NEWS UPDATE

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We are on the web at parcomergedmedia.com

Special Points of Interest

- Product demonstrations of our Beta. 1 hardware and software are available

- Potential application of Beta.1 and Beta. 2 hardware in non-health care related areas. Allow Parco to recapture development costs.

PARCO KEEPS GROWING

I wanted to take the opportunity to update investors, vendors and interested parties with regard to our progress. I am proud to report that Parco Merged Media is doing very well in its product development and fund raising.

With conclusion of our beta tests less than a month away, comments made recently by John O'Connor, executive partner at JP Morgan Partners (the private equity arm of J.P. Morgan Chase) resonate strongly for our company and our fund raising efforts. In an April 2002, Worth Magazine article titled "An Insider's Guide to Alternative Investing" O'Connor says, "A whole host of variables has changed in investing. In this market environment, people are asking, 'How do I adjust my strategy to maintain high returns?' Alternative investing is a very hot topic right now. There has been a move by investors towards private equity and hedge funds."

As the stock market continues its violent swings, Parco Merged Media has experienced a significant surge in interest from potential partners, investors and customers. As our momentum intensifies, the prospects for our company look very good indeed.

I am very enthusiastic about our new prototype hardware (pictured left, full article p3). This hardware has been successfully tested over the last month. Results clearly demonstrate Parco's ability to provide remote command and control functions which are possible using the Parco System over the Internet in a secure, robust operational environment.

Stress testing Beta.1 equipment indicated resolutions for GIS to less than 12 inches. Battery life on the transmitters performed 3 times greater than predicted.

Parco P-Tag Prototype Beta.1

Regards,

Chief Executive Officer
Parco Merged Media Corporation

Alpha and Beta Testing

On Sunday December 16, 2001 at Washington Hospital Center in Washington, DC, we conducted our first prototype tests of ultra-wideband radio to demonstrate our geospatial information systems.

Our system performed beyond expectations leading to an expansion of the test to include emergency room areas adjacent to the radiology departments.

Moving to the next phase, we plan to field test our Beta.1 hardware at WHC during the first week in May 2002.

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Asset Management Overview

Inventory control is regarded as a significant priority by many businesses. An effective program can mean the difference between a thriving or struggling organization.

New computerized systems are available to accommodate almost any inventory control scenario. It is essential for organizations to understand the differences between these systems and determine which is appropriate for their needs.

Older computerized management systems (CMMS) only provide details on an asset's relative placement with text that describes the location. New generation geographically aware systems can use geo-location technology like Parco's GIS to show asset location on a map or other graphical display.

The graphical functionality can enable asset managers to work with their systems and data in ways that traditional CMMS cannot. These systems are useful for trends analysis and work scheduling.

Geographical Information Systems (GIS) and Computer Aided Facility Management systems (CAFM) allows users to manage assets and view information in a graphical format. Local Positioning Systems (LPS) allow users to track the location of people and equipment within a facility. LPS can be integrated with security systems to open or lock a door automatically when a person approaches.

Item	Quantity	Unit Cost	Total Cost
Transport Wheelchairs	150	$250	$37,500
Specialty Wheelchairs (obese, pediatric, etc.)	5	$500	$2,500
Transport Gurneys	90	$1,500	$135,000
Specialty Beds,	5	$15,000	$75,000
IV Pumps	600	$2,500	$1,500,000
Portable Cardiac Monitors	35	$8,000	$280,000
Portable SpO2 Monitors	10	$2,500	$25,000
Broncoscopes	5	$7,000	$35,000
Cardiac Telemetry Transmitters	48	$1,500	$72,000
Transport Incubators	25	$10,000	$250,000
Respiratory Ventilators	40	$15,000	$600,000
Portable NIPB Monitors	45	$2,500	$112,500
External Pacemakers	25	$1,800	$45,000
Other Equipment		$0	$0
Subtotal Equipment	**1083**		**$3,169,500**
Estimate 10% Lost or Misplaced Assets			**$316,950**

One advantage of the current state of technology, for example the introduction of .NET by Microsoft˙, is that proprietary computer systems and languages are quickly disappearing. This means that today's computer systems can communicate with each other easier than in the past. For example, it is possible to allow the asset management system to automatically update the financial system without human interaction.

Parco helps customers perform a needs analysis to help ensure the success of asset-related IT projects.

Parco Solves Equipment Simulation

To demonstrate the data transmission capabilities of the Parco System during our Beta.1 hardware test, we needed access to a medical device or a device capable of simulating output from a medical device.

