**FINAL TRANSCRIPT**

**DATA Group Ltd.**

**Annual and Special Meeting**

Event Date/Time: June 17, 2014

Length: 53 minutes

**Corporate participants**

**Derek Ridout***DATA Group Ltd. — Chairman*

**Michael Suksi***DATA Group Ltd. — President and Chief Executive Officer*

**Presentation**

**Derek Ridout** — Chairman, DATA Group Ltd.

 We’re getting close to the designated hour, so we’ll ask people to take their seats and get comfortable.

 Good morning, everyone. I’d like to call this Annual and Special Meeting of DATA Group Ltd. to order. My name is Derek Ridout, and I am the Chairman of the Board of Directors of DATA Group Ltd., at least for a few more minutes.

 It is my pleasure to welcome you to today’s meeting, and I will now call the meeting to order.

 I will act as Chairman of the meeting and Paul O´Shea, who is here with me at the far end of the table, will act as Secretary. Also here is Michael Suksi. Michael is Director, the President, and Chief Executive Officer of the corporation.

 I would now like to introduce you to the other Directors of the corporation that are present here today, and I would ask them to stand as their name is called: Bill Albino—thanks Bill—Ron Fotheringham—thank you, Ron; John Greenhough—John; and Tom Spencer—thank you, Tom.

 Also present today are several of the nominees for election as new Directors of the corporation, and I would like to ask them to stand as their name is called as well: Michael Blair—Michael, thank you; Harinder Takhar—thank you, Harinder; and Kingsley Ward—Kingsley. Rod Philips is not here today. He had a better alternative. He’s travelling in Europe and having a good time, I think, with his wife, and wishes he was here, I’m sure.

 I have appointed Eric Caramancion and Paul Keyes of Computershare Investor Services to act as scrutineers. Computershare has deposited with me a statutory declaration confirming the sending of the Notice of the Annual and Special Meeting to each shareholder entitled to vote today, to each Director, and to the auditors of the corporation.

 The notice calling this Annual and Special Meeting requires that shareholders intending to vote by proxy must have deposited their shares with Computershare Investor Services no later than 10:00 a.m. Toronto time on June 13, 2014.

 The proxies so deposited are now in the custody of the scrutineers, who have confirmed that these proxies will represent just over 8,275,000 common shares of the corporation, roughly 35 percent of the outstanding common shares.

 The scrutineers have also confirmed that a quorum is present. The scrutineers’ report will be kept with the records of the Annual and Special Meeting.

 As the notice of the Annual and Special Meeting has been given as required and a quorum is present today, I declare that the meeting has been regularly called and is properly constituted for the transaction of business.

 The agenda for motions to be submitted for shareholder action with respect to the matters that are to be dealt with at this meeting are contained in the Notice of the Annual and Special Meeting that you have already received. A number of shareholders or proxy holders present have agreed to assist with the presentation of the motions.

 At the end of the formal part of the meeting Michael Suksi will give his remarks, following which there will be an opportunity for you to ask questions. When addressing the meeting, please give your name for the record, and advise whether you are a shareholder or proxy holder when recognized by the Chair.

 There are six matters set out in the Notice of the Annual and Special Meeting to be voted on by shareholders. They are the election of Directors; the appointment of auditors; the consideration of an ordinary resolution to approve the amendment of the corporation’s existing general By-law No. 1 to increase the quorum requirements for shareholder meetings, which I will refer to as the By-law No. 1 amendment resolution.

 Next, the consideration of an ordinary resolution to approve the adoption of By-law No. 2 of the corporation, an advance notice by-law, which I will refer to as the advance notice by-law resolution.

 Next, the consideration of an ordinary resolution to approve and reconfirm the long-term incentive plan of the corporation, which I will refer to as the long-term incentive plan resolution.

 And finally, the consideration of an ordinary resolution to approve and reconfirm the shareholder rights plan of the corporation, which I will refer to as the shareholder rights plan resolution.

 The election of Directors and the appointment of auditors will be voted on by a show of hands, unless it is determined that a ballot is appropriate. The balance of the matters will be voted on by ballot.

