

DELPHAX TECHNOLOGIES OBSERVES THIRTIETH ANNIVERSARY

Digital printing innovator prepares for a colorful future

MINNEAPOLIS, Oct. 18, 2011—Delphax Technologies Inc. (Pink Sheets:DLPX.PK), a pioneer in the development of high-speed digital printing equipment, turns 30 this year—and its pioneering days have just begun!

After three decades of building black-and-white digital presses based on an innovation in high-speed imaging technology, the company is tooling up to offer color presses based on another first-in-the industry idea.

The company was launched in 1981 as Check Technology Corporation with the aim of developing digital production technology specifically to satisfy the demanding short run, variable-data requirements of the check-printing industry. It met that objective by devising a series of high-speed sheet-fed presses based on a unique electron-beam imaging (EBI) technology developed by a Canadian company known as Delphax Systems.

The first of the Check Technology systems—the *Checktronic*—was introduced in 1984, and the company quickly built a dominant position with check printers outside of North America. Then in the 1990s, the company introduced a much faster system—the *Imaggia*. The *Imaggia* was then, and still is, the world’s fastest digital sheet-fed print system with production speed of up to 300 pages per minute. The *Imaggia* has won a major share of the North American market.

While the versatility of the *Imaggia* began to take the company beyond the check-printing market at the turn of the century, a bigger step in that direction was to follow closely. In 2001, Check Technology acquired the assets of Delphax Systems, including the patented EBI technology. Signaling a diversification beyond the check-printing market, Check Technology changed its name to Delphax Technologies and moved quickly to complete development and began marketing the *CR Series* of digital roll-fed presses, also based on EBI technology. The *CR Series* offers the fastest toner-based digital printers in the world at 2,200 pages per minute, with a range of print applications that includes books and booklets, direct mail products, transactional materials, tickets, packaging inserts and legal and financial documents.

Building on its core competencies in providing high speed digital printing solutions to the financial, security, legal, direct mail and transactional print markets, the company is launching a new venture into the category of digital color printing.

“It’s where the growth is, and it’s where we believe our digital heritage will work to our advantage—both in the security printing market and beyond,” CEO Dieter Schilling wrote to shareholders earlier this year. “Digital color is a substantial segment of the printing equipment market that has grown during the recession, and it is projected to continue to gain steadily in share of revenues from equipment, supplies and services. . . .

“Our color strategy parallels the approach this company took in developing its original toner-based check-printing systems 30 years ago. The key to that original breakthrough was electron-beam imaging technology, or EBI, and the high-speed print engines it made possible. It was not invented here. Until we acquired ownership in 2001, it provided the basis for our systems for 20 years through a collaboration. EBI

-more-

belonged to someone else. But the founders of this company recognized its security-printing potential. They were convinced they could take this intriguing, but under-utilized technology, add computerized digital value and create a company. And they were right. The resulting systems took security-printing capabilities to levels of efficiency and precision still unmatched by our competition.

“Now, 30 years later, we’re using essentially the same template in the targeted development of color capability. We are leveraging our own technical strengths with the R&D resources of an innovative partner—Memjet, a San Diego-based company that has developed a unique inkjet print engine for high-speed color production.”

In April, Delphax announced plans to enter the color printing arena through a Memjet partnership that will introduce Memjet’s disruptive technology in color production to the commercial printing industry in a robust digital print system engineered and manufactured by Delphax Technologies. Development has progressed to the point where Delphax plans a product introduction for drupa 2012, the largest international exhibition of new printing equipment held every four years, in Dusseldorf, Germany.

The partnership between Delphax and Memjet brings together two companies that hold “world’s fastest” titles – Delphax for its toner-based digital monochrome printers and Memjet for its ink-based digital color print heads.

“Memjet has created a print head that represents an entirely new category of digital print technology—a major step forward in speed and economy of high-quality color production,” Schilling said. “We’re excited about joining Memjet on the leading edge of this development.”

About Delphax Technologies Inc.

Delphax Technologies Inc. is a global leader in the design, manufacture and delivery of advanced digital print production systems based on its patented electron-beam imaging (EBI) technology. Delphax digital presses deliver industry-leading throughput for both roll-fed and cut-sheet printing environments. These products are extremely versatile and handle a wide range of substrates from ultra lightweight paper to heavy stock. Delphax provides digital printing solutions to publishers, direct mailers and other printers that require systems capable of supporting a wide range of commercial printing applications. The company also licenses and manufactures EBI technology for OEM partners that create differentiated product solutions for additional markets. The company’s EBI technology is used in installations in more than 50 countries worldwide. The company is headquartered in Minneapolis, with subsidiary offices in Canada, the United Kingdom and France. The company’s common stock is currently quoted over the counter under the symbol DLPX.PK. Additional information is available on the company’s website at www.delphax.com.

#

CONTACTS:

Gregory S. Furness
Chief Financial Officer
(952) 939-9000 - gfurness@delphax.com

Sanja Wallace
Director, Product Management
(952) 939-9000 – swallace@delphax.com