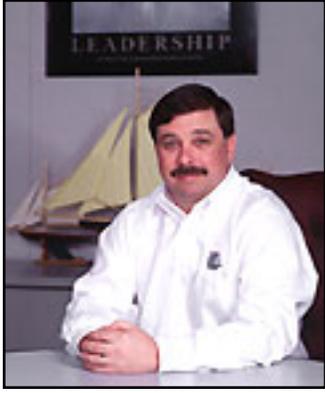


CtP Market Update with Trip Casson, Southern Litho. CEO



An Interview with
E.A. Casson, III
Chairman & CEO

Wake Forest, NC

Southern Lithoplate, the Preferred Provider of quality printing plates to the graphic arts news marketplace has committed their corporate resources to the winning plate technology of the future – thermal CtP. The Pointe interviewed Edward A. "Trip" Casson, III, Chairman & CEO of Southern Lithoplate about CtP for a market update.

Pointe: Where is thermal today?

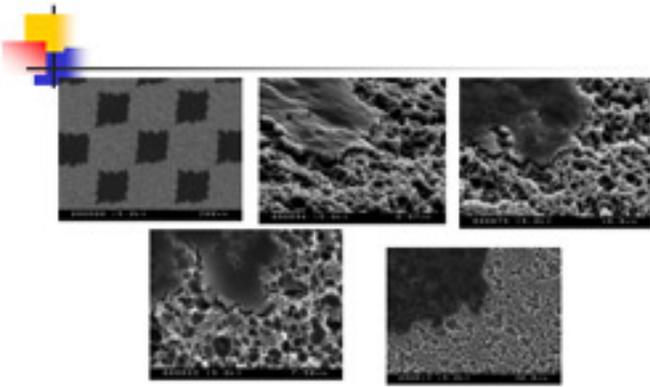
CASSON: Since our first talk two years ago, thermal CtP has continued to prove to be the highest quality plate system that's ever been invented. The increasingly rapid adoption rate of thermal on the commercial side of the industry has now been matched in the news segment. Thermal is preferred 5 to 1 over violet in the news market. Additionally, thermal plate volume in North America is 500% greater than visible/violet and also enjoys the same advantage on annualized growth rates in plate purchases. When we first talked in 2003, there was a lot of debate in the market about the future of technology. While there will always be competitive offerings, this year is proving that thermal will be the dominant technology well into our future.

Pointe: What are the key reasons thermal is the winning technology?

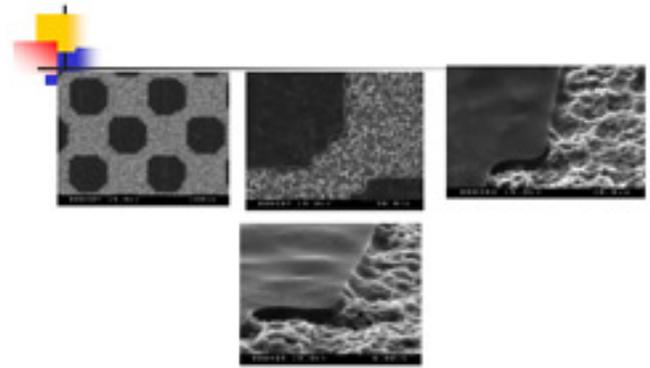
CASSON: It's not just price. It's a total value solution. When we look at what drives capital and consumables purchases decisions, now that thermal CtP has moved toward commodity pricing, consumable pricing has generally become the most critical item. Thermal, long term, is going to be the least expensive of the available technologies today, both to manufacture and to utilize? The good news is that CtP capital costs have come down as the market prepares for mass CtP adoption. Now, you can have the best CtP solution at the best price. Why would you invest in anything less?

With thermal CtP, stochastic screening becomes a very effective technology. The only way you can do stochastic consistently -- at the push of a button, day-in and day-out -- is with a thermal dot.

