

Questions Answered

Last updated 26th July 2005

25/07/05

How do you see the business developing?

Improve on our gift presentation; improve on imagery and message; improve on fulfilment solution and integrate the service into partner web sites in order to position PhotosFramed.com as an **International Premium Gift Service**.

We believe positioning PhotosFramed.com as a premium gift service will be more successful than developing as just as a photo-framing site as we feel photo finishing web services will dominate this service. In time, having a number of fulfilment centres around the globe, competing with such services as InterFlora. Fulfilment being provided by digital photo labs that stock photo frames. If you wish to send a gift to New Zealand you will be presented with the frame options which our New Zealand partner has available. Pricing, delivery information etc. will also be customised for the selected country.

PhotosFramed.com will not be selling prints or frames but a gift solution. This solution can be integrated into photo web sites.

Could you give me a rough estimate of the value of the tangible assets that are included in the sale, for instance?

- The actual website & order administration control area: €30,000
- The customer database: difficult to value, say €4,000
- Inventory/Stock on hand: frames and gift wrap materials approx €1,200
- Web address: PhotosFramed.com with a Google Page Rank of 5 approx. €3,000
- Value of established visitor traffic from search engines: Approx 5,000 visitors per month €4,000
- Equipment:
 - Franking machine and electronic weight scales: purchased 2001 for €2,600, value approx €400.
 - Gift wrap dispenser cost approx €300 in 2001: current value approx €100
 - No other physical assets
- The brand (intangible): PhotosFramed.com €3,000

If we were to purchase the business outright what level of support from Digino is included in the sale?

We would be happy to provide support to the value of 5% of the final purchase price. Therefore at €60K we would provide support to the value of €3,000 which equals 36 hours @ €85/hour. Hours delivered over a period of 6 weeks. Digino staff, not contractors, would complete these hours. We will provide a discounted rate for an additional 36 hours of work if required.

How do you go on for glass breakages? Or do you only supply frame with no glass?

Frames are with glass. Bubble wrap with large bubbles works great for protecting. Also use a type of book boxes similar to Amazon. Very, very few breakages.

What are the website hosting arrangements - and will they continue under new owners.

Yes will transfer. Currently \$36 per month.

Is there much maintenance costs involved in running the web site?

None, the site has not had any errors or breakdown in 2 years. Any technical work we have done on the site this year or last has been to add additional features. The original system was built to a very high standard so that it could handle a large volume of orders.

What printing equipment do you use for the photographs - is this included - if not how much hardware investment is required?

We always used a digital print lab located near our previous office but now a high-end desktop photo printer would be sufficient for the job. There is no equipment included in the sales other than a gift wrap dispenser.

How much manual intervention is required to the images?

We viewed each image and cropped if needed (a few seconds per images), the web site crops a version of the image for viewing online in 3 frame sizes. The final framed print looks exactly as it does on the screen.

What has been the net profit of the business?

Small turnover, don't have separate numbers from main business, will have sales numbers next week. We're not selling this business based on turnover. Were selling a tried and tested complete web site solution. Total sales from 2002 was €4,900 and for 2003 was €5,271.

I see that the site is closed at present for 'refurbishments' what are these - how long has the site been closed.

Stopped taking orders last June when we moved offices. Not re-opening before sales. We're not in a position to provide fulfillment at present.

What is the nature of the fulfillment arrangement with the US partner?

Kelly is a work at home Mom. Paid 25% of orders fulfilled after deducting postage costs.

The search terms quoted do not rank in the Goggle search has it been de-listed, if so when? Checked "digital photo framing" it's currently number 5 and "online photo framing" #2, "photography framing" #5 on Google.com.
(3/6/05)

Have any recent improvement s been made to the site?

Yes, during January this year, to prepare the site for sale, we re-designed the home page, the logo and top navigation bar. The new look is much more polished and professional than before, we feel this will really help boost sales when re-opened. The functionality of the site has not needed any work since 2003 when we added the US delivery option.