ProImage/Agfa Graphics
Industrial Counterfeiting: Threats, Standards, and Market Opportunities
Part of the Agfa-Gevaert Group

- Founded in 1867, IPO in 1999 (Brussels)
- Headquartered in Antwerp, Belgium
- Sales of EUR 2.620 billion in 2014
- 10,506 employees (FTEs) worldwide
- Wholly owned sales organizations in more than 40 countries
- 21 R&D and production sites around the globe
- Global market leader in each of its divisions

<table>
<thead>
<tr>
<th>Agfa Graphics</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,491</td>
<td>1,355</td>
<td>-9.1%</td>
</tr>
<tr>
<td>Recurring EBITDA*</td>
<td>97.9</td>
<td>100.4</td>
<td>+2.6%</td>
</tr>
<tr>
<td>Recurring EBIT*</td>
<td>60.7</td>
<td>70.0</td>
<td>+14.3%</td>
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</tbody>
</table>
Fortuna is a modular design and assembly system which became the standard and first choice in qualified security markets

- **Banknote printing industry**
  - Most of all banknotes worldwide are using the Agfa solutions for security in design protection
  - Most of world’s banknotes

- **Document printing**
  - Large installed base of companies printing passports, id cards, government documents
Counterfeiting – Big Problem, Right?

How can you know?

Forget Statistics & Market Surveys

Check returns & complaints

Just Because something can be done doesn’t mean it will be done

Look for opportunities for distribution channels to cheat & fix contracts
“The supreme end of education is expert discernment in all things, the power to tell the good from the bad, the genuine from the counterfeit, and to prefer the good and genuine to the bad and the counterfeit.”

Samuel Johnson

Authentication exists to make this easier, clearer, and cheaper
Appropriate Means of Detection

Security Labels – security features in product labels

Hidden messages – (ac possible?)

Taggants

Complex Embossing
Create unique complex elements, backgrounds or linework patterns

Available tools:

- Security Screens
  - Line Raster
  - Trafo Raster
  - Select Raster
  - Dither Raster
- Special Reliefs
  - Quick Background
  - Numismatics
- Crystal Patterns
- Guilloche Library
- Path Definition
- Line/Object Generator
- Multiply
- Opposite Ink Selector
- Smart Selection
• Additional module for Arziro Design
• To create custom made Anti-Copy pattern to protect documents against copying process
• After copying a word or design appears
Versatile QR code

- SKU containing code
- Copy-sensitive pattern
- Custom URL for non-Arziro Apps
- Custom URL for Arziro App
- Code for Pedigree
Substrate

Visible

Invisible UV

Infrared

Complex structures
Holograms
Optically Variable Inks and Fluorescing Inks
Integration of Multiple Features – for Labels

- Stamp Type
- Jurisdiction
- Anti-copy Line Work
- Unique Identifier
- Colour Shift Ink
- Federal Duty Status
- Intaglio Latent Image
Technology Choice

• How secure is the technology?

• Visibility and reputation of supplier?

• How compatible is the technology with your existing processes?

• Additional steps: quality control, process?

• If a taggant is being used, how difficult is it to clean up in order to avoid residuals?

• Does it impact adhesion or cohesion of finished product?
ISO 31000 – Risk Management

ISO 12931:2012 – “Performance criteria for authentication solutions used to combat counterfeiting of material goods”
Risk Analysis Questions – Small Sample

– What are the counterfeiting issues, the consequences and likelihood of the counterfeiting threat?

– Which of my material goods are being counterfeited or have the potential to be counterfeited?

– In which geographical locations are we experiencing counterfeiting and how are the counterfeits being distributed?

From NASPO Training
Certainty of death, small chance of success, what are we waiting for?

Gimli, Lord of the Rings
What’s the Problem? Solution Fit?

Fake packaging?
Fake labels?
Fake documentation?
Refilling?
Fake product?
Reworked product?
Need for serialization?
Warranty fraud?
Tampering?
Second shift manufacturing?
Customer Touch Points

Brand Protection
Package Design and Packaging
Sales and Marketing
Quality
Purchasing
Management Team

What message do you have for each of these groups?

Who writes the check?
Thank you!

Questions?