



Executive Summary

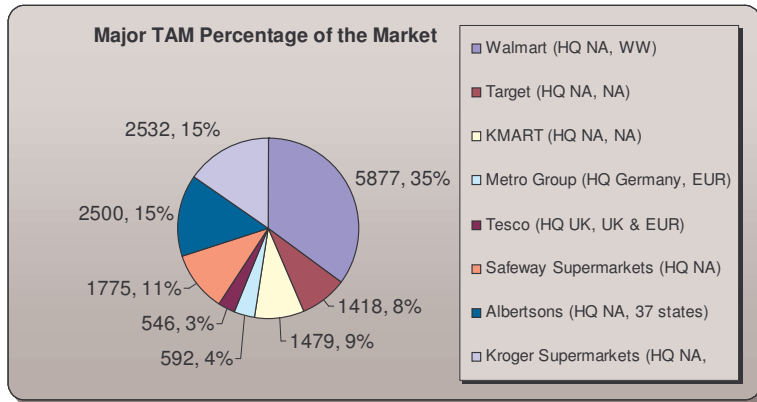
Forest Technologies' MOBILE In-store Narrowcasting Systems

Forest Technologies is introducing **CartMedia™** to the retail in-store narrowcasting market that combines RF wireless physical location tracking and networking with narrowcasting multimedia management systems to create a location specific touch marketing solution that **"places product advertisements in front of the customer while the customer is in front of the product"**.

CartMedia brings touch marketing to the digital signage revolution by enabling location specific sponsored media to be played on a shopping cart-mounted multimedia player while the customer is physically located next to the product. CartMedia combines the power of in-store advertising and kiosk interactivity through a simple push button interface for customer interaction and multi-tier marketing strategies, and can be used hands-free to eliminate any customer required learning curve for easy use. CartMedia is compatible with today's narrowcasting media management systems and can be used to create a stand-alone touch marketing solution or can be used to extend the customer reach of an already in use narrowcasting system.



The Narrowcasting Market



CartMedia is part of the Digital Signage and in-store narrowcasting systems market that is rapidly expanding into major retailer accounts, such as Walmart, Kmart/Sears, Target, Tesco and others, to generate high margin revenue through sponsored media and higher product sales or

retailers, an enhanced shopping experience for retail customer, and a highly focused “ready to buy” viewing audience with numbers that compete with major broadcastings networks for product advertisers. Multi-store media development and distribution is provided by major software companies that network to media player-based ceiling-hung, wall-mount, and kiosk enclosed display systems. The narrowcasting business models include direct system investment by retailers with rapid ROI through paid-for advertising and narrowcasting system purchases through third-party system providers with retailer lease revenue and ad dollar revenue sharing.

In 2004 narrowcasting system and services totaled \$413M and is expected to grow 25% per year through 2009 (source: InfoTrends/CAP Ventures). In 2005 narrowcasting paid-for advertising produced \$200M in retailer revenue (source: PRN), with 50% growth per year for the next five years (source: Cap Ventures). CartMedia is the **only** mobile narrowcasting system to co-locate products, product advertising, and customers at the point of purchase decision and enables new marketing channels and strategies for retailers and product advertisers.

Accounts	No. of Stores	Potential (\$USD)
Walmart	5877	\$698M
Sears (Kmart)	1479	\$141M
Target	1418	\$136M
Kroger	2532	\$240M
Albertsons	2500	\$237M
Safeway	1775	\$169M
Metro	592	\$56M
Tesco	546	\$59M

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Recent M&A activity includes marketing leading systems and content provider Premier Retail Networks (PRN) fixed-display narrowcasting provider that was founded in 1993, secured \$42.5M in funding in 2002, and purchased by Thomson SA for \$285M. Digital Signage Media Management Software Company, Insciber, was sold to A/V hardware supplier Leitch Technology for \$18 M in late 2004, and was a part of the Leitch Technology sale to Haris Broadcast Communications division for \$450 M in 2005.

Like many information technology based systems, CartMedia is a corporate supplier purchase decision. Using a CartMedia estimated average selling price of \$100K for large retail stores and \$150K for Supercenters, the Total Available Market (TAM) is \$1.7B USD and is represented by eight large tier-1 retailers in North America and Europe (additional opportunities exist for Japan and Asia based retailers). The CartMedia tactical marketing strategy will focus on Tier-1 corporate account business development.

Investment Opportunities

Forest Technologies is an early-stage self-funded technology company and is seeking investment partnerships to bring CartMedia to market. The investment will be used for full product and infrastructure development, tier-1 account business development and customer support services, and for the deployment of in-store demonstration system and product release in 2007. The CartMedia pro forma five-year sales forecast shows business investment in 2006 and 2007, demonstration sales 2007, and rapid expansion in 2008 through 2010. The operational model supports



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\$20-\$25M revenue and positive cash flow is achieved in 2008, with a break-even at \$14.5M in revenue and includes a capital investment repayment plan.

Our Management has over 50 years of international business experience including technology start-up leading to acquisition by major corporations, Key Inventor for physical location and tracking System Development, Program Management with over 50,000 fielded units, and International Business Development and Corporate Account Management.

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