#	I.S.V.	# (kunits)	I.S.V. M\$	#	I.S.V.
HIGH SPEED PRODUCTION	190 (130+60)	400	-6%	-10%	90	230	+12%	+5%
MID SPEED PRODUCTION	400 (220+180)	400	-15%	-18%	450	600	+0%	-5%
TRANSACTION.	800 (520+280)	900	-2%	-7%	700	900	+12%	+5%
GENERAL USE	3000 (1200+1800)	850	-17%	-25%	1460	550	-17%	-25%
TOTAL	4390 (2070+2320)	2550	-12%	-14%	2700	2280	-2%	-2%

(*) COMPUPRINT ELABORATION OF AVAILABLE DATAQUEST DATA.

(**) Asia/Pacific (Japan excluded), Latin America, Central/East Europe, Rest of World.

COMPUPRINT S.I.D.M. STRATEGY

COMPUPRINT PRODUCT STRATEGY

S.I.D.M. (Serial Impact Dot Matrix) PRINTERS

1997 GUIDELINES

VEGA PROGRAM (HIGH RANGE)

FULLY EXPLOIT LEADERSHIP IN EUROPE AND DOMINANT POSITION IN OEM, VIA

- BULL NETWORK DISTRIBUTION
- LARGE SYSTEM INTEGRATORS (BULL, IBM, DEC, UNISYS)
- PRINTER BRAND PARTNER ON VARs AND LARGE END USERS (GENICOM)
- DEVELOPING PARTNER IN CHINA

THROUGH AVAILABILITY AND LAUNCH OF

- IMPROVED SPEED/THROUGHPUT VERSIONS AND IMPROVED PAPER HANDLING TO PROVIDE FULL COVERAGE IN THE PRODUCTION ORIENTED SEGMENT
- FAR EAST (KANJI) VERSION

SIRIO PROGRAM (MID RANGE)

LEVERAGE ON UNIQUE SKILLS COMBINATION ON:

- PRINT HEAD CORE TECHNOLOGY
- PAPER HANDLING MECHANISM DESIGN
- ENGINEERING "SERVICES" FOR SPECIALIZED SIDM MARKET (MAJOR OEMs EXPERIENCE)

TO DESIGN A NEW MULTI-VERSION MODEL

- CAPABLE TO ADDRESS SEVERAL APPLICATIONS - TYPICALLY IN THE FIELD OF SPECIAL FORM HANDLING

TO TARGET OPPORTUNITIES IN THE TRANSACTIONAL MARKET SEGMENT

- OPPORTUNITIES ON EMERGING NON CAPTIVE BANKING MARKET IN W.E. - VIA BULL, GENICOM AND OEM'S - AVOIDING FRONT ATTACK TO MARKET LEADERS (OLIVETTI, SIEMENS).
- OPPORTUNITIES IN U.S. AND W.E. TO SATISFY DEMAND FOR SUPERIOR PAPER HANDLING CAPABILITIES IN GENERAL TRANSACTIONAL APPLICATIONS, AVOIDING FRONT ATTACK TO LOW END MASS PRODUCERS (OKI).
- OPPORTUNITIES OF NEW MARKETS IN GROWING ECONOMY COUNTRIES - VIA NEW TECHNOLOGICAL AND DISTRIBUTION PARTNERS.

SIRIO PROGRAM

PRODUCT LINE

ARCHITECTURE AND POSITIONING

COMPUPRINT PRODUCT STRATEGY

S.I.D.M. (Serial Impact Dot Matrix) PRINTERS

PRODUCT FAMILIES ARCHITECTURE

VEGA PRODUCT LINE

A FAMILY OF HIGH END PRINTERS (FROM 400 UP TO 1000 CPS)

TO SATISFY ANY APPLICATION REQUIREMENT IN PRODUCTION ENVIRONMENT

- A FULL FUNCTION BASE MECHANISM (*FLEXIBLE , MULTI-PATH PAPER HANDLING*)
- LEADING EDGE SOLUTIONS FOR CORE TECHNOLOGIES (HEADS, SERVOS)
- 3 SPEED RANGE CONFIGURATIONS (48 IPS, 70 IPS, 110 IPS)
- 9, 18 AND 24 PIN PRINT-HEADS
- 2 COST/PERFORMANCE SOLUTIONS FOR POWER SUPPLY AND ELECTRONICS
- PORTABLE SOFTWARE MODULES.

