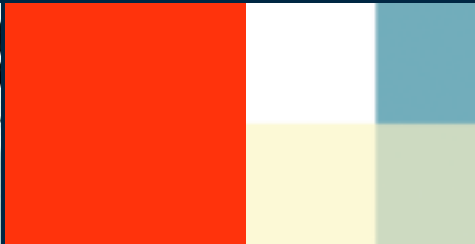


What's **New** in Barcode and Label Printing?

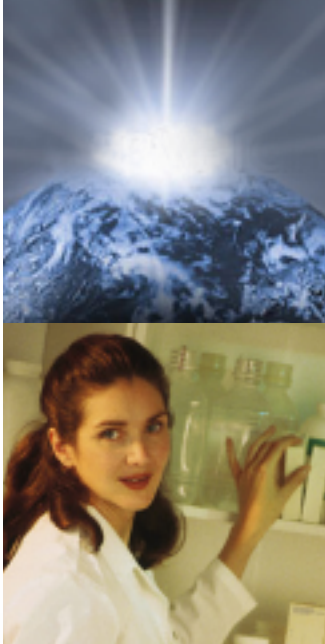


Series
Compact Industrial Printers



www.cognitive.com

Printing Intelligence.



Fill Your Sales Gap with Compact Industrial Barcode Printers!

Identifying the Sales Gap

At first glance, the market for desktop and mid-range thermal transfer printers may seem saturated. And from a traditional sense, it is! There are a number of products on the market today vying for the same application and customer. Valued Added Resellers of auto-id solutions face many challenges in terms of product availability, competition, product differentiation and total end user solutions.

The two most populous segments in the stationary printer market are the mid-range and desktop printer segments. Combined, these two segments make up the lion's share of the industry in terms of revenue and product availability.

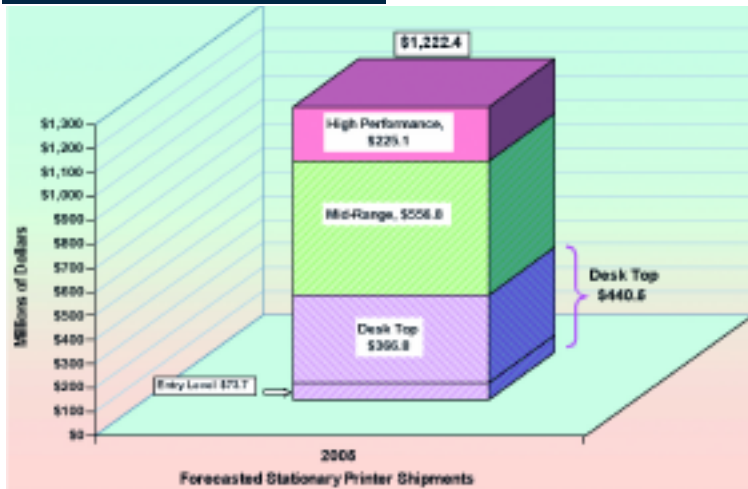
However, upon closer look, there is a space in the market between price and performance that is basically void of products and competition. The area presents a unique opportunity for resellers whose customers have requirements that fall into that price and performance matrix. Cognitive Solutions has identified this market segment as the Compact Industrial Printer market.



Sales Opportunities in the Current Market

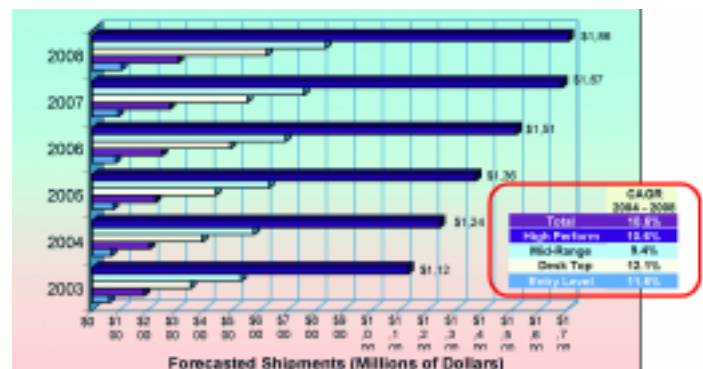
Let's take a look at the gap and how the Compact Industrial barcode printer offers a solution.