 I should make it clear at this point that only registered shareholders who have not previously voted by proxy or duly appointed proxy holders are permitted to fill out a ballot on those votes. If you are a proxy holder, the scrutineers will have handed you a ballot for each matter to be voted on as you registered for the meeting, and those ballots will be used to conduct the votes on those matters.

 Please fill out the information requested on the ballot forms and cast your votes as each matter is put to a vote. When you have completed the forms, please raise your hand and the scrutineers will collect your ballot from you.

 If you are a non-registered shareholder, you will have already had the opportunity to cast your vote on the matters to be considered at today’s meeting by providing voting instructions to your intermediary. Provided you complied with all the voting instructions and the materials sent to you by your intermediary, your votes on those matters have already been received, and will be counted by the scrutineers.

 In order to expedite the voting process, the results of the votes to be conducted by ballot will be announced following the last of those votes once the scrutineers have tabulated the results.

 At this meeting I am tabling the 2013 consolidated financial statements of the corporation. The financial statements are available on SEDAR.

 A copy of the corporation’s annual financial statements has been mailed to those shareholders who requested printed materials—that’s a good thing, printed materials—in connection with the corporation’s 2014 Management Information Circular, and extra copies have been made available at the registration tables by the entrance to this room.

 On behalf of the Directors, I now place before the meeting, I guess through Paul, the consolidated financial statements of the corporation and report of the auditors on those statements for the year ended December 31, 2013.

 The first item of business is the election of seven Directors; previously six. Each Director is to be elected to hold office for a term commencing at the close of this meeting and ending at the close at the next Annual Meeting of Shareholders, or until his successor is elected or appointed.

 I now declare the meeting open for Director nominations. Alex (phon), would you please present this motion?

**Unidentified Speaker**

 Mr. Chairman, I’m a shareholder and I nominate each of the following: William Albino; Michael Blair; Rod Philips; Thomas Spencer; Michael Suksi; Harinder Takhar; and J.R. Kingsley Ward for election as Directors of the corporation to serve until the close of the next Annual Meeting of Shareholders, or until their successors are elected or appointed.

**Derek Ridout**

 Thank you. Ivan (phon)?

**Unidentified Speaker**

 My. Chairman, I am a shareholder and I second the motion.

**Derek Ridout**

 Thank you. I should note that as described more fully in the corporation’s 2014 Management Information Circular, the corporation has adopted an advance notice by-law this year.

 As a result of the advance notice by-law, any Director nominations made by shareholders must have been received by the corporation by 5:00 p.m. on May 14, 2014. The corporation did not receive notice of any Director nominations prior to that deadline, and as such, no other persons are eligible for election as Directors of the corporation at this meeting, and I declare the Director nominations now closed.

 The corporation has also previously adopted a majority voting policy applicable to uncontested Director elections. This policy enables shareholders to vote separately for each Director nominee at meetings of shareholders where Directors are to be elected.

 If a Director nominee does not receive the support of a majority of the votes cast at a meeting of shareholders, that Director will be expected to tender his or her resignation from the Board of Directors of the corporation following such a meeting. The Corporate Governance Committee of the Board will then consider whether or not to accept the offer of resignation, and will make a corresponding recommendation to the Board.

 After consideration of the Corporate Governance Committee’s recommendation, the Board’s decision to accept or reject the resignation will be disclosed via a press release.

 I will now entertain a motion respecting the election of each of the Directors. Juan (phon), would you present that?

**Unidentified Speaker**

 Mr. Chairman, I’m a shareholder and I move that William Albino; Michael Blair; Rod Philips; Thomas R. Spencer; Michael Suksi; Harinder Takhar; and J.R. Kingsley Ward be elected the Directors of the corporation and hold office until the close of the next Annual General Meeting of shareholders, or until his successor is elected or appointed.

**Derek Ridout**

 Thank you. Alex?

**Unidentified Speaker**

 Mr. Chairman, I’m a shareholder and I second the motion.

**Derek Ridout**

 And I’ll do this individually. Thank you. All in favour of the election of Bill Albino as a Director of the corporation signify by raising your hand. Thank you.

 All in favour of the election of Michael Blair as a Director of the corporation signify by raising your hand. Good.

 All in favour of the election of Rod Philips as a Director of the corporation signify by raising your hand. Rod’s not here, but he’ll be pleased to hear the results.

