



FOR IMMEDIATE RELEASE

**Snapshot of Canadian imaging trends:
Surprising growth in digital camera sales**

Toronto, ON, January 30, 2008 — For the second year in a row Canadian consumers have bought more digital cameras than expected. In 2007, instead of a forecast 10 percent growth, the member companies of the Canadian Imaging Trade Association (CITA) saw digital camera sales rise by almost 26 percent. In 2006, there had been a 20 percent increase in sales rather than an expected plateau.

This was neither conservative nor poor forecasting, rather a genuinely unexpected shift in consumer buying habits. Canadian consumers are upgrading to higher performance digital cameras earlier and faster.

What are they doing with the pictures they're taking? Storing them on their computers still ranks at the top, but Canadians are having more prints made from their digital files. Digital camera users are returning to stores to have photo-quality prints made from their electronic images, or are using retailers' do-it-yourself kiosks or online print-making services. Regardless of the method used, the results are the same: the number of prints made at retail from electronic images continues to increase.

Additionally, many images are made at home on photo-quality inkjet printers.

Canadians clearly are demonstrating their desire to capture the times of their lives.

Cameras

In 2007, members of the Canadian imaging industry experienced greater than expected digital camera growth. Manufacturers shipped more than 3.8 million digital cameras to Canadian retailers, for an almost 26 percent increase compared to 2006. This was a pleasant surprise, as the industry had forecast 10 percent digital camera sales growth.

2006 – 3,000,000

2005 – 2,500,000

2004 – 2,300,000

2003 – 1,500,000

2002 – 880,000

(all approx. unit values, numbers rounded off)

The digital single lens reflex (DSLR) camera sector led the growth, with 210,000 units shipped. That's approximately 45 percent growth compared to 2006. This follows an approximately 50 percent growth spike in 2006.

In 2007, the industry is optimistic DSLR sales will continue to grow as more consumers feel the need to expand their picture-taking horizons and demand both greater versatility and quality.

CITA anticipates solid growth for cameras in 2008 as new technologies and lower prices continue to drive consumer demand.

Consumer Film

As might be expected, film sales in 2007 continued to be adversely affected by digital camera sales. Sales of all film closed out the year at a total of 7.9 million rolls. That's a decline of 39 percent compared to 2006.

With no end in sight to the avid adoption of digital by consumers, there seems little doubt film sales will continue to decline although the increasingly steeper and steeper rates of decline of the past few years seem to be leveling off. CITA forecasts a 40 percent decline in total film sales to 4.7 million rolls in 2008.

Single-Use Cameras

Single-use film cameras are inexpensive, take good quality pictures and are a handy substitute when you have forgotten or don't want to risk your main camera. They take good quality pictures, remarkable for a product that is completely recyclable when the entire camera is returned for photofinishing.

Single-use cameras in 2007 felt the affects of the traditional film capture market decline, but at a lower rate of decline because of their ease of use, good results and continued relevance in an increasingly digital world.

Unit shipments in 2007, reported by CITA members, were approximately 3.2 million, representing a 28 percent decline compared to 2006. While CITA members account for almost all the film sold in Canada, it is estimated non-CITA members could account for up to 30 percent of the single-use cameras sold.

A continued decline is projected to in 2008 with total single-use camera sales expected to be 2.3 million – a decline of 28 percent as reported by CITA members.

Professional Film

Professional film continued its trend of recent years of increasing rates of decline as the industry converts to digital. Professional colour reversal film declined almost 45 percent while professional colour negative film declined almost 49 percent.

The decline is expected to continue in 2008 with professional colour reversal film forecast to decline about 46 percent and professional colour negative film forecast to decline about 45 percent.

Colour Roll Paper

Although images are returned from the photofinisher in the form of prints, the paper these prints are made from starts out in the finishing machinery as rolls, trimmed to the desired size.

Beginning in 2006, the rate of decline of photographic colour paper began to moderate as consumers printed more digitally-captured images. Colour roll paper volume in 2007 continued this trend. Depending on the size of the rolls, volumes of colour roll paper declined at a rate of 13 percent and 4 percent. Overall, colour negative paper was down 12 percent.

In 2008 the rate of decline is expected to increase slightly. Consumers will continue to print more digitally-captured images but an increasing amount will be printed on other media besides traditional photographic paper. Colour paper overall is therefore forecast to decline 14 percent this year.

Binoculars and Spotting Scopes

Overall demand for binoculars softened in 2007 with about 210,000 units sold. This represents a decrease of slightly less than 9 percent compared to 2006.

Compact binoculars continue to be the most popular, outselling full size binoculars by a ratio of greater than 2:1.

Full size zoom binoculars showed a 25 percent increase in unit sales compared to 2006.

Spotting scope sales in 2007 showed significant positive growth from the previous year, with more than 10,000 units sold, representing an increase of 34 percent compared to 2006.

-30-

Founded in 1955, the Canadian Imaging Trade Association is the association of manufacturers/importers and distributors of photographic/electronic imaging equipment and sensitized materials.

For further information:

Dori Gospodaric, General Manager
Canadian Imaging Trade Association
P.O. Box 71058, 570 Mulock Drive
Newmarket, ON, L3X 1Y8
(416) 226-2750
Email: cita2@rogers.com
Web: www.citacanada.ca