

ON DEMAND BOOKS



The Espresso Book Machine® 2.0

Espresso: something made to order, one at a time, at point of sale, quickly.

Frequently Asked Questions

The Espresso Book Machine®

A single machine operating 12 hours a day, 7 days a week, can produce over 60,000 books per year with minimum supervision.

Publishers enjoy: Higher profit margins, greater unit sales, no returns, extended backlist sales, reduced inventories.

Retailers enjoy: Higher sales per square foot, faster inventory turnover, more customer traffic, no more out-of-stocks, no more supply chain costs, freed-up shelf space for faster moving, higher-margin inventory.

Libraries/Universities enjoy: Enhanced academic experience for students, more books available to patrons, new forms of revenue, the ability to print digital collections and perfect facsimiles of rare books.

OVERVIEW

What is the Espresso Book Machine®?

The Espresso Book Machine® (the “EBM”), which was named to *Time Magazine’s* “Best Inventions of 2007” list, provides a revolutionary direct-to-consumer distribution and print model for books.

The EBM is essentially an ATM for books. It automatically prints, binds, and trims, on demand at point of sale, perfect-bound, library-quality paperback books. These books, which have full-color covers, are indistinguishable from other books sold in bookstores. A 300-page book can be produced in four minutes (serially, in three minutes) for a cost of consumables of a penny per page (the EBM can produce a book of up to 830 pages).

EspressNet, the EBM’s proprietary and copyrighted software system, assures the security of publishers’ titles, automatically tracks all jobs, and remits all royalty payments.

Ultimately, the EBM will make it possible to distribute virtually every book ever published, in any language, anywhere on earth, as easily, quickly, and cheaply as e-mail.

What is EspressNet?

EspressNet is the custom software system that connects the EBM to a vast network of content as well as to other EBMs. It enables books to be ordered and printed onsite at the EBM or remotely via the Internet. It tracks sales, remits all publisher/author royalties, and uses industry-standard encryption methods.

Both EspressNet and the EBM are the creation of On Demand Books, LLC (“ODB”).

What are the benefits of the EBM and EspressNet?

The EBM and EspressNet have been created to provide readers in a worldwide marketplace with access to the expanded multilingual backlists of the world’s publishers and libraries. In short, the EBM and EspressNet reverse publishing’s existing business model from:

print → ship → sell
to
sell → print

Supply is matched with demand at point of sale for the first time in the history of publishing, eliminating returns and giving life to “long tail” titles. No book need ever be out of print again.

Is the EBM an environmentally friendly technology?

Yes. Producing books at point of sale saves tons of CO² emissions and eliminates returns and the pulping of unwanted books. According to the OECD's 2008 publication *Sustainable Development*, "Print-on-demand [the technology used by the EBM and EspressoNet] uses an electronic file to produce the book in the country where it is sold, in the exact quantities needed. There is no need to transport the book from one central location, print too many copies 'just in case,' or store copies waiting to be sold (or destroyed)." According to a 2007 survey by the Book Industry Study Group and Green Press Initiative, the book sector emits an average of 8.8 pounds (almost 4 kg) of carbon per book produced.

Where have EBMs been installed?

As of February 2009, ODB's first-generation EBMs have been installed in 12 locations worldwide, with many more planned:

- World Bank InfoShop, Washington, D.C. (exhibition, 2007)
- New York Public Library, New York, NY (exhibition, 2007)
- New Orleans Public Library, New Orleans, LA
- Internet Archive, San Francisco, CA
- University of Michigan Library, Ann Arbor, MI
- Northshire Bookstore, Manchester Center, VT
- University of Alberta Bookstore, Edmonton, AB, Canada
- McMaster University Bookstore, Hamilton, ON, Canada
- Newsstand UK, London, England
- Library of Alexandria, Alexandria, Egypt
- Angus & Robertson Bookstore, Melbourne, Australia
- University of Waterloo Bookstore, Waterloo, ON, Canada (2.0 beta test site)
- McGill University Library, Montreal, QC, Canada (2.0 beta test site, part of McGill's digitization initiative)
- Blackwell Bookshop, London, UK

Coming soon:

- Brigham Young University Bookstore, Provo, UT
- University of Missouri Bookstore, Columbia, MO
- University of Melbourne Library, Melbourne, Australia
- University of Arizona Bookstore, Tucson, AZ
- Boxcar & Caboose Bookstore, St. Johnsbury, VT
- Hundreds more are expected in libraries, bookstores, and other sites around the world

THE LIGHTNING SOURCE AGREEMENT

How are Lightning Source Inc.™ ("LSI") and On Demand Books working together?

