

LULU 019610

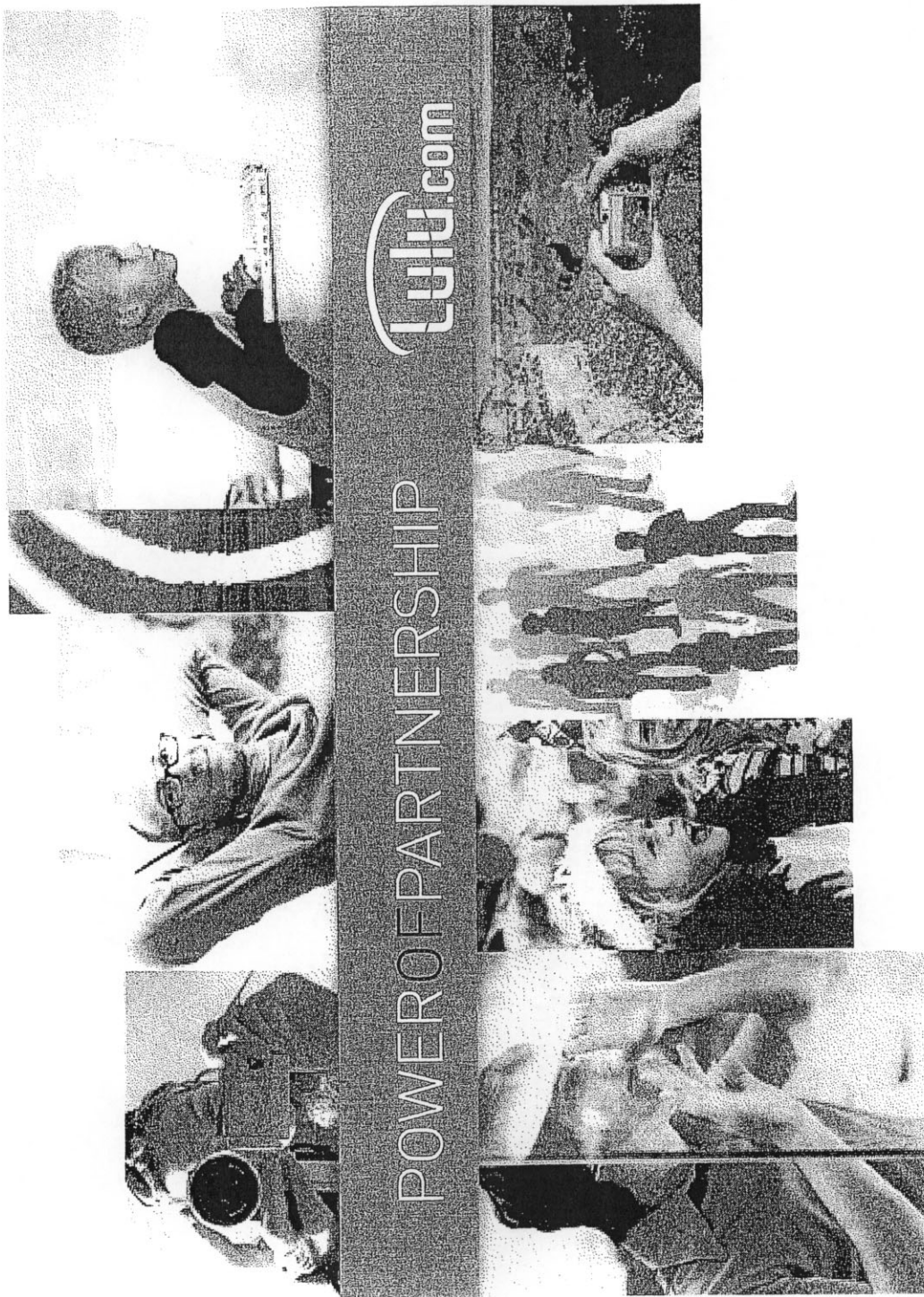


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Empowering creators and partners

"The world has shifted from e-business to me-business"

- Andreas Weigand, Amazon's former chief scientist in BusinessWeek, 11/13/06

As the creation of user-generated content has grown exponentially over the past 24 months, so has the business of self-publishing and print on demand. Lulu, entering its fifth year in business, is at the forefront of this still rapidly growing curve.