Current Market View



* data taken from 2004 Venture Development Corporation Auto-ID report

Current research shows that mid-range and desktop printers make up more than 80% of the barcode printer market offering over 800 products. Looking deeper we find that the desktop market is dominated by 4" printers, while the 2" printers make up only 7% of the market, which points directly to additional market opportunities — more 2" printers and small, compact printers.



* data taken from 2004 Venture Development Corporation Auto-ID report

Where is the Market Going?

Moreover, industry research shows significant growth in the desktop market forecasted to grow by 12% and the mid-range market forecasted to grow by over 9% in the next two years. This represents substantial growth prospects for resellers. And, research tells us that resellers still consider barcode printers an important part of their selling solutions. According to a VDC report, resellers gave barcode printers a 57% significance value to their business portfolio.

extra value.

compact size.



connectivity



What are resellers looking for in the barcode printer market?

Value – *Quality products that differentiate the market*

Performance – *Products with high performance and quick first label out speed*

Ease of doing business – *Companies that offer training and customization*

Warranty – *Rugged and reliable products that stand behind the warranty*

Size – *Compact size printers to fit in tight fitting spaces*

The bottom line is that resellers are looking for new and differentiated barcode printer products to enhance their product portfolio and improve their profits.

Cognitive's New Market Segment

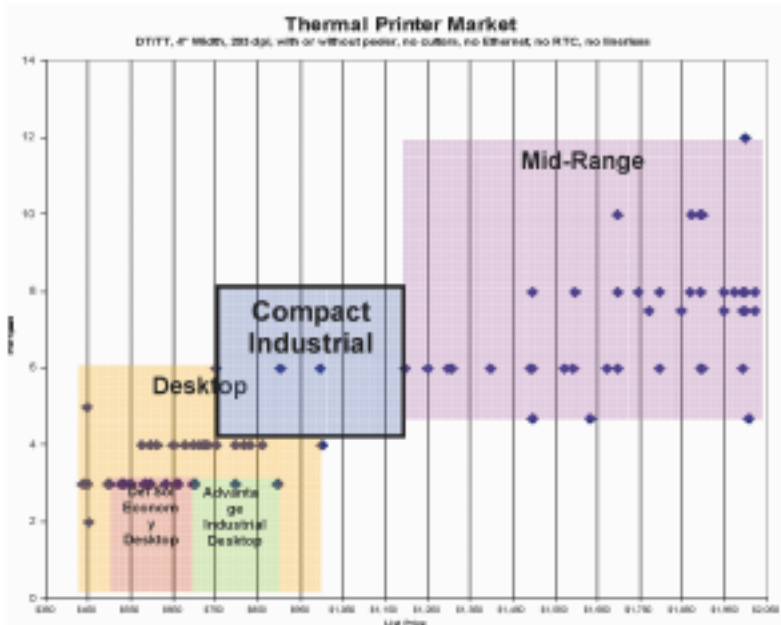
This gap that fills the space between the mid-range and the desktop printers is what Cognitive calls "Compact Industrial." In this space, there are virtually no product offerings. The Compact Industrial space is defined as printers with performance rates between 4 and 8 ips (inches per second) and priced from \$750 to \$1,000.

Cognitive Fills the Compact Industrial Gap

Identifying this gap in the market was evolutionary; filling the gap with products was innovative.

In the traditional view, the customer was forced to either buy up for the performance or buy down for the price. The Compact Industrial printers offer solutions to both situations. The customer can have the performance and ruggedness of a mid-range printer, packaged in a compact footprint, and delivered at a price similar to the desktop printers.

The introduction of Cognitive's Compact Industrial Printers creates a unique niche in the market that will open up new opportunities, applications and revenue generating exposure for the reseller.



easy
to use.

better
performance.

How Big Is The Compact Industrial Market Estimated to Be?

