

I.Lab System and Minilabs OFFER MORE CONSUMER CHOICE, BETTER QUALITY, AND HIGHER REVENUE



Kodak image-enhancement software (infrastructure) can be deployed to eliminate flaws such as graininess, tone and underexposure.

OVERVIEW: BEFORE INFOIMAGING

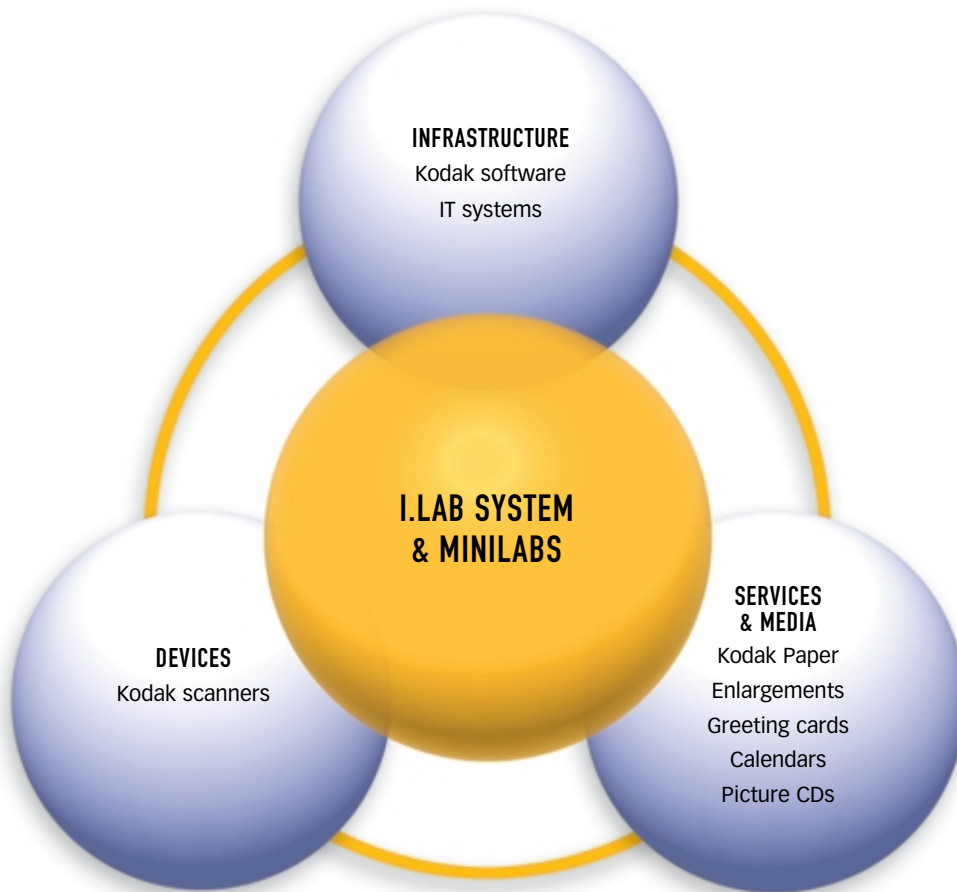
Consumers take millions of photographs every day worldwide and regularly drop off their film for processing at retail locations. The film is developed either in-store or sent out to a central lab, prints are made and the consumer returns to see how his or her pictures came out. If there is a problem like underexposure, the consumer gets discouraged. As a result, he or she not only likely won't order additional prints or photo items but also may be inclined to take fewer pictures for fear the next roll will turn out just as bad. But Kodak is deploying robust infoimaging solutions to help address these issues for consumers and to help retailers and photofinishers capitalize on the latest technologies.

INFOIMAGING IN ACTION

Kodak's I.Lab System for wholesalers and minilabs with Kodak DLS software for retailers combine Kodak scanners (devices), best-in-class image processing and enhancing software (infrastructure), IT networking infrastructure, and unique paper and other media into complete systems that enhance image quality, offer products like CDs and photo greeting cards and improve workflow. (I.Lab is the enabling technology for central labs; minilabs with

Kodak DLS software, for on-site digital processing. Kodak markets these services to consumers in the United States under the name Kodak Perfect Touch Processing.) Here's how they work:

- A consumer drops off film at a store that offers Kodak Perfect Touch Processing.
- The film is processed by the minilab or the I.Lab System and the images are scanned and digitized using Kodak scanners (devices).
- Once the images are digitized, Kodak image-enhancement software (infrastructure) is automatically deployed to correct pictures for tone, underexposure, etc. Based on successful market trials, customers are willing to pay more for this premium processing.
- Once the pictures are improved, the consumer's choice of products—prints, enlargements, greeting cards, calendars, Picture CDs or other media—are produced in a single process.
- The minilabs also enable retailers to offer Preview & Select, which is the ability to let customers choose the order they want by previewing their prints on a computer screen. (The digital images are transmitted via a local network infrastructure connection to a nearby preview screen).



The average revenue per order is 10% to 20% higher on orders using Kodak Preview & Select than on standard film developing and print orders.

➤ The I.Lab System and minilabs also take input from digital cameras, producing higher-quality prints than one could get on a home printer.

Kodak's I.Lab System was developed with vendor participation by IBM, which provides servers and IT **infrastructure** for the storage and routing of digitized images. Minilabs using Kodak software and other technology are manufactured by Gretag Imaging, Noritsu and PhotoMe International in partnership with Kodak. Kodak also has entered into a joint venture with Hewlett-Packard—Phogenix Imaging—to develop a digital minilab using inkjet technologies.

INFOIMAGING'S IMPACT

- The implementation of this technology increases customer satisfaction while also giving retailers opportunities to sell premium services.
 - The average revenue per order is 10 percent to 20 percent higher on orders using Kodak Preview & Select than on standard film developing and print orders, according to one Canadian photofinishing provider with 90 stores.
 - About 40 percent of customers at a New York photo store ask for the Preview & Select feature. They pay more than \$3 extra per order.

For more information about infoimaging, go to:
www.kodak.com/go/infoimaging