Sensoria Corporation, our networking partner in San Diego, devised a solution in the form of a Compaq iPaq PocketPC. Outfitted with software and hardware designed to interface with our E-Tag equipment, the handheld computer generates data that mimics a typical infusion pump.

Our prototype E-Tag is a small white box that contains data collection, encryption and wireless technology. We currently use an 802.11 wireless network to send encrypted data. As our development progresses with ultra-wideband, we will replace the 802.11 with the lower power, more secure UWB technology.

E-Tag with Equipment Simulator
Clockwise: Compaq iPaq (in hand), P-Tag (black box), E-Tag (white box)

With its ability to demonstrate equipment identity, location, and function, the Parco E-Tag has broken new ground .

Parco Merged Media Announces Test Results

San Diego, California and Portland, Maine, April 1, 2002 - Parco Merged Media Inc., a privately held company dedicated to bringing ultra-wideband (UWB) products to the wireless healthcare communications industry recently completed a series of trials signifying the company's ability to capture critical data from very remote sources for use and interpretation several thousand miles away. The test has real world implications for managing human resources, patients, and capital assets in one location from a control center in another location. For example, during a West Coast crisis, government agencies in Washington DC could remotely organize and manage emergency response teams and casualties.

According to Scott Cohen, CEO of Parco, these trials also show how hospitals in the very near future will be able to safely send and manage sensitive healthcare data across the enterprise using Parco's systems for data collection and redistribution. "Today's test demonstrated the ability of our Geospatial Information System to capture geo-location data at accuracies of under one foot, from stationary and moving assets. Data generated in Southern California was turned into useful information that was managed from Portland, Maine. This clearly demonstrates the Parco system's ability to gather data in real time and to manage it remotely from a location several thousand miles from its source".

According to Bert Dugal, Chief Technology Officer of Parco, "The purpose of this latest experiment is to demonstrate the current capabilities of Parco's GIS and its components. We can now show the movement of assets within a health system, which allows our customers to track the immediate availability of crucial assets in order to place them where they are most needed. To be able to do this from a distance of over 3200 miles down to resolutions as accurate as twelve inches or less is a real plus for our customers."

Parco developed some components of it GIS system internally, while other proprietary components were developed jointly with Parco's software development partners.

Data Moves from CA to Maine in less than one second

Parco's new products and services for healthcare extend the hospital's ability to manage capital assets such as medical equipment, and human resources such as emergency rescue personnel, doctors, nurses, patients and visitors. The technology is potentially capable of tracking and managing several hundred thousand assets in real time, while simultaneously capturing and storing vital historical data. This data can be viewed and analyzed later to critique emergency response plans, assess infrastructure deficiencies, and plan for future disasters.

The company has also developed a Software Development Kit for third party medical device manufacturers. The Parco SDK enables wireless integration of data generated by existing medical assets into the hospital's software systems, reducing manual data collection. The Parco system is specifically designed to avoid expensive retrofits while allowing for cross-platform integration of legacy systems.

Using small transmitters in various locations within the offices of Parco's San Diego development partner, Sensoria Corporation, objects were tracked using a wireless signal sent to a nearby gateway. This data signal was then transmitted across the country via the Internet to the offices of Parco's Portland, Maine development partner, Standard IO. The raw data was then instantly used by software that graphically displayed the precise location of each device at Sensoria in real time, while maintaining an exact history of each device's travel path. A small handheld computer simulating data from an infusion pump simultaneously fed functional information into the system.

According to Mr. Cohen, "Today's successful demonstration moves us one step closer toward the integration of ultra-wideband as the wireless backbone of the entire system." Parco Merged Media's UWB is the only wireless technology to have clearly demonstrated adequate payload capacity for safe and secure capture of multiple streams of data from hundreds of potential sources. "Bluetooth can't handle it. The existing 802.11 standards have consistently demonstrated vulnerability to being intercepted, which compromises patient confidentiality, or to interference with existing vital hospital systems, which compromises patient safety" says Cohen.

The unique features of the Parco system enable susceptible healthcare data to be safely sent wirelessly from any source, such as from a patient monitoring device to an attending physician anywhere, at any time.

Adds Mr. Dugal, "As patients, doctors, nurses, and medical equipment move from the field to throughout the medical facility, the extreme bandwidth and high quality of ultra-wideband signals allow for their accurate tracking, with no interruption or degradation to the data. Security tracking of all of these assets remains an issue with other competing wireless technologies or GPS systems."

In coming weeks, Parco plans to test further iterations of its hardware and software, including ultra-wideband radio technology.

