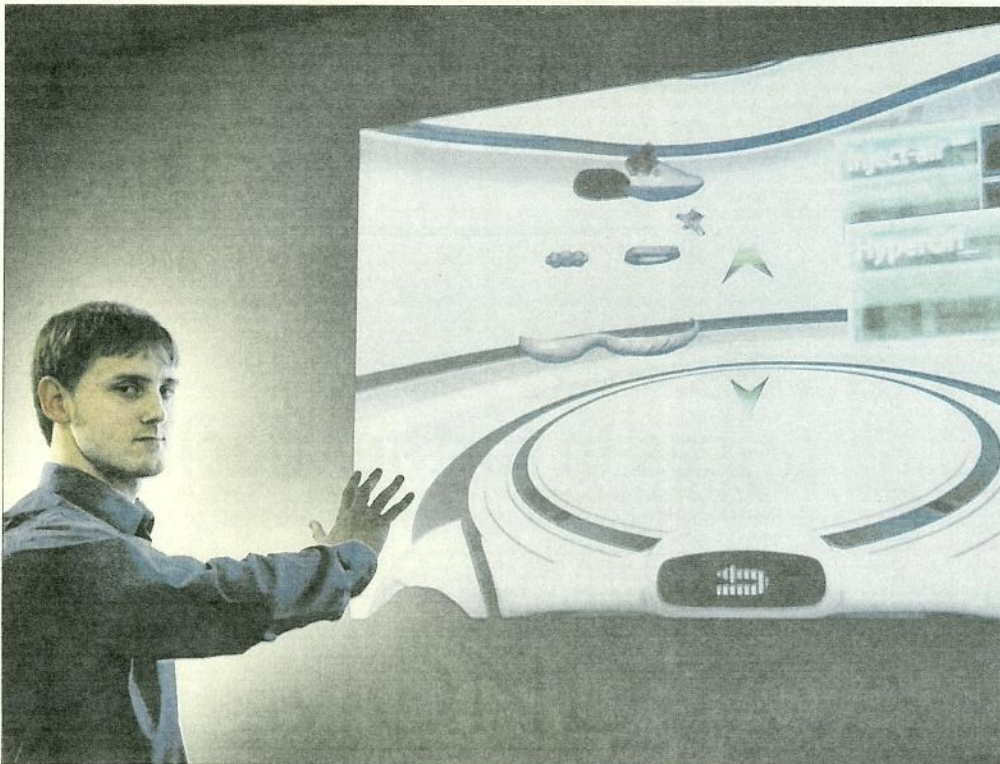


BUSINESSBC

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DIGITAL TECHNOLOGY



IAN LINDSAY/VANCOUVER SUN

Ashley Welsh, one of the graduate students behind the startup company D-Sign Touchless Interactive Systems, demonstrates the technology in Vancouver on Wednesday. In the centre of the screen is an image of a shoe pulled apart into its various components. At right is a break-out technical description of each part, which can be customized to provide as much detail as consumers might want.

PULP INDUSTRY

Catalyst cuts
white-collar
employees

45 office workers, 55 mill workers

BY GORDON HAMILTON
VANCOUVER SUN

Forest industry layoffs hit white-collar employees Wednesday as Catalyst Paper announced it is cutting 100 salaried staff jobs.

Catalyst said it is letting 45 people go permanently at its Richmond and Nanaimo offices. Another 55 salaried workers are being laid off indefinitely at the company's pulp mill at Crofton and paper mill at Elk Falls. Indefinite production curtailments took place at both mills last February, leaving the Campbell River operation totally shut down and only newsprint and directory paper machines operating at Crofton.

Catalyst said the global economic recession and deteriorating market conditions that led to the curtailments are now forcing deeper cuts in corporate staff levels.

"This is an exceptionally difficult time in the industry and current market condi-

being hit by the liquor tax rebate, pumping billions of dollars into Amer and paper comp Friday, one of Catalyst competitors, Boise all newsprint cons the market area Ridder, Louisiana mill that it is cutting by 24 per cent.

Catalyst's Snowfl within that market "Clearly this is a tough situation wo Catalyst vice-presi Brown of the Boise Catalyst, which pro per cent recycled pr its Arizona mill, doe penny of the erect mills that make pa virgin fibre can pro bon-rich black lic claim the tax rebat qualify for it by a small amount of e with the black liquo it an alternative fu U.S. tax regulations

"This simply reinf we are in a battle rival," Brown said.

Can't touch this technology

Digital Media Centre grads launch their interactive company

BY MARKE ANDREWS
VANCOUVER SUN

Young entrepreneur Ashley Welsh possesses a good trait for launching a business: He can provide a soundbite.

