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## **IPIX TO ACQUIRE PICTUREWORKS TECHNOLOGY, INC. TO FORM END-TO-END INTERNET IMAGING SOLUTIONS COMPANY**

\$175 Million Acquisition to Create Industry Leader in B2B and B2C Visual Content Infrastructure--Building the "In Drive E-commerce

OAK RIDGE, Tenn. and PALO ALTO, Calif. (3/8/00)--Internet Pictures Corporation (Nasdaq: IPIX, "iPIX"), a leader in infrastructure solutions for the Internet, and PictureWorks Technology, a leader in digital media solutions which enable users to easily publish still photos and other rich media content to the Web, announced today that they have signed a definitive agreement for iPIX to acquire PictureWorks in a stock-for-stock transaction valued at approximately \$175 million. The combined company's technologies will create the first "Imaging Infranet," an extensive global infrastructure of services, networks, and systems for visual content. This combination of robust infrastructure and services will make iPIX the choice for one-stop imaging solutions in the real estate, e-retail, travel, publishing, entertainment, consumer online auctions, architecture/engineering/construction and insurance markets.

Upon closing, this acquisition will position iPIX as the only end-to-end provider of visual content solutions including:

- Full-service virtual tours provided by iPIX's photographer network
- Self-service 360 by 360 degree virtual tours using iPIX camera kits
- Instant publishing of still photos to Web sites using PictureWorks' Rimfire solution
- iPIX interactive WebCams
- iPIX Movies
- Transformation and enhancement (watermarking, annotation, PhotoMovies(TM), SurroundView(TM), etc.) of user-generated content using Rimfire
- Visual content hosting and distribution to leading Web sites across the Internet

"By combining with PictureWorks, we will create the leading provider of visual content solutions for e-commerce applications on the Internet," said Jim Phillips, chairman and CEO of iPIX. "PictureWorks' industry leading technology and proven track record, combined with iPIX's innovative technology and global visual content infrastructure, will create a winning and complementary partnership. This merger will solidify iPIX's position as the leader in imaging for the Internet and will provide our B2B and B2C customers with the most comprehensive, end-to-end content acquisition and delivery solution in the market today."

Under terms of the agreement, iPIX will acquire all of the outstanding shares of PictureWorks stock in exchange for iPIX stock. iPIX will issue 5,367,670 shares of iPIX Common Stock to the PictureWorks stockholders. The agreement provides for an average closing price of iPIX Common

Discovery.com, Microsoft, CNN, General Motors, IBM, NBC, Travelocity, Disney, Viacom, ADF, Auctions.com and a network of more than 500 iPIX photographers covering over 5,500 cities around the globe.

## **NEW MARKET OPPORTUNITIES IN AUCTIONS, A/E/C AND INSURANCE**

iPIX, which provides imaging solutions for e-commerce applications, will combine its visual content infrastructure with PictureWorks' Rimfire Internet media services and infrastructure. PictureWorks' Rimfire services will enable iPIX to capture media including photos, sound, audio and video directly from end-users and host and distribute it using iPIX's back-end content distribution management system. This acquisition allows iPIX to enhance its offering to the real estate industry as well as new markets including large-scale visual content management including consumer online auctions, architecture/engineering/construction and insurance.

"PictureWorks and iPIX are rapidly building market share and penetration of their Internet imaging solutions," said Don Strickland, president of digital imaging advisors, Future Image. "The combined services and visual content infrastructure of the combined companies provides a complete turnkey Internet imaging solution for numerous markets, including real estate, insurance, travel and more. That includes a full service photographer network, and do-it-yourself support for the over ten million digital camera users on the Internet today. This is a combination that will be hard for competitors to match."

