



## D-BOX ANNOUNCES ITS SECOND QUARTER RESULTS

**Longueuil, (Québec), November 28, 2008**— D-Box Technologies Inc. «D-BOX» (DBO.A on the TSX venture exchange) announces revenues of \$1,004,910 for the second quarter of its 2009 fiscal year, ended September 30, 2008 which compares to revenues of \$1,148,733 for the second quarter of the 2008 fiscal year, ended September 30, 2007. The net loss for the quarter amounts to \$1,484,603 (\$0.0159 per share) which compares to a net loss of \$784,909 (\$0.0085 per share) for the corresponding quarter of the fiscal 2008 year.

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### Selected Financial Information

For the three month period ended September 30,  
(in dollars, except loss per share)

	Q2/2009 September 30, 2008	Q2/2008 September 30, 2007	Q1/2009 June 30, 2008
Revenues	1,004,910	1,148,733	1,133,533
Net Loss	(1,484,603)	(784,909)	(1,061,822)
Basic and diluted loss per share	(\$0.0159)	(\$0.0085)	(\$0.0116)
	As of September 30, 2008	As of March 31, 2008	
Cash and cash equivalents	3,604,747	4,376,881	
Short-term investments	4,123,376	4,074,953	
Total short-term liquidities	7,728,123	8,451,834	

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### Additional Highlights

- Investments made so far in business development lead after the end of the quarter to new licensing agreements, including a first in the video game sector.
    - *Agreement with Black Box, an Electronic Arts studio, one of the most significant interactive software companies in the world (video games).*
    - *Agreement with Universal Studios Home Entertainment. D-BOX Motion code™ will be embedded to selected Blu-ray™ titles produced by this studio (home theatre).*
  - D-BOX expands its Board of Directors with the election of Mr. Louis Brunel and Mr. Strath Goodship at its most recent annual general meeting.
    - *Mr. Brunel, whom will act as Chairman of the Board has founded and managed corporations in Canada, Europe and in the United-States mostly in the cable television and telecommunications industries and has participated in the implementation of approximately \$2 billion dollars of financings.*
    - *Mr. Goodship currently acts as President and Chief Executive Officer of Miranda Technologies Inc, a Canadian corporation which develops, manufactures and markets high-performance hardware and software for the television broadcast industry.*
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Commenting the quarterly accomplishments, Mr. Claude McMaster, President and Chief Executive Officer of D-BOX stated: " The recognition of the potential and the acceptance of our technology continues to progress with key players of the industry as witnessed by our most recent agreements with Universal Studios Home Entertainment and Electronic Arts. Although, the negotiation of such agreements requires significant resources, we believe these investments are necessary to establish our technology's recognition as well as the notoriousness of the D-BOX brand which will eventually lead to increased sales. We can rely on a solid balance sheet, which now allows us to accelerate the company's development while focusing on the most promising sectors."

### **Three-month period ending September 30, 2008**

For the second quarter of fiscal 2009 ended September 30, 2008, revenues totalled \$1,004,910 compared with \$1,148,733 for the corresponding period last year. This 13% decline resulted from sales of home entertainment products, which fell to \$715,564 from \$856,596, whereas sales to manufacturing clients in the commercial entertainment segment held steady at \$289,346 compared with \$292,137 for the same period last year.

For the second quarter, gross profit amounted to \$331,449 compared with \$502,654 for the prior year corresponding period. This change in gross profit is mainly due to fixed production cost increases resulting from the expansion and outfitting of our production facilities.

For the second quarter of fiscal 2009, net loss amounted to \$1,484,603 (\$0.0159 per share) compared with a net loss of \$784,909 (\$0.0085 per share) for the corresponding period last year. This increase in the quarterly loss is mostly explained by lower gross profit and by an increase in sales and marketing, administrative and research and development expenses.

