

# NEWSPAPERS & TECHNOLOGY

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## Southern Litho touts thermal as dominant CTP technology

*Editor's note: In early 2003, Newspapers & Technology spoke with Edward A. "Trip" Casson III, chairman and chief executive officer of Southern Lithoplate Inc. about the company's position as a thermal plate supplier to the newspaper industry. Recently, N&T spoke with Casson again on the changing landscape of computer-to-plate for newspapers and how thermal is shaking out as an option for newspapers making the switch to CTP.*

**N&T:** *When we spoke in early 2003, there was still a perception in the industry that thermal was unaffordable for the newspaper industry although you stated that was a misconception. Do you think that newspapers have gotten past that notion, or is it still prevalent? Also, do you think thermal is now a viable option for smaller newspapers?*

**Casson:** When we spoke in early 2003, the news market was entering the innovator stage of CTP adoption. Thermal plate prices quoted back then were directly tied to the price of commercial thermal plates. Today, the market is quickly moving into mass adoption. The core drivers for mass adoption are a combination of necessary recapitalization in prepress, commercial competition that demands quality print, and the fact that thermal CTP hardware and consumables are now more affordable than ever. Virtually every manufacturer serving the news market has a thermal plate. Plus, there are new platesetter entrants coming to the market this year. To answer your question directly, let the market speak for itself: Thermal is outpacing alternative products four-to-one in the news market in both large and small newspaper properties.

**N&T:** *Has more competition in the thermal arena driven prices down as far as they can go or do you think prices will continue to drop?*

**Casson:** The primary dynamics that drive lithoplate pricing are aluminum, energy, and supply and demand. Aluminum is up over last year



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— Edward A. "Trip" Casson III  
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**Edward A. "Trip" Casson III**  
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by 40 percent. Increased competition has brought CTP plate prices down in general. With the market moving into mass adoption and thermal's dominant share of CTP plates overall (thermal plates represent almost 80 percent of the entire North American CTP marketplace), thermal plate users will inevitably benefit from economies of scale in manufacturing and competition in the marketplace.

**N&T:** *In the past, you have endorsed Creo's CTP units. Will the acquisition of Creo by Eastman Kodak Co. change that at all since Kodak also manufactures the Thermal News thermal newspaper plate?*

**Casson:** Our current and future CTP customers will answer that question. Southern Litho has worked well with both Creo and Screen USA by closely listening to our customers needs

and employing those needs to bring the best overall CTP solution to the table. We have a tremendous responsibility as the preferred plate supplier to the North American news market. We intend to continue our efforts to bring superior value-added solutions so everyone involved can benefit.

**N&T:** *In your view, what plate technologies will emerge? Do you agree that there is a place for violet and other visible light plates and the benefits those technologies offer to newspapers?*

**Casson:** Emerging plate technology includes improved product performance from today's product arrays. You will see continuous improvement on that front. The commercial market is starting to see process-free plate technology at prices (two times higher than) the current commercial CTP plate pricing, so that is not likely to have an impact on the news market for a long time. From what we see and hear from NPES, VSM, and other fact-based research companies, thermal is and will continue to be the dominant technology of choice in all markets. As visible (YAG) converts to violet, a violet market will be created. Recent research indicates that for those converting to CTP in the next 18 months thermal is preferred four-to-one over violet. In the end, our estimates conclude that the news market will have both technologies — with 70 percent to

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80 percent being thermal.

***N&T: What are your latest plate offerings and what is the pricing structure?***

**Casson:** The Viper 830 is [a] leading thermal plate for cold web news applications with the Cobra 830-TN targeted to the commercial cold web and short-run web heatset market. We continue to manufacture analog plates for our loyal customer base; however, we are clearly focused on growing the CTP business base. As of May 2005, 53 percent of our product volume is thermal CTP lithoplates. The Page Co-Op Symposium of 2003 set the baseline for CTP plate pricing in the news market. As promised in 2003 and demonstrated in the marketplace, we will continue to position and price our products based on Southern Litho's manufacturing economies of scale.

***N&T: What trends do you see emerging in the CTP/plate area for newspapers?***

**Casson:** Listening to our news customers, they are in the midst of competition for what is aptly called "commercial gold," their advertisers' demand for more color and quality. Their production personnel are beginning to use hybrid UV cured inks and everyone is driving for revenue enhancement with simultaneous cost containment. Each of these factors finds satisfaction in a conversion to CTP. The most significant emerging trend is the mass adoption of CTP in the news market. Eleven percent of the (U.S.) news market was CTP at year-end 2004. Fact-based forecasts place 73 percent of the news market CTP by 2010.

Here's a good example. We just signed a contract with a long-standing consumables (customer), Ogden Newspapers, to supply it with our

Viper 830 thermal plates (to be used in conjunction with 12 CTP systems it is purchasing from Creo).

***N&T: How can newspapers that haven't yet converted to CTP justify the technology and make the switch?***

**Casson:** Southern Litho has clearly seen our customer partners simultaneously increase advertising revenues and reduce operating costs in the move to CTP. Likewise, publishers and GMs that thoroughly research all the issues from workflow all the way through to punch-bend will demonstrate significant gains in productivity and cost savings well beyond their original ROI calculations. Being completely knowledgeable about the CTP conversion process will guide all future CTP decision makers to the right choice for their particular operation.▲