

iseemedia Acquires Digital Immersion Software Corp. in All-Stock Transaction

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TORONTO--(BUSINESS WIRE)--Aug. 4, 2005--iseemedia inc. (TSX Venture:[IEE](#) - [News](#)) -

- **Innovative 3-D Technology To Assimilate with Rich Media Content Delivery**
- **Integration with Gerber AccuMark Pattern Design System Ready for Worldwide Launch**
- **Conference call scheduled for August 16, 2005 at 4:00 p.m. EST**

iseemedia inc. (TSX Venture:[IEE](#) - [News](#)), a technology leader in streaming rich media content for Internet and mobile devices, today announced that it has signed an agreement to acquire Digital Immersion Software Corp. (Digital) in an all-stock transaction. The acquisition is expected to close on or about August 15, 2005, subject to the approval of Digital shareholders, regulatory approval, and the satisfaction of various closing conditions. Digital shareholders holding in excess of 80% of the company's outstanding shares (on a fully-diluted basis) have agreed to vote in favour of the acquisition at the Digital shareholders' meeting to be held to consider the transaction.

Digital is a leading developer of dynamic three-dimensional (3-D) graphics and Computer Aided Design / Computer Aided Manufacturing (CAD/CAM) rendering software for desktop, mobile and industrial applications. The company's state-of-the-art core product, Presenter 3D, enables non-technical users to quickly develop photographic replications and animations of Autodesk Inventor® projects for use in sales and marketing collateral, and to accelerate other critical decision support areas without having to develop full engineering prototypes. In particular, Digital's 3-D to 2-D flattening software - a derivative of the 3D Presenter core technology - has been adopted by Gerber Technology (a business unit of Gerber Scientific, Inc. www.gerbertechology.com) for the next release of the Gerber AccuMark Pattern Design System, which is scheduled to launch in August 2005. Gerber Technology will sell and market the system to their worldwide installed based of 30,000 users.

"Digital Immersion has a long-standing history of providing solutions for the rapid visualization of 3D graphics and renderings that are essential components in today's competitive sales and manufacturing environment," said Anthony DeCristofaro, president and CEO, iseemedia. "Digital Immersion is a focused engineering group that will bring us expertise in the area of 3D rendering. Beyond the adoption of their technology for the Gerber AccuMark system, Digital Immersion's intellectual property is synergistic with the verticalization of iseemedia's ImageServer products, and supplementary to our mobile initiatives enabling things like CAD on wireless and opportunities in 3D mobile entertainment."

"We're very excited by the prospects with iseemedia," said Digital Immersion president Mark Jewell. "We gain the administration, infrastructure and operational capital to support the opportunity with Gerber Technology and to enable further expansion of our 3D technologies in new areas."

"Our North American rollout of Digital's 3D software later this month as part of the Gerber AccuMark pattern design system further enhances our suite of manufacturing software solutions. In addition, Digital's merger with iseemedia gives Gerber added expertise to respond to our customers' needs," said Hal Osthus, Executive Director Product Management for Gerber Technology.

The acquisition will be effected by way of a three-cornered amalgamation whereby, upon completion, Digital will become a wholly owned subsidiary of iseemedia. Upon closing of the acquisition, iseemedia will issue approximately 2.558 million shares to Digital shareholders that will be held in escrow for 12 to 30 months. Additional iseemedia shares may be issuable to Digital shareholders within approximately 6 to 12 months from the closing of the acquisition, if Digital meets certain performance-related milestones.

"The potential to monetize the software development and distribution agreement with Gerber Technology in the coming months, is a key element of this merger," said iseemedia Chief Financial

Officer David Berman. iseemedia's management believes that the acquisition will be accretive to earnings in its 2006 fiscal year.

Conference Call

The management teams of both companies will host a financial analyst and investor conference call August 16th at 4:00 pm EST. Please call 416-642-5212 or Toll Free 1-866-553-5934 to participate.

About Digital Immersion

Founded in 1998, Digital Immersion Software Corp. is a privately held corporation that develops and markets visualization, rendering, and supplemental authoring software for users of industry-leading CAD packages. With more than half a million users worldwide, all Digital Immersion products - Merlin VR, Merlin 3D, and Presenter 3D - combine a high-end toolset with a highly visual, streamlined workflow for maximum ease of use. The Company is headquartered in Sudbury, Ontario, Canada. Digital Immersion currently offers its products to markets in the United States, Canada, and Europe. In the United States and Canada, Digital Immersion products can be purchased direct or through all authorized Autodesk Value Added Resellers. In Europe, its Master Distributor is Man & Machine. More information can be found on the web at www.Presenter3D.com.

About iseemedia

iseemedia inc. is a technology leader in rich media content delivery and management for Internet and mobile wireless applications. The company's patented technology sits at the heart of rich media content delivery solutions from e-tailing to medical applications to real estate virtual tours. More than 200 organizations use iseemedia's technology to deliver a more robust, richer Internet experience to their customers and communities, including the Vatican Museums, Nine West, Kenneth Cole, Jones Apparel, Toyota, Hitachi Automotive Products, Four Seasons Hotels, Speedera, Puma and Advanced Micro Devices. For more information visit www.iseemedia.com.

This news release may contain forward-looking statements, which are not historical facts, but are based on certain assumptions and reflect the company's current information and expectations. The forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. The company disclaims any intention or obligation to update or revise forward-looking statements. Investors should not place undue reliance on forward-looking statements as a prediction of actual events.

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