



### Quick Reference

Trading Symbol:	OTCBB: IMGX.OB
Sector:	Technology/Multimedia
Price (7/12/11):	\$0.54
Market Capitalization:	\$9.9 mm
Shares Outstanding:	18.3 mm
Fiscal Year End:	September 30

## COMPANY PROFILE

Founded in 2000, Image Metrics, Inc. ([www.image-metrics.com](http://www.image-metrics.com)) provides technology-based facial animation solutions to the interactive entertainment, online communications and social networking markets. Using proprietary software and mathematical algorithms that "read" human facial expressions, its technology converts video footage of real-life actors into 3D computer-generated animated characters. Its technology has been used to create notable music videos and movies made in the past five years. Examples include the 2008 "**Grand Theft Auto IV**" video game, the 2009 computer-generated aging of Brad Pitt in the feature film, "**The Curious Case of Benjamin Button**," which won three Oscars, and the 2009 **Black Eyed Peas' "Boom Boom Pow"** music video, which won the Grammy Award for best short form music video. Over the past two years, the company has expanded its customer base to include game and entertainment companies such as Activision, Sony, THQ, Electronic Arts and Ubisoft. It has four patents registered in the U.S. and six more pending.

## REFOCUSING BUSINESS MODEL

Image Metrics is transforming from a production services company into a software company that can leverage the professional, consumer and education markets and achieve more scalability than service business models. To capitalize on the value of its technology innovation, management is now focusing on delivering differentiated and IP-protected products to a broader range of markets than simply 3D animation. The innovation underlying Image Metrics' product strategy enables it to address consumers in the social networking, online games and online communications sectors. Its strategy is to maximize revenue and gross margins from its existing B2B (business to business) markets, and then to develop additional commercial applications, particularly in the B2C (business to consumer) realm. Its technology platform can support access to fast-growing revenue streams such as subscriptions, downloadable content and virtual goods in multiple platforms. Ancillary opportunities exist in licensing products and services into non-entertainment markets. Some of the recent steps the company has taken to implement its new business model include:

**March 2011**-launched its flagship professional software-as-a-service (SaaS) product, FACEWARE into the professional market, which has resulted in signing customers in the video game, television and music video markets. The product won a "Best-in-Show" Award at the 2011 Game Developers Conference.

**May 2011**- announced the availability of its first consumer-oriented product, which enables online users to create photo-realistic 3D characters from a digital photograph and integrate that character across a range of third-party games, social networks and communications applications.

## GROWING WORLDWIDE MARKET

As users adopt avatar-based representations of themselves in different visual applications, Image Metrics can enable personalized, high-quality experiences not available via video or other methods. The video chat market is projected to grow to over \$6 billion by 2015 across broadband, mobile and IPTV platforms. (GigaOm Pro, "The Consumer Video Chat Market: 2010-2015" June 2010). In addition, applications based on these technologies will utilize the virtual goods business model, which is projected to grow worldwide to \$15 billion by 2015. (Piper Jaffrey, "Pay to Play: Paid Internet Services" July 2009). As digital distribution becomes a ubiquitous means of delivering interactive content, Image Metrics is positioned to access these markets through partnerships, licensing agreements and proprietary products offered directly to end-users.

## SENIOR MANAGEMENT TEAM, BOARD AND ADVISORY TEAM

The collective expertise of this group encompasses building B2B and B2C enterprises, technology and product development, sales and marketing, financial structuring, mergers and acquisitions, public company management and other requisite professional skills.

## CORPORATE HISTORY

The company completed a reverse public offering transaction in March 2010, in which it became a publicly-traded company through its share exchange transaction with International Cellular Accessories. Through the transaction, the stockholders of its privately-held predecessor, Image Metrics Limited, received a majority of the outstanding shares of International Cellular Accessories and its officers and directors assumed similar positions with International Cellular Accessories. The company changed its name to Image Metrics, Inc.

## TECHNOLOGY

Image Metrics **FACEWARE** is a performance-driven animation technology for the film and games industry. **FACEWARE** utilizes a marker-less video analysis technology and artist-driven performance transfer toolset to deliver truly believable facial animation in a fraction of the time of more traditional methods, and has been an integral tool on many award-winning facial animation projects. **FACEWARE** 3.0 is available as software as a service (SaaS) to studios that require full creative flexibility and all creative decisions to be handled on-site. It is a cost-effective, patented, user friendly toolset which empowers artists to easily create better facial animation faster.

**PortableYou** is an avatar creation platform that provides application developers the technology to empower end-users to instantly generate customizable 3D avatars from photos of their face. Users can then add and share these avatars across enabled third-party applications. **PortableYou** provides accessibility via simple, platform-agnostic web APIs combining high levels of fidelity with cross-platform, cross-application capabilities. No other technology in the market provides completely automated, high quality 3D heads via an open API. **PortableYou** is the first of several technology products on the Image Metrics roadmap for 2011-2012 that represent the company's vision of enabling online users to communicate via 3D likenesses, and this unprecedented ability brings to the consumer the power of Hollywood-level animation for their personal use.

### SENIOR MANAGEMENT

Robert Gehorsam, CEO and Director  
Ron Ryder, Chief Financial Officer  
Kevin Walker, Ph.D., Chief Technology Officer and Co-Founder

### CORPORATE OFFICES

1918 Main Street  
Santa Monica, CA 90405  
310-656-6565  
[www.image-metrics.com](http://www.image-metrics.com)

### INVESTOR RELATIONS CONTACT:

Michael Porter  
Porter, LeVay & Rose, Inc.  
212-564-4700  
(mike@plrinvest.com)