

24dvd

Generate Revenue with a Fully Automated DVD Rental Kiosk

24dvd offers.....

SPEED
CONVENIENCE
24/7 SERVICE
WITH LOW OVERHEAD

Features:

- Less than 2 ft sq
- Easy functionality
- 600 DVD capacity
- 400 Rental titles
- Security camera
- Remote monitoring
- Reports on demand
- Weekly New Releases
- Credit/Debit/Members



How Does It Works?:

Revenue generation comes in many forms. The main source of income is from.....

DVD Rentals:

The average DVD rental kiosk generates several thousand dollars a year of "new" income. Whether you're an owner or a host site of a **24dvd** kiosk you are involved in the decision on what the rental price is and for what rental period. This decision is based upon comparable sites in the area and your customer demographics.

DVD Sales:

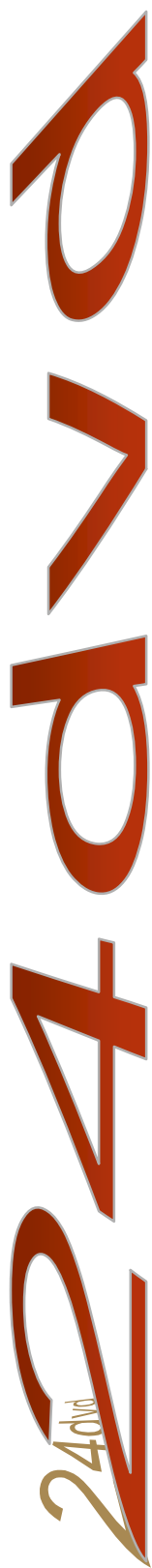
24dvd also features selling capabilities. Movies and games as well as pre-rented titles are available for purchase. We, as partners are not only making money from rentals, we are increasing our revenue through direct sales.

In addition to the revenues that are generated from renting and selling of DVDs, and video games, 24dvd offers many ways to maximize your income.

Advertisement Sales:

Unlike most DVD rental kiosk, **24dvd** also features movie trailers and local and national advertisement sales in the upper screen. Creating the potential of increasing your revenue 10 fold.

For more information call:
1- 866-803-8769



CompanyProfile



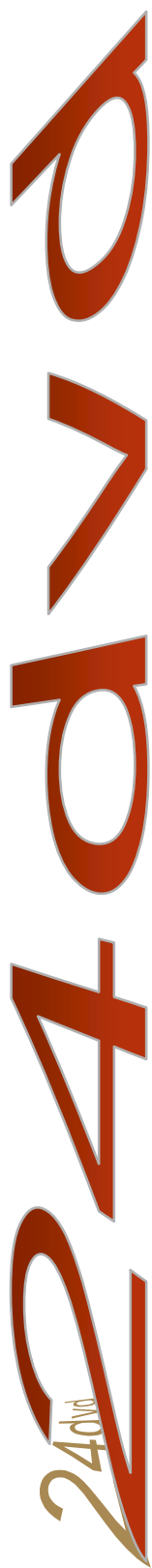
Automated DVD Vending Machines, Inc (ADVM), established in 2004, offers “state of the art” DVD Rental Kiosks, named **24dvd**, designed to meet TODAY customer’s needs for the ultimate DVD rental convenience.

ADVM has focused on creating a company that formulates excellence by establishing long term business relationships to provide product at the highest of quality at the very best price. To achieve this goal, ADVM has partnered with Trenzsoft, COTC Technologies and Synergy Manufacturing Technology. **Synergy**, 200,000 square foot high tech facility has produced over \$40 million dollars (2003) in concept-to finish precision sheet metal fabrication, machining services and electronic-mechanical assembly. **COTC Technologies** has helped over 15 major companies bring their IT Departments to a higher level of efficiency through placement of software development consultants and **Trenzsoft** has developed cost equating software for over 20 years. Howard/Johnson, Lockheed-Martin, Health Net and Knurr are just a few of the extensive client list enjoyed by these three companies.