 All in favour of the election of Thomas Spencer as a Director of the corporation signify by raising your hand. Thank you.

 All in favour of the election of Michael Suksi as a Director of the corporation signify by raising your hand. Thank you.

 All in favour of the election of Harinder Takhar as a Director of the corporation signify by raising your hand. Thank you.

 All in favour of the election of Kingsley Ward as a Director of the corporation signify by raising your hand.

 Thank you. I declare the motion carried.

 Next is the appointment of auditors. I believe that, Ivan, you’ve got a motion in connection with this matter.

**Unidentified Speaker**

 Mr. Chairman, I am a shareholder and I move that Pricewaterhouse LLP be and thereby appointed auditors of the corporation, to hold office until the close of the next Annual Meeting of Shareholders, or until their successor are appointed, and the Board of the Directors be and is hereby authorized to fix their remuneration.

**Derek Ridout**

 Thank you. Juan?

**Unidentified Speaker**

 Mr. Chairman, I’m a shareholder and I second the motion.

**Derek Ridout**

 Thank you. All in favour signify by raising your hand. Good. Good news for Pricewaterhouse group; barely made it, but you’re right in there.

 I declare the motion carried.

 The next item of business is to consider a resolution confirming an amendment to the corporation’s existing general By-law No. 1 to increase the quorum requirements for a shareholder meeting to two or more persons holding or representing at least 25 percent of the votes attached to all outstanding shares of the company.

 The purpose of the amendment is to ensure that our by-laws remain consistent with evolving corporate governance practices and the published guidelines of major proxy advisory firms. The full text of the By-law No. 1 amendment resolution is set out in Appendix A to the management proxy circular.

 Alex, I believe you have a motion.

**Unidentified Speaker**

 Mr. Chairman, I’m a shareholder and I move that the By-law No. 1 amendment resolution set out in appendix A to the management proxy circular of the corporation dated May 20, 2014, be approved.

**Derek Ridout**

 Ivan?

**Unidentified Speaker**

 Mr. Chairman, I’m a shareholder and I second the motion.

**Derek Ridout**

 Thank you. Any discussion? If there is no additional discussion, we will conduct the vote. Get ready for this, you’re going to hear this a few times coming up. If there’s no additional discussion, we will conduct the vote on this matter by way of a ballot.

 The vote is a vote to approve the amendment to the corporation’s existing general By-law No. 1. In order to be passed, the By-law No. 1 amendment resolution must be approved by a simple majority of votes present or represented by proxy at this meeting.

 I would now ask the scrutineers to collect the ballots for this matter. If any shareholder has not been provided with a ballot, please raise your hand and a ballot will be provided to you. You do not need to vote by ballot if you have already voted on this matter by proxy.

 Each shareholder or proxy nominee should record his or her vote in respect of the By-law No. 1 amendment in the usual manner by indicating whether the vote is in favour or against the resolution.

 Just to carry on here for a second. Advance notice by-laws, item number four. The next item of business is to consider a resolution confirming the adoption of By-law No. 2 of the corporation, the advance notice by-law.

 The purpose of the advance notice by-law is to facilitate orderly and efficient shareholder meetings, ensure shareholders receive adequate notice of Director nominations, and allow shareholders to register an informed vote. The full text of the advance notice by-law resolution and a copy of the advance notice by-law are set out in Appendix B for the management proxy circular.

 Juan, you have a motion?

**Unidentified Speaker**

 Mr. Chairman, I’m a shareholder and I move that the advance notice by-law resolution set out in Appendix B of the management proxy circular of the corporation dated May 20, 2014, be approved.

**Derek Ridout**

 Alex?

**Unidentified Speaker**

 Mr. Chairman, I’m a shareholder and I second the motion.

**Derek Ridout**

 Thank you. Any further discussion? If there’s no additional discussion we will conduct the vote on this matter by way of a ballot. It occurred to me before to do this. (phon)

 The vote is a vote to approve the adoption of By-law No. 2 of the corporation, the advance notice by-law. In order to be passed, the advance notice by-law resolution must be approved by a simple majority of votes present or represented by proxy at this meeting.

