

MSC NEWSFLASH - July 13, 2008

This newsflash has been issued to bring you late breaking news of changes to our SFX5 lineup, prices and retail agents.

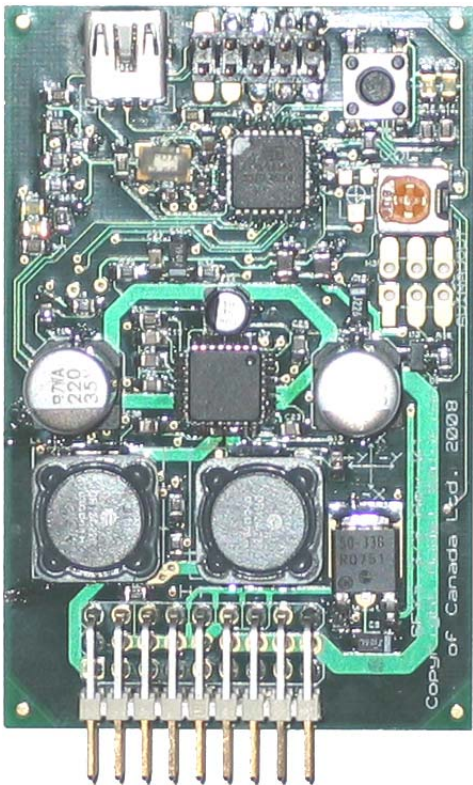
SFX5 Series Sound Modules

Due to continually escalating production costs we have been forced to make substantial price increases to our SFX5.3 sound module. The new retail price is the same as our pre-sales SFX4-4 price, i.e. CAD\$169.95. We regret this has been necessary, but we have to not only cover our production costs, but also start to recover our very substantial investment in R&D needed to bring this new product to market.

Even at this new price, the SFX5 module still represents remarkable value for value, given that it includes a total of five sounds, including engine sound with many variations, includes on-board switch decoders to avoid the need for external switching devices, and is fully programmable and downloadable via USB.

We would also like to point that that our huge library of sounds is now the largest offered by any sound module manufacturer anywhere and is still growing.

We regret to announce that ACTION R/C Electronics Ltd. will **NOT** be our U.K. retail agent for these amazing new sound modules. Please do not contact ACTION regarding these modules. We are revisiting our U.K. marketing and sales strategy and exploring various options. In the mean time we are glad to supply the U.K. market directly ourselves. Please go to our web site at : www.modelsolutions.ca/catalog_sound_systems.htm or contact info@modelsolutions.ca for more information.



We have decided to drop the SFX5.2 from our lineup. One of the major features of our SFX5.3 unit that differentiates it from other competing products is precisely its programmability and downloadability.

But, unlike our SFX4-4 module, it does not require the user to connect it to a PC or do any configuration, other than set up the throttle maximum and minimums. The SFX5.3 module is ready to use, as delivered. If you don't want to program the SFX5.3, you don't have to, but it's there when you need it to be.

The SFX5.2 had the USB interface removed and was offered at a slightly lower price. We saw no point in providing a "crippled" unit for only a few dollars less.

David Harrison,
CEO and Chief Engineer,
Model Solutions of Canada Ltd.