Their combined skills have created the “Number One” kiosk with the highest speed, diverse placements, functionality, largest capacity for the square footage and the best customer service.

ADVM

1-866-803-8769



How Does 24dvd Work?

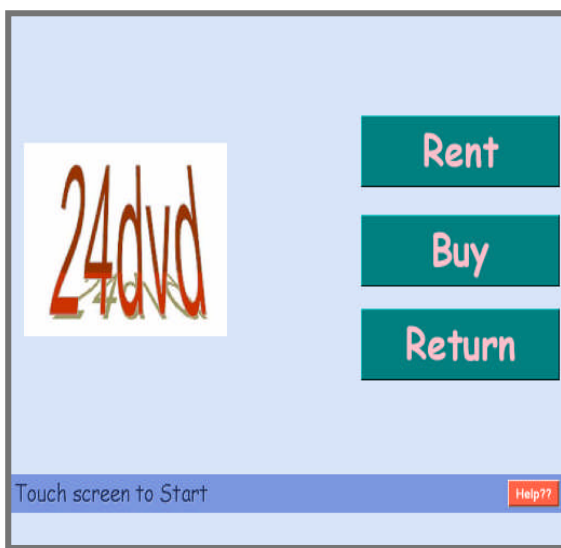
Simplicity is the Key:

Simplicity is the key factor for **24dvd**. For the customer, it is as easy as using an ATM; all you need is a credit card, debit card or membership. The movies are displayed on the two side panels and the front display screen.

5 Simple Steps To Rent:

1. Go to "RENT" on the front display screen.....Scan the titles by new releases, medium, ratings or categories.
2. Select up to three disc.
3. Swipe your credit/debit or membership card or enter a promo code.
4. Remove the disc(s) from the slot
5. Take your receipt

This process takes no longer than 15 seconds from the time of selection.



2 Easy Steps To Return:

Returning is even simpler-all you do is

1. Go to "RETURN" follow the instructions
2. Place the disc in the lighted slot.

The return process takes approximately 10 seconds.

The touch screen PC user interface is easy to use and is very appealing. While the kiosk's appeal is due to the two screens movie trailers which are played in sequence and the option of sound tracks is heard from speakers located within the kiosk.

Finding the “Best” Location for Qualifying for a Host Site

Finding the right location for a **24dvd** kiosk is extremely important to the overall success. We believe that there are several key factors to consider when searching for a successful location. These 4 basic requirements include, but are not limited to :

High repeat foot traffic Kiosks should be exposed to a significant number of repeat foot traffic. For example, both supermarkets and airports have high foot traffic, but supermarkets have a much higher repeat foot traffic that would prove to be much more profitable.

Good visibility **24dvd** is designed to be very marketable and attractive and cannot be mistaken for anything other than an automated disc rental kiosk. However, it must be visible enough to the public and should be positioned accordingly.

Accessibility Although it has a relatively small foot print, the kiosk must have easy access to a 120V outlet and a high speed phone line or DSL. Additionally, a 24-hour location is highly recommended to take advantage of the automated round-the-clock capability the kiosk offers.

Population density A large population density area is advantageous to reduce travel time to and from the kiosk.

Although all four are important, these should be treated as basic guidelines and all four together are not necessarily needed to make a location profitable.

