

## NEWS RELEASE

For immediate publication

### **PIXMAN NOMADIC MEDIA INC. ANNOUNCES PRIVATE PLACEMENTS TOTALING \$7,605,459, THE ACQUISITION OF PIXNET INC. AND THE CONCLUSION OF AN EXCLUSIVE LICENCE AGREEMENT FOR ITS PIXPAL® APPLICATIONS**

**PIXMAN**

- The Caisse de dépôt et placement du Québec is one of the subscribers.
- Pixman acquires Pixnet Inc., owner of a proven technological platform in the area of mobile content and digital signage management. The integration of this solution will allow Pixman to boost its revenues and will contribute to improve its offerings. This acquisition is paid by the issuing of Pixman's shares.
- Pixman concludes an exclusive intellectual property licence agreement for the development of interactive applications and user interfaces tapping into the new and large capabilities of mobile communication platforms.
- The invested capital will allow Pixman to accelerate the development of its global multimedia nomadic network to support the growing needs of field marketing by advertisers. The acquisition and integration of Pixnet's technology will enable Pixman to connect consumers directly to their favorite brands' universe, whether from their mobile telephone screen or computer. The integration of physical and virtual worlds that Pixman is in the process of achieving represents an important breakthrough in the field of tactical and mobile marketing.

**MONTREAL, SEPTEMBER 25, 2008** – Pixman Nomadic Media Inc. (TSXV: "PMN") ("Pixman") is delighted to announce that it has entered into a number of agreements including different private placements for a total amount of \$7,605,459, the acquisition of all Pixnet Inc.'s ("Pixnet") shares, as well as the acquisition of an exclusive intellectual property licence for the development of interactive applications and user interfaces.

The conclusion of these private placements represents a major investment for Pixman. It will notably contribute to the financing of its upcoming growth stages. Through the acquisition of Pixnet's shares, a private company specialized in networking technologies, Pixman will quickly

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grow its global strategy by integrating Pixnet's unique applications to its technology, as well as by maximizing mutual synergies.

"This acquisition, added to this major investment, confirms our leadership in the sector of tactical and mobile marketing," said Mr. Philippe Gribbeauval, President and CEO of Pixman.

"The acquisition of Pixnet's unique technology represents a logical extension of our strategy," he added. "Today, consumers engage with their preferred brands, through the physical deployment of our 'Pixman' worldwide. Tomorrow, we will extend this relationship through the virtual dimension."

Following is more information with regards to these transactions:

**i) A private placement totaling \$6,105,459**

Pixman has entered into various agreements in principle for a private placement of 33,919,214 units, at a unit price of \$0.18, for a gross product of \$6,105,459. Each unit consists of one Pixman common share and half a common stock purchase warrant. Each full purchase warrant confers to its bearer the right to acquire one common share, on payment of the exercise price of \$0.30 in cash, during a 24-month period from the issue date of the units.

The subscribers to this private placement are as follows:

- a) The Caisse de dépôt et placement du Québec, which agreed to subscribe for 13,888,888 units, for a gross product of \$2,500,000;
- b) FIER Boréal 02, a limited partnership, as well as FIER Ville-Marie, s.e.c ., which undertook to subscribe for 5,555,555 units each, for a total gross product of \$2,000,000;
- c) Le Fonds d'investissement Actions-croissance PME Inc., which undertook to subscribe for 2,777,778 units, for a gross product of \$500,000;



- d) Various investors qualified under the *Regulation 45-106 respecting prospectus and registration exemptions*, none of these qualified investors being either related to, or a Pixman insider, who undertook to collectively subscribe for 9,212,157 units, for a gross product of \$1,105,459.

Mr. Valier Boivin, who sits on VMCAP Inc.'s Board of Directors, general partner of FIER Ville-Marie, s.e.c., and on the Gestion du Fonds FIER Boréal 02 Inc.'s Board of Directors, general partner of FIER Boréal 02, a limited partnership, is also a member of Pixman's Board of Directors. Consequently, Mr. Boivin has not participated, directly or indirectly, in Pixman's Board of Directors' decisions regarding the negotiations and the conclusion of the private placements.