 I would now ask the scrutineers to collect the ballots for this matter. If any shareholder has not been provided with a ballot, please raise your hand and a ballot will be provided to you. You do not need to vote by ballot if you have already voted in this matter by proxy.

 Each shareholder or proxy nominee should record his or her vote in respect of the advance notice by-law resolution in the usual manner by indicating whether the vote is in favour or against the resolution.

 Next. The next item of business is to consider a resolution approving and reconfirming the corporation’s long-term incentive plan. Pursuant to the policies of the Toronto Stock Exchange, the long-term incentive plan must be approved and reconfirmed by shareholders every three years.

 The Toronto Stock Exchange requires that the plan be approved by a majority of greater than 50 percent of the votes cast by shareholders present in person or represented by proxy at this meeting. The full text of the long-term incentive plan resolution and a copy of the plan are set out in Appendix C of the management proxy circular.

 I believe, Ivan, you have a motion.

**Unidentified Speaker**

 Mr. Chairman, I am a shareholder and I move that the long-term incentive plan resolution set out in Appendix C to the management proxy circular of the corporation dated May 20, 2014, be approved.

**Derek Ridout**

 Juan?

**Unidentified Speaker**

 Mr. Chairman, I’m a shareholder and I second the motion.

**Derek Ridout**

 Thank you. Any further discussion? If there’s no additional discussion, we will conduct the vote on this matter by way of a ballot.

 The vote is a vote to approve and reconfirm the long-term incentive plan of the corporation. The long-term incentive plan resolution must be approved by a simple majority of votes present or represented by proxy at this meeting.

 I would now ask the scrutineers to collect the ballots for this matter. If any shareholder has not been provided with a ballot, please raise your hand and a ballot will be provided to you. You do not need to vote by ballot if you have already voted on this matter by proxy.

 Each shareholder or proxy nominee should record his or her vote in respect of the long-term incentive plan resolution in the usual manner by indicating whether the vote is in favour or against the resolution.

 And finally, the last item of business is to consider a resolution approving and reconfirming the corporation’s shareholder rights plan. Pursuant to the terms of the shareholder rights plan, the plan must be approved and reconfirmed by shareholders at every third Annual Meeting.

 The full text of the shareholders rights plan resolution and a copy of the plan are set out in Appendix D to the management proxy circular.

 Alex, I believe you have a motion.

**Unidentified Speaker**

 Mr. Chairman, I’m a shareholder and I move that the shareholder rights plan resolution set out in Appendix D to the management proxy circular of the corporation dated May 20, 2014, be approved.

**Derek Ridout**

 Good. Thank you. Ivan?

**Unidentified Speaker**

 Mr. Chairman, I am a shareholder and I second the motion.

**Derek Ridout**

 Okay. If there’s no further discussion, we will conduct the vote on this matter by way of a ballot. The vote is a vote to approve and reconfirm the shareholder rights plan of the company. The shareholder rights plan resolution must be approved by a simple majority of votes present or represented by proxy at this meeting. I would now ask the scrutineers to collect the ballots for this matter.

 If any shareholder has not been provided with a ballot, please raise your hand and a ballot will be provided to you. You do not need to vote by ballot if you have already voted on this matter by proxy.

 Each shareholder or proxy nominee should record his or her vote in respect of the shareholder rights plan resolution in the usual manner by indicating whether the vote is in favour or against the resolution.

 We okay?

 Okay. There will now be a recess—always like recess—a recess to tabulate the results of the votes cast by way of ballot, and when I have the results in we will reconvene and I’ll announce the results. So relax; if you need something to drink, go back to the back of the room there, and we'll re-gather in a couple of minutes.

 Okay. I think we do have the information required, so I ask everyone to take their seat again, please, and we'll wrap this up in a couple of seconds.

 Okay. I've received the results from the scrutineers from the ballots, and I have good news to report. First of all on amendment—motion #3, amendment to By-law No. 1: for the motion just over 8 million votes, 98.79 percent in favour; against, 98,000 votes, for a total of 8.162 million votes. So passed.

 Motion #4, which is the advance notice by-law: for the motion just under 93 percent in favour; 7,587,000 votes for; against, 575,000, for a total of 8,162,000 votes.

 The long-term incentive plan, motion #5: for the motion 91.5 percent in favour; 7,460,000 votes in favour; against, 701,000, for a total of 8,160,000 votes.

