



MICRO-INVASIVE TECHNOLOGY INC.

MITI Newsletter, Vol.1, No. 2

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This is the second of quarterly newsletters that will keep you informed of all the exciting things that MITI is doing.

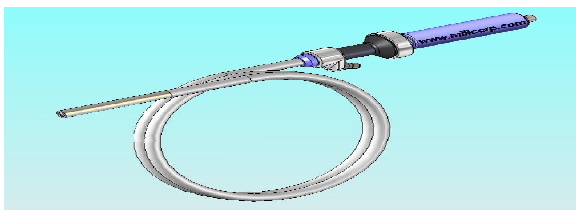
We have received approval for our digital imaging system, and have also made extensive progress in testing our prototype *DirectView* endoscopes and pre-sterilized, disposable *LightGuides*.



DirectView Endoscope with *LightGuide*

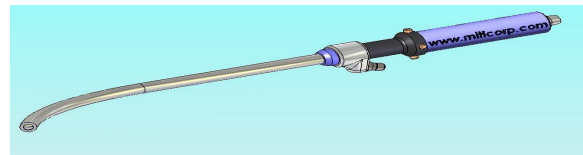
We are currently fabricating production models of both devices that will be filed shortly with the FDA. *DirectView* endoscopes have many unique, patentable focus and adjustment features which allow them to work, not only with our specialized imaging system, but with all competitive imaging systems as well. The *LightGuides* offer the equivalent of a new surgical instrument for every procedure.

We are currently working with Zibra Corporation of Westport, MA, to develop our flexible and semi-rigid endoscopes for office-based colonoscopy procedures; they will be used with our proprietary *LightGuides*.



DirectView Flexible Endoscope

These new endoscopes will share similar "chip-on-a-stick" technology; the semi-rigid will employ engineering variations of the flexible device. Our semi-rigid technology will also provide a greater field-of-view than is available with current instruments. Our proprietary design will also allow the endoscopes to be articulated inside the body from controls located on the instrument outside the body.



DirectView Semi-Rigid Endoscope

We are particularly excited about recent news stories in *Forbes* and *Time* that detailed the need for new therapies to combat antibiotic-resistant, hospital-bred infections that are becoming epidemic, and to provide new ways to sterilize equipment at less cost. These stories highlight the importance of our work in *PhotoMicrobial Therapy* and the ongoing development of our therapeutic endoscope, *TheraScope*.

"*Healing with Light*" is also being recognized as a potential major weapon for fighting infection. MITI has developed proprietary technology which can destroy infectious bacteria directly at its source.

In March, we had our annual Shareholder's Meeting at our new offices in Danielson, CT. A new Board of Directors was elected. Hugh Tansey, Charles Dettman and Steve Schwaitsburg, M.D. have joined us. John Bala, Mike Baca and Ralph Heath remain on the Board; with John serving as Product Chairman and Chief Technical Officer, and Mike and Ralph continuing on in Investor

Relations and Financial Officer, respectively. Hugh, as Director for Planning, will consult with MITI on issues of market and product development. Charles, with extensive business and government experience, quality assurance and hands-on knowledge of handling hazardous materials and bacterial agents, will provide direction on safety-related methods for PhotoMicrobial therapy. Dr. Steve Schweitzberg will serve as MITI's Medical Officer, and is Chief of Surgery at the Cambridge Health Association and Vice President of the Society of American Gastrointestinal Endoscopic Surgeons (SAGES.)

The new Board of Directors recognized the work of previous board members, Dr. Dan Hanle, Dr. Ron Franzino and Eric Knight, for their important contributions to the Company.

In April, we returned to the SAGES Conference to demonstrate our *DirectView* endoscope and disposable *LightGuide*. There was considerable enthusiasm and interest from the large medical suppliers attending the Conference regarding our disposable technology. However, this has not yet resulted in any firm commitment; we see these companies taking a "wait and see" position. We will continue to pursue this venue.

We have also been in touch with leading OG/GYNs who are very concerned with the thrust from medical providers for more office-based, endoscopic OB/GYN procedures.

In recognition of this growing trend, MITI has designed its low-cost component *DirectView* medical office system as a diagnostic package for in-office use. The system includes a video monitor, our VITI 1410 Digital Imaging System, and a either a

conventional light source or our Model PX 1020 Light Source. This system is designed to be compatible with all current endoscopes; however, used with *DirectView* endoscopes, the combined system offers additional advantages of disposability, convenience and lower cost. Although they can be purchased separately, when combined as a package, the system's individual components provide enhanced capabilities not available elsewhere. In addition, the system integrates a patient's history, diagnostic and surgical history, and surgical images, storing them in the computer's data base.



DirectView Medical Office System

We have decided not to continue with vFinance Investments. Their efforts have not been effective, and we wish to avoid their financial involvement with funds that we may raise independently. New investors continue to join the MITI team, taking advantage of our recent stock split.

Our new website will be up and running within a few weeks. Please let us know what you think. As always, thanks to everyone for your enthusiasm and support.