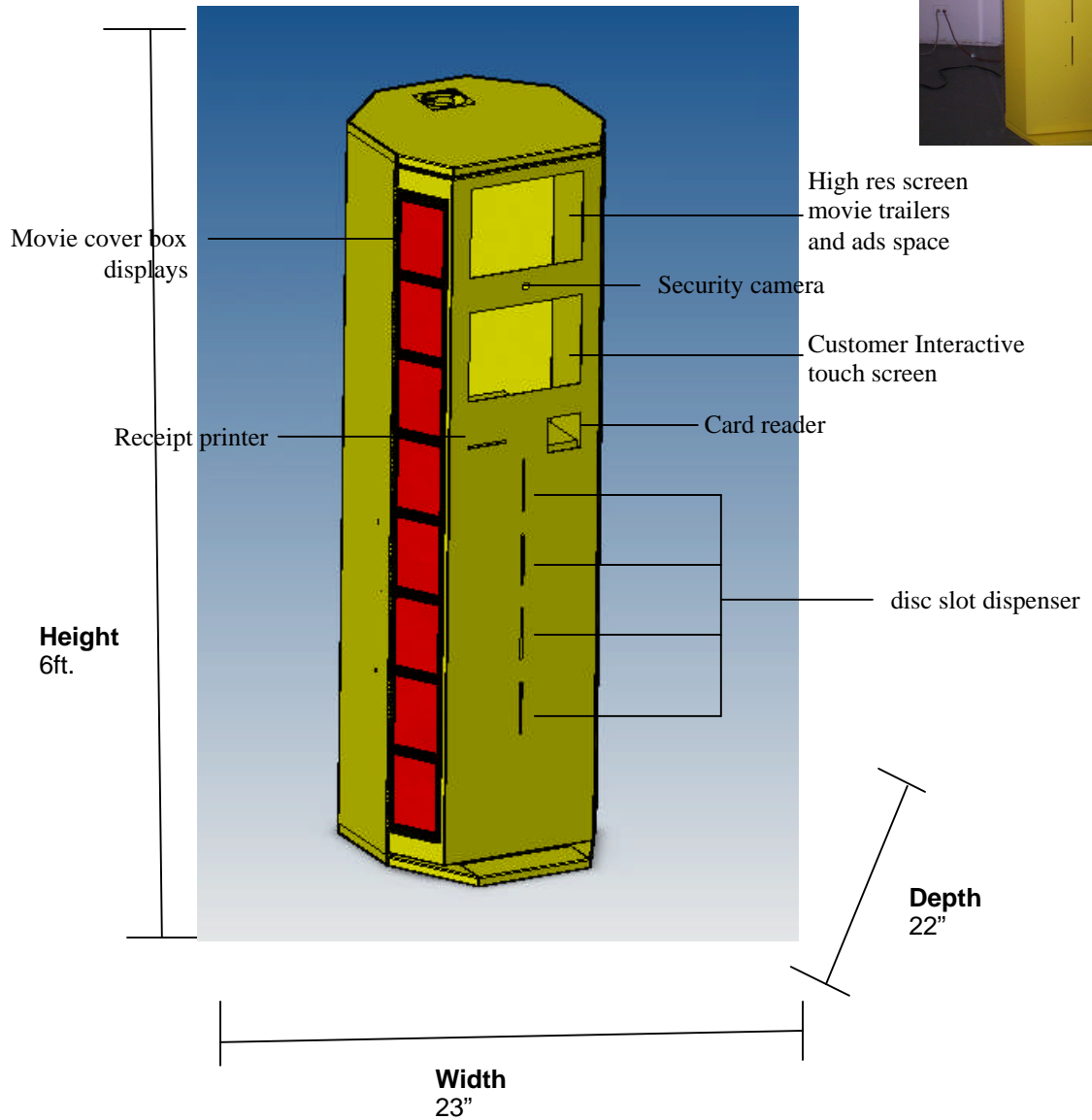
Now that you know the basic factors to make a location successful, below are several locations that we believe to be suitable:

- Convenience Stores
- Supermarkets
- College Campuses
- Office Buildings
- Apartment Complexes
- Barber Shops
- Train Stations
- Gas Stations
- Video Stores
- Fast Food Restaurants
- Malls/Shopping Centers
- Hair Salons

24dvd

ADVM 24dvd DVD Rental Kiosk

CODVD001
(75-600 disc)



ADVM

1-866-803-8769

ADVM Training and Support

ADVM cultivates long-term relationships with our clients from the first stages of implementation through the maturity of the business. Your success is very important to us and we are here to help you through every step of the way. You will initially receive a "24dvd Start-Up Kit" that will walk you through the entire process of starting and running this business. This kit will include the following:

- ⇒ Selecting your locations
- ⇒ Choosing your titles
- ⇒ Day-to-day operations
- ⇒ Maintenance
- ⇒ Disposing of inventory
- ⇒ Security of **24dvd**
- ⇒ Marketing **24dvd** in your local area
- ⇒ Cross-promotions with location host
- ⇒ Advertising options
- ⇒ Report generation and analysis
- ⇒ Accounting and taxes
- ⇒ Business support
- ⇒ Sample press releases, flyers and promotional materials

You will also receive training from **ADVM** using the Central Support System as well as accompanying your staff in the field for routine maintenance and restocking of **24dvd** machines.

After installing your system, we will provide on-site training and an **ADVM** personnel will work with you on the daily requirements of running the business until you feel comfortable and ready to manage the **24dvd** independently.

We will provide you with a complete manual of "How To" operate the Central Support System and the **24dvd** machines.

In addition, we will provide you with free customer support in case you need any assistance or have questions regarding operating your business for the initial first year of operations.



DVD Rentals Estimates

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Revenue													
Rental Income	\$ 1,513	\$ 1,815	\$ 2,421	\$ 3,026	\$ 3,026	\$ 3,026	\$ 3,026	\$ 3,026	\$ 3,026	\$ 3,026	\$ 3,026	\$ 3,026	\$ 32,981
New DVD Sales	\$ 872	\$ 872	\$ 872	\$ 872	\$ 872	\$ 872	\$ 872	\$ 872	\$ 872	\$ 872	\$ 872	\$ 872	\$ 10,460
Re-Sale Used DVDs	\$ 15	\$ 18	\$ 24	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 330
Buy Back Agreement	\$ -	\$ -	\$ -	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 6,000
Total Income	\$ 2,400	\$ 2,705	\$ 3,317	\$ 4,428	\$ 4,428	\$ 4,428	\$ 4,428	\$ 4,428	\$ 4,428	\$ 4,928	\$ 4,928	\$ 4,928	\$ 49,771
Expenses													
New Movies	\$ 2,550	\$ 1,235	\$ 1,235	\$ 1,235	\$ 1,235	\$ 1,235	\$ 1,235	\$ 1,235	\$ 1,235	\$ 1,235	\$ 1,235	\$ 1,235	\$ 16,135
Maintenance	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Fee to Host	\$ 240	\$ 271	\$ 332	\$ 443	\$ 443	\$ 443	\$ 443	\$ 443	\$ 443	\$ 493	\$ 493	\$ 493	\$ 4,977
Set up Fee	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Machine Lease	\$ 334	\$ 334	\$ 334	\$ 334	\$ 334	\$ 334	\$ 334	\$ 334	\$ 334	\$ 334	\$ 334	\$ 334	\$ 4,004
Merchant Acct	\$ 72	\$ 81	\$ 99	\$ 117	\$ 117	\$ 117	\$ 117	\$ 117	\$ 117	\$ 117	\$ 117	\$ 117	\$ 1,303
Total Expenses	\$ 3,795	\$ 2,020	\$ 2,099	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,228	\$ 2,278	\$ 2,278	\$ 2,278	\$ 28,120
Net Income	\$ 2,478	\$ 1,154	\$ 1,136	\$ 1,118	\$ 1,118	\$ 1,118	\$ 1,118	\$ 1,118	\$ 1,118	\$ 1,118	\$ 1,118	\$ 1,118	\$ 14,832
Net Income Year 1:	\$ 14,832												

Assumptions:

Rentals per day	30												
Price per rental	\$ 1.99												
Sales per day-NEW	1												
Price per DVD-New	\$24.99												
Sales per day-Used	14												
Price per DVD Used	\$8.00												
Buy Back Agreement:	100									200	200	200	
Price of Buy Back	\$5.00									\$ 5.00	\$ 5.00	\$ 5.00	

New movies per month	100
Price per new movie	\$ 10.35

Machine Lease	
Initial Price	\$ 16,500
Interest rate	18%
term (months)	36

Fee to the Host location	10%
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All figures are based on the national average of DVD rental machines as featured in kiosk.org and does not guarantee all DVD kiosk rentals will perform at this level.



