

Only 4 Months after OEM Release,
a Complete Comprehensive System Solution™ from the
Future Graphics®/MK Imaging™ Research and Development Centers



HP® LaserJet CM1312™



HP® CP1518™



HP® LaserJet CP1215™



HP® CP1515

- Replacing the HP 2600, the most popular entry-level color printer ever
- Lowest priced entry-level 4-in-one MFP ever
- Designed for desktop and sold to small businesses printing more black than color
- Quality is superior to earlier entry-level color machines like the HP 2600
- HP now adapting strategy to compete with upstart Samsung in this channel

Printer	Color	Yield (Std)	PPM	OEM Cart Price (Std)	Replacing	HP Positioning	Printer Cost
CP1518	CMYK	K 2200 (CMY 1400)	12 ppm B&W; 8 ppm color	\$70 (CMY \$65)	HP 2600	Entry-level	\$399
CP1515	CMYK	K 2200 (CMY 1400)	12 ppm B&W; 8 ppm color	\$70 (CMY \$65)	HP 2600	Entry-level	\$399
CP1215	CMYK	K 2200 (CMY 1400)	12 ppm B&W; 8 ppm color	\$70 (CMY \$65)	HP 2600	Entry-level	\$299
CM1312	CMYK	K 2200 (CMY 1400)	12 ppm B&W; 8 ppm color	\$70 (CMY \$65)	HP 2600	Entry-level	\$499

OEM Performance

Duty Cycle CM1312

Average: 250-1,500 single-sided pages per month

Maximum: 30,000 single-sided pages per month

Duty Cycle CP1518/CP1515

Average: 250-1,000 single-sided pages per month

Maximum: 30,000 single-sided pages per month

Duty Cycle CP1215

Average: 250-1,000 single-sided pages per month

Maximum: 25,000 single-sided pages per month

OEM

Printer	Tes #	Cartridges	TRAN %	MG/P	YIELD	FILL WT	ID
HP 1518ni	CP1518OEM	CB540A Black	93	24	2,294	55	1.55
HP 1518ni	CP1518OEM	CB541A Cyan	91	29	1,350	40	1.37
HP 1518ni	CP1518OEM	CB543A Magenta	84	37	1,080	40	1.39
HP 1518ni	CP1518OEM	CB542A Yellow	80	26	1,520	40	0.77

FG

Printer	Tes #	Cartridges	TRAN %	MG/P	YIELD	FILL WT	ID
HP 1518ni	G8243A	CB540A Black	85	31	1,790	55	1.54
HP 1518ni	G8243A	CB541A Cyan	86	41	1,099	45	1.53
HP 1518ni	G8243A	CB543A Magenta	80	45	1,010	45	1.44
HP 1518ni	G8243A	CB542A Yellow	75	31	1,310	40	1.03

Key Components



Toner

- OEM product 5 micron chemical toner
- FG's initial release shows excellent print quality. This includes color vibrancy, density and background levels.

Drum • 2 cycles

Doctor blade • 2 cycles

Seal • Patent pending insertion style with fixture

Chip • Available and fully functional

FG's Response:

Our initial release will be short on yield. It will be short 10 percent on color and 15 percent on the black due to the particle size of the aftermarket toners. MKI is currently working on improving the toner consumption but it will take a few months.

The conventionally milled toners of the competition will be much inferior due to the larger and irregular particle size, wider particle size distribution, uneven charge characteristics and higher pile heights. This will lead to lower yield.