SIRIO PRODUCT LINE

ONE MODEL CONFIGURABLE IN DIFFERENT VERSIONS (FACTORY INSTALLABLE)

TO SATISFY MOST OF THE APPLICATION REQUIREMENTS IN TRANSACTIONAL ENVIRONMENT

- A SPECIALIZED MECHANISM (*FLAT BED, SINGLE PATH PAPER HANDLING*)
- SPECIAL MEDIA HANDLING COMPONENTS (*AUTO ALIGNEMENT, PASS BOOK*)
- EQUIPPED WITH EXISTING SUBSYSTEMS FOR HEADS, ELECTRONICS AND SOFTWARE
- SPEED RANGE LIMITED TO 48 IPS (300 TO 500 CPS)

COMPUPRINT PRODUCT STRATEGY

S.I.D.M. (Serial Impact Dot Matrix) PRINTERS

VEGA AND SIRIO PRODUCT LINES

VEGA PRODUCT LINE

VEGA FAMILY MODELS											
	model	pins	speed	clmn	copies	D.B.	pph	R.T.	A.S.F.	D.F.T.	Noise
V1	2043	9	400	136	8		400	yes	opt	opt	55
V2	2048	24	400	136	8		400	yes	opt	opt	55
V3	2076	18+	700	136	8		500	yes	opt	opt	57
V4	2078	24+	700	136	8		500	yes	opt	opt	57
V5	2058	24	500	136	6	yes	400	yes	opt	opt	55
V6	2096	18+	800	136	6		700	yes	opt	yes	57
V7	2098	24+	800	136	6		700	yes	opt	yes	57

pins	Print-head (9, 18, 24 pins) + Moving Ruby
speed	characters per second at 60 dpi density
clmn	number of printable 10 cpi columns
copies	number of printable copies
pph	throughput - page per hour
D.B.	Double Byte character set
R.T.	RemovableTractor group
A.S.F.	Automatic Sheet Feeder
noise	acoustic noise (dB)

COMPUPRINT PRODUCT STRATEGY

S.I.D.M. (Serial Impact Dot Matrix) PRINTERS

PRODUCT FAMILIES MODELS

SIRIO PRODUCT LINE

SIRIO VERSIONS											
	model	pins	speed	clmn	copies	D.B.	A.A.	P.B.	R.T.	CUT	Noise
Bank Basic	s1	24	300	106	8		yes	yes			<53
Bank G. P.	s2	24	400	106	8		yes	yes	yes		53
Flat Bed Plus	s3	24	400	106	8		yes		yes		53
Flat Bed Basic	s4	24	300	106	8				yes		53
Service Prt	s5	24	400	106	8					yes	53
Special Appl.	s6	any	any	106	any	y/n	y/n	y/n	y/n	y/n	53
Bank GP F.E.	s7	24	500	106	6	yes	yes	yes	yes		53
F.B. Puls F.E.	s8	24	500	106	6	yes	yes		yes		53

pins	Print-head (9, 18, 24 pins)
speed	characters per second at 60 dpi density
clmn	number of printable 10 cpi columns
copies	number of printable copies
A.A.	cut sheet Auto Alignment
P.B.	variable thickness Pass Book
R.T.	RearTractor
CUT	low cost Cutter with dual rear tractor
noise	acoustic noise (dB)

Vega Entry W	s7	24	400	136	8				ye		55
Vega Ent.F.E.	s8	24	500	136	6	yes			yes		55

