

D-BOX releases its 2008 Annual Financial Results and reviews its highlights

Longueuil, (Québec), June 24, 2008. D-BOX Technologies Inc. - (TSX-V: DBO.A), announces today its results for the fiscal year ended March 31, 2008 and takes advantage of this opportunity to review the main highlights impacting on its last fiscal year.

Operational Highlights

- **Completion of an \$11.5 M financing during the second and third quarter**
 - *Helped strengthening the sales team, speeding-up marketing and business development efforts towards movie studios, game producers and entertainment equipment manufacturers.*
- **Increased business development efforts leading in particular to the completion of license agreements with the following movie studios: Walt Disney Home Entertainment, Sony Picture Home Entertainment and Lions Gate.**
 - *Strengthening of the credibility of the D-BOX motion technology before its resellers and retailers networks as well as in the general public.*
 - *Better positioning for the potential introduction of the D-BOX Technology in the movie theatre market.*
- **Acceleration of the marketing of the SRP product range (Screening Room Platform)**
 - *Lower cost product, allowing the targeting of a larger potential market.*
 - *Better adapted product for the developing specialised electronic retailers' network which complements the traditional network of specialty installers.*
- **Technology integration in a specifically designed movie theatre product**
 - *Well received demonstration at an important trade show in March 2008.*
 - *Current discussions with owners of movie theatres as well as with studios, targeting at the introduction of D-BOX chairs in movie theatres during the course of the next year.*

Commenting the performance of the year, Claude Mc Master, President and Chief Executive Officer declared: "Over the past twelve months, we have reached several important strategic goals. The completion of new licence agreements with renowned movie studios has allowed for an increase of the recognition and visibility of our technology, which in turn has helped the expansion of our distribution network. This enlarged network combined with the introduction of more affordable products and increased business development efforts in the movie theatre and video game sectors make us foresee a promising future, which should translate into increased revenues and the completion of new license agreements over the next quarters."

Fiscal Year ended March 31, 2008

For the fiscal year ended March 31, 2008, D-BOX announces revenues of \$3.625 M and a net loss of \$4.9 M (\$0.060 per share) compared to revenues of \$4.088 M and a net loss of \$2.1 M (\$0.037 per share) for the previous year.

The Corporation presents a sound balance sheet with cash and cash equivalent value close to \$8.5 M as of March 31, 2008.

Financial highlights

(in thousands of dollars, except for per-share amounts)	Fiscal Year ended March 31		Three months ended March 31	
	2008	2007	2008	2007
Information from the Consolidated Statements of Operations and Deficit				
Revenues	3,625	4,088	725	1,121
Gross profit	1,321	1,768	236	462
Net loss and comprehensive results	(4,917)	(2,119)	(1,603)	(460)
Loss per share – basic and diluted	(0,060)	(0,0368)	(0,022)	(0,0072)
Information from the Consolidated Statements of Cash Flows				
Cash flows relating to operating activities	(4,648)	(2,263)	(797)	(305)
Additions to property, plant and equipment	(407)	(312)	(136)	(50)
Additions to intangible assets	(114)	(87)	(31)	(12)
Information from the Consolidated Balance Sheet as of March 31				
Cash, cash equivalent and short-term investments	8,452	2,731	8,452	2,731
Working capital	9,401	3,717	9,671	3,717
Total assets	11,790	5,543	11,790	5,543
Long-term debt, including current portion	37	772	37	772
Total liabilities	1,195	1,940	1,195	1,940
Shareholders' equity	10,594	3,603	10,594	3,603

For the year ended March 31, 2008, revenues amounted to \$3,625,434 compared to \$4,088,140 the previous year, an 11% reduction. This decrease results from the reduction in the arcade sector deliveries, from \$2,237,437 to \$1,459,841, a 36% drop. On the other hand, revenues of the home theatre D-BOX products increased from \$1,815,703 to \$2,165,590, a 19% increase. The relative impact of the arcade sector revenues over total revenues should decrease since D-BOX will going forward, emphasize its sales efforts on the home and theatre entertainment products.

The variation in exchange rate had a negative impact on revenues. Sales invoiced in US dollars represent 79% of the 2008 total revenues and the increase of the Canadian dollar had a negative impact of \$326,000 on total revenues, when compared to the previous fiscal year results.

For fiscal 2008, gross profit amount to \$1,320,634 compared to \$1,768,353 the previous year. This reduction in gross profit resulted primarily from the negative impact of the exchange rate variation and the reduction in sales in comparison with the corresponding period.

In 2008, marketing and sales expenses amounted to \$3,496, 863 compared to \$1,885,774 the previous year. This important increase stemmed from several factors, including an increase in sales resources and development costs related to new markets, in particular the business development before the movie theatre owners as well as our increased efforts to penetrate the home video game and the movie theatre markets. In the fourth quarter, in accordance with an agreement with a film exhibition print distribution firm, the Corporation has also accrued a charge of \$280,514, equivalent to the value of the warrants issued following the completion of the agreement with Disney Home entertainment and to the marketing of several movies incorporating the D-BOX motion code.