 Finally, motion #6, the shareholder rights plan: just under 93 percent in favour for the motion, 7,560,000 votes; against, 600,000, for a total of 8,162,000.

 So I think we can say that the motions have been passed by at least 50 percent of the votes cast by shareholders, and that's all good news in terms of the business portion of the meeting.

 If there’s no further business to be brought before this meeting, I would ask Juan for a motion to terminate the meeting.

**Unidentified Speaker**

 Mr. Chairman, I'm a shareholder and I move that this meeting be terminated.

**Derek Ridout**

 Okay. Alex?

**Unidentified Speaker**

 Mr. Chairman, I'm a shareholder and I second the motion.

**Derek Ridout**

 Okay. All in favour, signify by raising your hand. Contrary, if any? Thank you.

 I declare the meeting terminated.

 Now before I turn the meeting over to Michael, although my pattern in the past has not been to say anything because no one really wants to hear the Chairman talk—they want to hear the CEO's remarks—but it's the end of a long road for me and a couple of other Directors. It's been a very quick, somehow quick, ten years. The days and the weeks can be long, but the ten years goes by pretty quickly.

 And I want to thank in particular two other retiring Directors: Ron Fotheringham and John Greenhough; terrific guys and great guys to work with. In fact, all the Directors were great to work with: Bill, relatively—well, relatively new, four years or so; Tom from day one; and of course, Michael in the last four or five years as well.

 So it's been fun. It's been hard work. It doesn't show up in the share price. I wish it could be better; no one wishes it more than this Board. But again it was great being with a team that shared the same values. We're hardworking; diverse skill set, but came together very cohesively as a productive operating unit. So I would wish that on the new Board as well, the new refreshed Board.

 I want to thank our advisors as well, legal advisors. Jonathan, (phon) is there a discount sale today in terms of the price off? That’s my retail background; I have to ask for a price off of some kind or a discount.

 The auditors of Pricewaterhouse, thank you for being there with us through the piece and the bankers as well. Everybody's done their job; everybody's formed up to be part of a terrific team.

 This is a tough business. There's no silver bullet, but there is a good guy leading us, and leading us after a tragic situation with the sudden and unexpected passing of David O'Dell. But Michael stepped in at the breach and done a terrific job.

 And I won't make any promises and talk about strategic direction because that's your job and you've done a great job of keeping us reminded of that.

 So without further ado, I'll turn the podium over to Michael for his CEO comments. Thank you.

**Michael Suksi** — President and Chief Executive Officer, DATA Group Ltd.

 Thanks, Derek. Thanks for the kind words, and thanks for shepherding us through the various ins and outs of the resolution process. And in particular, I want to echo Derek's comments with regards to saying thanks to yourself, Derek, and also to Ron Fotheringham and John Greenhough for the support and the assistance that they've provided. And I wish you well and thank you; all the best to you folks.

 So I'm going to take ten minutes or so and take you through material that you may have already read and heard about because I'm not breaking any new ground here, but I wanted to talk to you directly face to face, so to speak, and add some colour to what are we doing with regards to our strategy. I've got about eight or so slides, and then after that I’ll be happy to take any questions that you may have.

 First of all, I want to start by saying this is a company that has a long and proud history. We've been in business for over 50 years.

 One of the things that's always attracted myself and a lot of the other talented employees throughout the organization of the company is the values that we've got. It is a special place to work. I think about things like doing what we say we will do, ethical behaviour, treating people well. Those values have been a core to our success as a business, and they've also been a core in terms of how we treat our customers, meeting our operational requirements and commitments to our clients. And that's fostered a lot of long-term successful relationships with those clients.

 So it's been a proud history and one that I've been a part of for better than two decades.

 In the last number of years we have seen an increase in the rate of impact, though, of technology on our business. And that technology has hurt our financial results, quite frankly.

 We felt it last year as we see an increase in—first of all, we see a decrease in demand due to technological changes and a reduced demand for paper. And then consequently, going with that, there's an increase in competitive pricing in the marketplace as well.

 So it's not been an easy business. We've responded. We aren't sitting still, and we've responded with what we call a transformational plan for change. The transformational plan has four key elements to it as I speak, one of which we've just officially gone through this morning, which is Board renewal.