Not included in present Business Plan

COMPUPRINT PRODUCT STRATEGY

SIRIO PROGRAM

VERSIONS KEY FUNCTIONALITIES AND MARKET TARGETS

VERSION

- SIRIO 1: TARGETS THE "BASIC NON CAPTIVE " EUROPEAN BANKING MARKET SEGMENT, PROVIDING:
- AUTO ALIGNMENT FEATURE
- VARIABLE THICKNESS DOCUMENT HANDLING (PASS BOOK) FEATURE
- SIRIO 2: PROVIDES THE PLUS OF REAR TRACTOR FUNCTION (NOT PROVIDED IN TRADITIONAL BANKING PRINTERS).
ALLOWS A WIDER USAGE OF THE SAME PRINTER IN THE BANKING ENVIRONMENT (NOT LIMITED TO FRONT DESK APPLICATION).
- SIRIO 3: TARGETS BANKING MARKETS NOT REQUIRING PASS BOOK FEATURE AS WELL AS NON BANKING MARKET WHERE MULTIPLE SIZE DOCUMENTS MUST BE HANDLED (TRAVEL AGENCIES, INSURANCE, TRANSPORTATION). AUTO ALIENEMENT FEATURE AND HIGH LEVEL OF OPERABILITY ARE THE QUALIFYING FEATURES.
- SIRIO 4: IS THE ENTRY OFFERING OF SIRIO FAMILY.
SAME FUNCTIONALITIES OF PRESENT MARKET PRICE LEADER IN FLAT BED SOLUTIONS (NO PASS BOOK, NO AUTO ALIENEMENT).
- SIRIO 5: CONFIGURATION OF SIRIO 4 INCLUDING LOW COST CUTTER AND DUAL REAR PUSH TRACTOR .
PROVIDE OPTIMIZED SOLUTION FOR AUTO-TELLER / SERVICE PRINTER FOR MARKETS SUCH AS BANKS, SCHOOLS, PUBLIC SERVICES.
- SIRIO 6: SPECIAL VERSIONS CAPABLE TO ANSWER SPECIFIC CUSTOMER REQUESTS FOR SPECIAL MEDIA HANDLING AND PRINTING (EXAMPLES: TICKETING APPLICATIONS, PASSPORT PRINTING). STRAIGHT PATH, AVAILABILITY OF AUTO ALIENEMENT AND PASS-BOOK FEATURES AND OF EXTRA COPIES PRINT HEAD ARE THE KEY ELEMENTS.
- SIRIO 7: FAR EAST VERSION OF SIRIO 2 (HIGH FREQUENCY HEAD FOR DOUBLE BYTE CHARACTERS SET PRINTING).
- SIRIO 8: FAR EAST VERSION OF SIRIO 3 (HIGH FREQUENCY HEAD FOR DOUBLE BYTE CHARACTERS SET PRINTING).

- SIRIO 9: *WIDE VERSION OF SIRIO 4 .
TARGETS LOW PERFORMANCE COMPETITORS OF VEGA FAMILY IN THE MID RANGE.
REQUIRE ADDITIONAL INVESTMENTS. NOT INCLUDED IN THIS B.P.*
- SIRIO 10: *WIDE VERSION OF SIRIO 8 .
TARGETS FAR EAST COMPETITORS AT A LOWER PRICE LEVEL OF VEGA MODELS.
REQUIRE ADDITIONAL INVESTMENTS. NOT INCLUDED IN THIS B.P.*

COMPUPRINT PRODUCT STRATEGY

SIRIO PROGRAM

COMPETITOR BEST PRICE MODELS (4Q96) AND SIRIO PRICE POSITIONING (4Q96 CONDITIONS)

Version	Competitor Model	Competitor Best Distributor Price (KLIT)	SIRIO Best Distributor Price (KLIT)
Sirio 1	Olivetti PR2	1900	1615
Sirio 2	-----	(a)	1615
Sirio 3	-----	(b)	1265
Sirio 4	Seikosha FB 375	1100	1100
Sirio 5	Tally MT 2033 C	1700	2040
Sirio 6	-----	(c)	1518
Sirio 7	-----	(d)	1857
Sirio 8	-----	(e)	1455

