

## CEO LETTER

Dear shareholders,

I am pleased to report encouraging results from the second quarter of 2013. Our revenues were up considerably from the first quarter. In fact, the Company came very close to breaking even. At this stage of our development a neutral quarter can be seen as a positive result, and as confirmation that the infrastructure we've laid out for our internal sales force is beginning to show results. Demand for the VELscope Vx remains strong, and I am optimistic that between now and the end of the year our sales momentum will continue to improve.

Sincerely,

Peter Whitehead  
President and Chief Executive Officer  
August 23, 2013