

Attention Business/Financial Editors:
iseemedia restates historical financials

(TSX-V:IEE)

TORONTO, June 6 /CNW/ - iseemedia Inc. announced today that it has filed restated audited annual financial statements for the fiscal years ended March 31, 2004 and June 30, 2005 and restated quarterly financial statements for each of the quarters in fiscal 2006 and 2007 as a result of the Company's current auditors discovering that there are prior period adjustments applicable to the fiscal years ended March 31, 2004 and June 30, 2005.

In connection with the filing of the restated financial statements, the Company's former auditors, Cogan & Associates, have provided the Company with a restated audit report in respect of the restated audited annual financial statements for the year ended June 30, 2006. In addition, the Company's current auditors, Danziger Hochman Partners LLP, have completed a formal review engagement of the financial statements in accordance with Canadian generally accepted standards for review of interim financial statements for the nine month period ended March 31, 2007.

Summary of restated items

The Company's previously filed financial statements for the fiscal year ended March 31, 2004 did not account for the beneficial conversion features included in its convertible debentures and loans payable. Upon further evaluation by management, it has been determined that these beneficial conversion features should have been capitalized and recorded as debt discounts. As a result, the financial statements for the fiscal year ended March 31, 2004 have been restated to recognize the following:

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- \$181,374 of unamortized debt discounts related to the convertible debentures;
- \$108,325 of unamortized debt discounts related to the loans payable;
- \$338,505 of contributed surplus; and
- \$48,806 expense relating to the amortization of debt discounts.

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The net impact on the Company's consolidated statement of operations for the fiscal year ended March 31, 2004 was an increase in financing costs of \$48,806 relating to the amortization of debt discounts.

The Company's previously filed financial statements for the fiscal year ended June 30, 2005 did not account for the value related to the issuance of 292,118 common shares for the purchase of certain computer technology, the subsequent amortization of such computer technology, and the issuance of 305,401 common shares issued as a penalty related to a delay in going public. Additionally, these financial statements did not record the effects of the aforementioned restatements to the fiscal year ended March 31, 2004. As a result, the financial statements for the fiscal year ended June 30, 2005 have been restated to recognize the following:

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- \$248,300 increase in gross property and equipment related to the 292,118 common shares issued for the purchase of certain computer technology;
- \$248,300 increase in amortization of property and equipment related to the purchased computer technology;
- \$259,591 increase in administrative and general expenses related to the 305,401 common shares issued as a penalty related to a delay in going public;
- \$507,621 in capital stock related to the 292,118 and 305,401 common shares issued in the aforementioned; and

- \$289,699 expense relating to the amortization of the debt discounts recognized in the restated financials for the fiscal year ended March 31, 2004.

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The net impact on the Company's consolidated statements of operations for the fiscal year ended June 30, 2005 were an increase in amortization of property and equipment of \$248,300; an increase in administrative and general expense of \$259,591; and an increase in financing costs of \$289,699, resulting in an overall increase in expenses of \$797,590.

For the fiscal years ended June 30, 2006 and 2005, and related quarters, the consolidated statements of cash flows have been restated to reflect the above-noted adjustments and to net certain non-cash financing and investing activities.

In addition, the significant accounting policies relating to foreign currency translations and financial instruments have been revised.

About iseemedia

iseemedia Inc. is a software company focused on the commercialization of advanced, rich content adaptation and delivery solutions for Web and wireless applications. The Corporation has perpetual licenses to 39 U.S. patents (and patents on the same technology registered in other jurisdictions) and to patents pending in respect of technology involving ImageServer, panoramas and viewers and image editing, forming the core technology that supports the Company's wireless strategy. The Company also has filed three (3) applications in respect of wireless patents relating to its content delivery and mobile device solutions. iseemedia is listed on the TSX Venture Exchange (Symbol:IEE). For more information, visit www.iseemedia.com.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

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