

The start of IREX Technologies in 2004 is so inextricably linked to the invention of the first commercially produced eReader that the stories must be told as one. In September 2001, Royal Philips Electronics challenged a team of engineers to develop a market-ready product for commercial applications from Electrophoretic Display technology, better known as Electronic Paper Display (EPD), which had been researched for decades.

In just three short years, this team of specialists did just that, taking EPD from lab to real life. In March 2004, this display component was implemented in the first E-ink-based, commercially available electronic book, the Librié, brought to market by Sony Corporation. Later that year, upon a decision by Royal Philips Electronics to stop the further industrialization of the EPD project due to a strategy redirection of the company, the specialists responsible for the project formed IREX Technologies with the goal to shape the world of electronic reading and writing.

TECHNOLOGY LEADER

Innovation – in an effort to create the most natural and enjoyable reading experience possible – has been and remains the name of the game for IREX. Key innovation milestones include:

- **March 2004:** First eReader brought to market using the IREX display.
- **June 2006:** IREX launches the IREX iLiad 1st Edition, the first eReader with worldwide availability and the first to include a writable screen, 16 levels of grayscale and WiFi connectivity.
- **July 2006:** IREX partners with Arinc to create the first eReader solution for pilots. Today IREX continues working with SOLIDFX on eReader solutions for the aviation industry.
- **September 2008:** IREX launches the IREX Digital Reader 1000S, the world's largest eReader, with a screen (10.2 inches) suitable for reading A4/letter-sized documents. The device is aimed at the business professional and provides note-taking capabilities, interactivity in the screen and 16 levels of gray. The device is used globally in a variety of vertical markets, including aviation, government and legislation.
- **June 2009:** IREX announces that its next generation of ultra-thin eReaders with full color screens and note-taking capabilities are in development and expected to launch mid 2011.
- **September 2009:** IREX launches the IREX Digital Reader 800SG, its fourth generation eReader focused on the consumer space.
- **2011:** IREX to launch its color eReader.

DEVELOPING THE CONTENT

In addition to advancing the technology behind eReaders, IREX is influential in developing the content available for the devices. IREX continues to work with periodicals, publishers and industry leaders to develop the content and format needed to drive the next generation of eReading. IREX supports an open/standard DRM solution and believes consumers should be able to purchase books, magazines and newspapers from a variety of locations and take that content from one device to

another. IREX supports an open model where publishers and retailers can pursue their own business model. Key IREX content milestones include:

- **January 2007:** IREX launches the first eReader trial in the education field and provides students with eReaders to replace their textbooks. Today IREX is involved in multiple trials in The Netherlands, Ireland, United Kingdom and Italy and funnels this insight into product development.
- **September 2007:** The French newspaper Les Echos and IREX introduce the first newspaper available on electronic paper. Today IREX partners with newspapers in France, The Netherlands and Italy as well as Newspaper Direct, providing access to more than 1100 newspapers from 87 countries in 41 languages.
- **August 2009:** IREX announces a partnership with Barnes & Noble eBookstore, bringing access to more than 750,000 eBooks to on-the-go consumers.

WHAT'S NEXT? COLOR

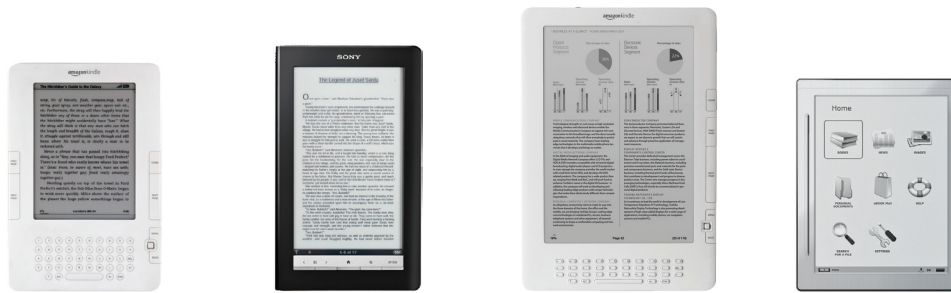
Ask any eReader aficionado what will be the next major milestone for this market and inevitably the discussion turns to color. After all, much of what we read—magazines, graphic novels, etc.—is in color. So what's the big hold up? IREX is working on getting it right.

IREX understands the demand for a full color display that delivers accurate, vibrant color while maintaining long battery life and paper-like experience. The company is not impressed with the current field of color display options and therefore is researching its own solution. On June 2, 2009, IREX announced progress on the development of the next generation of eReaders expected to launch mid 2011.

Current color prototypes for electrophoretic displays – displays universally found in eReaders – employ additive color mixing techniques and filters that compromise the reading quality of the display. The new IREX color solution will be based on subtractive color mixing similar to physical printing, which will offer three times the brightness of current color prototypes. In other words, the colors look like people expect them to look – vibrant and true-to-form. Reds will be red and not pink. With its focus on innovation and technology, the next generation IREX eReader is sure to be another game changer.



WIRELESS eREADER COMPARISON CHART



	Amazon Kindle 2	Sony Reader Daily Edition	Amazon Kindle DX	IREX DR 800SG
Screen Size	6 inch (diagonal)	7 inch (tall)	9.7 inch (diagonal)	8.1 inch (diagonal)
Touchscreen	No	Yes	No	Yes (stylus enabled)
3G	Sprint	AT&T	Sprint	Verizon/Qualcomm Gobi Module
Stores	Kindle Store	Sony eBook Store Google Books	Kindle Store	Barnes & Noble eBookstore, Newspaper Direct, LibreDigital
Open vs. Closed Platform	Closed DRM format	Open DRM format	Closed DRM format	Open DRM format
Side Loading (connect device to PC and add personal content)	Limited	Yes	Limited	Yes
Native Format Support	AZW, TXT, Mobipocket PRC	Adobe PDF, EPUB, BBEB, TXT	AZW, TXT, Mobipocket PRC, Adobe PDF	Adobe PDF, EPUB, Newspaper Direct, Fictionwise, eReader, TXT
Storage	1500 books (2 GB)	1000 books	3500 books (4 GB)	1500 books (2 GB)
Expandable Storage	No	Yes	No	Yes
Newspaper Access	Yes	Yes	Yes	Yes
Screen Rotate	No	Yes	Yes	Yes
Free Content	No	No	No	Yes
In the box	USB charger	USB charger, cover	USB charger	USB charger, leather cover, stylus
Price	\$299	\$399	\$489	\$399

eREADER VS. NETBOOK

	eReader	Netbook
Display	Electronic Paper <ul style="list-style-type: none"> • Reflects natural light • Readable outdoors from any angle 	LCD <ul style="list-style-type: none"> • Light source behind display • Limited outdoor readability
Battery	Measured in days	Measured in hours
Connectivity	3G	WiFi or 3G
Weight	Starting at 10 ounces	Starting at 40 ounces
Interface	Touchscreen, buttons (and stylus)	Keyboard and touch
Dimensions	1/3 inch thin	1+ inch thin
Reading Experience	Closely resembles reading a book, including tactile feel	Heavier and more cumbersome to hold; gets warm in hands; more distractions