 In addition to that, debt reduction is a key, key part of our plan, cost reduction is a key part of our plan, and then I talk about the term ‘revenue stabilization’. I might add growth because in the long term that's what we want to achieve, but to be a little bit conservative and realistic, in the shorter term I talk about stabilization.

 We've seen decline in revenue and our goal is to stop this decline, stabilize revenue, and then grow from there. So let me talk a little bit about those. Before I get into those four points specifically, I want to highlight a couple of other things.

 First of all, we are focusing our resources on our transformational plan. One of the difficult decisions we had to make as a result of that was we suspended our dividend this year so that we can focus on our transformational plan. I think it was a wise and prudent business decision in spite of the fact that it had an impact on our stock price.

 Board renewal. We've managed to attract four new Board members who bring fresh ideas, successful business experience, and histories, and I think that’ll be an exciting and energizing contribution to our renewed Board. At the same time we've got continuity with three members, myself, Bill, and Tom, who bring experience and also have a fair bit of knowledge and historical success in their business careers. So I think the Board renewal step that we've taken, frankly, is a healthy one.

 At the same time there's also management renewal going on at DATA. Without going into a great deal of detail about it, we have been and continue to make changes in our senior management team, bringing in the talent that will drive the transformational change that we need to make.

 And the other key thing we've done at the management level, other than changing some of the people, is we've introduced compensation plans for our management team, not just senior management, but throughout that is more focused than it has been in the past on tying their results and their compensation to our performance.

 I’m going to talk about cost reduction. You've seen these numbers before if you're reading our material, but I'm quite proud of the fact that in 2013 we achieved $13 million in cost reduction. That's substantially more than we've ever achieved in our past; more than double previous years.

 We've done it through a combination of reducing our number of our employees, reducing the number of our locations, becoming better at purchasing and getting better buys, and simplifying both our legal and our operational structure. This is not a one-year event. Our intention is to take that $13 million or thereabouts, that kind of pace of cost savings, and keep it going.

 And so for 2014 and 2015 we're anticipating another 20 million to $25 million in cost savings that we'll take out of the business. Largely it's through doing many of the same types of things that you saw us do in 2013.

 We've also introduced a wage freeze in 2014 as a cost-controlling element. This is an important part of our success going forward. We are in a business that has excess capacity; pricing is an issue, as I mentioned already. Therefore, cost reduction is something that we will continue to put significant focus on.

 Those savings won't come on a nice smooth pattern from one quarter to the next; they'll be somewhat lumpy. You'll see some quarters where they're smaller and some quarters where they're more substantial, but I'm personally confident that we'll be able to achieve those numbers.

 In terms of debt reduction, we’ve reduced our debt by $6.5 million since the beginning of 2013, and with the suspension of our dividend this year it's our intent to continue to aggressively reduce our debt. We've also introduced a normal course issuer bid recently, and so that just gives us another tool in our toolbox in terms of how we go about reducing the debt, but debt reduction will continue to be an important priority for us.

 And then I talk about revenue stabilization. That's our short-term goal in terms of achieving revenue stabilization.

 We've had some real success in terms of our revenue strategies. We've generated since 2011 $65 million in new business, which again is substantially better than it used to be prior to 2011 in terms of the rate of new business we're winning. And roughly half of that new business has come in the new areas that we've identified for growth, and then the other half has come in the more traditional core areas of our business that we've been in for some time.

 So we've had some success and had some wins, but the reality is, let's face it, revenue has declined in spite of that, so we know that we have to do better. This is not a case of resting on our laurels.

 Before I get into some of the strategy, let me talk for a second about some of the independent research that we've got. We talked about some of the years (phon) where we are going to grow our business and what we're focusing on, and so we've done independent research, which I'm showing you now; these are North American numbers or US numbers, but they're a good proxy for Canada. And these are percentages of the CAGR, compound annual growth rate.

 So digital marketing communications, for example, is expected to grow at about 7 percent a year; document process management, or document process automation, about 11 percent; large format retail signage, big poster-size signage that you see in retail stores, expected to grow at about 8 percent; and labels are about 4 percent growth. So although in some cases you hear stories about in the printing business printing is going away, paperless offices, and so on, there are categories of our industry and our business that we can exploit that have growth in them.