Current conservative estimates indicate that it is a sizeable market, roughly \$150 million. What does this mean to you?

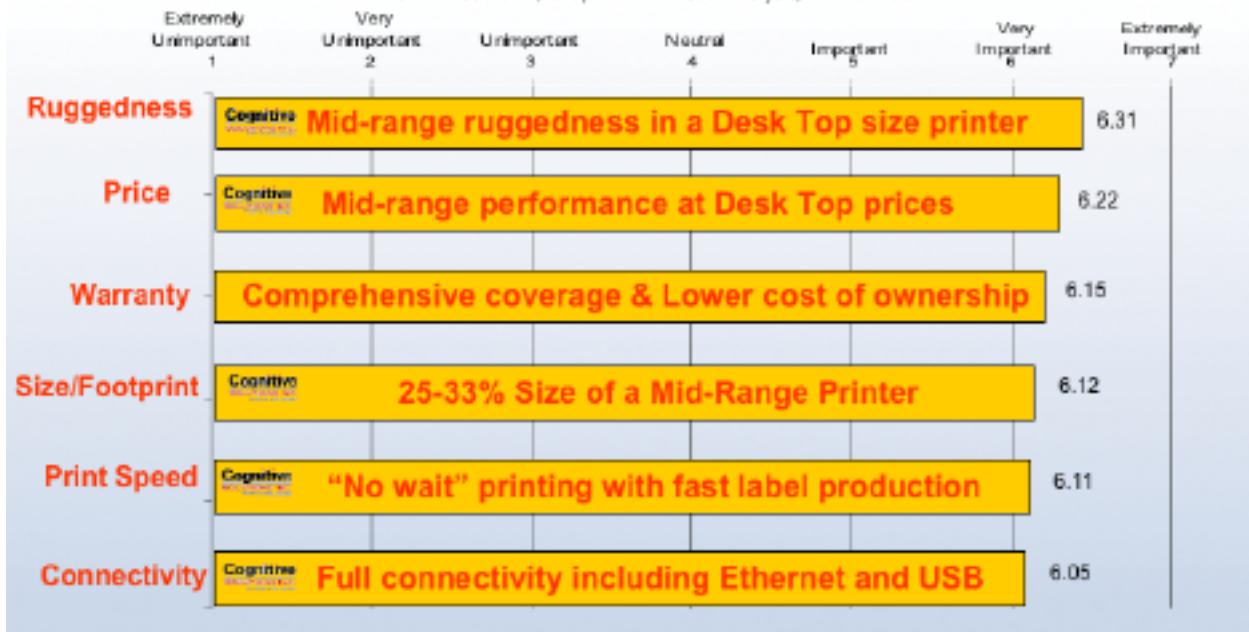
Huge market opportunities and profits!

What Do End Users Want?

According to the a recent VDC Distributor report, the top five attributes that end users value in barcode printers are:

- Ruggedness
- Price
- Warranty
- Size/Footprint
- Print Speed

Survey Respondents Segmented by
Level of Importance of Bar Code Printer Selection Criteria
VDC 2004 Section 1, Chapter IV: End User Analysis, Exhibit IV-55



Printing Intelligence.





What do the C Series Printers have to offer?

Cognitive's new Cxi and Ci Compact Industrial™ printers have several features that directly address the top five attributes listed above:

C Series NEW! Features

- NEW! Compact Industrial™ print mechanism design
- NEW! Metal die-cast user interface
- NEW! 200 MIPS, 180 MHz, 32-bit RISC processor for ultra-high speed processing
- NEW! LCD user interface control panel: back-lit, 2-line, 16 character display with a full menu to change your set-up options (Cxi only)
- NEW! 16 MB DRAM memory (Cxi only, Ci has 8 MB DRAM memory)
- NEW! 8 MB Flash memory (Cxi only, Ci has 4 MB Flash memory)
- NEW! Hinged media cover with enlarged clear window to make it easy to view your media supply
- NEW! Floating metal stamped print mechanism with head open lock to withstand general wear and tear and facilitate easy media loading

Feature\Series	Ci		Cxi	
Size	2"	4"	2"	4"
DT and TT	✓	✓	✓	✓
Print Speed (ips)	6	6	8	8
LCD Interface			✓	✓
Ethernet	Option	Option	Option	Option
USB A Active	✓	✓	✓	✓
Flash Memory (Stored Object)	8 MB	8 MB	8 MB	8 MB

✓ - standard feature

Printing Intelligence.



