



**Panorama Synergy Ltd**  
**ABN 84 060 369 048**  
Suite 2, 17 Foley Street  
Balcatta WA 6021 Australia  
**T +61 8 9345 2350**  
**F +61 8 9345 2332**

27 July 2010

Manager Announcements  
Company Announcements Office  
ASX Limited  
Level 4, 20 Bridge Street  
**SYDNEY NSW 2000**

Dear Sir/Madam

We have pleasure in attaching a newsletter giving our shareholders an update on our revolutionary magneto-photonic technology.

**ABOUT PANORAMA SYNERGY LIMITED**

Panorama Synergy Limited is listed on the Australian Securities Exchange (ASX:PSY) and is developing and commercialising its Magneto Photonic Crystal (MPC) technology. MPC is a breakthrough technology involving the integration of magneto-photonics and nanotechnology to produce a much better display technology than is currently available. The company currently has over 100 patents either issued or applied for in relation to the technology and has recently produced the first working prototype to showcase this unique display system.

Further information on Panorama Synergy Limited can be obtained from its web site at <http://www.panoramasynergy.com>

**Media and Investor enquiries**  
Terry Walsh  
[info@panoramasynergy.com](mailto:info@panoramasynergy.com)

---

## SHAREHOLDER UPDATE

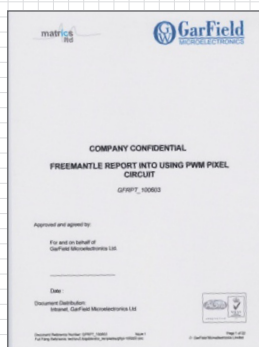
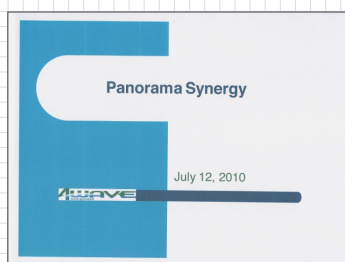
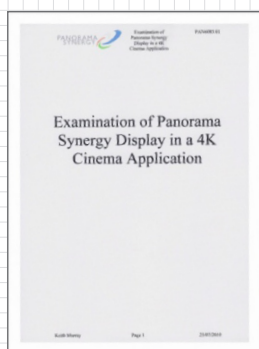
Q3 2010

Panorama Synergy's vision is to become a cutting edge technology provider to global 3D markets. It is developing a solid-state, electronic optical switch that will significantly enhance performance and user experience in display technologies while reducing costs for the distribution and display of 2D and 3D content.

Markets where the technologies will be focused include Entertainment, Education, Healthcare and Telecommunications. High Definition 3D cinema projection is the initial target.

### INDEPENDENT EXPERTS

Positive confirmation received of key attributes of the technology for commercialisation.



The Panorama Synergy (PSY) breakthrough is a magneto-photonic crystal (MPC) structure that controls light output in the visible spectrum (red green blue wavelength range). There is no competing magneto-optic based technology known.

Key competitive advantages over current technology, apart from exceptional optical qualities sufficient for High Definition 3D Projection, include a design that results in high speed (1000 times faster than existing technologies), low heat output and low power consumption.

The decisive outcome for PSY from the UK Technology Strategy Board competition in which the Company participated earlier this year was an independent ratification of the feasibility of this new technology.

The progression from feasibility to product requires focus. When faced with multiple opportunities, a mistake often made is to try to do everything at once. Success comes from balancing the resources with the opportunities, from having a plan that does not just include developing a technology, but also its marketing and distribution.

Over the past four months, three additional experts' reports were commissioned to address critical points that could potentially affect the commercialisation of the technology. We have now received those reports from 4Wave, Murray and Garfield and have confidence to proceed on our chosen track.

#### Why 3D cinema?

A paramount decision for management was to proceed with the initial target market, digital cinema projection, over the many applications relevant to PSY's intellectual property.

