

News Release

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IGA Worldwide, Inc. receives significant venture capital injection

~ pioneering in-game advertising group receives investor backing as sector interest soars ~

With in-game advertising forecast to grow by at least 40 percent this year and exceed \$1 billion before the end of the decade, market pioneer IGA Worldwide, Inc. has secured a first close of \$12 million in its initial round of institutional financing to further accelerate its growth.

A consortium of investors led by New York-based Easton Capital Group and co-led by Morgenthaler Ventures and including existing investor DN Capital has subscribed to the Series A funding round, eager to capitalise on the group's significant market traction and unique combination of ad agency and media experience, videogame culture, and cutting edge proprietary technologies.

IGA Worldwide's proprietary Radial Network offers the ability to deliver a range of advertising content including audio, video and 3D geometry into a broad spectrum of leading computer and videogame titles and platforms, through its various exclusive partnerships with game publishers and developers.

It also offers marketers the opportunity to geo-target and update ad content and report live and post-campaign metrics from their advertisements through a ground-breaking technology termed Dynamic In-Game Advertising (DIGA). This provides unrivalled planning flexibility and ensures almost zero wastage.

As a conduit between advertisers, agencies and publishers, IGA Worldwide and its strategic communications consultancy Hive Partners provide the expertise, services and infrastructure to tap into a mass entertainment audience that reaches out to 150 million people in the US alone, predominantly in the lucrative and notoriously hard-to-reach 18 to 34 year old male audience.

“This funding round will help us take in-game advertising to another level,” said IGA Worldwide CEO, Justin Townsend. “The medium is already proving itself, but this vote of confidence along with our unique, proven approach to the market means that there is no end to the value we can provide to both advertisers and game publishers.”

Despite forecast industry growth of 12 percent CAGR and a current global market value approaching \$30 billion in revenues, the cost of developing games for new platforms is now estimated at between \$10 – 20 million. In-game advertising provides publishers with a valuable new revenue stream as well as brand-funded game content and co-promotional exposure, helping to offset the commercial risks of bringing exciting new titles to market.

“We and Morgenthaler Ventures both believe that this is a major market with explosive growth potential. After an extensive analysis of the space and feedback from the varied constituencies served, we targeted IGA as the most attractive player based on the unique breadth of its management team and their service and product offerings,” said John Friedman, Managing General Partner of Easton Capital Group.

Unlike other entertainment and advertising channels, gaming is an interactive medium, enabling the consumer to actively engage with trends and experience products and associated benefits as part of the gameplay. Research from the likes of Nielsen Entertainment has proven that this helps to increase the impact of in-game advertising compared with other advertising mediums.

“IGA’s deep advertising and game development backgrounds assure their ad placements will be sensitive to the gaming experience - increasing effectiveness for the advertiser and improving the user experience,” explained Greg Blonder of Morgenthaler Ventures.

Steve Schlenker, Managing Partner of DN Capital, added: “Over the past decade, video games have emerged as a dominant medium and are increasingly replacing TV and film as the primary entertainment source. IGA helps advertisers not only to reconnect with consumers, but also to engage them interactively for the first time.”

The company is headquartered in New York, with offices in London and Berlin.

(602 words)

NOTES TO EDITORS

About IGA Worldwide, Inc. (www.igaworldwide.com)

IGA Worldwide, Inc. is the global leader in unique 360-degree in-game advertising solutions, helping brands to understand and exploit the rich and diverse opportunities available now and in the future. Its proprietary ad serving network, Radial, enables advertisers to target millions of engaged consumers across a wide range of platforms and genres whilst they play.

It also provides strategic consulting services including integrated product placement and co-promotion through its wholly-owned communications consultancy, Hive Partners. Headquartered in New York with offices in London and Berlin, the group is backed by Easton Capital Group, Morgenthaler Ventures and DN Capital.

About Easton Capital Group (www.eastoncapital.com)

Easton Capital Group (Easton) is a venture capital firm which invests primarily in growth capital and healthcare opportunities through its two funds, Easton Hunt Capital Partners, L.P. and Easton Hunt New York LP (a fund dedicated to investing in New York State companies).

Its target investments are well-managed companies characterized by differentiated products addressing major unserved markets. Easton's partners have more than 180 years experience in venture capital, having managed more than \$1.5 billion in assets. Easton has offices in New York and Florida.

About Morgenthaler Ventures (www.morgenthaler.com)

Morgenthaler Ventures is a leading venture capital firm that has supported entrepreneurs as a trusted partner and expert advisor for over 37 years. It focuses its energies on cultivating world-class companies in two investment areas: Information technology and life sciences. Morgenthaler currently has over \$2.5 billion under management. In addition to IGA, Morgenthaler has made investments in other Internet services companies, including NexTag, SNOCAP, Orb Networks, and Rhythm NewMedia.

About DN Capital (www.dncapital.com)

DN Capital is a pan-European venture capital firm, backed by leading institutional investors in Europe and the United States. DN Capital's objective is to identify, invest and actively support leading European enterprise software, communications and digital media companies.

The professionals at DN Capital bring over 30 years of private equity experience to their investments, and actively work with portfolio companies to steward their growth through the various stages of development. The firm looks to invest €1-5 million per company and concentrates its investment activities in the United Kingdom, France and Germany. DN Capital is also active in helping leading US software companies enter the European market.

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