Finally, the research and development costs amounted to \$1,039,082 for the fiscal year ended March 31, 2008 compared to \$413,870 the previous year. This increase results primarily from a higher payroll and

from costs related to the development of new products launched during the year or to be launched during the next quarters. Additional resources have been hired in order to build a video game library compatible with our technology.

Three month period ended March 31, 2008

For the fourth quarter ended March, 31, 2008, revenues amounted to \$725,046, a 35% decrease in comparison with the \$1,120,738 comparative figure the previous year. This reduction is mainly attributable to the reduction of "OEM" revenues in the arcade sector, which amounted to \$262,745 for the quarter, in comparison to \$731,876 in the corresponding quarter of the previous year. Sales of D-BOX products rose from \$388,863 to \$462,301. For the last quarter, the exchange rate variation had a negative impact of \$88,000 on revenues when compared to the corresponding period the previous year.

For the last quarter of fiscal 2008, the gross profit amounted to \$236,213 compared to \$461,070 for the corresponding quarter of the previous year. This decrease of gross profit resulted primarily from reduced revenues. For the quarter ended March 31, 2008, marketing and sales expenses amounted to \$1,279,503 compared to \$555,413 for the fourth quarter 2007.

For the fourth quarter ended March, 31, 2008, the net loss amounts to \$1.9 M (\$0.022 per share) compared to a net loss of \$0.460 M (\$0.007 par share) for the fourth quarter ended March 31, 2007.

Outlook

On the short and midterm, the D-BOX strategy aims at two targets: increased revenues and technology recognition confirming it as a new worldwide motion standard in the entertainment industry.

These goals will generate specific actions to enlarge the North-American distribution network of the corporation, especially through new specialized electronic stores where D-BOX was not present at the beginning of fiscal 2008. At the same time, D-BOX will put in place resellers training programs and increase investments in marketing.

With already completed licence agreements with five movie studios, three of which amongst the largest in the industry, D-BOX intends to pursue its actions primarily before the movie studios considering adopting the new high definition Blu-ray® standard, thus increasing the number of studios supporting its technology.

To reach the double objective of revenue growth and technology recognition, D-BOX also targets the completion, during the next year, of an agreement with at least one movie theatre owner in order to have one theatre equipped with its technology. D-BOX believes this strategy will enhance its visibility and induce an increased interest for its products in the home entertainment market. On a longer term, this new market could generate recurrent revenues by way, as an example, of royalty fees on ticket sales in addition to the revenues resulting from the sale of equipment to initially build the theatres.

Finally, D-BOX also intends to speed-up the development of the home video game sector. To this end, D-Box intends to introduce a less expensive game chair, targeting a market segment wider than the actual one. D-BOX foresees the completion of an agreement with a console manufacturer, and at least one of the largest game producers, while still adding new compatible games in the actual library.

About D-BOX

D-BOX Technologies Inc. designs and manufactures high-technology motion systems destined mainly for the entertainment industry. Its unique and patented technology, D-BOX MOTION CODE(TM), is specifically programmed for each film, TV program or video game, resulting in motion that is perfectly synchronized with on-screen action. By forming strong alliances with industry leaders, 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.

D-BOX (TM) is a registered trademark and D-BOX MOTION CODE(TM) is a trademark of D-BOX Technologies Inc. Other names are for informational purposes only and may be trademarks of their respective owners.

Forward-Looking Statements

Certain statements included herein, including those that express management's expectations or estimates of D-BOX 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. We caution that such forward-looking statements involve known and unknown risks, uncertainties and other risks that may cause our actual financial results, performance, or achievements to be materially different from our estimated future results, performance or achievements expressed or implied by those forward-looking statements. Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation, D-BOX ability to achieve increased market acceptance for its product offerings and penetrate new markets; the existence of undetected errors or similar problems in the Corporation products; D-BOX ability to manage its growth; D-BOX ability to compete successfully; potential liabilities; maintaining D-BOX intellectual property rights and litigation involving intellectual property rights; D-BOX dependence on the expertise of its key personnel; and D-BOX access to sufficient capital to fund its future requirements. This list is not exhaustive of the factors that may affect any of D-BOX forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements. All subsequent written and oral forward-looking statements attributable to D-BOX or persons acting on its behalf are expressly qualified in their entirety by this notice. These forward looking statements are made on their respective dates and D-BOX disclaim any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable laws. Risks and uncertainties about the Corporation business are more fully discussed in our Annual Report.

The TSX Venture Exchange does not accept any responsibility for the adequacy or accuracy of this release.

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