



## BUSINESS SUMMARY

Through its subsidiary Provision Interactive Technologies, Inc. ("Provision"), Provision Holding, Inc. (OTCBB: PVHO) is an emerging digital media company and leading technology provider of 3-D holographic, interactive audio and video displays. Provision's patented technology HoloVision™ enables any digital image to be projected up to 40 inches away from a screen in 3D, enabling objects and people to seemingly float and move in space, without the need for special glasses. The closest comparable technology was featured in the motion pictures Star Wars and Minority Report, which used full-motion holograms. Provision is now focused on building a wide distribution network for its revolutionary 3-D digital display kiosks, which can be seen in over 400 locations worldwide, in the major grocery store chain Fred Meyer, and in custom made products for Intel and Daihatsu.

Provision's turnkey platform is initially being marketed to the out-of-home advertising and product merchandising industries. With the decline of conventional methods of advertising (radio, TV, newspaper), digital advertising reaches consumers wherever they are – banks, grocery stores and shopping malls – and represents the next generation of multimedia communications. Given Provision's potential to revolutionize how products and services are marketed and sold, Provision is focused on creating recurring revenue streams from the sale of advertising space across each unit. Consumer-centric Fortune 1000 advertising customers include: CBS, P&G, Johnson & Johnson, and Kimberly Clark.

## REVOLUTIONARY PRODUCTS

From retail to government, education, medical, business communications and gaming, Provision provides companies with unprecedented creative control compared to industry-standard media applications. High-definition digital images of products and videos can be custom created and displayed as a moving hologram in space. Through Provision's Network Manager, a server-based application, PVHO customers can schedule transmissions of their multi-media content to hundreds or even thousands of displays from a single Windows-based desktop.

Provision's HoloVision is now being installed in grocery stores chains, leading to a new patent-pending application specifically for these retailers. The "3DEO Rewards Center" or "3DEO" offers food manufacturers and other advertisers a way to break out of the clutter of in-store advertising by using dynamic point of purchase (POP) displays with PVHO's eye-catching 3D

## Stock Information



<b>Business:</b>	<b>Digital Media Provider</b>
<b>OTC BB Symbol:</b>	<b>PVHO</b>
<b>Market Price:</b>	<b>\$1.05 (8/28/08)</b>
<b>52 Week Range:</b>	<b>\$0.40 - 8.80</b>
<b>Avg. Daily Volume:</b>	<b>3,400</b>
<b>Shares Outstanding:</b>	<b>24.1 Million</b>
<b>Estimated Public Float:</b>	<b>2 Million</b>
<b>Market Cap:</b>	<b>\$25.3 Million</b>
<b>Fiscal Year End:</b>	<b>June 30</b>

technology. The 3DEO entices consumers to stop in awe; the curiosity factor alone has inherent advertisement value. 3DEO enables supermarkets to market specific products and encourages their purchase by enabling consumers to print-out customized coupons and receive other non-cash rewards in real-time from the kiosk.

Provision's strategy is to build, own, and operate networks of 3DEOs in grocery stores, drug stores



*Provision's first installation of its 3DEO Rewards Center located in grocery store Fred Meyer in Portland, Oregon*



and other retailers. Nearly 50 units have been contracted with independent Hispanic grocery store chains in Southern California, and are ready for installation pending financing. Provision has also begun installment on a three-year contract with Fred Meyer to deliver 3DEOs inside of a total of 127 Fred Meyer stores throughout the Pacific Northwest. Fred Meyers is part of one of the largest national grocery retailers Kroger. To attract digital advertising across its displays, Provision has partnered with several advertising agencies and Katz Media, a subsidiary of Clear Channel, for the execution of "Project Grocery." This project focuses on the benefits of advertising across the Provision system. Provision expects to generate advertising revenues of up to \$1 million per month on the first 100 stores.

In May 2008, Provision introduced the HL17 Mini Diamond, which provides clear, high-definition 3D digital video images projected as far as 12 to 15 inches out in front of the screen. The HL17 Mini Diamond is a smaller, sleeker, and more lightweight version of its predecessor, the HL17. The HL17 is used for larger displays, while the HL17 Mini is ideal for aftermarket products supported by the many digital signage applications for ATM machines, kiosks, and vending machines. All of Provision's products can be used for a wide variety of interactive end user applications including order taking and on-demand information retrieval.