LSI is a subsidiary of the Ingram Book Group (the world's largest wholesale distributor of books) and the industry's premier POD distributor of books. In April 2008, ODB announced a strategic partnership with LSI to share expertise and create a future collaborative digital platform for books. Under the agreement, ODB has the use of LSI's digital conversion facilities and the right to print LSI's vast library of titles, pending publisher approval. LSI also provides sales and marketing support for the EBM with publishers and retailers.

How does the EBM fit within LSI's print-on-demand strategy?

The EBM is a revolutionary new technology that allows LSI publishers to offer their titles to consumers through a new, fully distributed channel of distribution at point of sale, on demand, in minutes.

How can a publisher participate?

Publishers currently with LSI can let their LSI sales representative know they are interested. Non-LSI publishers can opt in for the EBM-only network. See the final page of this brochure for contact information.

CONTENT

How many titles are available through the EBM network?

ODB's growing digital library includes nearly two million titles (pending publisher permission). ODB's most significant catalog is Lightning Source, with over one million in-copyright titles from over 8,000 publishers. ODB also has access to more than one million public-domain books through the Open Content Alliance, as well as to additional titles through numerous individual publishers.

How do customers select books to print?

Users can access the EspressoNet catalogue of titles either onsite at the EBM or remotely via the Internet. Book files can also be printed in person from CDs, flashdrives, etc.

Will books from publishers be available in all areas/countries?

A publisher can select specific markets for specific books. ODB is actively collaborating with content providers and publishers to make the EBM channel available in markets with the greatest commercial value for publishers.

What security precautions has On Demand Books taken to ensure that content is protected?

EspressNet uses industry-standard cryptography to provide secure communications, and delivers fine-grained visibility as content travels throughout the network.

What security precautions has On Demand Books taken to ensure that publisher/author royalties are properly attributed?

All ordering and financial transactions employ digital signatures from all involved parties. This is intended not only (1) to guard against piracy but also (2) to provide for mathematically iron-clad certification of orders and payments (i.e., non-repudiation). Revenues for books sold are collected at point of sale, and royalties are remitted to publishers and content providers.

Are all books the same trim size?

The trim size is variable between 8.25" x 10.5" and 4.5" x 5.5". So the publisher's original size can generally be matched. Readers will detect no difference between the EBM copy and the publisher's edition.

What are the book specifications for the EBM?

- Binding: Perfect-bound
- Interior: B&W (with a color option at certain EBM sites)
- Page-Count: 40 to 830 pages
- Trim Size: Infinitely variable between 8.5" x 11" and 4.5" x 4.5"
- Speed: A 300-page book in less than 4 minutes (serially, less than 3 minutes)
- File format: Standard PDF for book block and cover. Books can be selected onsite, online, or even uploaded in person from CDs, flash drives, etc.

CONTACT

Whom should I contact?

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584 Broadway, Suite 1100
New York, NY 10012
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sales@ondemandbooks.com

For publishers wishing to receive additional information on submitting your titles to the EBM channel, please contact:

LIGHTNING SOURCE INC.™ (US)
1246 Heil Quaker Blvd.
La Vergne, TN 37086
TEL 615.213.4000
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ON DEMAND BOOKS



EspressNet Software

Frequently Asked Questions

What is EspressNet?

The Espresso Book Machine® (the “EBM”) is essentially an ATM for books. Using digital files, it automatically prints, binds, and trims, on demand at point of sale, perfect-bound, library-quality paperback books with full-color covers. These books are indistinguishable from other books found in a bookstore or library.

EspressNet is the custom software system that connects the EBM to a vast network of content as well as to other EBMs. It enables books to be ordered and printed onsite at the EBM or remotely via the Internet. It tracks sales, remits all publisher/author royalties, and uses industry-standard encryption methods.

Both EspressNet and the EBM are the creation of On Demand Books, LLC (“ODB”).

What can I do with EspressNet?

Manage texts, permission what can be ordered where, and by whom, prioritize job queues based on demand. And of course, you can search, select, and print a book.

How many titles are available through EspressNet?

The EBM’s growing digital library (its “catalogue of catalogues”) includes nearly two million titles, pending publisher permission. The EBM’s most significant catalogue is Lightning Source, Inc.™ (“LSI”) with over one million in-copyright titles from over 8,000 publishers. The EBM also has access to more than one million public-domain titles through the Open Content Alliance, as well as to additional titles through numerous individual publishers.

Why does On Demand Books refer to EspressNet as having a “catalogue of catalogues”?

ODB has relationships with many content providers (e.g., publishers, content aggregators, universities, etc.). These content providers allow ODB access to their catalogue of digital files via EspressNet and the EBM. When users search the EBM’s digital library, they are in fact searching multiple catalogues from various content providers.