 Now it's important to note that at the moment those things represent a relatively small part of our total revenue, but we have to grow them and build them up. But there are opportunities for us, and those are the areas that we're focused.

 So what are we doing about that? In terms of revenue, we're putting a lot of new sales talent into the organization.

 Since 2013, we've brought in five new sales managers—in fact, one new individual who will lead our Quebec sales organization just started yesterday—and about roughly same number of people have exited the business as well. That's roughly 25 percent of the number of sales managers we've got in the business. So there's a turnover going on in that area.

 I'm a believer that by hiring talented sales managers they in turn will attract talented salespeople. You can't do one without the other, and it needs to be in that sequence. So that group of people is bringing in new sales talent as well.

 I expect that changeover in sales talent will continue, and it's an important priority for us. For us to effectively sell the new solutions that we're bringing to market we have to see change in our sales organization.

 The number one thing that I'm looking for and we're looking for as we hire those individuals is people who are really good at going out and winning new business. This isn't about status quo; it isn't about maintaining our existing customer base. It's about going out and winning new market share in our traditional core business, as well as in the new categories that we're moving into.

 Those new categories I touched on briefly on the previous slide, but professional services, consulting services associated with communication programs that we offer our clients, whether they be digital communication or paper-based. In terms of print areas, marketing print in particular is an area that we're growing in and we're seeing substantial growth in; that 30 million or so in growth in new areas that I showed you on the previous slide, a substantial amount of that comes from marketing print. And labels is another area that we see substantial growth in.

 And then the last point on this slide that I want to emphasize is that our solutions, the newer ones that we're bringing to market, our strategy is to bundle those with our traditional offerings because that's how we can grow total market share. If we go to Bank of Montreal, as an example that was a significant win for us a couple of years ago, we were already doing traditional printing for them, what we would call our traditional print business. And what we did is we added the marketing print to the operational print that we were already doing.

 We also took what was a Canadian-only relationship and made it North American, and so we bundled up existing relationship and existing solutions with our newer solutions to grow the total relationship.

 More recently we achieved exactly the same thing with CP Rail where we've expanded it in exactly the same fashion. That's just being implemented right now.

 At Loblaw, another organization that everybody recognizes, we've bundled the labels that you see on the shelves when you go into the store, as well as the gift cards that you see at the checkout counters with more traditional printing that we have done for them for some time.

 Lafarge is a third example. We've been doing their traditional printing for some time, and we've added electronic billing processes for them, web-based billing processes that complement the paper-based processes. So the bundling up of solutions is a key part of our strategy.

 My last slide before I wrap up, I want to emphasize that while we're doing a lot of changes in terms of the talent, cost-reduction programs, those reductions in cost involve closing locations, it's very important for us that we maintain our stability with our customers as we go through that. I touched, and one of the first things I said as I opened my presentation was, one of the things that we've been successful at is do what we say we will do and meet our customer commitments.

 If you think about some of the clients that we've got, that Loblaw’s shelf price label that I mentioned, if it doesn't show up at the Loblaw’s store and in the right quantity and the right quality, they can't run their business properly. We produce the prescription labels for Shoppers Drug Mart; same kind of story (phon). Documents that we do for Bank of Montreal are mission critical.

 There's no question in my mind that the fact that we deliver on-time quality product and we're highly reliable and dependable is a big part of the reason those clients award us those large contracts, and continue to award us that business over time. So, therefore, as we go through the transition and the transformation that we're going through, it's very important that we maintain that operational stability and that we continue to meet our commitments.

 And some of the decisions that we're making as it relates to timing of plant closures, for example, are influenced by that factor. It's absolutely critical to us.

 So in conclusion, it is a difficult business; there's no question. We have a plan. We know that we have more work to do. We're not happy with our results, frankly, in 2013. There's more to be done, we know what we want to do, and we and I am committed to our success.

 And those are my remarks for you today, and I'd be happy to take any questions that you may have.

