

For immediate release

Contact:

Joe Kowalik/Graphx, Inc Tel: 781.932.0430 x567 Fax: 781.932.0855

**Record-Setting Revenue Growth in December 2003
As Photogize Retailers Increase Online Revenues 193%**

**Same-Retailer Average Monthly Revenue Jumps to \$4805
From \$1640 in December 2002**

Top 10 Retailers Each Exceed \$10,000 in Monthly Online Revenue

**Overwhelming Consumer Preference for Order Pick-Up
At Retail, consistently over 90%**

***Local Retailers Capitalize on the Growing Digital Consumer Demand
for Convenience in Digital Print Fulfillment***

Woburn, Ma., February 11, 2004 --- Graphx, Inc., the 19 year-old market leader in high performance print server software and local online photo fulfillment systems, has completed a new analysis of photo retailers using the Graphx Photogize System. Photo retailers employ Photogize to offer 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 front-end, as seen by the consumer, is simple and easy-to-use, while the back-end, operated by the photo retailer, is feature rich and highly expandable. The analysis includes 46 Photogize photo retailers using the service in December 2002 and December 2003. The 46 retailers offered consumers a total of 157 local pick-up locations, with no single retailer offering 20 pick-up locations.

“Our December analysis clearly indicates the market changed in 2003,” and said Joe Kowalik, Graphx President and CEO. “One year ago, leading Photogize retailers, as Click Camera in Dayton, Ohio, and Noble’s Cameras, in Hingham, Ma., were generating online revenues in the thousands of dollars per month. By December 2003 these retailers we generating well over ten thousand dollars in revenue per month. The gross margin generated by these leading retailers in a single month exceeded their entire initial Photogize investment.”

“It’s all driven by the consumer,” said Kowalik. “Our analysis clearly demonstrates that many consumers want to combine the fun of digital picture taking with the convenience and quality of photo fulfillment found at the local photo retailer. Retailers promoting a Photogize online solution in 2003 had the right solution at the right time to capture a significant new business opportunity.”

Other important findings of the December 2002-03 same-retailer analysis* include:

- Average revenue per order increased **26%**, to **\$23.47** from **\$18.66**.
- The retailer’s total number of orders per month increased **133%**, to **2,342** from **985**.
- The retailer’s number of orders per day increased **133%**, to **6.6 per day** from **2.8 per day**
- The number of prints per order increased **57%**, to **34** prints per order, from **22** prints per order
- The average photo file size uploaded to the retailer increased **23%** to **1,040 KB** from **845 KB**
- The number of prints from each photo upload increased by **58%**, to **3.0** in December 2003 from **1.9** in December 2002

* 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.

About Graphx Inc:

Graphx[®], a privately held 19-year-old software company, is the award winning developer of high performance color printer software. The Graphx RasterPlus[®] 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 the 2003 PTN Overall Top Technology Award and four DIMA Printer Shoot-Out Awards. In April 2002 Graphx introduced Photogize[™], an online photo fulfillment system, enabling print order fulfillment at local photo retail locations.

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

Graphx is located at 400 West Cummings Park, Woburn, Mass. 01801.

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

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