From a quality standpoint ... "advertisers are requesting stochastic screening for their halftone reproduction and thermal CtP produces the most reliable, consistent, quality dot for Stochastic. Compare:



Gaussian imaging on Visible CTP Plate



Stochastic imaging on a Thermal CTP Plate

The FM claims of less water, better color, better tonal value management used to be just that, claims. Now, there are enough printers in the market running FM that factual market data is available. Plus, GATF reported last June in their Stochastic publication that FM can reduce ink up to 15%. Then you look at the service and support for devices in the marketplace. Let's talk about good honest service and support for the equipment. Thermal manufacturers have it hands down. They are servicing over 8,000 thermal platesetters worldwide, multiples over the nearest competitive device.

Pointe: What do you mean that you're "The Value Leader"?

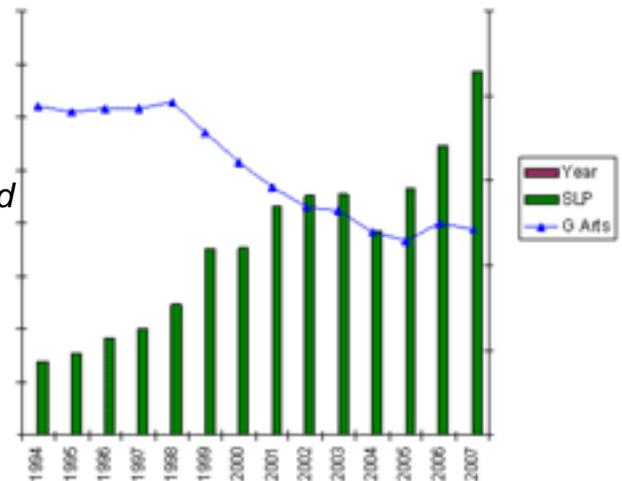


CASSON: 20 years ago, when we incorporated Southern Lithoplate, the Casson family decided we would compete as the High Quality & Low Price -- Value Competitor.

Our manufacturing facilities are designed and built for productivity and efficiency. Our activity cost modeling

also allows us precise financial management of every aspect of the business. As the chart to the right demonstrates, our strategy has enabled Southern Lithoplate to emerge and grow as the major competitors have fought hard to right size and will continue to do so well into the future. That's also the reason we're committed to thermal CtP. To ensure our customers compete effectively in our dynamic industry, Southern Litho will provide the highest quality CtP technology at the lowest cost guaranteeing the "biggest bang for the buck."

Southern Litho Growth Compared to Total Graphic Arts Industry



Pointe: What's comes after thermal?

CASSON: We have extensive technology: thermal, no process, violet, YAG and the list goes on.

Under development, we have a no-process thermal. Based on the type of company we are, we're not going to invent products just to invent products. We invent products for markets and market demand. Clearly the North American market is demanding thermal. By the end of 2005, forecasts say as much as 63% of lithoplates in the U.S. will be CtP and of that 81% will be thermal CtP.

Pointe: What about capital costs and ROI? Why has hardware become so much more cost-effective?

CASSON: *Competitive pressure has forced capital costs to come down quickly. There has never been a better economic environment for printers to invest in technology. Some hardware manufacturers sell from the top down and some sell from the bottom up. Either way all CtP hardware manufacturers want their "fair share" of the market.*

Pointe: Tell me about the recently released E&P poll.

CASSON: *Belden Associates repeated their Brand Preference survey of 2002 in the fall of 2004 on behalf of Editor & Publisher magazine. We are honored and humbled to find that Southern Litho is the Overall Preferred Provider for the news market. In our core customer base we were chosen as the Number One Preferred Lithoplate Brand, 2 to1 over Agfa and 3 to1 over Kodak Polychrome. To have the industry say they have this level of continued confidence in Southern Lithoplate service and supply truly inspires us.*

Pointe: Any final words?

CASSON: *Passion! Simply put, we are committed to our marketplace and we will employ our passion to listen closely to our customers and their needs. We will continue to deliver!*

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