Pixman's shares which will be issued in the context of this private placement, including the shares which may be issued at the moment of the exercise of the purchase warrants, will be subjected to a four-month holding period following the issue of the units, according to applicable securities laws and the policies of TSX Venture Exchange. The placement is made without broker intervention, without finder's fees, nor commissions.

The conclusion of the private placement with the subscribers is subject to certain closing conditions among which notably: i) the signature of final subscribers' agreements, ii) the conclusion of an agreement for the acquisition of all Pixnet's shares by Pixman, iii) the conclusion by Pixman of an exclusive intellectual property licence agreement with Investissements Daniel Langlois Inc. ("IDL"), and iv), with regard to the 2 500 000 \$ private placement from Caisse de dépôt et placement du Québec, the approval in writing of this private placement by more than 50 % of Pixman's shareholders. Consequently, the total payments for the private placements will be made by the subscribers at the closing session of the private placement, notwithstanding the fact that Pixnet's share acquisition transaction requires the approval of Pixman's shareholders and the required approvals from TSX Venture Exchange.

However, the subscription of Le Fonds d'investissement Actions-croissance PME Inc. is subject to the conditions listed above, as well as to Pixman's obtaining a favorable decision



from the Ministère du revenu du Québec confirming the eligibility of Pixman's shares to the SMB Growth Stock Plan.

Following this placement, the Caisse de dépôt et de placement du Québec will benefit from the usual rights of an institutional investor in this type of investment, including a pre-emptive right allowing it to maintain its percentage of shares at the time of future issues.

ii) **An additional private placement totaling \$1,500,000**

Pixman has also concluded an agreement with regard to an additional private placement of \$1,500,000 by the Caisse de dépôt et de placement du Québec. The conclusion of this private placement is conditional to various elements, the most important of which are the signature of a final subscribers' agreement, the ratification of the Pixnet acquisition agreement by Pixman's shareholders and the reaching of specific financial objectives by November 15, 2009.

In consideration of its subscription of \$1,500,000, the Caisse de dépôt et de placement du Québec will receive a number of units established according to the weighted average of Pixman's stock prices for the 21 stock exchange days preceding the closing session of the \$1,500,000 placement (the "reference price") less the maximum discount allowed by the TSX Venture Exchange rules. Each unit will consist of a common share and half a purchase warrant. Each whole purchase warrant will confer to its bearer the right to acquire a common share, on payment of an exercise price equivalent to the reference price, and this, for a 24-month period following the issue of the units. Notwithstanding the aforementioned, it is agreed that the Caisse de dépôt et de placement du Québec shall not, at any time before the anniversary date of the closing of Pixnet's acquisition, hold a number of shares greater than or equal to the number of shares held directly or indirectly by Daniel Langlois.

Pixman's shares which will be issued in the context of this private placement of \$1,500,000 including the shares which can be issued further to the exercise of purchase warrants, will be subject to a four-month holding period following the issue of the units, in accordance with applicable securities laws and the policies of TSX Venture Exchange. The placement is made without broker intervention, without finder's fees, nor commissions.



iii) **Acquisition of all Pixnet's shares**

An agreement was concluded between Pixman and IDL for the acquisition by Pixman of all Pixnet's issued and outstanding shares in consideration of an amount of \$4,000,000, payable at the time of issue of the 22,222,222 common shares of Pixman's capital stocks at a unit price of \$0.18 per share.

Pixnet is a company specialized in the development and management of networking applications. Further to massive investments in research and development during the last nine years, this Montreal firm developed an expertise in the digital distribution sector and more particularly in digital content displays, through control system networks. Its services and software products were used in several spheres of activity, such as advertising displays in shopping centers and other sales outlets in North America. Furthermore, the adaptability and flexibility of its software products allowed the company to implement its communication solutions in other sectors of activity such as in financial institutions, in business communications systems and, more recently, in interactive applications for mobile platforms.

The acquisition of this technological platform will contribute to improve Pixman's mobile and static communication product offerings in addition to growing its international commercial expansion.

According to Pixnet's audited financial statements for the financial year ended June 30, 2008, the company's earnings for the 12-month period totaled \$107,651. Pixnet has dedicated \$123,117 to research and development during this same period and has dedicated, since its foundation, approximately \$6,000,000 to the development of its technology, more precisely \$1,500,000 in research and development and approximately \$4,500,000 for the initial acquisition of its technology. On June 30, 2007, Pixnet's financial results showed company assets of \$416,002, liabilities of \$252,320 and shareholders' equity of \$163,682, including issued and paid capital stocks of \$6,123,356.

