



Solos Endoscopy, Inc.
www.solosendoscopy.com
(OTCPK: SNDY)

August 13, 2013

Dear Solos Endoscopy, Inc. Shareholders,

I am very pleased to be able to communicate with our loyal shareholders directly and to give you an update on our impressive progress for the second quarter; the three month period ended June 30, 2013.

Solos Endoscopy, Inc. has been at the forefront of breakthrough medical devices and technologies for the treatment and management of diseases for over 25 years. The Company markets over 200 items to the endoscopic market and is continuing the development of products that will enhance the ability of medical professionals to perform minimally invasive surgical techniques.

Solos Endoscopy completed the Stage 1 Audit with TÜV SÜD America on Tuesday, February 26, 2013. Solos Endoscopy's Quality Manual and 28 Quality System Procedures were reviewed by TÜV SÜD for compliance to the international quality system standard ISO 13485:2003, to the European Union's Medical Device Directive (MDD 93/42/EEC) and to the Canadian Medical Device Regulations (SOR/98-282). Since the completion of the Stage 1 Audit, the Company has been diligently working, with the support of Expert Resources, to continually develop, implement and master the Quality Manual and Quality System procedures.

Solos Endoscopy and TÜV SÜD America has scheduled its Stage 2 ISO 13485 Audit to be completed on August 16, 2013. Upon successful completion of the Stage 2 Audit, including a review of the Auditor's report and resolution to any corrective actions, Solos will be certified to ISO 13485:2003, the internationally-recognized standard for quality systems for medical device manufacturers. Certification to ISO 13485:2003 will in turn facilitate Solos Endoscopy obtaining the CE Mark on its MammoView® devices to sell the MammoView® in the European Union. According to a 2009 report published by Frost & Sullivan, the European Union represents \$94 Billion, or 30%, of the worldwide demand for medical instruments. ISO 13485:2003 certification is also necessary for the company to sell the MammoView® product line in Canada. Recently, as part of the process to obtain the CE Mark, Solos Endoscopy has retained Emergo Group to act as the Company's authorized representative in Europe. Emergo Group will provide Solos assistance related to communications with authorities and importation of Solos instruments into Europe.

The company previously was successful in completing the Food and Drug Administration (FDA) Level II Baseline Inspection in which it received a NAI (No Action Indicated) for the inspection. It is standard for the FDA to perform unannounced inspections periodically for medical device manufacturers, and the successful inspection by the FDA validates the Company's quality system and its strict adherence to that system.

Solos has several exciting new advances in product development that will change the way minimally invasive procedures are utilized in the medical field in order to treat and prevent disease. These products will allow the physician to examine organs and tissues within the body without the need for intrusive surgery. The Company is currently marketing its next generation breast endoscopy system, the MammoView® system, for early breast cancer detection.

Solos Endoscopy's core business is the development and marketing of medical technology, applications, medical devices and procedural techniques for the screening, diagnosis, treatment and management of disease and medical conditions.

Solos Endoscopy 2nd Quarter 2013 Analysis

Balance Sheet

Solos Endoscopy's Total Assets decreased to \$2,262,785 for the period ended June 30, 2013 from \$2,426,883 for same period in 2012. This represents a decrease of (\$164,098), which is mainly attributable to a cash and inventory decrease of more than \$167,000 for the period ended June 30, 2013 as compared to the same period in 2012.

Solos Endoscopy reduced its Total Liabilities from \$214,827 for the period ended June 30, 2012 to just \$148,000 for period ended June 30, 2013. As a result, the Company has a Positive Net Book Value when it posted its financials for the period ended June 30, 2013.

Income Statement

Solos Endoscopy showed an increase in sales from \$81,752 for period ended June 30, 2012 to \$107,955 for period ended June 30, 2013. This represents an increase in revenues of \$26,203. The Company's Gross Profit increased from \$53,214 for period ended June 30, 2012 to \$59,520 for the period ended June 30, 2013. The Company's Cost of Goods increased by more than \$18,000 as a result of the Company writing off obsolete inventory in the 2nd Quarter.

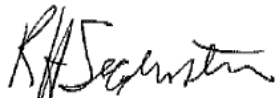
Solos Endoscopy's Total Expenses decreased from \$642,963 for period ended June 30, 2012 to \$177,978 for period ended June 30, 2013. The significant decrease in Total Expenses is due to the \$450,000 expense the Company incurred for stock issued to the CEO in 2012 to guarantee his contract. Otherwise, the Company actually reduced its General and Administrative Expense from \$192,963 for period ended June 30, 2012 to just \$177,978 for period ended June 30, 2013.

Conclusion

The Company decreased its Net Loss for period ended June 30, 2013 by \$471,290. The significant financial improvement from the same period in 2012 is due to the fact that the Company will not be charged again for the issuance of stock to its CEO to guarantee his contract. This improvement of \$450,000, combined with an increase in sales of \$26,203, resulted in a significant turnaround for the Company. According to Management, total salaries are only \$45,404 or approximately 40% of sales. The Company has spent additional monies on professional fees to complete the TUV Audit which is scheduled to take place on August 16, 2013. Therefore, Operating Expenses going forward should remain constant. The reduction of these onetime expenses, coupled with an expected increase in sales the 3rd and 4th quarters in 2013, should result in a very positive end of the year for Solos Endoscopy.

In closing, I want to thank our shareholders for your patience and continued support of Solos Endoscopy. We will continue to keep our shareholders updated through regular posting on www.otcmarkets.com and Company press releases. To learn more information about the Company and its products visit www.solosendoscopy.com.

Regards,



Robert Segersten
President and CEO
Solos Endoscopy, Inc.

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