Leasing from 24dvd

Leasing Options

ADVM will provide you with several potential leasing agencies if you are interested in this type of financing. The application is straight forward requiring you to fill out several forms disclosing some financial details and background about yourself and your business. With leasing you partner with a leasing company, jointly owning the machine (like a car lease) It is a popular form of financing and may prove to be the right financial decision for your needs.

What is a Lease?

A lease is a contract where one party (the lesser) gives another party (the lessee) the exclusive right to use and possess its equipment for a specific period of time. Leasing is an efficient and affordable method to acquire the **ADVM** and manage cash flow. According to industry studies, equipment leasing accounts for approximately \$200 billion a year.

Who can lease?

Any sole proprietorship, partnership, corporation, or LLC.

Leasing Programs

- **\$1.00 Buyback (Lease Purchase):** Choose this option for a specified term (1 to 3 years) and you own the equipment with nothing to pay at the end of the lease term. The \$1.00 buyback allows you to clearly define your costs and manage cash flow. There may also be many tax benefits associated with a \$1.00 buyback lease.
- **Fair Market Value (FMV):** The equipment may be purchased for the fair market value (FMV) or returned to the leasing vendor with nothing further to pay. The FMV is typically 10% of the original cost of the equipment. The benefits of an FMV lease are lower monthly payments and potential tax benefits. Lease payments are often fully deductible as an operating expense with an FMV lease. At the end of the lease, the equipment can be returned to the financial vendor, purchased for its then fair market value, extended the lease or upgraded to new equipment.



Leasing Benefits

100% Financing: All equipment cost, software, installation, delivery, training and maintenance can be included in the leases.

Tax Benefits: Lease payments are 100% tax deductible as an operating expense! Total payments can be expensed over a shorter time period. Talk to your accountant about leasing tax benefits.

Ease: The application is simple, and the process fast. A one-page credit application is generally required and the process typically takes 24 hours.

Conserve Working Capital: Acquire equipment with almost no capital expenditure. Leasing allows you to pay for your equipment as it generates income. Cash and equipment are working assets — keep both working for you.

Free Up Lines of Credit: Leasing allows you to acquire your equipment immediately while keeping existing lines of credit available for other needs!

Cash Flow Management: Future costs are clearly defined with a fixed lease payment.

Low Initial Cost: This is one of the most appealing aspects of leasing. Leasing conserves your operating capital. 100% financing, in most cases, means low/no down payments.

24dvd Retail Package

Price List:

1-5 24dvd Kiosks.....	\$22,425.00 per kiosk + S&H
6-10 24dvd Kiosks.....	\$20,700.00 per kiosk + S&H
11-15 24dvd Kiosks.....	\$18,975.00 per kiosk + S&H
16-20 24dvd Kiosks.....	\$17,250.00 per kiosk + S&H
21-25 24dvd Kiosks.....	\$15,525.00 per kiosk + S&H

Additional discounts may apply — Call for more information

Central Support System *	(See Sales Manager)
Training	(See Sales Manager)
Technical Support 24/7.....	\$35/mo

Price subject to change without notice.

All packages include the following:

- 24dvd kiosk
- 3 year warranty
- Professional Installation and networking of 24dvd kiosk and the Central Support System (+T&E)
- Toll-free number for business support

Options:

- Software package*
- DVD sleeves (\$1.00 per sleeve)
- Disc rfid tags (starting at \$1.33 ea)
- DVD lease or purchase agreement (starting at \$15.per DVD)
- 24-hour 7 days a week Technical Support (\$35)
- On-sight repairs (+T&E) (\$50/hr +T/E after warranty)
- Promotional and marketing materials (See Marketing Department for a price quote)
- Software upgrades (See sales person for an estimate)

* Traveling and expenses are not included