



Scouring the promotional planet in 2007, we have seen thousands of interesting products and promotions, plus a few very interesting new technologies and innovations which could be summarized by the following broad trend topics:

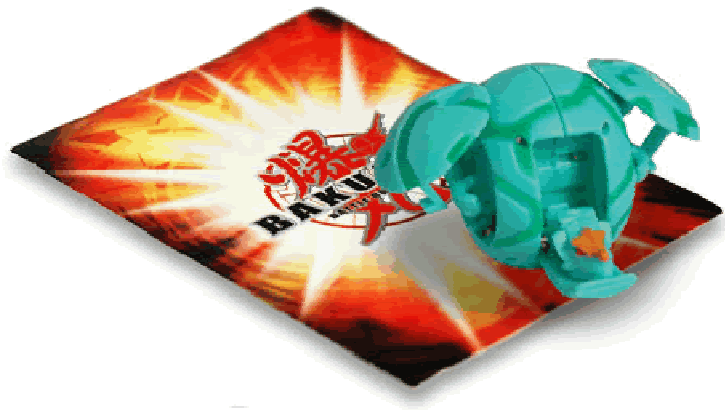
Innovative ways of delivering continuity, active play, a strong growth in digital promotions and viral marketing, linking traditional promotions to electronic and digital media, enhancing traditional packaging solutions and lastly, and most importantly, the drive to make all promotions green.

Here are just a few of the many interesting things which were out there:

Next Generation Trading Cards:

Bakugan collector cards with transforming figurines:

This combines two very successful collector toy models: innovative and sought after transforming toys driven by a successful license, and a series of collector cards. Roll the toy ball over your cards to collect point values. The ball magnetically changes into a robot and lands on a point value when the correct part of the card is rolled over.



Drink Lid Developments

We are spotting a tendency to utilize customization of the traditional designs of drink lids and caps to reach out to consumers. The lid is their first point of contact with the product and so it makes sense to interact with the consumer here first.

Picture 1 (*below*) shows three dimensional printed cup lids.

Picture 2 shows the Poptops CD dispensing drinks lid, which has been received extremely well during our initial business developments

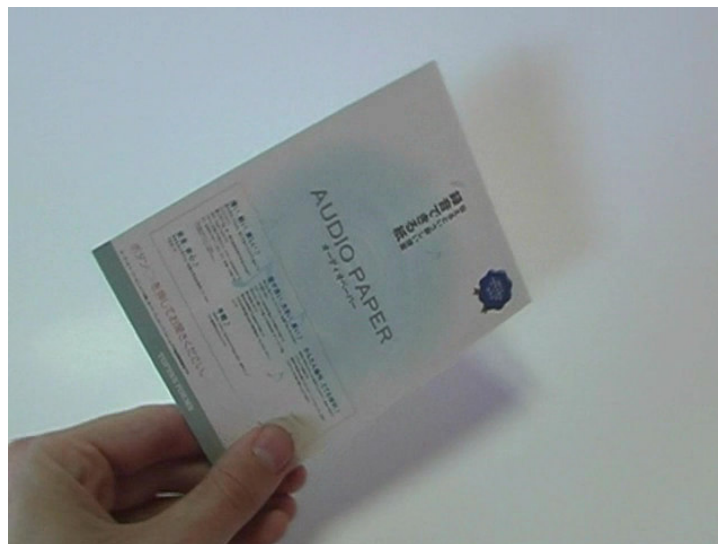
Picture 3 shows the singing drinks audio playing drink lid, which plays a 20 second sound clip when the bottle is opened. Our first prototypes show that we are getting very close to a bottle cap device which is hardly distinguishable from the real thing.



Electronic Developments

Sonicpaper:

Besides lots of interesting electronic gadgets, toys and devices we wanted to share our latest find called sonic paper, with you. Unlike the existing music cards, sonicpaper is absolutely flat and does not need a hinge to be activated. With its 1mm thickness it looks like a normal postcard, but can record and play a 20 second message, song (or swearword!) Can you imagine what it would be like to have menu's that actually spoke to you, or a drinks coaster that sang to you every time you put your drink down on it?



Wind Power:

Within the topic of environmental initiatives there are dozens of projects emerging, like the use of Biodegradable starch based materials, energy saver indicator stickers and innovative uses of recycled materials, to mention a few.

One particularly prevalent topic is the drive to replace alkaline batteries. On this subject we have been working with alternative power sources including solar cells, wind power and water power.

Picture 1 shows solar powered toys, over which we have encountered a lot of interest and we have been working very hard to meet budget and safety requirements within this new field.

Picture 2 shows the world's first wind powered toy car.

Picture 3 shows an example of a water powered battery shown here being used in a calculator . All components in this system are bio degradable so are excellent potential replacements for traditional power sources.



On behalf of the Technovation team we would like to thank everyone for their help and input this year.