



January 9, 2009

Dear Shareholders:

We have had quite a year. I sincerely appreciate all the hard work, dedication and selflessness that our entire team has shown over the course of 2008. Our business, like so many others, was not without both high and low points, but we made a plan and executed it. Our acquisition of Vidiation, Inc. marked our entry into the homeland security industry and enabled our Defentect line of threat detection management software and initial line of radiation sensors. The collaboration between the two companies has provided a foundation for our growth and real penetration into the market.

I am looking forward to 2009.

We are seeing more and more activity in the threat detection space. The Department of Homeland Security has issued a formal Request For Information specifically related to the detection of threats in the baggage of airline passengers. This is the first step in a rollout of our type of technology to all of the commercial airports in the US. We are also engaged in responding to a major Request For Proposal for the surface Transit Security Grant Program. This RFP, valued at over \$350 Million in total, relates to the securing of the US rail system specifically in high density and high risk areas. On a smaller scale, we are working on opportunities at US air force bases, initially at Offutt AFB. We are in pilot programs from Washington Hospital Center, and Chicago Police Department. Each and every person in the company has added value and helped to move us forward down the path.

We have signed up some significant and important channel partners:

Epsilon Systems Solutions	San Diego
Convergint Technologies	Chicago
RMS Technologies	Chicago
OnSSi	New York
Total Recall	New York
S2 Asset Protection	Canada

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In collaboration with Epsilon Systems Solutions we were a major part of Operation Golden Phoenix (a joint operation with US Marine Corp and US Customs and Border Patrol) which we expect to pay dividends for a long time to come. We participated with marketing partners Epsilon, Total Recall and RMS at the IACP (International Association for Chiefs of Police) show, which was a solid success and is already paying dividends in the form of consistent proposals being delivered into our partners' sales pipelines. Our channel partners now include our products and capabilities in their proposals.

In Canada, S2 Asset Protection is helping with configuration of next generation systems and proposing Defentect products into the major Canadian ports and sporting event venues.

I would like to add a special welcome to Ambassador L. Paul Bremer III. Recognized as one of the world's leading experts on crisis management, counterterrorism and homeland security, Ambassador Bremer has had a unique blend of experience in government and the private sector. His service as an American diplomat spanned eight Presidents. Ambassador Bremer became our new Chairman of the Board of Directors in October.

In Joseph Rosetti and our other advisors, we have on our team some of the biggest influencers in the market today. We also have some excellent representatives promoting Defentect into international markets (UAE, Columbia, Dubai, UK, Europe, Abu Dhabi, New Zealand, India and more.)

We started down this strategic path in December of 2007 and over the last 12 months we have made great strides as we entered a challenging industry niche during difficult economic times.

I look forward to what we can accomplish in 2009. Thank you all for your support and dedication.

Happy New Year!!!

Sincerely,

James C. Ackerly
CEO

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- general economic conditions in both foreign and domestic markets,*
- cyclical factors affecting our industry,*
- lack of growth in our industry,*
- Our ability to comply with government regulations,*
- a failure to manage our business effectively and profitably, and*
- Our ability to sell both new and existing products and services at profitable yet competitive. prices.*

You should carefully consider these risks, uncertainties and other information, disclosures and discussions which contain cautionary statements identifying important factors that could cause actual results to differ materially from those provided in the forward-looking statements. Splinternet Holdings, Inc. undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.