

WELCOME to the **February 2004** issue of Cgate's International Newsletter

Our newsletters aim to keep you up-to-date on new developments in our business with China and the opportunities that may be there for you.

CGATE NEWS FOR 2004

CGATE SIGNAGE PRODUCTS - Cgate expands media sales to the United States

NEW PRODUCTS FROM CGATE:

Neon signs

COMMENT

Why Chinese-made media for Large Format digital printing is taking the world by storm

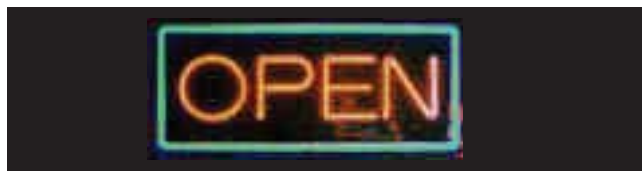
CGATE SIGNAGE PRODUCTS

Following hot on the heels of the success of Cgate media sales in Europe, Cgate have now started appointing distributors in the United States.

"Americans seem to be more cautious about trying out new products" says Eran Baram, Cgate CEO. "However, since we have been exporting successfully to Europe for the past year, with growing volumes of repeat orders under our belt, we now feel confident about approaching the US market. Even the most demanding European customers have agreed that Cgate media offers excellent value for money."

Cgate customers have been enthusiastic about the new signage products. The **Ultra-Thin Lightboxes** (Cgate Newsletter November 2003) are now being promoted by Cgate customers and shown on their stands at trade shows throughout Europe.

Andi Edan, Cgate Marketing Director says, "The response has been really good. Our customers appreciate that they can expand their portfolio of products. One of our key strengths is our ability to respond quickly to our customer's requests. We are always pleased to investigate new opportunities on their behalf".



CGATE NEON SIGNS

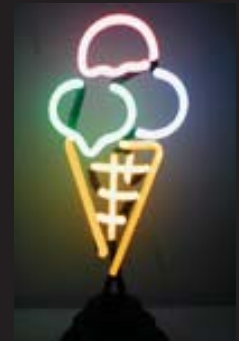
OPEN FOR BUSINESS

Cgate now offers a new line of signage neon. The products range from fully designed signs including mounts for easy on-site installation, that can be manufactured in China at **very competitive prices**, to Fluorescent painted tubes, power supplies and transformers - for either indoor or outdoor use. Glass diameters can vary from 8 to 18 mm, and to lengths of up to 140 mm, using lead and Pyrex glass. Leads are made of nickel cable, Dumet or Ceramic collar.

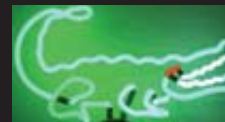
Available colours: Noviol Orange, Noviol Yellow, Noviol Gold, Clear Gold, Noviol; Green, Green, Apple Green, Light Turquoise, Turquoise, Bright Blue, St. Blue, Noviol Blue, Rich Blue, Horizon Blue, Bright White, E-30 Snowwhite, 6500 Snowwhite, Warm white, Pink White, Orchid, Purple, Deep Purple, Coral Pink, Rose, Ruby Red, Red, Amber.

For neon signage examples, see next page.

RESTAURANTS AND VENUES



FAMOUS BRANDS



GENERAL SIGNAGE



NOVELTY SIGNAGE



CGATE COMMENT

LARGE FORMAT MEDIA FROM CHINA

The end of the 1990's saw a rapid growth of the large format digital printing industry and subsequent demand for lower cost, large format printers. Chinese manufacturers responded to this demand with enthusiasm.

This has led naturally to an increase in demand for media.

WHY CHINA?

Most printers in China prefer to use laminated materials rather than the coated substrates more commonly used in Europe. This preference has two main reasons:

1. Cost - China has always been cost conscious and this process is considerably cheaper than the process for producing coated media.
2. Low cost labour - manufacturing laminated materials requires large spaces and is more labour intensive, both readily available in China.

LAMINATED MEDIA

There has been a perception that coated materials offer better quality and higher tensile strength. Whereas this may have been true in the past, there has been considerable improvement in the fabric (the basic polyester structure) and PVC sheets now have the performance and strength of laminated PVC.

Today laminated materials can be as good as coated substrates. Furthermore, laminated media tends to be more "printer-friendly" and less sensitive to specific machines. Even lower quality machines can produce reasonable prints on laminated material.

The key to achieving high quality laminated material is the structure of the internal fabric. A high grade fabric will give a smoothness and softness with similar qualities to that of coated media. It also makes the material more durable at lower temperatures - an important factor in northern European countries.

Laminated media has been well tested in the northern part of China where the winters are colder and more severe than in most parts of the world. Cgate has had their range of media tested to ensure compliance with European standards.

OTHER PRODUCTS

There are several excellent production lines in China for coated materials such as Flex Banner and different grades of Mesh.

Chinese manufacturers have also developed very good lines of One-Way Vision - a very expensive material in the West. The manufacturing of this material requires high labour which explains why it can be produced more cost effectively in China.

Cgate also offers a line of media suitable for water based and pigment based printers. The range of materials offered includes those most commonly used as well as some speciality materials.

Once again, prices are attractive and quality matches industry standards.

OTHER SOURCES IN ASIA PACIFIC

Laminated materials have been offered at competitive prices by manufacturers in Korea for some time. However, the low Chinese labour costs and large domestic market make it easy for China to meet any demand in terms of volume, quality and variety. A word of warning, however, for those who may be seduced by the very low cost products on offer; Many Chinese manufacturers use low grade fabric which may tear or crack while hanging and seaming as well as having problems with certain printers such as those using eco-solvent inks or screen process. Quality consistency may also suffer.

CGATE'S ROLE

The cost advantage is clear.

Cgate has spent time and resource researching the market in China to find the best and most reliable manufacturers of the highest quality media. It has been important to dispel the notion that everything made in China is of dubious quality and consistency.

As each order is processed individually, it is now possible for customers to have products tailored to their needs, thus adding value to their service to their own customers.

Some Cgate customers prefer to sell the media under their own brand and in these cases Cgate will help to find suitable OEM partners. Cgate can also have materials manufactured to order for those customers with specific requirements.

CGATE DISTRIBUTION CHANNELS

Cgate now has distributors in these countries:

Cyprus
France
Greece
Ireland
Israel
Italy
Germany
Poland
Scandinavia
Spain
Switzerland
Turkey
United Kingdom
United States

Remember:

At Cgate we are always interested to hear from you whether you are interested in our current range of products or in other business opportunities.

For information on any of our products or to become a distributor, please contact us now for details:

Email: info@cgate-enterprise.com

GATE specialises in establishing distribution channels and manufacturing facilities in China, Korea and Taiwan and in bringing Chinese products to the West in the most efficient and cost effective way.

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