



Kevin Carty, Classic Exhibits Inc.

Happy 2014! Best Wishes from the Classic Exhibits Family

For Classic Exhibits Inc., 2013 was amazing on so many levels – New Products, New People, New Distributors and GROWTH! **We grew 12.5% over LY, a tribute to you,** our Family of Classic Distributors. Thank you very much for putting your faith and trust in us.



Sales Trends

The sales growth is best described as the tale of two halves. **Q1 and Q2 saw consistent hybrid sales** from basic 10 ft. displays to complex custom hybrid islands – and everything in between. Large tension fabric graphics, both Velcro and SEG, were the story of almost every exhibit. And accessories galore! With the **iPad/tablet kiosks** leading the way. Everything from simple iPad stands to complex interactive tablet kiosks for clients ranging from healthcare to after-market auto parts. We continue to expand the range iPad/tablet offerings to over 20 standard kits, all of which can be customized for other kiosk ideas.

Then there's **Q3 and Q4. Custom hybrids did not stop, but we saw a HUGE spike in custom wood fabrication.** Classic Exhibits has become a viable partner for the distributor network for inline, island, and specialty custom builds. Custom builds fall in two clear categories: Overflow work for our Custom House Distributors who cannot get the work through their shops in the desired timelines, or custom builds for our traditional Modular Hybrid Distributors who have broadened their product solutions to include traditional wood construction. As a result, our Wood Fabrication Department has grown significantly over the past year, not just in staff but also in production floor space.

People

Katrina (Trina) Broten joined our **Design Department**, a proud graduate of the Bemidji State Exhibit Design program. We are delighted to have her talents on staff at Classic Exhibits Inc. She is a terrific designer, and an ideal fit in the Classic Family.

In **Customer Service/Project Management**, we added **Jen Sutton**. Jen, as many of you already know, is detail-oriented, task driven, and communication-focused. She's also a hoot and a joy to have as a colleague.

In 2013 we officially launched a **Graphic Design Department**, led by **Glenna Martin**. Glenna and Classic have had a rich history. Since 2005, we have worked with Glenna on nearly every corporate marketing project and exhibit show graphic. Her talents have transformed many of our nutty marketing ideas into successful concepts. So much of Classic's identity is Glenna's creative solutions that she had little choice but to become a Classic employee.



Trina Broten, Designer and
Jen Sutton, Project Manager

I say this a lot, but we are very fortunate in our hires, and that trend only continued in 2013.



Marketing

The **new Classic Exhibits website** is "oh so" close to completion. You will love it! Over the past several months, Tony Bennett, Mel White, and Glenna Martin have been focused on bringing this new site to life. I and the others on the internal management team have seen it and it is truly impressive! It will be live before you know it, and we welcome your thoughts and feedback.

Industry Involvement

As in past years, Classic Exhibits Inc. was deeply involved in the thought-leading and industry-shaping organizations in the exhibit industry. I continue to sit and participate on the **Board of Directors for EDPA**. Mel White is on the **Board of Directors for E2MA**. And we are both heavily involved in the development of the New **Exhibit Design Award at EXHIBITOR2014**, a new event that recognizes excellence in all phases of design in our industry – Custom, Portable, Modular. We are very excited about that. Through EDPA and E2MA, we participated in both ACCESS and Red Diamond Congress events. We strongly encourage our distributor-network and suppliers to join us at these events in 2014.

Mel White and Katina Rigall will be headed to EuroShop next month. Let them know if you will be there too. They would enjoy connecting and walking the show floor with you.



Rental Exhibits

We were concerned headed into 2013 whether our Rental Department would be affected by the increase in new construction. Nope. Rentals not only grew but grew big, so big that Classic Rentals opened a second location in South Elgin, IL, just outside Chicago. Jim Shelman and James Sharpe deserve tremendous credit for **launching the Midwest facility** and for the success and growth of the division. Great job guys!

Eco-Systems Sustainable Partnership

As many of you know, Classic Exhibits Inc. is the contract manufacturer for Eco-Systems Sustainable Exhibits. We are very, very proud of this relationship. In 2013, Eco grew by focusing on design on two levels: innovative, high-design displays and attractive, cost-effective exhibits. When you see what they have in store for 2014, you will understand why we are excited about this partnership. Well done Eric, Lisa, Lauren, and the entire Eco team. Partnering with a company that truly believes in growth through design is fun!

SKU

We graduated two exceptional classes from Shared Knowledge University (SKU). SKU is our semi-annual training program held in Portland. A special thanks to those who participated and contributed. SKU proves that everyone wins when you bring great people and solid training together. The **Spring SKU is May 19-20**. Let Jen LaBruzza or Reid Sherwood know if you are planning to attend. Space fills very, very quickly. By EXHIBITOR, we typically have only a few spots remaining.



Shared Knowledge University



Retail / Corporate Environments

Over the past two years, the "retail" market has grown for Classic and its Distributors. In 2013, this segment included Call Centers, Store Fronts, and Corporate Museums just to name a few. It's still a small segment of our business, but thanks to you, it's on a fast growth path. I look forward to all the new opportunities in 2014 and will share them as always. Stay tuned!

So, those are just a few highlights from 2013.

What's in store for 2014?

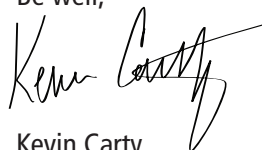
- 1. New Product.** We have a new product line in the works, slated for a late spring release. It will be yet another in a long line of cost-effective systems that will broaden your offering to your clients
- 2. BIG, BIG Builds.** Like last year, we are already scheduling many large wood custom builds.
- 3. Lightboxes, Lightboxes, Lightboxes.** Borrowing from our retail work, we are developing more SuperNova lightbox applications – freestanding, wall mounted, built-in, portable, custom, etc..
- 4. SEG Graphics.** Need I say more? Clearly SEG is here to stay. But, I am excited by some the new fabrics coming to market that make it easier to add SEG to our builds and designs.
- 5. Fun.** We expect 2014 to be entertaining and challenging. Knock on wood, this could be the industry's best year since 2007.

Thank you for everything you do for the employees and their families at Classic Exhibits Inc. **We're here because of you.** More than anything, we appreciate the many friendships and partnerships with you and your organizations. A great friend in the business, Jim Hoffmann, told me years and years ago, "Kevin, when given the opportunity, always work with friends." I take that advice every chance I can.



Thanks and I look forward to growing our businesses together in 2014!

Be well,



Kevin Carty
Vice President
Classic Exhibits Inc.