Stacking Up to the Competition

How the C Series printers compare to mid-range competitors

Cognitive SOLUTIONS INC. PRINTING INTELLIGENCE **Competitive Matrix—Mid Range Printers**

Segment	Cseries		Mid-Range Competitor								
Features/Manufacturer-Model	Cognitive C14	Cognitive C44	Argus E-1080+	TSC TTP-24470	Zebra S410	Datamax N-4206	Argus X-2800	Zebra 9880	Zebra 2700e	Datamax E-4200	Zebra 247+
Image Memory RAM	16 MB	16 MB	312 KB	2 MB	8 MB	4 MB	2 MB	2 MB	1 MB	1 MB	8 MB
Programmable Flash Memory	0 MB	0 MB	512 KB	1 MB	4 MB	2 MB	1 MB	1 MB	1 MB	1 MB	2 MB
Print Speed @ 200 dpi	6	6	4	6	6	6	6	6	5	6	10
2.2" Web Width Model	●	●									
Audible Indicator	●	●									
USB A (Host)	●	●									
LCD Interface		●		●	●		●			●	●
Real Time Clock	●	●	○	○	○	●	○	○	○	○	●
USB B (Device)	●	●	(b1)	(b1)		●	(b1)		●	(b1)	
Network Management Internal Ethernet	●	●	(b1)	○	○	(b1)	(b1)	(b1)	○	○	(b1)
RFID Ready Design	●	●									●
List Price	\$899	\$999	\$995	\$995	\$1,295	\$1,795	\$1,249	\$1,295	\$1,495	\$1,395	\$1,685



How the C Series printers compare to desktop competitors:

Cognitive SOLUTIONS INC. PRINTING INTELLIGENCE **Competitive Matrix— Desktop Printers**

Segment	Cseries		Desktop Competitor						
Features / Manufacturer-Model	Cognitive C14	Cognitive C44	Sato ET490	TSC TTP245	Sato C2450	Intermec C4	Argus A700	Datamax E-4204	Zebra TLP3844
Print Speed @ 200 dpi	6	6	6	5	4	3	4	4	4
Programmable Memory Flash	0 MB	0 MB	2 MB	1 MB	2 MB	200 KB	2 MB	1 MB	512 KB
Image Memory RAM	16 MB	16 MB	8 MB	2 MB	2 MB	170 KB	2 MB	2 MB	2500B
Metal Frame / Mechanisms	●	●							
Mid-Range Roll Equivalent	●	●							
Audible Indicator	●	●							
USB A (Host)	●	●							
2.2" Web Width Model	●	●							●
RFID Ready Design	●	●							● (4*)
Real Time Clock	●	●		○			○		○
LCD Interface		●							
Internal Ethernet	○	○	○ Ext.	○ Ext.	○ Ext.				○ Ext.
List Price	\$899	\$999	\$1,195	\$525	\$595	\$645	\$649	\$650	\$675

What's New in Barcode and Label Printing?

Printing Intelligence.



C Series Compact Industrial Printers are so unique they deserve a class all their own

Cognitive Solutions has essentially taken the "air" out of the big box printer, designed it to fit in a compact solution, and packed it full of unique features and best in class performance at an attractive price.

The intelligently designed Cxi and Ci products will serve an untapped market segment and provide a tremendous opportunity to capture market share in 2006.

The introduction of the C Series printers is an extension of Cognitive's flagship product, the AdvantageLX, known for its rugged and reliable desktop performance.

Cognitive innovative spirit has identified a niche in the market, filled it with a unique product offering, and backed it with the support and service that will set it apart in the marketplace. The goal is to pass this on to the resellers so that they can capitalize on this innovation and gain market share.

