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## INNOVIUM REPORTS THIRD QUARTER EARNINGS

**Toronto** ... Innovium Capital Corp. ("Innovium", or the "Company") reports its results for the third quarter of 2006. The following describes a few noteworthy highlights:

### SEED MEDIA GROUP

- Seed Media Group, LLC ("Seed") has engaged Rothschild Inc. to provide investment banking services as Seed explores a variety of M&A (merger and acquisition) and financing opportunities, which may include strategic partnering relationships. The selection of Rothschild was made after meeting with several top investment banks in New York.
- Seed has won new advertising accounts including: Intel, Honeywell, Honda/Acura, Schering Plough, and Sony PlayStation.
- The Company engaged Ruder Finn as its public relations agency of record for 2007 after a thorough selection process. Ruder Finn has considerable experience building thought-leader brands and positioning CEOs in front of global issues. Their international footprint extends from Shanghai to Tel Aviv to their world headquarters in New York.
- Seed was nominated for the 2006 Utne Independent Press Award for General Excellence and for Science/Technology Coverage from 1,200 magazines in competition. Winners will be announced in January. This is a highly-regarded nomination in the industry.
- ScienceBlogs was selected by Sony to provide content to a new digital device they will be launching this fall.
- Newsstand distribution was expanded with an additional 350 college bookstores across the US operated by Barnes & Noble.
- ScienceBlogs has grown by 106% since inception, and over 2.7 million page views were generated in the month of September. ScienceBlogs is now ranked 25th out of the 60 million blogs rated by Technorati.

### CABLESEGE SOFTWARE

- In the third quarter, CablesEdge Software Inc. ("CablesEdge") signed distribution agreements with 3 wireless resellers in the US & UK and is planning to launch its service jointly to customers by year-end. In preparation for these launches enhanced versions of both its Enterprise and Consumer solutions have been released, and the company's operational procedures have been refined.
- The pipeline remains strong with significant interest in CablesEdge's products from carriers, resellers and enterprises around the world. CablesEdge recently demonstrated its technology at the Paris Auto Show and the Intelligent Transport World Congress in London, England.
- Active trials of the solutions for carriers, resellers and enterprises in the UK, Canada, USA and Europe are being conducted at its Toronto and London hosting centres.

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As expected, and as previously disclosed by Innovium, the Company's agri-products revenue stream after January 2005 declined to more modest levels. Innovium's revenue source from Lallemand has historically consisted of 15% of Lallemand's Levucell sales, irrespective of jurisdiction. These sales were predominately generated in Europe and North America. In accordance with Innovium's agreement with Lallemand signed in 1999 (the "Lallemand Agreement"), as of February 1, 2005, this payment is now computed as 2.5% of worldwide Levucell sales. As the market for Levucell has not yet been developed much beyond Europe and North America, Innovium's revenue stream experienced an expected significant decline.

Agri-products revenue was \$116,000 for the third quarter of 2006 compared to \$99,000 in the second quarter of 2006, \$116,000 in the first quarter of 2006 and \$97,000 for the third quarter of 2005. The fluctuation from quarter to quarter in 2006 is attributed to seasonality of the underlying sales cycle whereas the 20% year-over-year third quarter increase results from higher sales of the underlying Lallemand products. While Management cannot be certain, we believe that this year-over-year increase is reflective of Innovium's expectation that agri-products revenues will gradually increase over the upcoming 24 years of the Lallemand Agreement as Lallemand continues to expand its sales of Levucell-based products around the world.

In the third quarter of 2006, Innovium sold its last 1,000,000 shares of Atlantis Systems Corp. ("Atlantis") for proceeds of \$409,000 resulting in a loss of \$145,000. In the second quarter of 2006, Innovium sold 3,071,500 shares of Atlantis for proceeds of \$1,600,000 resulting in a loss of \$100,000. In the first quarter of 2006, the Company sold 1,928,822 shares of Atlantis for proceeds of \$1,146,000 resulting in a gain of \$79,000. In the first nine months of 2006 Innovium sold a total of 6,000,322 shares of Atlantis for proceeds of \$3,155,000 resulting in a net loss of \$166,000. In 2005, no gains or losses were realized.

Management believes that it is appropriate to regularly evaluate and analyse the Company's investment portfolio with a view to ensuring that the carrying value of its investments are in line with the fair value of those investments. In the third quarter of 2006, the Company recorded an unrealized loss on venture investments of \$5,000 which consists of a gain of \$2,000 on its CablesEdge investment, a loss of \$6,000 on its investment in First Person Plural Inc. ("FPP") and a foreign exchange gain of \$1,000 on its Seed investment (attributable to the fluctuating Canadian dollar compared to the US dollar). In the second quarter of 2006, the Company recorded an unrealized gain on venture investments of \$68,000 which consisted of a gain of \$191,500, primarily as a result of an increased valuation of its Seed investment, that was partially offset by an unrealized foreign exchange loss of \$123,800 related to a foreign exchange adjustment on Innovium's Seed investment. In the first quarter of 2006, the Company recorded an unrealized gain on venture investments of \$17,200, \$15,700 of which was related to a foreign exchange adjustment on Innovium's Seed investment. The net unrealized gain for the first nine months of 2006 was \$83,000, comprised of an unrealized gain of \$190,000 from changes in the fair market value of venture investments offset by a \$107,000 unrealized loss from adjustments to the foreign exchange rates used for Innovium's Seed investment (2005 - net unrealized loss of \$263,000).