The financial information in regards to the three-month period ended September 30, 2008 which is described above as well as the information in regards to the six-month period ended September 30, 2008 described hereafter should be read in conjunction with the financial statements and the interim management and discussion analysis dated September 30, 2008. These documents are available at [www.sedar.com](http://www.sedar.com)

### **Six-month period ended September 30, 2008**

For the six-month period ended September 30, 2008, revenues amounted to \$2,138,443, up 10% from \$1,951,271 for the corresponding period last year. This revenue growth was driven by a 32% increase in sales of home entertainment products to \$1,574,700 from \$1,192,180 a year ago. This increase resulted from the addition of new points of sale, including the expansion of the Corporation's network of specialty stores, the positioning of resources and sales and marketing initiatives, as well as increased market share prompted by new product launches over the past year. Furthermore, sales to manufacturers in the commercial entertainment segment fell 26%, totalling \$563,743 in the first six months of fiscal 2009 compared with \$759,091 for the corresponding period of 2008. While, they remained significant, the relative importance of sales generated from the arcades market fell from 39% of total revenues last year to 26% of total revenues for the current fiscal year.

For the six-month period ended September 30, 2008, gross profit amounted to \$797,034 compared with \$782,103 for the corresponding period of the previous year. This gross margin decline results primarily from an increase in fixed production costs.

For the six-month period, net loss amounted to \$2,546,425 (\$0.0275 per share) compared with \$1,782,759 (\$0.0238 per share) for the corresponding period last year. The increase in net loss for the six-month period is mostly explained by lower gross profit and by an increase in sales and marketing, administrative and research and development expenses.

### **Extension of the performance warrants held by Deluxe Digital Studios, Inc.**

D-Box announces that 800,000 of the 1,500,000 "bonus warrants" held by Deluxe Digital Studios, Inc. have been amended by extending their expiry date from August 25, 2009 to September 30, 2009. The bonus warrants were issued by D-Box on August 25, 2006 in connection with services provided to D-Box by Deluxe Digital Studios, Inc."

### **Outlook**

Generally speaking, D-BOX will focus on three main areas of development; video games, traditional movie theatres and home theatre.

Following the signature, shortly after the end of the quarter of a first licensing agreement with a video game development studio, D-BOX aims over the course of the next few quarters to negotiate other such agreements while pursuing its discussions with gaming device manufacturers to make the D-BOX technology compatible with their equipment. The conclusion of such a step would allow D-BOX to access a significant number of players. For the manufacturers, the D-BOX technology could prove a significant differentiation factor in a highly competitive market where the gain or the loss of a few market share points can represent significant amounts of money.

In regards to commercial entertainment, the Company is pursuing its discussions with theatre owners in a few major North-American cities as well as with movie studios with the intent of presenting a first feature presentation incorporating audio, video and motion (AVM). Eventual penetration of this new market could contribute increasing the visibility of the D-BOX technology and in the mid-term could translate into a significant source of income either through the sale of systems, royalties on tickets sold or the execution of service contracts.

Current economic conditions may create challenging markets for the sale of D-BOX products and have an impact on the Company's future profitability.

### **About D-BOX**

D-BOX Technologies designs and manufactures high-technology motion systems destined mainly for the entertainment industry. Its unique, patented technology uses D-BOX Motion Code™ specifically programmed for each film, TV program or video game, resulting in motion that is perfectly synchronised with on-screen action. By forming strong industry alliances, D-BOX's award-winning motion technology is creating a global standard in the entertainment world. For more information, please visit [www.d-box.com](http://www.d-box.com).

D-BOX is a registered trademark and D-BOX Motion Code is a trademark of D-BOX Technologies Inc. Other names are for informational purposes only and may be trademarks of their respective owners.

## **Disclaimer in regards to Forward-Looking Statements**

Certain statements included herein, including those that express management's expectations or estimates of our future performance, constitute "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Investors are cautioned not to put undue reliance on forward-looking statements. We disclaim any intent or obligation to update publicly these forward looking statements, whether as a result of new information, future events or otherwise.

*The TSX Venture Stock Exchange does not assume any responsibility as to the relevance or the accuracy of this press release.*

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