What precautions are used by EspressoNet to ensure my content is protected?

EspressoNet uses industry-standard cryptography to provide secure communications, and delivers fine-grained visibility as content travels throughout the network. All transmissions between an EBM and a catalogue of digital files are encrypted at the base level with a standard and strong PKI-based encryption. Furthermore, EspressoNet utilizes the highest-level (file) wiping algorithms to ensure absolute un-recoverability from hard-disk drives.

What precautions are used by EspressoNet to ensure publisher/author royalties are properly attributed?

All ordering and financial transactions employ digital signatures from all involved parties. This is intended not only (1) to guard against piracy but also (2) to provide for mathematically ironclad certification of orders and payments (i.e., non-repudiation). Revenues for books sold are collected at point of sale, and royalties are remitted to publishers and content providers.

I'm a publisher and my files are with Lightning Source; what will my royalties look like?

For publishers in the LSI network, compensation will be identical to their current compensation model with LSI.

How do I monitor when and where my files are printed?

Content owners can see exactly where their content has been ordered and produced, and EspressoNet tracks every step of every transaction, providing all data needed to apportion royalties, production costs, network fees, and so on.

What will my EspressoNet look like?

The onsite user interface will depend on the site, but will likely show an image of the book cover, a description of the book, its genre, and any other necessary metadata.

Does EspressoNet allow a user to design a cover or edit the layout?

No, the EBM is a printing, binding, and trimming machine and EspressoNet does not have editing or graphic capabilities for layout, publishing, etc. The EBM prints books and covers (including spine) from PDFs—exactly the same files that one would send to a traditional offset or large-scale digital press.

How do I find a book?

Books are searchable by title, author, keyword, subject area, publisher, and year of publication—anything that is included in the metadata of the book.

Who manages my content repository?

You can, or if you'd prefer, you may wish to speak with ODB's partner company, Lightning Source, about joining the EBM program. LSI can manage and monitor all technical and financial processes for publishers large and small.

How do users select an item? Can they also do it remotely, from their own computer?

Users can access the EspressoNet digital library and order a book onsite or remotely, via the Internet. Book files can also be printed in person from CDs, flashdrives, etc.

How does the payment part work? How can I integrate with my POS system?

Catalogue items have unique identifiers that can be used to map to retailer-specific SKUs just like any other supply-chain item. EspressoNet uses MySQL for all data.

Can we create digital files of anything a user might want to print? It doesn't just have to be a book, right?

The EBM will print, bind, and trim absolutely anything that a laser printer can print. Customers have used the EBM to print journals with personalized covers and lined pages, technical manuals, and report collections.

Whom should I contact for more information?

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New York, NY 10012
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EBM LOCATIONS:

The Library of Alexandria,
Alexandria, Egypt

The World Bank InfoShop,
Washington, DC
(exhibition, 2007)

The New York Public Library,
New York, NY
(exhibition, 2007)

**The New Orleans Public
Library,** New Orleans,
Louisiana

**The University of Michigan
Library,** Ann Arbor, Michigan

**The University of Alberta
Bookstore,** Edmonton,
Canada

**McMaster University
Bookstore,** Hamilton, Canada

**The University of Waterloo
Bookstore,** Waterloo, Canada

Northshire Bookstore,
Manchester Center, Vermont

Angus & Robertson,
Melbourne, Australia

NewsStand UK,
London, UK

Open Content Alliance,
San Francisco, California

McGill University Library,
Montreal, Canada

Blackwell Bookshop
London, UK

**Brigham Young University
Bookstore,** Provo, Utah
(coming summer 2009)

**University of Missouri
Bookstore,** Columbia, MO
(coming soon)

**University of Melbourne
Library,** Melbourne, Australia
(coming soon)

**University of Arizona
Bookstore,** Tucson, AZ
(coming soon)

**Boxcar & Caboose
Bookstore,** St. Johnsbury, VT
(coming soon)

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OVERVIEW The Espresso Book Machine® (the “EBM”), a Time Magazine “Best Invention of 2007,” provides a revolutionary direct-to-consumer distribution and print model for books. Described as “the ATM of books,” the EBM Version 2.0 is a fully integrated patented book-making machine that can automatically print, bind, and trim on demand at point of sale perfect-bound library-quality paperback books with full-color covers (indistinguishable from a book on a bookstore shelf) in minutes for a production cost of a penny a page. The EBM’s software automatically tracks all jobs and remits all royalty payments. The EBM makes it possible to distribute virtually every book ever published, in any language, anywhere on earth, as easily, quickly, and cheaply as e-mail.