Briefly

A live demo of GIS is available. We have successfully demonstrated for the following companies:

• Fairchild Semiconductor, a 2 billion dollar publicly traded company

• Berry Dunn McNeil and Parker, 45th largest accounting firm in USA

Interest Continues to Grow

Our third party development strategy has begun to bear significant fruit. Our current roster of 3rd party client apps includes:

1. **Secure Care**: Portal Controls
2. **Xpress Charts**: ER Form Printing and Data Management
3. **Fivesight**: XML Messaging APPS for Health Care Information Software
4. **Transcom Software**: Knowledge Management Software
5. **Rosebud Solutions**: Asset Management Software
6. **Four Rivers**: Cost Containment Software
7. **Code Blue Communications**: Bluetooth Supplier

After the Washington Hospital Center Beta test, Parco has a number of interested customers ready to engage our company. The customer list includes:

1. **Medstar/ Medlantic**: 7 hospitals, 4,000 beds
2. **ER-1 Project (FEMA &HHS)**: 50 hospitals, estimated 90,000 patients
3. **University Hospital Health System**: 21 hospitals, 4,000 beds
4. **Monroe County (FL) Emergency Management Agency**: 2 hospitals, 200 beds
5. **Sisters of Sorrowful Mother**: 120 hospitals
6. **BJC (St.Louis)**: 13 hospitals
7. **Sharp Healthcare (San Diego)**: 8 hospitals
8. **UCSD**: 3 hospitals
9. **Shriner's Hospitals (FL)**: 8 hospitals

Dr. Michael Bedecs, Parco president, recently spoke at a Florida Emergency Management Agency conference held in Florida. This program is closely tied with the Monroe County Emergency Management Agency.

The Parco website has been completely updated. Please take a moment to review its new content at www.parcomergedmedia.com

Included with this newsletter are two recent articles that you may find interesting. The first deals with Ultra-wideband and was taken from the May 2002 issue of Worth Magazine . The author discusses the merits of UWB and heralds the technology as either the beginning of a new age of communication or the end of an old one.

The second article, which discusses Parco Merged Media, was recently featured in Interface Tech News. The article has already reaped benefits for some of our fundraising efforts.

Final Thoughts

I will be spending the better part of the next five weeks meeting with many of you to discuss your interest in making a financial commitment to Parco. If you have not reviewed the Due Diligence package, it is ready for review and can be sent out after a non-disclosure agreement has been signed.

Please contact either Jonathan Epstein or myself at the Portland office and we will make sure you get the information.

-Scott

Forward-Looking Statements

Forward-looking statements in this website are made pursuant to the Safe Harbor provisions of Section 27A of the Securities Act of 1933, as well as other applicable State and Federal laws, rules and regulations. You are cautioned that statements in this website that are not strictly historical statements constitute forward-looking statements which involve risks and uncertainties. These forward-looking statements include, without limitation, statements regarding potential markets and applications for Parco Merged Media's UWB technology, the types of products and the expected performance of products which will utilize UWB, Management's plans and objectives for future operations and Management's assessment of competition, underserved market potential and other market factors. Other forward-looking statements which involve risks and uncertainties can be identified because the content of the statement will usually contain words such as "expects," "estimates," "could," "should," or "may" or words of similar import. The risks and uncertainties applicable to these forward-looking statements could cause actual results or events to differ significantly from the results and events discussed in the forward-looking statements. These risks and uncertainties include, without limitation, Parco Merged Media's ability to continue to develop its products, reliance upon strategic relationships for further development and marketing, obtaining FCC and NTIA approvals, the technological risks inherent in the development of any highly complex product line, the enforceability of Parco Merged Media's patent portfolio, dependence on a sole source silicon germanium chip provider, market acceptance of Parco Merged Media's products, the need to quickly bring products to market and the need to focus on particular first to market applications, obtaining adequate working capital, the risks associated with competition and competitive pricing pressures and the risks applicable to any development stage company. You are urged to consider these factors carefully in evaluating the forward-looking statements and you are cautioned not to place undue reliance upon them.

Parco Welcomes New Team Additions

Management Team
Don Chartrand, *Sr. VP, Market Dev.*
Jonathan Epstein, *Assoc. Dir. Bus. Dev.*
Drew Swenson, *Interim CFO*

Advisory Board	Medical Advisory Board
Bruce Rothrock-*Co-Chair*	
Albert Lepage	Dr. Leo Scarpino
Andy Barowsky	Dr. Ramon Deeb