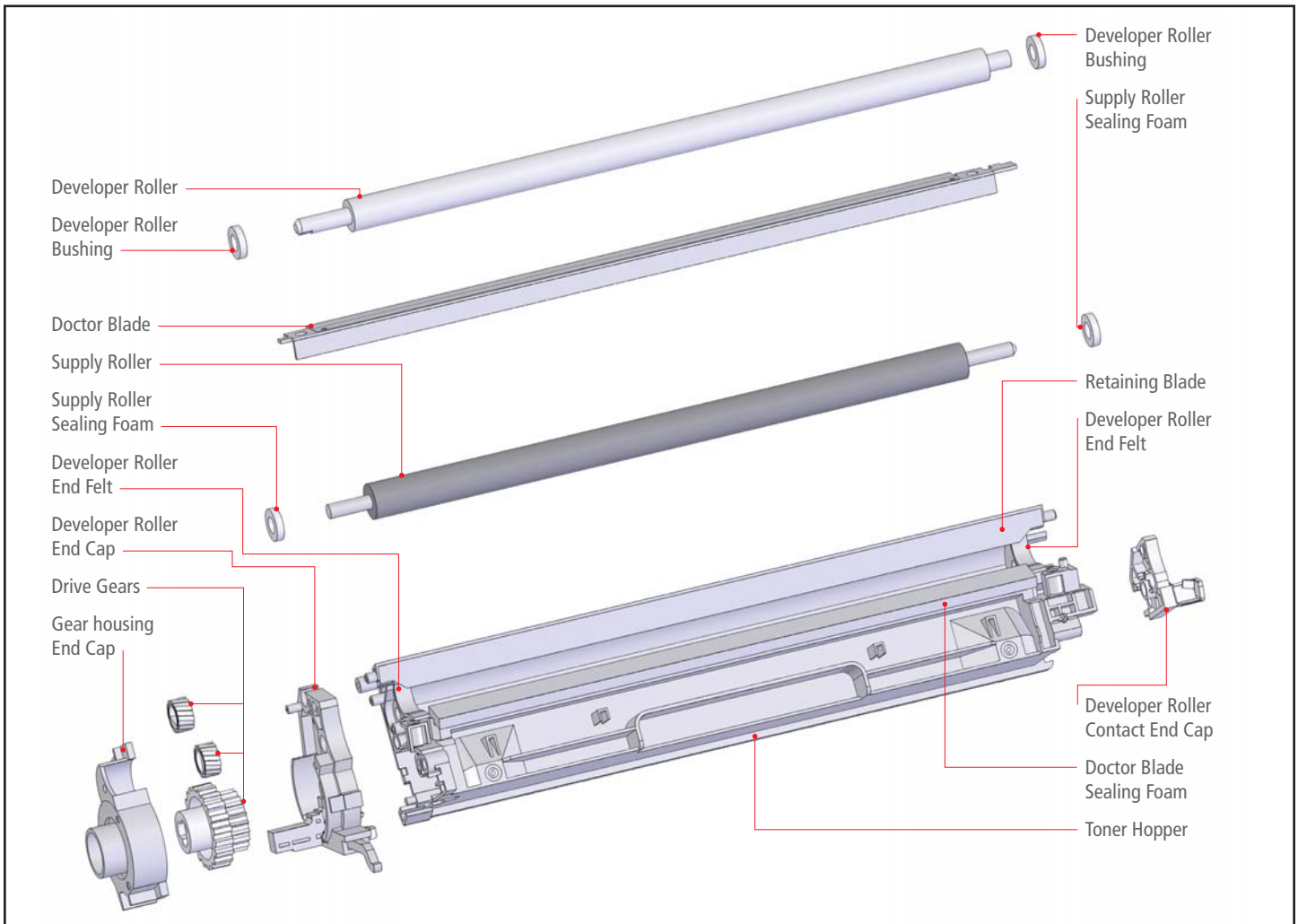
Cost Card

HP CP1518 Costs	OEM Cycle	FG Cycle	FG Component Cost	First-Cycle Cost	2nd-Cycle Cost
Direct Costs					
Empty	Market*	Market*	\$6.00	\$6.00	\$0.00
Drum	Single use**	2 cycles***	\$6.50	\$6.50	\$6.50
Wiper Blade	2 cycles		\$2.00	\$0.00	\$2.00
Doctor Blade	2 cycles**	Single use	\$2.00	\$0.00	\$2.00
Toner	Single use	Single use	\$10.00	\$10.00	\$10.00
Developer Roller	3 cycles		\$2.95	\$0.00	\$0.00
PCR	3 cycles		\$0.00	\$0.00	\$0.00
Chip	Single use	Single use	\$4.50	\$4.50	\$4.50
Seal	Single use	Single use	\$0.75	\$0.75	\$0.75
Sub total:			\$34.75	\$27.75	\$28.70
Labor					
Estimated labor time 20 minutes per cartridge					
Labor assumed at \$8/hr				\$3.00	\$3.00
Overhead assumed at 25% of labor cost				\$0.78	\$0.78
Labor total:				\$3.78	\$3.78
Cartridge Cost					
Direct cost:				\$27.75	\$25.75
Labor:				\$3.78	\$3.78
Cartridge total:				\$31.53	\$29.53
Estimated selling price:				\$47.00	\$47.00
OEM cartridge street price****:				\$69.99	\$69.99
Profit:				\$15.47	\$17.47
Mark-Up:				49%	59%

* Based on market price ** Recommended *** Estimation; OPC subject to wear **** Based on black cartridge Based on market price as of 4/8/08