OPERATION Designed to operate in a variety of environments, the EBM requires minimal human intervention and only occasional maintenance, such as refilling paper trays, replacing toner cartridges, emptying the trim-paper receptacle, and clearing paper jams. An onboard computer controls the EBM’s operation and provides a simple user interface for controlling print jobs and managing content.

ESPRESSNET Through ExpressNet, the EBM’s custom software, the EBM is connected to a vast network of content, both in copyright and out. Content owners can manage their texts, permissioning what can be ordered where, and by whom. Print locations can manage and re-prioritize job queues based on demand. Customer-facing storefronts can easily add discovery and ordering of “print it now” books. The network uses industry-standard cryptography to provide secure communications, and delivers fine-grained visibility as content travels throughout the network. Content owners can see exactly where their content has been ordered and produced, and ExpressNet tracks every step of every transaction, providing all data needed to apportion royalties, production costs, network fees, and so on.

CONTENT On Demand Books has a strategic alliance with Lightning Source™ Inc. (“LSI”). LSI, a subsidiary of the Ingram Book Group (the world’s largest wholesale distributor of books), is the industry’s premier POD distributor of books. Its digital database includes over 1,000,000 titles from over 8,000 publishers. ODB has the use of LSI’s digital conversion facilities and the right to print LSI’s vast library of titles, pending publisher approval. In addition, the EBM has access to more than 1,000,000 public-domain books through the Open Content Alliance (a joint effort by Microsoft, Yahoo, Adobe, and the Internet Archive to create a digital database of high-quality scans of out-of-copyright books) and titles from other repositories. Content is expected to increase substantially as more EBMs are adopted by bookstores, libraries, and other venues across the globe.

How Does The Espresso Book Machine® Work?

The EBM makes a perfect-bound paperback book virtually identical to the publisher's original in a matter of minutes. The EBM is fully automated, and performs the following actions with minimal human intervention:

- 1 The user chooses a digital file via the EspressoNet software system, either at the physical EBM, or remotely via the internet (users can also bring their own files in person: on CD's, flash drives, etc.). The EBM uses PDF files for the book block and the cover.
- 2 A high-speed (110 ppm) black and white printer or a high-speed color printer prints the pages of the book – the book block. The printer uses standard US letter-size (8.5" x 11") or A4 paper stock.
- 3 As pages are printed they are collected in the accumulator to ensure proper alignment.
- 4 Simultaneously, a color inkjet printer produces a full-color image on tabloid (11" x 17") or A3 cover stock that is used to form the book cover. The printed cover travels downward from the printer to the binding table where it waits for the book block.
- 5 Once the book block is complete, it is positioned vertically by the accumulator and transferred, in constant positive retention, to a clamp. The clamp enables the book block to travel vertically.
- 6 The clamp holds the book block while the bottom edge is milled to roughen the edges in preparation for glue application.
- 7 Immediately afterwards, a rotating wheel applies a thin layer of heat-activated glue over the milled edge.
- 8 The clamp then moves the book block down to the cover, which waits on the binding table. The EBM uses special pneumatics and clamps to press the cover against the spine and around the book block. This produces a traditional "perfect-bound" book.
- 9 The binding table opens and the clamp passes through and transfers the bound book to a robot at the shearing station. In the final steps of the process, the robot rotates the bound pages while a single carbide blade trims the edges into a book infinitely variable between 4.5" x 4.5" and 8.5" x 11".
- 10 The completed library-quality paperback book is presented spine first by the EBM – still warm – ready to read. As we say, "Hot off the press!"

EBM Patents

7,014,182 Unified Process
 6,986,630 Laminated Cover
 6,928,914 Book Trimming Method
 6,443,682 Bind and Trim Perfect Bound
 6,193,458 System of Binding & Trimming
 6,142,721 Binding Apparatus & Method

Books:

- Binding: Perfect-bound books, indistinguishable from their factory-made versions.
- Page-Count: 40 to 830 pages.
- Trim Size: Infinitely variable between 8.25" x 10.5" and 4.5" x 5.5".
- Speed: A 300-page book in less than 4 minutes. (serially, less than 3 minutes)
- File format: Standard PDF for book block and cover.
- Books can be downloaded from the web or in person from CD's, flashdrives, etc.

Consumables:

- Standard US letter-size or A4 paper
- Tabloid or A3 cover stock
- Toner, ink, glue.

Core Unit Specifications:

- Dimensions: 3.8 feet wide, 2.7 feet deep, 4.5 feet high
- Weight: 800 pounds

EBM Electrical:

- 240v 1ph at 30 amps
- Box with disconnect
- UL certified