

## Advantages

### To the Buyer

- Large selection of images to choose from
- Can choose from a variety of print sizes, papers and canvas
- Fast turn-around

### To the Artist

- Exposure to a world-wide audience
- New market for reproductions means greater income

### To the Dealer

- No expensive inventory to maintain
- Less space required for storage
- Inexpensive – kiosk can be leased on a monthly basis
- Access to a large variety of images
- Can offer images in a variety of sizes and on different papers
- Image mounting and framing revenue

### For More Information

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Cinemage is a registered trademark of  
Advanced Cultural Technologies Inc.

## The Concept

Kiosks, located in print and framing shops, provide access to a large collection of high resolution images available via the Internet. Customers can browse through the collection, select images to print, and then specify the image size and even the type of paper to print on.

Images are printed on high quality, high-resolution ink jet printers and can be completed in as little as an hour.

Digital printing has, within the last few years, achieved quality and longevity that rivals and even surpasses traditional printing technologies. High quality ink-jet pigments can now produce high-resolution images that are rated to last over 100 years.



**Cinemage Corporation TSX-V:CIG**

## Prints on Demand Kiosk



The kiosk consists of an Internet-connected personal computer with a large monitor for viewing and selecting images and a large format printer for producing the finished prints. The printer can produce prints up to 42 inches wide and several feet long.

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# Prints-on-Demand Business Opportunity

The ACT Cinemage Group is seeking business partners for the rollout of its Prints-On-Demand service, to be offered through poster, Fine Art, and framing shops. Recent developments in digital imaging and ink jet printing technology make it possible to print brilliant high-quality, high-resolution reproductions up to 44”X60” in size from digital images in as little as an hour. Cinemage has an expanding collection of high-resolution images that it is taking to market through its Prints-On-Demand service.

## ***The Opportunity***

Cinemage is seeking early adopters to establish a core base of Prints-On-Demand kiosk installations in British Columbia and Alberta. Initial installations will be structured on a franchising model, with an investment tied to a territory to provide protected revenue generation for operators. Investments are tax shelters that cover a significant portion of the investment cost through Income Tax reduction. Financial projections indicate that the Prints-On-Demand service can drive significant revenue through increased sales.

## ***The Company***

Cinemage Corporation is a technology company that trades on the TSX Venture Exchange under the symbol “CIG”. The company through its subsidiary Advanced Cultural Technologies Inc. owns a proprietary Internet engine, which it uses to operate its Internet portal Cinemage Global Services at [www.cinemage.com](http://www.cinemage.com). The Prints-On-Demand service is operated by Cinemage through this portal, in collaboration with Affiliates that provide image content production and contribution, as well as kiosk and materials sales, equipment leasing, and value added services.

## ***The Technology***

### **The Software**

Cinemage’s software provides for the creation, maintenance, and display over the Internet of collections of high-resolution digital images of artworks, posters, or photographs. Images are uploaded to the system and catalogued. Consumers can then search through the catalogues, either on-line over the Internet or through kiosks located in stores. Once they have selected an image it can be downloaded and printed directly on a high-quality inkjet printer located in the store. Customers accessing the system from home over the Internet would contact their local store for printing and payment.

### **The Hardware**

The Prints-On-Demand hardware consists of an Internet-connected personal computer, high-quality 21-inch monitor and an attached large format high-resolution inkjet printer. The printer can print images up to 24 or 42 inches wide and 36 to 60 inches long (or even longer) on a variety of stock including high-gloss photo paper, textured art papers, and even canvas. The inks used are of a quality that will provide a life expectancy of up to 100 years, as long as the images are not exposed to severe conditions.

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## The Business Proposition

The table below shows that even operating at a very minimal capacity, the prints-on-demand venture shows a significant revenue potential. The table shows the potential return for a prints-on-demand system operating at 5%, 25%, and 40% capacity. The table shows monthly figures and is based on the following assumptions:

Capacity of the PoD printer = 16 images per day (based on 24" x 36" prints)

Cost to the dealer for "Art" images = \$50.00

Cost of supplies = \$15.60 per print

Cost of matting and frame = \$75.00

Price of framed print to consumer = \$382.45

Lease cost of PoD system = \$300.00/month

The table also assumes that a certain number of custom prints will be done on the workstation. These would be prints done from images brought in by the customer.

<b>Monthly Revenue Potential</b>				
<b>Operating capacity</b>	5%	25%	40%	
Number of "Art" prints	17.5	87.5	140	
Number of Custom Prints	2.5	12.5	20	
<b>Revenue</b>				
"Art" Prints	\$ 2,296	\$ 11,480	\$ 18,368	
Custom Prints	\$ 117	\$ 585	\$ 936	
Matting Glass & Frame	\$ 5,025	\$ 25,125	\$ 40,200	
Total Revenue	\$ 7,438	\$ 37,190	\$ 59,504	
<b>Cost of Sales</b>				
Prints	\$ 1,148	\$ 5,740	\$ 9,184	
Custom Prints	\$ 39	\$ 195	\$ 312	
Matting Glass & Frame	\$ 1,500	\$ 7,500	\$ 12,000	
Total Costs	\$ 2,687	\$ 13,435	\$ 21,496	
<b>Gross Profit</b>				
	\$ 4,751	\$ 23,755	\$ 38,008	
Equipment Lease	\$ 300	\$ 300	\$ 300	
<b>Monthly Net Profit</b>	<b>\$ 4,451</b>	<b>\$ 23,455</b>	<b>\$ 37,708</b>	
<b>Annual Net Profit</b>	<b>\$ 53,412</b>	<b>\$ 281,460</b>	<b>\$ 452,496</b>	