HP® CP1518™ Toner Hopper

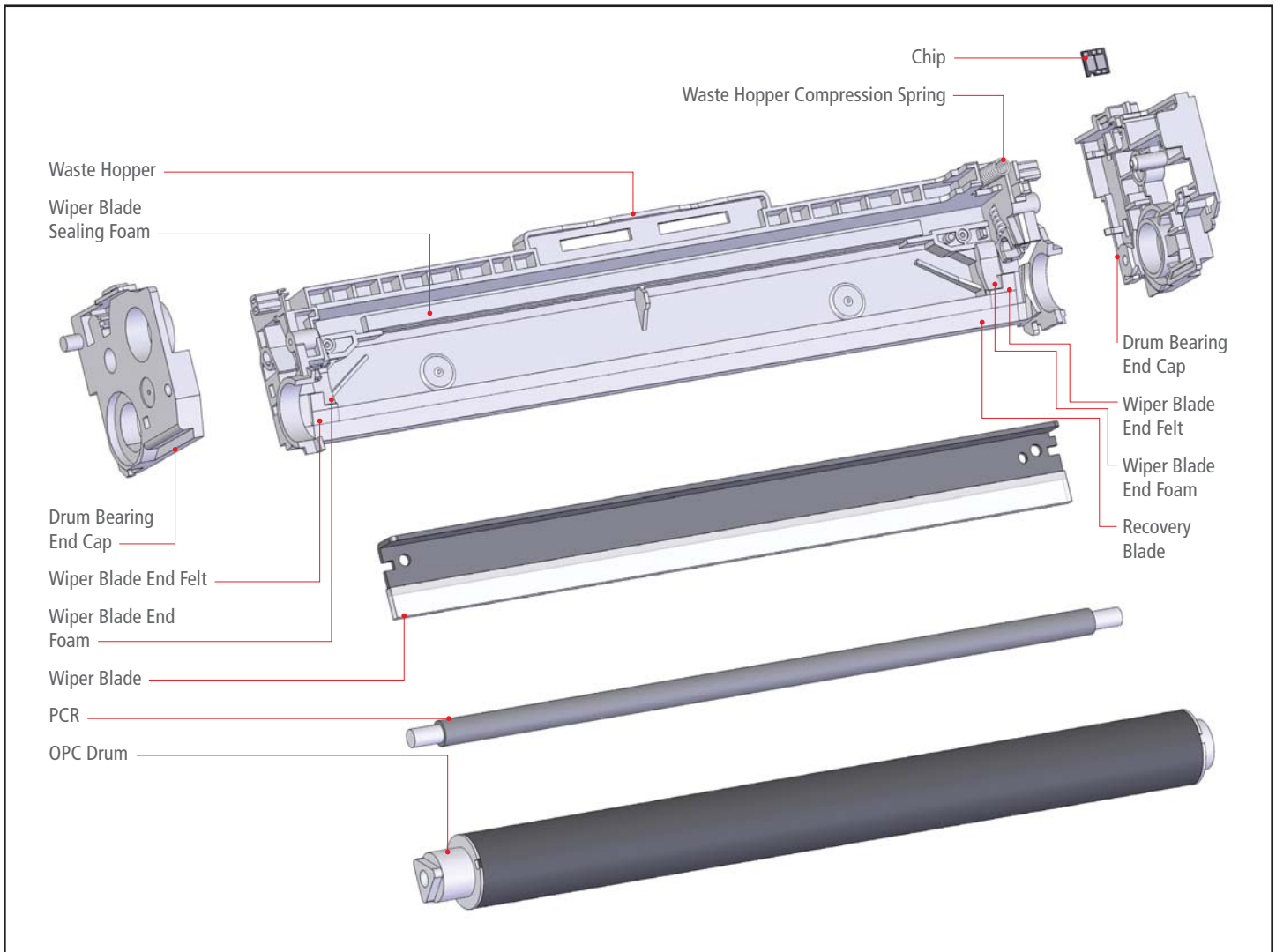
Critical Component Analysis



COMPONENT/DESCRIPTION	REPLACEMENT FREQUENCY
Developer Roller	3
Developer Roller Bushing	3
Doctor Blade	3
Supply Roller	3
Supply Roller Sealing Foam	3
Developer Roller End Felt	3
Developer Roller End Cap	3
Drive Gears	3
Gear housing End Cap	3
Developer Roller Bushing	3
Supply Roller Sealing Foam	3
Retaining Blade	3
Developer Roller End Felt	3
Developer Roller Contact End Cap	3
Doctor Blade Sealing Foam	3
Toner Hopper	3

HP® CP1518™ Waste Hopper

Critical Component Analysis



COMPONENT/DESCRIPTION	REPLACEMENT FREQUENCY
Waste Hopper	3
Wiper Blade Sealing Foam	3
Drum Bearing End Cap	3
Wiper Blade End Felt	3
Wiper Blade End Foam	3
Wiper Blade	2
PCR	2
OPC Drum	2
Chip	1
Waste Hopper Compression Spring	3
Drum Bearing End Cap	3
Wiper Blade End Felt	3
Wiper Blade End Foam	3
Recovery Blade	3