

Sent: Tuesday, August 03, 2004 6:46 PM
Subject: Fw: THAT CRYSTALL BALL

Dear Aquathin Dealer Online;

This NewsBulletin received plenty of excellent feedback and I am really glad that you see where we all are mutually heading into the future. I would like to elaborate on your comments for why its great to be sitting in this catbird seat as follows:

1. The report talks about \$1B in sales the States. This is new sales and excludes new sales in Europe, Asia, Central and South America, Africa and Australia. It also excludes consumables and spin off sales i.e. a residential purchaser asks for a commercial system for his business.

2. The article discusses 30 players and how they need to change (excluding Aquathin of course). Historically, our so-called-competitors do not have the capacity to change. That requires change in and of itself in their mentality...and that is the biggest hole in the Swiss Cheese which has provided us direction here at Aquathin. We also gravitated to the markets requirements because we listened to you, our Dealers. Competitors are deaf to feedback and you can see this in their designs and how they treat their dealers.

3. The cost for change or for startups is immense...try \$25M to \$35M to do what we do at Aquathin. Companies would have to tool up, hire design engineers, acquire capital assembly equipment, staff, 1-2 years to test, patent and trademark...and most importantly, change the mentality and re-train their dealers (its easier to train a dinosaur)...while meeting payroll and other overhead as all this is going on...and haven't made the first sale for any of these many items. Remember your Aquathin Planner contains over 70 items of patented and trademarked products to answer the "personalized and customized" markets as described in the article. This immense cost is the primary reason GE, a behemoth company, chose to use Ecowater systems vs. gamble ramp up costs to market to Home Depot.

(a) and while we're on GE...think about this...how does an Eco dealer feel when he has to compete against water treatment products sold by Sears and GE that are produced by the same parent company? The results speak for themselves. This suicidal undermining in the name of chasing a dollar, also requires mindset changing...waaaaay tooooo tough to do without a housecleaning.

(b) and add into the equation, the numerous issues with Eco products, and you can see potential reasons why GE lost the Home Depot account, Eco dealers closing, GE sustaining tremendous losses, far in excess of the aforementioned ramp up costs I am told. But it aids in growing market awareness as you've heard me say before...and the Customer does not go back to tapwater...they go straight to the Yellow Pages for better product and service.

So, the point is, Aquathin Dealers are well positioned...we feel great about our direction...and having fun !

As a side note, several of you we're way to happy to point out I misspelled "Crystal" in the subject space. Thanks for the zings !

**I LOVE MY AQUATHIN...&
YOU'RE GONNA LOVE WHAT'S COMING UP IN THE NEAR FUTURE !!!!**

Warmest regards to all...as well, your comments are always welcome and very much appreciated.

FOR THE BEST TASTE IN LIFE &

25 Years Pure Excellence

Think Aquathin...AquathinK !!

(visit the allnew www.aquathin.com)

"Alfie"

Alfred J. Lipshultz, President

P.S. "Splash NewsBulletins", "Forum Q & A", "Allergic Reaction", Biz Bank, Tech Bank and Quote Bank... ARE ALL FREE services to all Authorized Aquathin Dealers and their clients to keep you abreast of technology updates and industry news.

----- Original Message -----

From: [AQUATHIN SALES & MARKETING](#)

To: info@Aquathin.Com

Sent: Thursday, July 29, 2004 3:38 PM

Subject: THAT CRYSTALL BALL

Dear Aquathin Dealer OnLine, Splash NewsBulletin and Allergic Reaction NewsBulletin Members;

As you all know, Aquathin is Celebrating its Silver 25th Anniversary. The article below from a highly regarded research / think tank, discusses exactly what "our crystal ball" told us back in March 1980 ! See my additional commentary within the article at [\(aj-07-29-04\)](#).

ITS GREAT TO HAVE HIT THE TARGET FROM SOOOOOOOOOO FAR AWAY !

I LOVE MY AQUATHIN !!

Warmest regards to all...as well, your comments are always welcome and very much appreciated.

FOR THE BEST TASTE IN LIFE &

25 Years Pure Excellence

Think Aquathin...AquathinK !!

(visit the allnew www.aquathin.com)

"Alfie"

Alfred J. Lipshultz, President

P.S. "Splash NewsBulletins", "Forum Q & A", "Allergic Reaction", Biz Bank, Tech Bank and Quote Bank... ARE ALL FREE services to all Authorized Aquathin Dealers and their clients to keep you abreast of technology updates and industry news.

Water treatment revenue to hit \$1 billion by 2010

PALO ALTO, CA — A study conducted by Frost & Sullivan shows that revenue from the US advanced water treatment market will reach \$1.16 billion by 2010, according to a news release.

The global consulting firm reported in its analysis that suppliers need to evaluate and understand the unique demands of each customer, demonstrate the efficiency of various methods and recommend the most appropriate technology to meet specific needs. *(aj-07-29-04) That paragraph could have been lifted directly from our Presentation and Aquathin U.*

"Once end-users choose a treatment technology, they need to identify a suitable supplier to provide the equipment from over thirty suppliers currently active," Frost & Sullivan Research Analyst Renee Chu said in the release. "Most of them supply specific applications to niche markets while some offer assorted products suitable for diverse customers."
(aj-07-29-04) Two notes: \$1B divided by 30. I like that !! And, Aquathin serves both special applications niche and assorted products for diverse Customers.

While smaller suppliers are unable to offer customized solutions, certain clients such as municipalities often lack financial resources for customized products. Mass-producing economically priced assembled systems is also difficult since customer specifications differ and a 'one size fits all' approach is often unacceptable, the company reported. *(aj-07-29-04) And therein lies exactly why the Aquathin Master Catalogue has evolved into 208 pages with a 70 page Planner. We had the pulse of the future.*

Issues such as source water quality, applicable regulations and product water quality that often varies from one project to the next, further complicate the task of identifying a supplier, according to the report. *(aj-07-29-04) No complications for Aquathin Dealers armed with the "friendly six".*

To overcome these challenges, manufacturers need to provide complete solutions instead of treatment equipment alone, which may include post-sales maintenance and technical support as part of the offering. This approach — which earns manufacturers customer loyalty and boosts their market position, while enhancing cost and performance efficiency — is mutually beneficial to both parties, the release stated. *(aj-07-29-04) And here is exactly why Aquathin is a decade and more ahead of the industry.*

Acute global water scarcity, which compels the use of water from alternative sources and the reuse of wastewater, is constantly expanding the market for water treatment equipment. This is aided by growing public demand for pathogen-free drinking water and the new regulations requiring water treatment facilities to supply clean water coming into force, Frost & Sullivan reported. *(aj-07-29-04) Aquathin has always provided pathogen free*

water...it was a mandate in our first Business Plan. Every other RO manufacturer states "may not be installed on microbiologically unsafe water".