### INNOVATIVE APPLICATIONS

The PVHO Holo line of display systems is currently being implemented in a variety of venues including:

- Interactive Point of Sale Advertising Systems
- Retail Narrowcasting Networks
- Electronic Transaction Terminals
- Virtual Store Kiosks
- Trade Show Displays
- General Indoor & Outdoor Visual Merchandisers

Since 2001, Provision has invested \$2 Million for the research and development for new products. In addition to 3DEOs for grocery stores, ProVision is developing several new POP displays and other products for the automotive, medical, entertainment (think racing & video games!), government and residential markets. Year to date, Provision has begun pilot programs with major international companies and several more are pending launch, which will demonstrate the versatility of its 3D technology platform.

In May 2008, Provision began collaborating with one of the world's largest coffee franchises to test a variety of in-store digital signage applications utilizing Provision's HL40D displays. Once successful, Provision will install up to 109 systems in the service chain's greater New York City area stores.

In April, Provision announced that it has sold an HL40D system to one of the nation's leading quick service restaurant chains, which has begun testing applications for the 3D holographic unit. The quick service restaurant chain will be exploring everything from digital signage to interactive kiosk order stations, drive-through uses, and the effects from various "marketing zones" within and around the store property.



In March, Provision partnered with Daihatsu, a division of Toyota Motor Corp. of Tokyo, to implement a 3D holographic dashboard in Daihatsu's latest concept car. The new patent-pending product, HLXX, adds a 3D holographic screen to present "pop-ups," like warnings and other vehicle information, to the driver, while serving as a traditional 2D dashboard. Daihatsu plans to integrate these features in its OPCS (Omni-directional Pre-Crash Safety Support System) to create the next generation of digital dashboards to be available in vehicles by 2012.

### STRATEGIC PARTNERSHIPS

In 2007, Provision signed a co-marketing and co-promotional agreement with Intel Corp. to introduce Provision's HoloVision to the Intel marketplace. In August

## Corporate Highlights

**Intellectual Property Position** – PVHO was awarded a number of patents based on its revolutionary, 3D interactive technology and applications, and several products are patent-pending.

**New Media Platform** – PVHO is pioneering the next-generation of content distribution – a digital system that can instantaneously capture consumers' attention and solicit interaction, while it offers a highly-targeted, profit center for companies.

**Robust Industry** – Within the point-of-purchase market, digital signage represents a \$1.2 Billion industry that is growing an astounding 10% per month. (Source: Digital Signage Today)

**Top-Line Growth** – Revenues for the nine months ended March 31, 2008 increased by 49% to \$461,245 over the same period of last year.

**Strategic Alliances** – Partners include Intel; Clear Channel; Fred Meyer; Studio One Media; and Daihatsu. Coca-Cola, Nike, Budweiser, Crown Royal and Disney are among its core advertisers.

**Multi-Million Dollar Contracts** – PVHO has secured a number of international agreements, which, if fully realized, should create multiple, recurring revenue streams of at least \$5 million per year, per contract, beginning in 2009.

**Widespread Applications** – In addition to the merchandising and advertising industries, pilot programs are diversifying PVHO's market offerings into the automotive, medical, racing and entertainment industries.

**Industry Recognition** – Provision was awarded the second prize in a competition for the PricewaterhouseCoopers Fourth Annual Entrepreneurship Award.

2008, Provision debuted a prototype product exclusively designed for Intel called "Air Touch." With a simple touch of a finger, a 3D hologram floating in space goes to task, much like a click of a mouse, to call-up and print more information on specific Intel products, directly from kiosk to the end user. Intel produced a video on YouTube about the new age of the "Embedded Internet," which features Provision's 3DEO. Log on to [www.youtube.com/Provision3D](http://www.youtube.com/Provision3D) and select the title "Provision 3D with Intel."



In March 2008, Provision entered into a purchase agreement to provide up to 1,000 holographic units to Studio One Media Inc. (OTCBB: SOMD). This contract is valued to add revenues of \$7 million over the next 18 months to PVHO. Provision's 3D holographic display technologies will be integrated into Studio One's MyStudio recording studio kiosks, which will be installed in shopping malls across America later this year.

Provision also has signed an agreement with LocalVision Digital Advertising. LocalVision's top-tier brand advertisers now will be able to feature their messaging on Provision's fast-growing network of 3DEOs located in retail locations, including Fred Meyer stores.

Provision signed sales and marketing agreement with Florida-based Lifestyle Ventures, LLC, whose principals created the largest reward-based prepaid phone card business. Under the agreement, Lifestyle Ventures will sell Provision's 3D holographic video technology to the automotive racing markets and Indian gaming resorts, targeting the \$18.5 Billion US gaming industry (Source: National Indian Gaming Commission).

