



THANK YOU FOR ANOTHER GREAT YEAR!

If you have dropped by lately, you noticed a new face on our building. After more than twenty years in the same location, we decided it was time for the THOMAS FX name to shine. We continue to be amazed at the number of people who tell us they never knew we were here! Let us know what you think of the new signage.

Last year was significant for the THOMAS team in many ways as we supported a record number of productions, took the THOMAS brand to more countries than ever, and successfully completed numerous expansion projects. In fact, 2006 turned out to be the most successful year in the company's 34-year history.

Thank you for your tremendous support and ongoing loyalty throughout the year. Thank you also for your patience if we were not always as quick to answer the phones as usual. If we ever fall short in exceeding your expectations, just let us know and we will do whatever it takes to make things right.

As we closed the year on positive news on all fronts, including John



After 34 years, THOMAS FX name shines from our building.

& Betty's first Anniversary as a married couple, our patented biodegradable SNO-FX!™ was being considered for an Academy Award in the Scientific Research and Technological Advancement category. While the awards this year went largely to visual effects innovations, we were honoured to be in the running. This marks the third time in the company's history that we have been considered for an Academy Award... next time lucky!

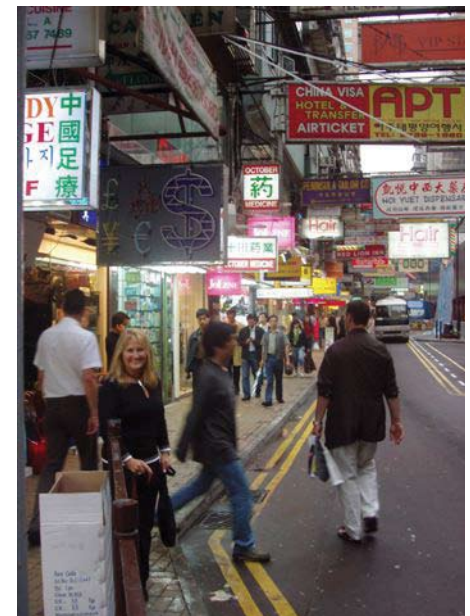
The only cloud on the horizon as the year wound down occurred when the Federal Government imposed a complete import ban on MP & Associates pyrotechnics products, largely because the

devices did not have specific instructions for use in both English and French, or directional arrows,

printed on them. However, after an intense week of aggressive lobbying with Ottawa on behalf of the special effects community, John was successful in having the import ban dropped, ensuring an uninterrupted supply of the top quality MP pyro products without further government interference in the foreseeable future. This cloud, happily, had a silver lining!



The elusive Academy Award



Betty in China during THOMAS FX global sourcing initiative



SURVEY RESULTS POSITIVE

Sincere thanks to those who participated in our annual customer needs survey.

Your feedback told us we are moving in the right direction but there is still some room for improvement. We value your suggestions and are implementing many of the changes you requested. By helping us to understand your unique business needs, we can deliver service designed to support you better and take some of the strain from your day to day challenges. When we do it right, your job keeps getting easier and you can respond to change quickly knowing you can count on us to be there for your team.

In response to your suggestions, we hired two new people and adjusted Morgan's shift to start at 7:00 AM with Ed most mornings. We have also installed wireless technology that will make it possible for Morgan and Ed to take calls no matter where they are in the building. This means you won't have to wait for us to track them down, and then wait longer while they get to a phone. A quicker response from us means you can order production supplies or equipment, get the information you need, and get back to the job at hand with minimal interruption.

As requested, we will be communicating more regularly to bring you the latest company news and details of new equipment and products. We provide sourcing

for hard to find items, so if there is anything you would like us to stock, please let us know. We can take care of all of your buying; and without any extra costs.

We stepped up marketing efforts in 2006 and are now aggressively promoting the THOMAS name, THOMAS branded products, and our breakaway glass, in 20 countries around the world. In the past two weeks alone, we have already made sales to five new countries, including snow products to a film production company in South Africa.

At THOMAS we are constantly looking for ways to improve. Last year, we eliminated breakaway glass crate deposit fees. Recently we developed a more effective SNO-FX!™ and Snow Business restocking policy that should eliminate concerns about buying too much product for your next project. We have also introduced a stock 2' x 3' sheet of breakaway glass as a low cost alternative to our "custom cut" product line. You can buy the stock size for \$180, without custom cutting or crating charges; a price much lower than custom sized breakaway products that require extra cutting and handling charges. This is high quality THOMAS breakaway product at an amazing low cost. Cut it to size yourself, save money, and use more glass on lower budget shows.

