

Open Letter to the TTR industry

17th August 2009

Dear Partner

I have seen some very interesting developments during my last 18 years within the TTR industry. Competition within the market has been extremely fierce with producers battling for global market share. Changes in technology have also created an increase in global production capacity for TTR with new producers from China and South America emerging onto the market. This increase in capacity and competition has drastically driven down pricing and has caused some TTR producers to change their marketing and sales strategies. Some of these will find it tough to compete and survive in the current market conditions. Today more than ever therefore it is crucial to work with companies that can offer long term stability in terms of supply, pricing and, most importantly, reliable marketing and sales strategies.

Thermal Transfer Solutions Ltd (TTS) are committed to providing the VAR channel, by whatever name it may be referred (Distributor, Dealer, Reseller) with the best possible support and information to sell TTS products, without compromising the VARs market and customer base.

Many of you will be concerned that some of our competitors are taking a somewhat different view to TTS, and are targeting end users, which historically have been the VARs customer.

When I first became involved with Thermal Transfer Solutions Ltd three years ago our business plan was flexible, and TTS started trading directly with the end user and reseller partners alike. As the partnerships with our main suppliers have developed, we have improved both the product range and our pricing to such an extent that we can now clearly compete directly with the major TTR producers. A very definite strategy has emerged that is also shared by our supply partners.

TTS have also been accused of double standards because the converting plant is situated at the same location as a company called Crown Labels Ltd and it has been suggested that there may be a sharing of confidential information. I re-affirm that the two companies are totally separate, and trade independently. If you still have any questions or uncertainty about this situation I urge you to contact me immediately.

TTS receive numerous customer enquiries regarding sales direct to end users, and whilst it is flattering that our name is becoming well known in the industry, we are determined to remain true to our philosophy of selling to the VAR. Many of you will already have had instances of TTS referring customers back to you, because we take the trouble to ask the question of the end user "Where are you getting your products at present?"

Simply stated, TTS will not sell direct to the end-user.

We choose to focus our resources on finding new business opportunities for our VARs by developing new and unique products and partnerships for vertical markets designed to bring incremental growth to the overall TTR market. We are committed to growing the VAR channel and will do what is necessary to protect that business.

We will also do whatever it takes to help you win back any business you feel you have lost due to sales moving from an indirect to direct channel. Call your TTS sales representative today to find out more about what TTS can do to protect your business and help you win back that lost business.

TTS does not and will not make available its drop ship list to any outside or inside sales agency. To further this commitment, **we will provide our customers with a 'Non-Disclosure Agreement'** guaranteeing complete confidentiality when doing business with TTS. It may be fair to ask whether your other thermal ribbon suppliers are prepared to give the same undertaking.

If you have further questions concerning TTS's stance and commitment to the VAR channel, please feel free to contact me directly at 01527 517577.

We look forward to having the opportunity of working with you towards building a very successful and long lasting trading relationship.

Yours sincerely

Jason Asser

Jason Asser

Director