## NEW MEDIA LANDSCAPE

With the advent of DVRs and on-demand video content, TV advertising is losing its market share to the more dynamic digital signage market. Digital signage is growing at an astounding 10% per month, and is presently valued at \$1.2 Billion per annum. Information from Jupiter Media and POPAI (Point of Purchase Advertising Institute) reports annual POP spending exceeds \$17 Billion in the US and is expected to grow 20% in the next five years.

TV, radio and newspaper audiences are decreasing and becoming highly-fragmented in an exceedingly on-the-go, high-tech society. New media vehicles, like Provision's 3DEO and POP displays, enable marketers to target their products to a highly sought-after, captive audience outside the home, in familiar settings like grocery stores, malls, convenience stores, gas stations and banks. Provision is demonstrating, through 3DEO placement, that it can provide one of the industry's most compelling 3D marketing experiences and is establishing itself as a market leader in providing true 3D holographic technology in a variety of industries. Applications are limited only by the imagination, and could be deployed to enhance video games, medical procedures, the automotive industry, racing, film and other forms entertainment.

## GROUNDLOOR OPPORTUNITY

Provision's floating image display technologies are currently being deployed in the \$6 billion POP and advertising markets. With expert management, a solid technology infrastructure, and a next-gen product line, Provision is now positioned to build a powerful digital video distribution network to attract advertising dollars across multiple industries.

The futuristic nature of Provision's offerings has led to a number of agreements with influential leaders in technology like Intel, and continues to attract consumer oriented Fortune 1000 companies and national advertising agencies. Provision expects to see revenues increase significantly over next 12 to 18 months as Provision's patented 3D holographic applications are rolled out and marketed to a broader customer base that carry national and international exposure.

Provision's strong intellectual property portfolio and strategic alliances make it a contender for a potential acquisition by a well-established global media company. This exit strategy would be designed to reward early shareholders of Provision, and offers additional upside over the long-term.

## Experienced Leadership

**Curt Thornton, Founder/Chairman/CEO** – Mr. Thornton has over 20 years of international executive experience in manufacturing, engineering and sales driven companies. He has successfully launched two start-ups; including taking one through its Initial Public Offering. He has held senior executive positions at Iwerks Entertainment Corp., Northern Telecom and Tandon Computers. He has a MBA from Pepperdine University and a B.S. in Engineering from Western Illinois University.

**Robert Ostrander, Vice President, Business Development** – Mr. Ostrander has 20 years of sales and business development experience, both domestic and international. At Baskin Robbins Flavors, he grew revenues seven fold in four years. He has held senior positions in sales at Allied Domecq, Kraft Foods, Sara Lee and Welch Foods. He holds an MBA from Pepperdine University, and a B.S. from the State University of New York.

**Jeff Vrachan, Vice President Engineering, CTO** – Mr. Vrachan has worked in commercial and industrial electronics design, and software and manufacturing systems development for 20 years. He has held progressively key positions at Allied Signal, Mitsubishi Electronics and Southwestern Industries. He has a B.S. in Electrical Engineering from the University of California, and a second B.S. in Business Management from the University of Phoenix.

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### Disclaimer

The information contained herein contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1993 and Section 21E of the Securities Exchange Act of 1934, including statements regarding expected continual growth of PVHO. In accordance with Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, the statements contained herein that look forward in time, which include other than historical information, forward-looking statements are subject to a number of risks, assumptions and uncertainties that could cause PVHO's actual results to differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ the ability to complete systems within currently estimated time frames and budgets; the ability to compete effectively in a rapidly evolving and price competitive marketplace; changes in the nature of telecommunications regulation in the United States and other countries; the ability to develop customers and market expertise; changes in business strategy; the successful integration of newly acquired businesses; the impact of technological change; and other risks referenced from time to time in PVHO's filings with the Securities and Exchange Commission. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives goals, assumptions or future events or performance may be forward-looking statements. Forward-looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties that could cause actual results or events to differ materially from those presently anticipated. Forward-looking statements may be identified through the use of words such as expects, will, anticipates, estimates, believes, or by statements indicating certain actions may, could, should or might occur. We disclaim and do not undertake any obligation to update or revise any forward-looking statements.

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OTC Financial Network (OTCFN), a division of National Financial Communications Corp., has received fees for services, including a monthly fee of five-thousand dollars, plus an option to purchase an aggregate of one hundred thousand shares of PVHO's common stock at an exercise price of two dollars and fifty cents per share, for the creation and distribution of materials, including the Corporate Facts report.

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