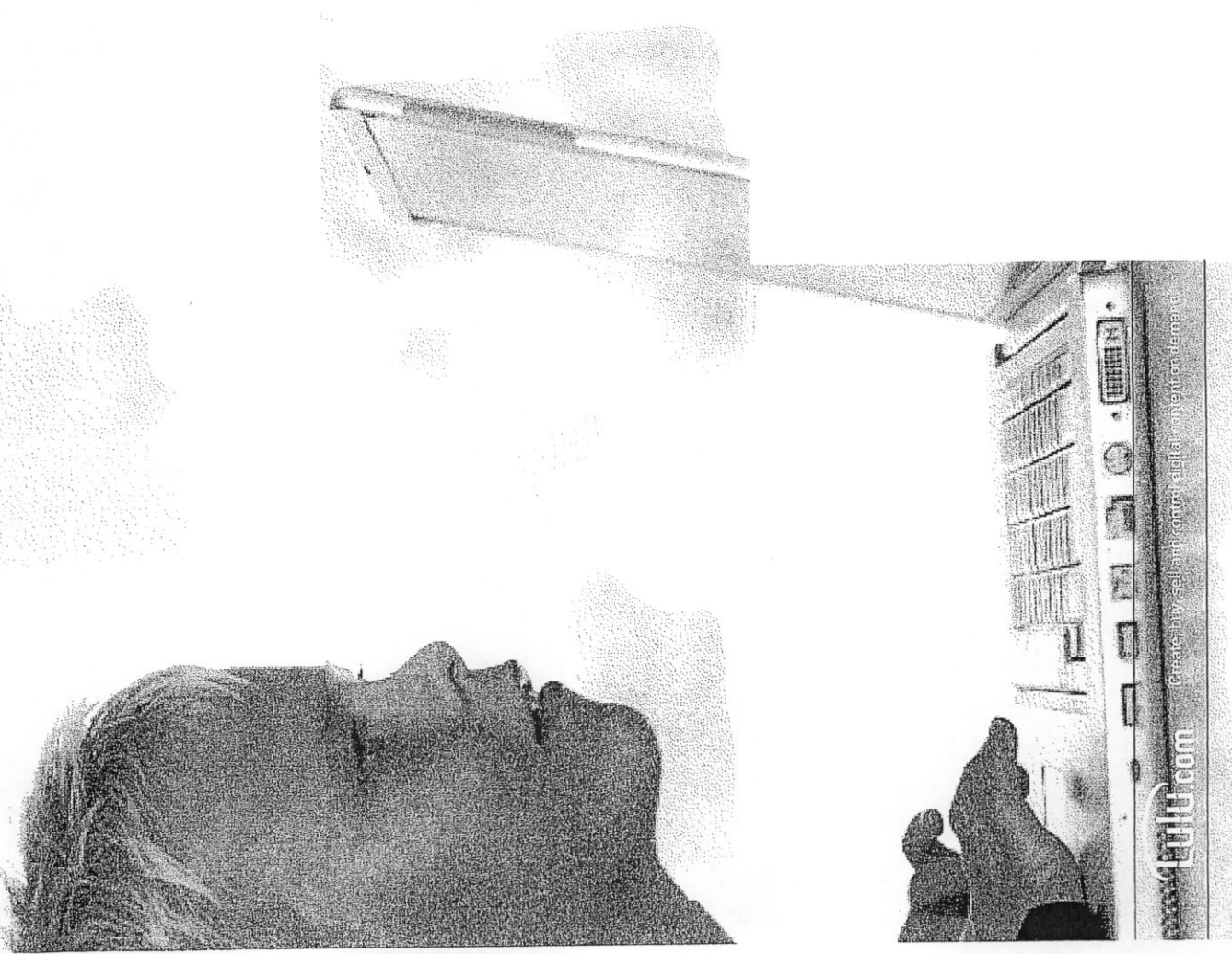
As a comparison, traditional book publishers in the United States published roughly 160,000 books in 2006. Lulu alone published 98,000.

Lulu is about Empowerment

Users are becoming more sophisticated and the ability to incorporate licensed images into their works provides a tremendous opportunity to combine the quality and brand strength of "Packaged Media" with the massive scale of "Social Media." Lulu is working on making this a functional reality for all creators.

User-generated content is a similar phenomenon to open source, which encourages user software.

TIME magazine's "person of the year" issue from December 25, 2006 notes the comparison as follows. "Car companies are running open design contests. Reuters is carrying blog postings alongside its regular news feed. Microsoft is working overtime to fend off user-created Linux. We're looking at an explosion of productivity and innovation, and it's just getting started, as millions of minds that would otherwise have drowned in obscurity get backhauled into the global intellectual economy."



Launched in March 2002, Lulu.com provides a platform for users to create, buy, sell and control digital content on demand. It is the online marketplace for digital content and the world's fastest-growing provider of print-on-demand books. Lulu empowers creators by allowing them to publish and sell their own books, images, multimedia and music on demand without surrendering ownership or control.

As an industry leader in self-publishing and print on demand, Lulu's rapid growth is well founded with approximately 1 million registered users providing a core community to build upon. In December 2006 alone, Lulu had more than 2.1 million unique visitors, resulting in 10.1 million page views and more than 51,000 shopping carts closed.

who is Lulu.com

Site Statistics from September 1, 2006 – December 31, 2006

- Over 175,000 new accounts opened
- Over 183,500 carts closed
- Nearly 42,000 newly-published items
- Over 436,000 items sold
- 5,779,369 unique visitors

Lulu has offices in the United States, United Kingdom and Canada and serves the global marketplace. From October-November 2006, Lulu sold books in more than 50 countries including: United States, India, United Kingdom, South Africa, Canada, Greece, Australia, Sweden, Germany, Switzerland, Spain, Luxembourg, Netherlands, New Zealand, Iceland, Philippines, Italy, Puerto Rico, France, Costa Rica, Ireland, Czech Republic, Denmark, Hong Kong, Portugal, Brazil, Japan, Austria, Hungary, Finland and Guam.

