

1. A snapshot of how Photo Direct has travelled this year - market share/financials/major milestones/product developments/business alliances;

In 2008 we set out to change the structure and mix of our business and happily we have achieved that goal principally by moving out of 'wet' processing solutions which are so heavily 6X4 print centric.

By embracing 'dry' through our relationship with Hp and shifting most of our focus into and around creative product we can already see the longer term, sustainable advantage this decision will provide us.

Financially we'd like to be further ahead but so much of what we achieve relies on where our traditional customers' mindset is at. All in all 2008 has been another year of investment and growth for us so as a three year old player in the industry we are very happy with where we are headed.

In terms of product development, we have broadened our range of Digital Frames and definitely increased our market penetration in this category.

Taking over distribution of HP consumables from Ingram Micro has fuelled our progress and helped the expansion of our customer base. Retail Photo Solutions remain a very exciting category especially with all the new dry solutions and the upcoming launch of the latest (V3.5) software.

Our move into the wide format printer market has been fun and we are seeing some very pleasing customer testimonials regarding the success they are experiencing especially around canvas and accessories.

As you would expect we have maintained our share of market in the photo restoration, paper, chemical and single-use camera segments, while the 'question mark' category for 2009 will definitely be our online service offering.

2. Some idea of how you think the Australian imaging industry might fare in 2009

It's always hard to predict how the industry will perform but we know our business will definitely grow next year, primarily due to the healthy nature of the segments we're involved in and the focus we put into each of them.

We also know it'll be a lot more fun for consumers which can only be good.

Not surprisingly there'll be more new players than ever before and some of these will compete in completely uncontested markets which will be exciting for the industry.

The changing nature of competition will have an impact on the independents so they will have to become much more customer-oriented than ever before especially with so many consumers happy to embrace both online and offline channels. The days of mass marketing are over and customers simply expect more value in the exchange process wherever they shop.

3. Any specific business goals or focus your business will be concentrating on next year;

Our focus will single-mindedly be on GROWTH so the pressure for us will be about hanging on for the ride and managing that growth productively and profitably.

We currently have a new website in development and we're re-structuring our business partnership, value proposition to ensure our customers get even more benefits from their relationship with us.

4. (Optionally) any other issue or observation regarding the industry you might like to highlight.

As we touched on earlier 2009 is going to be a roller-coaster year in many ways so anyone who is planning on fence-sitting is going to be in big trouble. There is simply no room left for apathy or procrastination in this industry.

There is so much consumer opportunity facing our industry if we don't rightfully embrace it there'll be no use complaining because the focussed and growth-oriented players will be too busy serving and servicing those consumers' needs and wants.