In the third quarter of 2006, the Company recorded an unrealized gain on short-term investments of \$139,000 primarily as a result of the increase in the stock price of Atlantis and Duran Ventures Inc. ("Duran") and partially offset by a decrease in the stock price of Dentonia Resources Inc. ("Dentonia"). This brings the total unrealized loss on short-term investments for the first nine months of 2006 to \$1,247,000. These unrealized losses primarily resulted from the net decline in the stock price of Atlantis and Dentonia and were partially offset by an increase in the market value of its investment in Duran. In the third quarter of 2005, the Company recorded an unrealized loss on investments of \$1,245,000 due primarily to the \$1,148,000 write-down in Innovium's investment in Fly America Furniture Inc. ("Fly"). At September 30, 2005, Fly was unable to meet its commitments as they came due, ultimately resulting in bankruptcy proceedings in October of 2005. The balance of \$97,000 was due to a decrease in the market value of its investment in Atlantis as at September 30, 2005. There were no short-term investments through the first nine months of 2005.

Interest and dividend income increased as a result of dividends accrued on the Seed preferred shares and interest charged on the CablesEdge promissory notes and advances to FPP. For the quarter and nine months ended September 30, 2006, the Company recorded interest and dividend income of \$112,000 and \$293,000, respectively, compared to \$8,000 and \$17,000 in the comparative 2005 periods.

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General and administrative expenses were \$252,000 in the third quarter of 2006, a \$6,000 increase compared to the third quarter of 2005. This net increase was primarily attributable to an increase in professional fees during the quarter. For the first nine months of 2006, Innovium incurred general and administrative expenses of \$883,000 compared to \$900,000 for the first nine months of 2005.

For the three and nine months ended September 30, 2006, the Company recorded a negative operating cash flow, after changes in non-cash working capital items, of \$156,000 and \$554,000, respectively, compared to a negative operating cash flow of \$220,000 for the three months ended September 30, 2005 and a positive operating cash flow of \$628,000 for the nine month period ended September 30, 2005.

Innovium had a 2006 third quarter loss of \$35,000 compared to a loss of \$1,382,000 in the third quarter of 2005. The loss for the first nine months of 2006 was \$1,324,000 compared to a loss of \$445,000 in the first nine months of 2005. The most significant factor affecting the Company's "bottom line" is the fluctuation in the fair value of Innovium's investments.

### Table of Highlights of the Financial Statements

<i>(in thousands of dollars, except per share amounts)</i>	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Agri-products revenue	\$ 116	\$ 97	\$ 331	\$ 657
Losses on investments	(36)	--	(57)	--
Unrealized gains (losses) on investments	26	(1,245)	(997)	(263)
Interest and dividend income	112	8	293	17
General and administrative expenses	252	246	883	900
Depreciation	3	2	7	7
Foreign exchange loss (gain)	(2)	(6)	4	(51)
<b>Net loss</b>	<b>\$ (35)</b>	<b>\$ (1,382)</b>	<b>\$ (1,324)</b>	<b>\$ (445)</b>
<b>Net loss per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.03)</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Cash provided by (used in) operating activities, after net change in working capital balances</b>	<b>\$ (156)</b>	<b>\$ (220)</b>	<b>\$ (554)</b>	<b>\$ 628</b>

<i>(in thousands of dollars)</i>	<b>Sept. 30</b>	<b>Dec. 31</b>
	<b>2006</b>	<b>2005</b>
Cash and cash equivalents	\$ 1,118	\$ 889
Accounts receivable and other assets	214	278
Short-term investments	469	977
<b>Total current assets</b>	<b>1,801</b>	<b>2,144</b>
Venture investments	6,074	6,891
Capital assets, net	31	32
<b>Total assets</b>	<b>\$ 7,906</b>	<b>\$ 9,067</b>
Accounts payable and accrued liabilities	\$ 52	\$ 150
<b>Total current liabilities</b>	<b>52</b>	<b>150</b>
Notes payable	--	363
<b>Total liabilities</b>	<b>52</b>	<b>513</b>
<b>Shareholders' equity</b>	<b>7,854</b>	<b>8,554</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 7,906</b>	<b>\$ 9,067</b>

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Forward-Looking Statements: This disclosure contains certain forward-looking statements within the meaning of applicable securities law, which are based on the opinions and estimates of Management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Such risks and uncertainties include, but are not limited to, risks associated with the inherent risks of investing in early-stage opportunities and the exchange rate risk associated with investments denominated in foreign currencies, as well as those risks described in public disclosure documents filed by Innovium. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the securities of Innovium should not place undue reliance on these forward-looking statements. Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are but examples and are not exhaustive.

Innovium undertakes no obligation to update publicly or revise any forward-looking statements contained herein whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

Innovium Capital trades under the symbol **INV** on the TSX Venture Exchange.

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