NEW

EQUIPMENT & PRODUCTION SUPPLIES



**Gauthier
Air Cannons
& Mortars**



**Curtis
Dyna-Fog
1200**



**SnowMaster
T-1600
& T-1500
snow
machines**



Reel Blood



Zap A Gap



**Ultra Slime
& Ultra Ice**

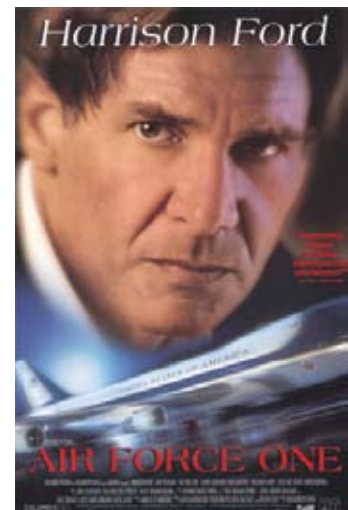
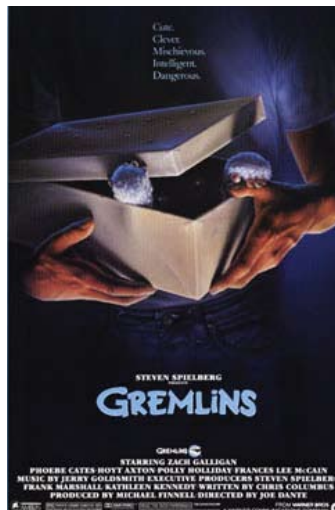
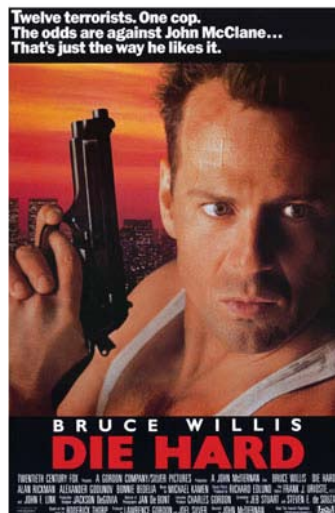


THOMAS "FX WISDOM SERIES" presents... Thaine Morris / MP & Associates, April 7th, 2007

Survey responses indicated that many customers want us to support them in learning about new products, equipment, and the latest industry trends. In response to this request, we are launching an "FX WISDOM" series in 2007. This will present opportunities to spend quality time, in a "show and tell / question and answer" environment with film industry greats at our shop, 140 Riverside Drive, North Vancouver.

We plan to bring Thaine Morris to Vancouver, Saturday April 7th, 2007, as the first speaker in the series. Thaine is the Owner of MP & Associates and Roger George Special Effects in Los Angeles. His career has included roles as FX Coordinator - Star Wars, Die Hard - Pyrotechnics Supervisor – Dragon Slayer, Star Trek the

Wrath of Khan - Mechanical Effects – Gremlins, and various roles in many other great projects such as Air Force One. If you are interested in spending time with Thaine, hearing the latest pyro and special effects tips direct from Hollywood, and seeing a demonstration of MP's line of pyro products please call Betty or John as soon as possible at 604.929.5455. Participation will be limited. Reservations will be accepted first from our preferred customer list, then on a first come basis from the balance of the BC & Alberta special effects communities. A nominal fee, yet to be determined, will be charged to offset travel expenses and the cost of the seminar. If you are interested in spending time with Thaine, please call ASAP to confirm your attendance. This event will sell out quickly.





MIKE & STEPHANIE JOIN OUR TEAM



Mike Sincock
Team Leader, Visual Display Products

Mike Sincock is our new Team Leader, Visual Design Products. In this role, he sources new products and services the special events, attractions, and display markets for the company. Mike is our liaison to the 2010 Olympic Games, and is available to help out at the front counter if Morgan and Ed are tied up.



Stephanie Desrosiers
Breakaway Glass Technician

Stephanie Desrosiers is our new Breakaway Glass Technician. She works under Ed's close supervision, and has already been successful in building up a large inventory of breakaway vessels of every description. This means you will now be able to pick up a dozen or two of any kind of wine, liquor, or beer bottles, and any of our other popular breakaway items, at any time without having to preorder.

Please stop by and say hello to our newest team members.

DID YOU KNOW?

We usually stock up to five containers of assorted artificial snow products including: 2 containers of SNO-FX!™, 2 containers of Snow Business, and one container of various snow products such as scatter flakes, unbreakable icicles, snow sheet, snow blanket, snow wool, polymers, sparkle flakes, etc. We also have the widest variety of artificial snow rental equipment in Western Canada. Ask Morgan to demonstrate the latest new equipment next time you drop by.

John Quee, m.b.a.
Chief Executive Officer
Corporate Development

Betty Thomas Quee
President & Board Chair
Global Market Development

Winnie Li
Controller
Finance Department

Morgan Thomas
Team Leader
Film Industry Support Services
2006 Salesperson of the Year

Mike Sincock
Team Leader
Visual Display Products

Ed Deeth
Team Leader
Equipment Rentals & Breakaway Glass
2006 Employee of the Year

Scott MacLellan
Service Technician
Rental Department

Stephanie Desrosiers
Breakaway Glass Technician

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WE'VE GOT YOUR BACK!

We truly appreciate your ongoing loyalty and look forward to continuing to supply you with the finest breakaway glass available anywhere from our expanded and more efficient manufacturing facility. At THOMAS FX we are always on call and ready to support your production team in every way possible, at any time of day, on any day of the week, and anywhere in the world that quality productions and discriminating professionals demand great products at fair prices and drop dead service from a support team that really cares.