(a) estimated value equal to Sirio 1

(b) estimated value + 15% over Sirio 4

(c) depending on configuration - minimum value 20% higher than Sirio 3

(d) Kanji version of Sirio 2 - value +15% over Sirio 2

(e) Kanji version of Sirio 3 - value +15% over Sirio 3

not included in present Business Plan

Sirio 9	Epson LQ2170	1100
Sirio 10	Seikosha FB 840	2500

COMPUPRINT PRODUCT STRATEGY

SIRIO PROGRAM

COMPETITOR TARGET AND PRICE POSITIONING STRATEGY

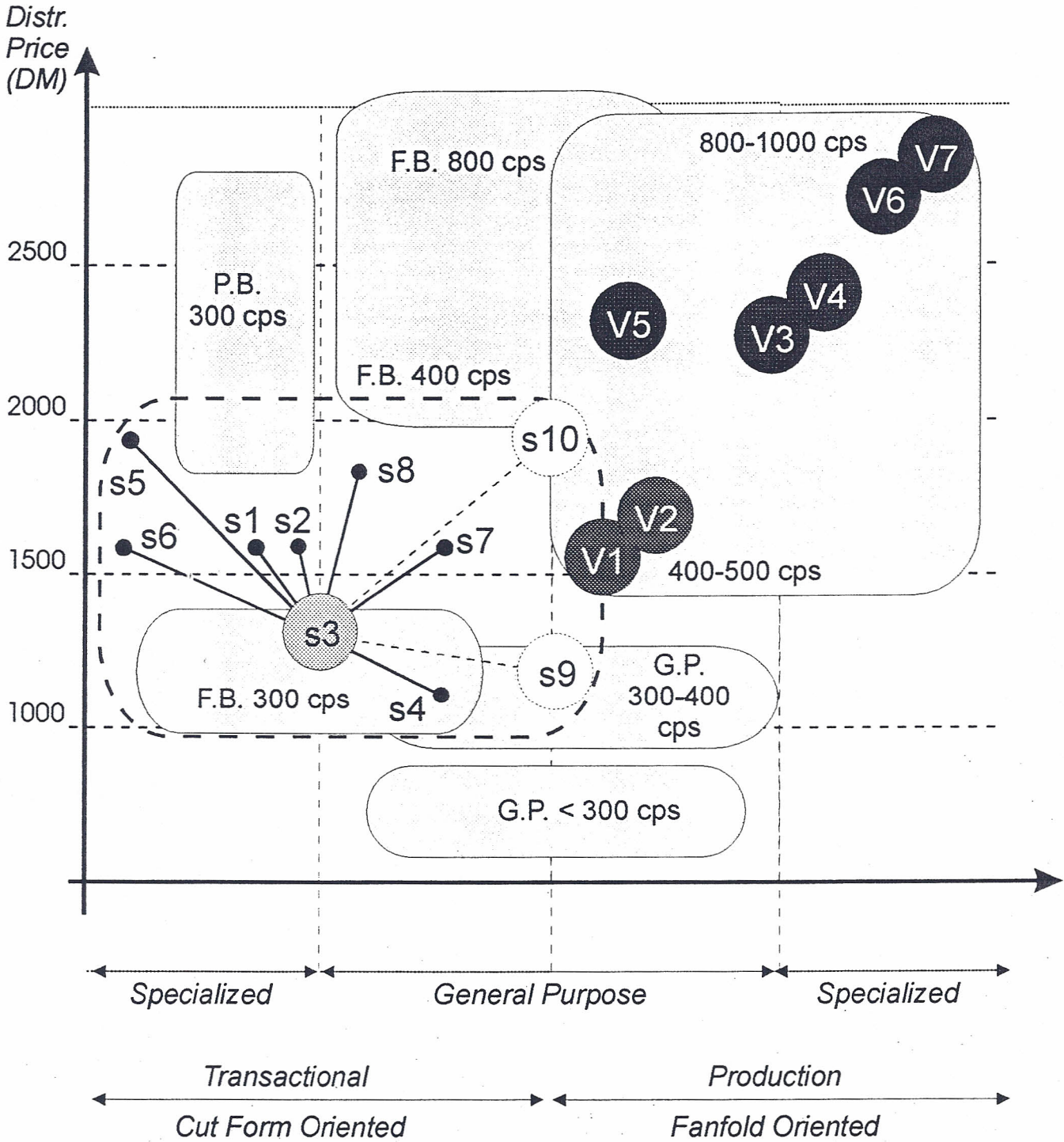
Version

Sirio 1	15% LOWER THAN EQUIVALENT LAST OLIVETTI MODEL . (SHARE AND PRICE LEADER IN EUROPE)
Sirio 2	SAME OF SIRIO 1 (C.E.V. TRADE-OFF BETWEEN TRACTOR FUNCTION AND NOISE LEVEL)
Sirio 3	15% HIGHER VS SEIKOSHA ENTRY MODEL (PRICE LEADER IN EUROPE). SAME PRICE LEVEL - WITH IMPROVED P.H. FEATURES - VS THE EUROPEAN AND WW MARKET LEADER (OKI) MODELS
Sirio 4	SAME PRICE LEVEL OF SEIKOSHA ENTRY MODEL (PRICE LEADER IN EUROPE).
Sirio 5	AT LEAST 20% HIGHER VS TALLY SOLUTION. SIRIO 5 OFFER PROVIDES EXTRA FEATURES TO SERVE UNATTENDED APPLICATIONS: SPEED, DUAL TRACTOR CONFIGURATION).
Sirio 6	AT LEAST 20% HIGHER THAN SIRIO 3. (C.E.V. OF PERSONALIZED EXTRA FEATURES)
Sirio 7	15% OVER SIRIO 2 (PRESENT COMPETITORS DIFFERENCE BETWEEN EUROPEAN AND FAR EAST VERSIONS)
