



news release

***For immediate release***

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## **Online Print Revenues Soar at Local Photo Retailers Retailers Grow Photogize Online Revenues 230%**

**Online Print Order Revenue Jumps to \$2150 in August 2003  
Vs Same-Store Revenue of \$650 in August 2002**

**Overwhelming Consumer Preference for Local Pick-Up of Print Orders  
93% of Orders Specify Local Pick-up**

***Analysis Confirms a Significant New Revenue Stream for Local Photo  
Retailers Ready to Capture Growing Digital Consumer Demand***

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Woburn, Ma., September 18, 2003 --- Graphx, Inc., the 18 year-old market leader in high performance print server software and local online photo fulfillment systems, has completed an analysis of online print orders at photo retailers that use the Graphx Photogize System. Photo retailers use Photogize to offer their customers a simple online photo print order service, for use by the customer at a home or office PC. The System is designed for retailers that emphasize high quality print fulfillment and same day/next day local pick-up by the customer. The Photogize System front-end, as used by the consumer, is simple and easy-to-use, while the back-end, used by the photo retailer, is feature rich and highly expandable. The analysis includes Photogize photo retailers with August 2002 online print order revenues of \$100 or more.

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“Our analysis confirms a clear, positive trend that directly benefits the digital-savvy photo retailer,” said Joe Kowalik, Graphx President and CEO. “Simply stated, consumers ordering photo prints online, for local pick-up, is a growth market...a big-time growth market. “

“Every day, more digital photo consumers learn that the photo print quality and convenience traditionally associated with the local photo retailer processing 35mm film now extends to the online ordering of digital prints. Our analysis shows a dramatic growth in this new online digital service at Photogize retailers, when directly comparing same-store results in August 2003 versus August 2002,” said Kowalik. “We found dramatic increases in multiple aspects of the retailers’ Photogize business: more consumer orders per month, more digital photos per order, digital photos increasing in file size, and most importantly customers ordering more prints in each order,” said Kowalik. “The one factor that started high and stayed high is the overwhelming customer preference to pick-up prints locally at the retailer, it’s been consistently over 90%.”

“While we couldn’t have predicted the exact path of our retailers’ growth, it’s clear now that our customers have moved Photogize from an initial test-phase to a fully operational phase. Now it’s a significant and highly profitable new digital service for the retailers,” said Kowalik. “Given our online order trends of the past year, and the continuing rapid growth of digital camera sales, we see more strong revenue growth for photo retailers who invest in this new online digital service,” said Kowalik. “Leading Photogize retailers in 2002 were able to recover their Photogize investment in 3-6 months. This trend will continue in 2003 and 2004.”

The following online ordering trends emerged, based on analysis of August 2003 versus August 2002 same-store retailer results\*:

- Average revenue per order increased from **\$12.37 to \$16.10**, a **30%** increase.
- The average number of orders per month increased from **52 to 134**, an increase of **155%**.
- The increase in both revenue per order and monthly order volume combine to increase the online order revenue for the month average from **\$650 to \$2150**, an increase of **230%**.
- The average number of prints ordered in the month increased from **862 to 3,513**, an increase of **326%**
- The average file size of an uploaded photo image increased from **730 KB to 860 KB**, an increase of **17%**. This trend indicates recent online orders include more

orders from new digital camera owners, who are taking photos at the higher pixel resolutions available on the newer digital camera models.

- The percent of customer orders specifying order pick-up at a local retail store has been consistently high, at **91.1%** in August 2002, and growing **2% to 93.1%** in August 2003. This data shows strong consumer preference for local retail pick-up.

\* Analysis Notes:

1. Data source: Photogize transaction database log files.

2. Online Print Order Revenue is defined as the total revenue from a completed online order, including any applicable shipping, handling and taxes. Because print orders can be paid by credit card or cash (as defined by the photo retailer in Photogize), this revenue figure may not exactly match online order daily receipts due to orders not picked-up, test orders, etc.

3. All Online Order data is pulled from the photo retailer's primary Basic Print Order (BPO) Channel, as of August 2002. Therefore August 2003 actual results are understated at retailers operating more than one Photogize Channel account in August 2003, e.g. offer multiple BPO accounts, and/or a Photo Greeting Card Channel, or a Photo Finale Channel from Graphx Partner Trevoli Ltd, Dallas, Texas.

## About Graphx Inc:

Graphx<sup>®</sup>, a privately held 18-year-old software company, is the award winning developer of high performance color printer software. The Graphx RasterPlus<sup>®</sup> product line supports more than 100 high-end color output devices, including digital minilabs, ink jet printers, thermal printers and color film recorders. RasterPlus products are resold by leading hardware manufacturers as Fuji, Kodak, Noritsu, and Polaroid. More than 15,000 commercial photo and graphics customers, located in 45 countries, have purchased RasterPlus. Graphx products have won multiple industry awards, including four DIMA Printer Shoot-Out Awards. In April 2002 Graphx introduced Photogize<sup>™</sup>, an online photo fulfillment system, enabling print order fulfillment at local photo retail locations. Leading US photo retailer associations, as PRO, IPI, and Town & Country have endorsed Photogize for their members' use.

Evaluation copies of Photogize are available. Visit <http://www.photogize.com/eval.htm>

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For more information call 781-932-0430 x567 or visit <http://www.photogize.com/>

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