

RAYVEL™

IMAGE IS EVERYTHING™

Spring 2004 E-Newsletter

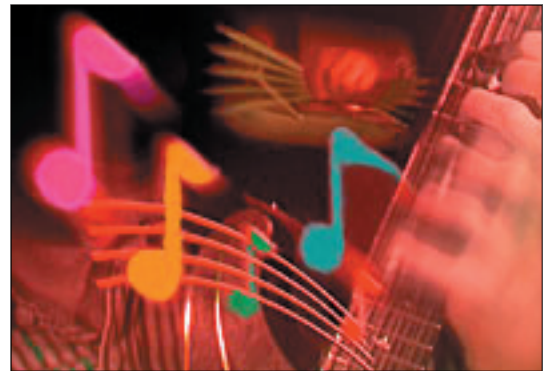
Dear Friends,

2004 is off to a good start. We doubled Q1 revenue compared to the same period last year. This trend is likely to continue in Q2: this April's sales have already reached last quarter's total. This is primarily due to increased distribution of the HoLocator™ through mail order catalogs such as Frontgate, Grandin-Road, and Clever Gear.

Nevertheless, the environment for small technology companies remains very challenging. To continue to support our development pipeline, we will need to accelerate our revenue growth even more. Nearly as vital is finding ways to increase our margins while enhancing quality and value. An example of such an initiative is the new HoLocator™ bracket.

Color added to MVH™

We are enhancing our MVH™ (Moving Video Hologram) recording system by adding RGB (Red,Green,Blue) color mixing—like your TV. Several seconds of full motion holographic images will appear in full color. Different clips can be layered on a single film sheet, producing a dramatic collage. The images appear just by shining standard white light on it. Our MVH™ products exhibit captivating 3D moving images in displays without moving parts!



Improved HoLocator™ bracket

A new version of the HoLocator™ will soon be available with a bracket made of synthetic ABS material. This version offers the same durability and degree of horizontal and vertical adjustment as the original anodized aluminum version. It will have lighter shipping weight and improved performance due to the added weather roof that will maintain the maximum hologram sharpness in the rain.



The HoLocator™ : Helps them find your house at night!

Special Edition Celebrite™

Responding to customer requests, we initiated a special production of the “First Communion” Morning Glory Celebrite™. A Eucharist cross appears on top of a portrait of Christ when light shined on it from above. The Original and Morning Glory Celebrite™ are unique family keepsakes that celebrate any special occasion. They are easily personalized by replacing the included wallet size picture with a photo.



*First Communion
Morning Glory Celebrite™*

*Mother's Day
Original Celebrite™*

Invitation accepted: Mohegan Sun Promotions Fair

At the end of last year, we supplied the Retail Department for the stores at Mohegan Sun Resort & Casino with several versions of our keychains, including a two sided clear acrylic version customized with their logo shown here. Subsequently, we were very pleased to be one of the few companies selected by the Promotions Department to exhibit at their private fair. Mohegan Sun department managers shopped for promotional gifts for patrons and employees. Based on feedback we received during the show we created and received an order for a new version of our holographic bottle opener. The front has a holographic image. The back has a glossy vinyl company logo. We are now able to offer companies this unique and useful promotional item even in small, cost effective production runs.



Back

Front

Back

Front

Economic Development Roundtable

Representing an early stage technology company, we were invited by the Small Business Administration to join other business leaders to share our experience and outlook for the economic development in Connecticut. This summit marked the initiation of study being conducted by SeCTer (South Eastern Connecticut Enterprise Region) to outline programs to foster regional economic prosperity over the next decade. Topics discussed included the suspension of several “incubator” programs due to the State’s budget shortfall, the declining domestic manufacturing base, and how new technology such as voice-over-internet-protocol (IP) is spurring overseas out-sourcing of even skilled jobs.

Our view is that highly skilled job growth is vital for economic prosperity. Support for intellectual property development, particularly in media content and distribution technologies, would leverage the increased entertainment and tourism in our region as well as serve the changing landscape of the broadcast and telecom industries nationwide. We look forward to further participation in this think tank and to contributing to the economic fabric to our state and nation.

Rayvel Forms Board of Advisors

We formally created a council to help guide and execute our organization's product and growth strategies. We are very fortunate to have the contributions of such a varied group of experienced professionals:

Steve Barlotta, CPA—Barlotta & Co.

Accounting & Finance

Robert Struble, President and CEO—iBiquity Digital Corp.

Business strategy. iBiquity is a CBS spin-off.

Bob DeLisa, President—DeLisa Group

Organizational, Team, and Management Development

Andy Harrison, Principal—Sixth Man Consulting

Strategic planning

Ron Lavoie, Director of Engineering—Mahr-Federal Corp.

Mechanical Engineering

Joseph Fleming III, Engineer—US Filters / Electrocatalytic, Inc.

Electrical Engineering

Allan Cohen, President—Impulse Design

Trade Show Industry Expert

Robert T. Martin, President—RTM & Associates

Marketing & Advertising

THANK YOU

Thank you again for your support and patronage. As always, your comments are welcomed and appreciated. Have a wonderful Spring season!

JC