Sirio 8	15% OVER SIRIO 3 (PRESENT COMPETITORS DIFFERENCE BETWEEN EUROPEAN AND FAR EAST VERSIONS)

COMPUPRINT PRODUCT STRATEGY

S.I.D.M. (Serial Impact Dot Matrix) PRINTERS

PRODUCT LINES POSITIONING



SIRIO PROGRAM

FEASIBILITY STUDY RESULTS

COMPUPRINT PRODUCT STRATEGY

SIRIO PROGRAM

PRELIMINARY MODELS COST ESTIMATE (*) AND 1999 TARGETS

(*)	ENGINEERING ESTIMATE FOR STEADY STATE VARIABLE COSTS (AT 1996 CALUSO FACTORY CONDITIONS).	TARGET VARIABLE COST (1999 CONDITIONS)
Model	KLIT	-10%
Sirio 1	700	on all models
Sirio 2	700	
Sirio 3	640	
Sirio 4	600	
Sirio 5	800	
Sirio 6	640	
Sirio 7	700	
Sirio 8	640	

COMPUPRINT - CONFIDENTIAL

SIRIO PROGRAM

R&D EXPENSES, MFG TOOLING & INVESTMENTS (*)

(*) ESTIMATE AFTER FEASIBILITY STUDY

R&D EXPENSES	1996	1996	1997	1997	1998	1998	1999	1999	2000	2000	2001	2001	2002	2002
	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
avg H.C.		3	14	24	24	14	10	5	4	3	3	3	3	3
GROSS EXP. (BLIT) <i>of which for OEMs</i>		0.2	0.9	1.5 0.3	1.6 0.4	0.9 0.4	0.7 0.3	0.4 0.1	0.3	0.2	0.2	0.2	0.2	0.2
FINANCING (*) Funding from OEMs		0.1	0.3	0.4	0.4 0.1	0.3 0.2	0.2 0.2	0.2						
NET EXP. (BLIT)		0.1	0.6	1.1	1.1	0.4	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2

