

FRESCO COLOR™

Executive Summary 2009



Fresco Color is a web media project promoting on-line design and digitally-decorated materials in the architectural, interior design and product design markets. Fresco Color involves three elements:

1. Input: FrescoPandora.com

A patent-pending and copyrighted web-based, art library and design engine that allows untrained users to custom remix a library of art-quality, architectural-scale graphics. This creates tens of millions of decorative possibilities, which can then be output to a variety of materials for use in architectural and interior design applications.

Digital graphics for use in the decorative architectural markets must render at architectural scale and art quality. Graphic files that can deliver art quality at architectural scale (5 x 10 ft.) are rare and expensive to develop.

2. Output: Fresco Color Imaging System

A patented process that renders art quality, architectural scale, digital graphics to thermoplastics for high-performance fabrication, heat forming and heat/fusion lamination. Fresco Color imaged materials can withstand severe conditions, without degradation of the graphics common in the processing and fabricating of plastics used in architectural and interior design applications.

3. Community of Interest: FrescoPandora.com

An interactive “new media” website driven by the capabilities referenced above, which leverages and monetizes the professional networking of all those interested in the business ecology of the architectural, interior design and product design markets.

Business Model:

Fresco Color derives commission revenue on OEM sales driven by the use of graphic files from Fresco Pandora Design Engine and power user subscription revenue from designers using the professional tools on FrescoPandora.com. Fresco Color also derives margin revenue on production of high-performance, art quality, architectural scale graphics rendered into thermoplastic substrates for OEM components. Architects, interior designers, exhibit builders and product designers can now add digital graphic embellishment to their projects, with cost effective and simple to use methods, accomplished without leaving their desks.

The Reason:

Digital Graphic reproduction (free from set up costs associated with analog image reproduction) allows more design variation, at less quantity and at a realistic cost. Architectural design, interior design, permanent exhibit/display and product design are markets where cost-effective design variation at low quantities is highly valued. Architects and Interior Designers want their design signature on a project and product designers want to avoid competing with Asia on commoditized design.

Fresco Color has pioneered the use of digital graphics in the architectural, permanent exhibit and product design markets by making available a comprehensive digital library of the world of visual references - from stone, to sky, to rice paper - as well as an on-line design engine that will render art quality output at architectural scale (5 x 10 ft.). At the same time, Fresco Color provides one method (patented Fresco Color imaging) for outputting such decorative embellishment on high performance plastic substrates. The results will meet the performance specifications for the target applications - building codes, FAA ratings, FDA and USDA ratings, etc.

Market Scale:

Demand for digital graphics has grown \$1B per year over the last 8 years (SGIA.org July 2006 data).

Market Scale - FrescoPandora.com Web Ecology:

Based on the evaluation of trade association membership universes, Fresco Color has estimated that the Served Available Market (SAM) for power user subscriptions to the Fresco Pandora Design Engine and tools is about 1M users in North America.

Fresco expects to enroll 100,000 professional users into the Fresco Pandora program within 4 years. A subscription price averaging \$250 a year has been used for analysis. This drives revenue of \$25M into Fresco Pandora.

Fresco estimates each professional user of the Fresco Pandora Design Engine will drive revenue of \$3,000 a year to the Fresco Pandora qualified vendor network, which generates \$300M in qualified-vendor production revenue. Fresco vendors have agreed to pay 10% commission for sales generated through the Fresco Pandora Art Library and Design Engine, which would drive \$30M in revenue to Fresco Pandora.

For the complete Executive Summary,
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