By acquiring PictureWorks, iPIX believes it will be best positioned in the market to offer B2B and B2C imaging solutions to leading e-commerce providers. With the addition of PictureWorks' services and infrastructure to iPIX's visual content infrastructure, iPIX adds easy-to-use media collection and transformation services that allow e-commerce sites to deploy large-scale visual content. Using a content management solution from the combined companies, consumers can drag and drop still photos and audio created media including sound, audio and video into a Web based client/server solution that collects, formats and distributes content.

"By joining forces with an organization of iPIX's caliber, we can truly empower businesses with the broadest range of imaging solutions and infrastructure available. Our combined company will create the de facto standard for B2B and B2C imaging solutions and services for the Internet," said Don Strickland, CEO of PictureWorks Technologies. "The benefit to our combined customers is one-stop outsourcing of all imaging requirements for the Internet."

This acquisition allows iPIX to enhance its offering to the real estate industry with still photo submission, management and distribution in addition to the iPIX Virtual Tour. Homestore.com recently selected PictureWorks' Rimfire solution to provide "Instant Photo Submission" for adding multiple photos to real estate listings. Using Rimfire, real estate professionals have the ability to easily enhance their property listings with additional photos. It allows the simple drag and drop of images from any scanner, CD, or floppy disk directly into the Rimfire-enabled Web page. Rimfire automatically previews, resizes and uploads photos, saving time for the user.

## **THE 'IMAGING INFRANET'**

"With the acquisition of PictureWorks, iPIX is positioned to be a leading provider of B2B imaging for the Internet," said the principal, InfoTrends Research Group. "The addition of Rimfire to iPIX's end-to-end visual content infrastructure will enable businesses robust, easy-to-use and highly scaleable imaging solutions for e-commerce applications."

high performance and scalable digital media management infrastructure.

- Visual Content Distribution - Offering the broadest range of end-to-end visual content solutions, iPIX seamlessly distributes content to many of the Internet's most trafficked sites and iPIX View Always technology enables users to view images on various platforms from personal computers to wireless, handheld devices.

The company's headquarters will remain in Oak Ridge, Tennessee and Palo Alto, California, and will include offices in Chicago, Danville, London, Los Angeles, New York, and Tokyo.

### **ABOUT IPIX**

iPIX (NASDAQ: IPIX) provides global visual content infrastructure solutions for leading e-commerce and new media companies. iPIX end-to-end solutions enable the creation, hosting and distribution of rich visual content to thousands of Internet users across an array of industries, including real estate, e-retail, automotive, travel, publishing and entertainment are capitalizing on rich visual content to give viewers more information, more interaction and a richer online experience. The company is headquartered in Oak Ridge, Tennessee with co-headquarters in Palo Alto, California

### **ABOUT PICTUREWORKS TECHNOLOGY**

PictureWorks Technology, Inc. is an award-winning developer and marketer of pioneering Internet imaging technology. The company provides media infrastructure and services to web sites requiring high volumes of user-supplied content. The company's services make it easy for customers to collect, transform, and deploy millions of media objects in just seconds. PictureWorks markets its services to the online auctions, real estate, classifieds, insurance and A/E/C industries. Founded in 1994, PictureWorks is a privately held company headquartered in Danville, California.

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This press release contains forward-looking information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and is subject to the risks and uncertainties created by those sections. Statements concerning the implementation of Internet Pictures Corporation's services and the results of those services and expected to result from those services constitute forward-looking statements and are based on current expectations. Actual results may differ materially from those projected in the forward-looking statements. Factors that could cause actual results to differ include the failure of Internet Pictures Corporation to complete the merger, and the failure to successfully integrate PictureWorks Corporation's operations into its own. The matters discussed in this press release also involve risks and uncertainties described from time to time in Internet Pictures Corporation's filings with the Securities and Exchange Commission (SEC). In particular, see "Risk Factors" in the proxy statement included in the Registration Statement for bamboo.com, Inc. (now known as Internet Pictures Corporation) filed on Form S-4 declared effective by the SEC on December 16, 1999

(www.sec.gov). <<http://www.sec.gov>>.