Mr. Daniel Langlois is Pixnet's sole administrator and owns all of IDL's shares, which owns all of Pixnet's shares. As Daniel Langlois is also administrator, Executive Chairman of the Board



and a controlling shareholder of Pixman, the acquisition of all Pixnet's issued and outstanding shares is considered to be a transaction with an interested person within the meaning of the securities legislation and the policies of TSX Venture Exchange. Consequently, Pixman will require the approval of the acquisition of Pixnet's shares from its disinterested shareholders at a special shareholders' meeting held to this end. The date of this meeting will be announced at a later date.

It is important to note that Daniel Langlois did not participate, directly or indirectly, in the decisions made by Pixman's Board of Directors in the context of the negotiations and conclusion of the acquisition of all Pixnet's shares. A special committee of the Board, comprising among others of Mr. François R. Roy and Mr. Yves Gougoux, independent administrators of the transaction, was also established to evaluate and recommend this acquisition to the Board of Directors.

The conclusion of the acquisition of Pixnet's shares is subject, namely to:

- i. The signing of a final acquisition agreement;
- ii. The approval of the majority of Pixman's disinterested shareholders, such approval to be presented to the shareholders at a special meeting called to this end which will take place before December 31, 2008; and
- iii. Obtaining all regulatory authorizations required by the applicable laws, regulations and policies (by TSX Venture Exchange authorities and securities authorities).

iv) **An exclusive intellectual property licence agreement**



Pixman also concluded an exclusive intellectual property licence agreement with IDL. This licence authorizes Pixman to develop its dynamic community concept called "Pixpal", in order to develop interactive applications as well as unique UIs (user interface) that adapt to the limits and new opportunities of mobile communications platforms such as mobile devices, PDAs or PCs.

Based on this cognitive approach, the "Contextual Windows" concept will provide its users of virtual communities developed by Pixman, an original, simple and easy interaction mode.

In consideration of the IDL licence, a 0.5% fee of the net value of all revenues generated by the sale of goods built using or involving in the intellectual property subject to the licence will be payable to IDL. However, the fee will be limited to an annual maximum amount of \$200,000. This licence is valid for a period of five years and is renewable two times, for an identical period, subject to Pixman's option.

Mr. Daniel Langlois is IDL's sole administrator and shareholder. As Mr. Langlois is also administrator, Executive Chairman of the Board and a controlling shareholder of Pixman, the conclusion of the licence agreement by Pixman is considered to be a transaction with an interested person within the meaning of the securities legislation and the policies of TSX Venture Exchange. This agreement however is exempted from the need to obtain the approval of Pixman's disinterested shareholders, within the meaning of section 5.7 1) c) of *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions*. Consequently, Pixman will not require the approval of this licence from its disinterested shareholders.

**v) Issue of shares in satisfaction of a debt**

With respect of the aforementioned transactions, Pixman also announces that 833,333 common shares of its capital stocks will be issued in order to settle a \$150,000 debt due by Pixman Corporation, a subsidiary of Pixman, to IDL, at \$0.18 a share, in accordance with TSX Venture Exchange policies.



Following the completion of the various transactions indicated above, IDL will then own 40% of all Pixman's outstanding common shares, without regard for outstanding share purchase warrants and the \$1,500,000 private placement.

The aforementioned transactions are subject to the approval of the relevant authorities which may apply.

### **Forward-Looking Statements**

This news release contains forward-looking information. These statements relate to future events or future performance of, namely, the acquisition of Pixnet and the private placements mentioned in this news release, placements that are subject to certain conditions, namely, the signing of final agreements, and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management of Pixman Nomadic Media Inc. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. These forward-looking statements are made as of the date hereof and Pixman Nomadic Media Inc. does not assume any obligation to update or revise them to reflect new events or circumstances.

This news release does not constitute in any way an offer or an offer to buy Pixman Media Inc. stocks.

TSX Venture Exchange has in no way passed upon the merits of the planned operation and has neither approved or disapproved the contents of this news release. Moreover, TSX Venture Exchange has not reviewed and does not accept any responsibility for the adequacy or accuracy of this release.

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