"Gestures will be the language of communication," says Welsh, a recent grad of the Masters of Digital Media program.

The master's degree program is offered at the Digital Media Centre campus on Great Northern Way, a joint venture of four local post-secondary institutions.

Welsh says he and fellow MDM grads Yangos Hadjiyannis and Sheng Yu Yang came up with the technology to launch their company, D-Sign Touchless Interactive Systems.

For the past eight months, most of that time spent as MDM students, the three young men worked on a touchless interactive system that allows consumers, commuters or curious passersby

to interact with electronic posters, billboards, or window displays without using a mouse or a hand control. All they need to do is stand on a spot and move a hand or foot.

Here's how it works. Say you pass the window of a shoe store with the D-Sign system, and you want to find out about a new sports shoe whose image is displayed on a screen or wall.

You stand on a designated spot (say, the walkway into the store) that contains an electronic sensor and, by moving your hand or foot, you can rotate the shoe to get front and side angles. Another gesture

allows you to go to "explode mode," where the various parts of the shoe are separated to show the construction of the product. To the right of the image is a description of each part, which can be as detailed as the retailer wants to make it.

A further application might list what sizes of the shoe are in stock and, if the store is out of stock, how long it will take to order.

All the retailer needs for this technology is a sensor and a projector system (TV set, LCD screen, projector), which D-Sign will install. Welsh, the D-Sign programmer and spokesman, says that in addition to storefronts, the application could be used in airports, SkyTrain and subway systems, or "any kind of public space you can imagine."

Initially, the obvious market is the retail industry, but Welsh says it could be used for information, entertainment or education.

The vandal-proof system uses sound, which can be loud (in the case of an entertainment application), or contained by hyper-sonic speakers that localize the sound. It will also have multi-language capabilities for the text.

With the cost of a system ranging from \$20,000 to \$100,000 depending on its complexity, it seems sure that your local Mom & Pop store won't be indulging in this technology.

The company, which has private

investors, has two Vancouver-based clients and is negotiating with a number of others. Welsh has spoken to municipalities regarding the use of sidewalks for sensor bases, and says the system will be seen in some Metro Vancouver public spaces by summer's end.

"The idea is to take advantage of space that has been static, and turning that into something that is fun, engaging, innovative and able to catch people's attention," says Welsh. Then, feeling another sound bite is in order, he concludes: "Changing the world with interactive systems."

D-Sign is one of three startup companies created by MDM's first graduating class. Big Hadron Games creates short-play online video games — it has made 16 titles in three months — and seven MDM grads are creating the pilot episode of *Glimpse*, an episodic video game designed for Xbox Live.

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conditions cannot support the current staffing level," Catalyst president Richard Garneau said in a news release. "The steps we are taking today will continue to bring costs down as we strive to put in place the lean manufacturing structure necessary for what could be a smaller paper market going forward."

Catalyst is the largest newsprint producer on the West Coast of North America and is feeling the impact of the declining American newspaper business.

Catalyst called the layoffs "unprecedented" within the salaried workforce, a reflection of the severity of declines in demand and "the likelihood that curtailed production will not restart in the short term."

Nearly 40 per cent of the Catalyst's capacity is sitting idle. Catalyst has pulp and paper mills at Crofton in North Cowichan, Elk Falls in Campbell River, Port Alberni and Powell River.

It also has a recycled newsprint plant in Coquitlam and a recycled newsprint paper mill at Snowflake, Ariz.

Besides being hammered by markets, Catalyst is also

of any one p have an impact on try as a whole."

Like other forests companies, Cataly being hit hard by rise in the Canada: all its operations e Arizona newsprint erating costs at all c are climbing as the es relative to revenu are in U.S. dollars.

"The Canadian d 8.5 per cent in the l alone," analyst Pa of RBC Capital Ma in a research repor

Brown said a risi is problematic for pulp and paper ind

"A strong Canadi just adds to the cha the moment," she s

Catalyst's rever lenges have also company on a c course over its proj es. Citing the ma lapse, Garneau has Catalyst is not goi \$23 million in taxe due July 2. Th strapped compar have to borrow to payment, somethi willing to do, he sai

Besides being hammered by markets, Catalyst is also ghamilton@vancouver.s

ONLINE

Bank quarterlies

Second-quarter financial results are expected today from TD Bank, Scotiabank, and CIBC. Updates at: www.vancouver.sun.com/business

INSIDE | C3

Trading Day

The TSX retreated from six-month highs as concern took hold over rising interest rates in the U.S.



FRIDAY

Money Watch

Business BC continues its series on your personal financial issues with a look at the various car-sharing programs in the Lower Mainland.

Money WATCH

BUSINESS BC'S GUIDE TO PERSONAL FINANCE



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