**Q&A**

**Unidentified Speaker**

 My question is more for the rest of the Board. Besides the KSD representatives and the VRG representatives, there's not a lot of share ownership on the Board, and given the decline in the stock price, given the plan that you've put in place, and given the potential for the stock performance if the plan is successful, I'm just wondering why there isn't a lot more buy in from the Board? Why they haven't supported the plan by buying more stock? Thanks.

**Derek Ridout**

 That's a good question, a relevant question I think to today's Board, tomorrow's Board, literally tomorrow's Board. Maybe within an hour there's going to be significant representation of shareholders on the Board.

**Unidentified Speaker**

 Besides KSD and VRG, I’m saying…

**Derek Ridout**

 You mean the other two members…

**Unidentified Speaker**

 The other members of the Board who own very little stock. Given where the stock price is it would seem like there's potential…

**Derek Ridout**

 Okay. I think you can—it's a fair point, although they've been adding to their positions. But I think when you look on balance at the total number of Directors coming on board within the—so you add up the accumulated share position, it'll be quite substantial. It'll be a significant change from what it's been.

 Any other questions? Yes, Pat (phon)?

**Unidentified Speaker**

 What kind of a (unintelligible)?

**Michael Suksi**

 It's a mix, and it's based on the fact that different products are…

**Unidentified Speaker**

 (unintelligible)

**Michael Suksi**

 Sure.

**Unidentified Speaker**

 (unintelligible)

**Michael Suksi**

 Sure. So publicly what I’ve talked about is about 2 to 5 percent on average in our core (unintelligible). We offset that a couple of ways: one, new products and services; and two, win market share, which we've traditionally done a very good job of. The last two times (phon) we didn't, but in 2012, '11, '10, '09 we were winning market share. And if we have a contraction with new products and we have contraction gaining market share, that decline rate that I quoted you can be offset quite realistically.

**Unidentified Speaker**

 (unintelligible)

**Michael Suksi**

 I think that’s something that we keep in mind. We've already done one acquisition in 2011. We bought FSA and—FSA, Datalytics; helped move us into the marketing space more effectively. And so it's something that we would look at going forward as well. And realistically today within our current debt focus and also our current stock price, we’re probably not about to do an acquisition sometime tomorrow, but our strategy would be (unintelligible).

 Yup?

**Unidentified Speaker**

 (unintelligible) I have a question about the (unintelligible). And what would be your long-term strategy against this (unintelligible)?

**Michael Suksi**

 Well, it's a combination of things that I’ve talked about. First of all, cost reduction; secondly, to grow the top line, which I think is really the heart of your question. There are categories within the printing business that are not declining. In fact, that are growing. So we're putting more and more of our time and focus and resources in turning that into more and more of a sales volume in those areas of print that are growing.

 In addition to that, some of the newer things you may not be aware that we're doing are going beyond print that our electronic communication that complements it. A classic example is if we've done a direct mail program for a client in the past, and that's what we offered them, now we're offering them direct mail, but also the corresponding or complementary e-mail that would be part of a direct marketing program, the web page, and the mobile messaging, so moving into electronic communication in a variety of ways, which clearly offsets the print decline.

 And the last category is, as I highlighted with two examples today, is we're looking at moving into the US market as well with our Canadian clients. So let's be realistic: there's decline in the printing business. I quoted a number a moment ago. It's not dropping off a cliff. If we have modest success in those areas that I just described, we can see revenues stabilize, and I think it's actually a misnomer; I'm trying to dispel any notion that the revenue in the industry is dropping off, but it's manageable.

**Unidentified Speaker**

 (unintelligible)

**Michael Suksi**

 Of course.

**Unidentified Speaker**

 How long do you think it will take to transform the company (unintelligible)?

**Michael Suksi**

 I don't know if they're slackers, but what I'd say is it's a multi-year plan. I don't have an exact time period; it never ends. The transition is continuous change.

 What I envision is the market challenges that we're facing today will be different in three years. So it's an ongoing program.

 The best I can tell you, this isn't just going to happen in one year; it's not going to happen in six months; it's just going to be a multi-year transition, but we're already on that glide path and we'll continue on.

**Derek Ridout**

 Thanks, Michael. Any other questions? If not, thank you, everybody, for coming today and…

**Michael Suksi**

 Thank you.

**Derek Ridout**

 Thanks, Michael. Have a good day.

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