There are three major trends underway in the cinema projection market. First is the sweeping trend to 3D, after the much publicised success of Avatar and others. All cinema and then television and gaming content is being reformatted for a 3D world. Second is the move from Xenon bulbs to laser as a light source for cinema projection, with companies such as IMAX being the early movers. Thirdly, the use of the internet and IP networks for the distribution of films to the cinema, replacing the "film in a can from a courier". These trends are well underway and play well to our strengths.

## SHAREHOLDER UPDATE

Q3 2010

### MARKET OPPORTUNITY

#### 3D is here to stay

- Entertainment - cinema, TV, game consoles, computers, mobile phones and other mobile devices.
- Education - making the best educational resources available to people regardless of where they are. 3D has the potential to give students a closer to real life experience of the best available teachers according to subject not location.
- Healthcare - 3D models of patient scans during surgery, remote consultations with doctors and other applications providing a dramatic improvement in tools available to medical professionals.
- Telecoms - PSY's next generation switch requires less power and generates less heat, a major consideration when building out networks and data centers. The proliferation of 3D will require more robust and expanded networks.

#### Cinema Projection Market

Theatre owners are switching to higher-quality digital projection following the success of 3D blockbuster movies such as Avatar, which bring in an estimated 3-5 times more revenue than 2D.

A digital projector and server also allow a cinema to show a variety of content including live sporting events and concerts.

It is predicted that within four years, major markets like the U.S., U.K. and France will be fully digital.

The U.S. has 7,418 digital screens out of 39,233 while Europe has 4,580 out of 37,600 according to Screen Digest.

#### The world's first switch to deliver 3D in High Definition?

3D digital projectors are currently based on either digital light processing (DLP) or liquid crystal on silicon (LCOS) chips and each has its limitations. The current digital projection standard (such as for Avatar) is 2K. With four-times the resolution, Sony's recently released 4K LCOS-based system presents 2 megapixel images to both eyes at once. PSY's technology promises a revolution in viewing experience for cinema goers.

Our 4K chip will be able to deliver 8 megapixels to the screen. The human eye can clearly see the improvement from the 2 megapixels currently deployed, to 4 megapixels. However, it cannot see the improvement from 4 megapixels to 8 megapixels. So why are we building it? In the 3D projection, each eye receives a slightly different picture. Our technology will allow projectors to deliver 4 megapixel images to each eye. Truly High Definition 3D cinema.

Our 1000 times increase in switching speed will deliver remarkable sharpness as pixels turn on and off precisely when they are meant to. The material used in our 4K chip is designed to work on the specific frequencies of light for Red, Green and Blue resulting in far superior colour, clarity and crispness than is possible with today's projectors.

#### What about the trend towards laser projection?

The trend to lasers, which deliver specific light frequencies, will give us an advantage over systems designed for the general light source of Xenon lights. In addition, laser light sources significantly increase the brightness of 3D movies and have a far greater lifespan than Xenon arc lamps.

#### IMAX to invest in Laser Light Engines

Big-screen movie company IMAX Corp (IMX.TO) (IMAX.O) is set to invest in Laser Light Engines, a developer and manufacturer of laser-driven light engines, to enhance its projection technology.

Brightness is one of the limitations of current digital projection not only because of the polarizing switch (not used by our technology) and light source but also due to the dark lenses of the 3D viewing glasses. Depending on the system, brightness can be reduced by 60-85%.

#### Our recipe for success?

World class scientific research is paramount. We have that. Timing is second. The trends in the cinema market and some early signs of an uptick in Technology stocks make our timing perfect. The third? A little bit of luck! Our chip is optimized for 3D, laser and speed.

However, that is only the start. We intend to be a great company, with a continuous cycle of invention and innovation. Our strategy in the various 3D applications is a combination of developing technology in house, partnering where it makes sense and an ongoing plan for acquisition of companies that meet certain specific and stringent criteria. Panorama Synergy will be a leader in bringing to market what we call "enabling technologies" serving the various opportunities in the 3D market. We have defined this market very broadly as having three major elements: Capture, Distribution and Display. It will be an ongoing process which will gain momentum and scale. More on that in our next newsletter.