(*) FINANCING 1996-1997: covered by present Eureka program

(*) FINANCING 1998-1999: request esxtension of present program

year	1996	1997	1998	1999	2000	2001	2002	Total
NET R&D EXP. (BLIT)	0.1	1.7	1.5	0.5	0.5	0.4	0.4	5.1
MFG TOOLING (BLIT)		1.3	0.8	0.4	0.2	0.1	0.1	2.9
MFG INVESTMENTS (BLIT)		0.3	0.2	0.1	0.1	0.1	0.1	0.9

COMPUPRINT PRODUCT STRATEGY

SIRIO PROGRAM

MILESTONES

CONCEPTUAL PHASE:

- Market investigation
- Feasibility studies
- Product Specifications
- Business Plan

DEC. 96

- Design

PROTO A LEVEL

APR. 97

- Design Verification
- Market Test
- Design Modification

PROTO B LEVEL

SEPT. 97

- Design Validation
- Start of OEM customization

PRE-PRODUCTION LEVEL

JAN. 98

- Process Verification Test
- Marketing Demo Units

VOLUME SHIPMENTS

- Sirio 1-2-3-4
- OEM models

1Q98

1Q98

- Sirio 7-8

2Q98

- Sirio 5-6

4Q98

COMPUPRINT PRODUCT STRATEGY

SIRIO PROGRAM

BUSINESS PLAN

PROFORMA P&L MAIN ASSUMPTIONS

PRICING

MARKET PRICE TRENDS:

STARTING FROM 4Q96 DEFINED PRICE POSITIONING, 5% PER YEAR PRICE EROSION IS ASSUMED FOR ALL MODELS.

CHANNELS AND PRICING POLICY:

THE PRICING MODEL IS SUMMARIZED ON THE FOLLOWING PAGE.
THE BUSINESS PLAN ASSUMES THAT TRANSFER PRICES FOLLOW THE MARKET PRICE EROSION ON ALL CHANNELS.

EXCHANGE RATES:

NO TREND IS ASSUMED FOR EXCHANGE RATES.

PRODUCT COST

FOR ALL MODELS, THE DEFINED TARGET STEADY STATE VARIABLE COSTS ARE ASSUMED TO BE VALID FOR 1999.

AN AVERAGE COST 10% HIGHER THAN STEADY STATE IS ASSUMED FOR 1998.

AN AVERAGE COST REDUCTION OF 3% PER YEAR IS ASSUMED FOR 2000 AND FOLLOWING YEARS.

PRODUCT AVAILABILITY

1Q DELAY VERSUS PRESENT MILESTONE PROGRAM IS ASSUMED..

SPARES AND CONSUMABLES

NOT INCLUDED IN PRESENT B.P.

COMPUPRINT PRODUCT STRATEGY

SIRIO PROGRAM

BUSINESS PLAN - INVESTMENT EVALUATION - BASE CASE

	1996	1997	1998	1999	2000	2001	2002	TOTAL
VOLUMES			6,800	24,000	40,000	38,000	36,000	144,800
AV NET PRICE(KITL)			956	938	890	847	806	
REVENUES			6.5	22.5	35.6	32.2	29.0	125.8
VARIABLE M.			2.1	8.1	12.4	10.7	9.3	42.6
%			32%	36%	35%	33%	32%	
INVESTMENTS								
R&D GROSS EXP	0.2	2.4	2.5	1.1	0.5	0.4	0.4	7.5
LESS: -FINANCING		-0.1	-0.7	-0.7	-0.2			-1.7
-FUNDING			-0.3	-0.4				-0.7
R&D NET	0.2	2.3	1.5	0.0	0.3	0.4	0.4	5.1
MFG TOOLING		1.3	0.8	0.4	0.2	0.1	0.1	2.9
MFG INVESTM		0.3	0.2	0.1	0.1	0.1	0.1	0.9
TOTAL INVESTMENT	0.2	3.9	2.5	0.5	0.6	0.6	0.6	8.9
NET FLOW	-0.2	-3.9	-0.4	7.6	11.8	10.1	8.7	33.7
YTD NET FLOW	-0.2	-4.1	-4.5	3.1	14.9	25.0	33.7	

INTERNAL RATE	96.5%
NPV (BILLION ITL)	19.0