CEO CFO

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The Most Powerful Name In Corporate News and Information

No Ordinary Picture - Arius3D Corp. has the Best 3D Imaging Data Modeling Technology in the World

Technology
Imaging
(LZR-TSXV)

John Wood
President and CEO

BIO:
John has 30 years of successful experience in the financial services industry and has earned a stellar reputation as an innovator and business builder in the Canadian investment community. He has served as a long-time member of the Board and also the Finance Committee, and brings a clear and deep understanding of Arius3D's business potential, value proposition and opportunities. Prior to starting his business career, John won a silver medal in the 1976 Olympics.

Company Profile:
Classified as an "Information Technology" company, Arius3D is publicly traded and listed on the TSX Venture Exchange, trading under the symbol LZR. Arius3D creates imaging solutions that allow organizations to capture and share unique physical objects in digital form. Arius3D offers 3D imaging systems and services to a growing 3D image library. The Arius3D technology supports wide-ranging applications in the culture and heritage, entertainment, education sectors, as well as in product design, with a primary focus on generating recurring image license revenues from rich media content. Arius3D has its head office located in Mississauga, Ontario.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Wood, you have a long and interesting business history, why is Arius3D the place for you today?
Mr. Wood: I was introduced to Arius3D by my father in-law. I have been on the board of Arius3D since around 2002 or 2003 and last November the former CEO decided to leave. Therefore, I volunteered to take up his position and I am glad I did. I am finding it more and more fascinating and everyday is like an adventure.

CEOCFO: How has Arius3D changed under your leadership?
Mr. Wood: I have been involved right from the beginning. I would describe us as a technology development company and we have been very involved with academics who work with us to develop the technology. Since I became the CEO on December 1st, the coming together of cloud computing, LTE (Long-term Evolution) the new format for mobile communications and tablets, are having a profound change on the nature of consumer demand. Tablets, in my opinion, are designed for content consumption, whereas PCs are designed for content production. In the short, while the tablets have been in the marketplace, consumer demand has evolved more towards rich and interactive content. Photographs are rich, but they are not interactive, but our content is both rich and interactive. The major event, though, was in the middle of February this year, when Google launched their Chrome-9 browser with a programming language in it called Web GL. To date we have been a tool for research and documentation in museums. Now, with these technological advances, for the first time our data can be seen anywhere on the internet, making it the right time for Arius3D to enter the broader consumer markets.

CEOCFO: Would you explain the Arius3D technology?
Mr. Wood: The extraordinary thing about Arius3D is that we can measure the geometry of an object, which is XYZ data, and the color RGB data, simultaneously on a point-by-point basis independent of ambient light. No one else in the world can do that.

CEOCFO: What is it that allows Arius3D to do that?
Mr. Wood: We generate the data with a laser that brings together a red, green, and blue laser, puts them into one fiber optic cable, shines it on an object, and captures the reflection. The change in what went out of the laser and what is reflected back to it,

tells us the geometry and the color. Each point of measurement is 100 microns from the other. So in a square millimeter there are 100 measuring points. This accurate measurement data allows us to produce the most detailed and precise image and/or model of the original object.

CEOCFO: What is the actual Arius3D product?
Mr. Wood: Our technology tends to be the story people focus on because it is unique, patent protected and demonstrated to be superior. However, the real value of our business is the data. That is because as Moore's Law (which states that the number of transistors that can be placed inexpensively on an integrated circuit doubles approximately every two years) continues, and other forms of data go obsolete, the density of our data files will keep it current for as long as Moore's Law is in place.

CEOCFO: How do you accumulate the data and to whom have you been selling or licensing?
Mr. Wood: We accumulate the data by shining a laser beam on an object and our software processes it so that it can be shown on the computer screen. In the past, we have sold mainly to scientists, but as we get into 2011 and 2012, we will be selling the data to the same customers who buy stock photo or photographs from stock photo agencies.

CEOCFO: Are you going to a specific location with a piece of equipment?
Mr. Wood: Yes. In fact, I am getting on a plane tomorrow to go to Beijing. I will be in the National Museum of China digitizing cultural and heritage objects there for a virtual museum project. They want to have these objects digitized for the education of Chinese students and for projecting Chinese cultural to the world for attracting tourism.

CEOCFO: Do you retain the rights to use any of the data that you create?
Mr. Wood: Ideally, we own the copyright to the data model. However, often we get the distribution rights. In economic terms, distribution rights are the same as the copyright, but the copyright stays with the object owner.

CEOCFO: How do you reach potential customers? Do your customers approach Arius or are you actively pursuing places that might want to digitize?
Mr. Wood: Both are happening. For example, we have been approached by the Hermitage and we are scheduling three days of meetings in Moscow in October to meet with their Russian museum systems technologist to discuss digitizing Russian museums, cultural and heritage objects, as well as the digital rights management of that data. Then we have three days of meeting in St. Petersburg with the Hermitage Museum to meet with their technologist to discuss digitizing their collections and the digital rights management of the data.

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- John Wood

CEOCFO: Do you find more interest internationally than in the U.S. or is it just opportunistic?
Mr. Wood: One of the unique things about our data is that it can be scaled up or down as big as you want or as small as you want. For example, we scanned a small scientifically accurate rendering of the largest dinosaur ever found on earth and we were able to use that data to produce a full-scale model of that dinosaur, which is now on display in the American Museum of Natural History. Therefore, there is great interest in the United States. It is becoming increasingly well known that digital data and 3D data models are a powerful technology for distributing intellectual property.

CEOCFO: What is the plan for Arius3D as you go forward?
Mr. Wood: A good example of exactly of what we would like to do, and what we are doing, is our agreement with the University of Tennessee's Anthropological Research Center. We have a contract with them where we can digitize their entire collection of human skeletons. Now, there is nothing unique about collections of human skeletons, although there are a lot of them. However, the University of Tennessee's collection has all of the medical data and family history associated with each specimen and significant breakthroughs have been made with that content in the area of anthropology and osteology research. Therefore, at this time, people who want to do that research, people that want to learn about those sciences have to go to Tennessee to do that. However, as we digitize it, we will make it possible for everybody in the world to access that content and be able to do real osteological research from anywhere on earth.

CEOCFO: What is the financial picture for Arius3D today?
Mr. Wood: A good example would be Getty Images; they started doing the same thing as we do, only with photographs. They started that in 1995, and that company today generates over $1 billion in revenue and it was taken private for $2.5 billion in February 2008. I expect that what we will be doing is replicating the Getty Images model.

CEOCFO: Why should potential investors choose Arius and why now?
Mr. Wood: We have the best 3D data modeling technology on earth. Why now? It is the combination of timing and having the right technology. We are at a major inflection point in the history of technology now and that is the coming together of cloud computing, LTE, tablets and web GL in all browsers.

CEOCFO: Final thoughts, what should people remember most about Arius3D?

Mr. Wood: All of the content in all of the world's museums is deteriorating. The majority of the collections are inaccessible, much of it cannot be touched or moved and cannot be displayed. Therefore, it is vital that all of that content is digitized for its preservation, restoration, and for the ongoing research that can be done, as well as the education value that it can have. Arius' technology can do this in a way that is dramatically superior to photographs. We produce the best iconic cultural objects on earth and our business is to distribute that data.

ARIUS 3D

IMAGING THE REAL WORLD

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