



**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

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**Lyrtech announces sale of assets and concurrent private placement**

QUEBEC CITY, January 22, 2008 — Lyrtech Inc. (Lyrtech; TSX-V: LYT), announces that on January 16, 2008, it signed a letter of intent with Enigma Interconnect Inc. (Enigma), an electronics manufacturing services (EMS) provider, for the sale of certain assets of the Innovator division of Lyrtech and a concurrent private placement of \$500,000. The aggregate proceeds of both transactions is \$844,103. This letter of intent was instrumental in obtaining an interim forbearance agreement with its bank. On January 21, 2008, the parties closed both transactions in trust, pending the release of the funds held in trust and regulatory approval.

Lyrtech and Enigma are operating at arm's length. Enigma has manufacturing facilities in Canada, and procurement and engineering offices in China. Enigma is entering into this transaction with the intent of creating a close industrial partnership with Lyrtech and Lyrtech intends to use the manufacturing services of Enigma to manufacture its own products as well as the products being designed for its customers. For more information relating to Enigma, visit [www.enigmacorp.com](http://www.enigmacorp.com)

Disposition of Assets

According to the terms of the agreements, Enigma has acquired certain manufacturing assets for a price of \$1,234,000, paid by way of the assumption of leasing and debt obligations and has acquired inventory of electronic components and work-in-progress in consideration for \$344,103, paid at closing. Enigma has also assumed the liabilities of Lyrtech in relation to a commercial lease, in an amount of \$1,229,000. No finder's fee will be paid in relation to this transaction.

Private Placement

Concurrently with this sale of assets, Lyrtech undertook a private placement of convertible debentures for proceeds of \$500,000. Each convertible debenture will bear interest at a rate of 10% per annum and will have a term of one year. These debentures may be converted into Class A shares of Lyrtech at the option of the debentureholder at a conversion price of \$0.10 per share prior to the consolidation of the share capital of Lyrtech on a 10:1 basis or, after such consolidation, both the debentureholder and Lyrtech will have the option to convert the debenture, in its entirety, at a conversion price of \$0.15 per common share (post-consolidation). Any securities issued as part of this offering are subject to a four-month hold period under applicable securities legislation. The consolidation of the share capital of Lyrtech, previously approved by the shareholders of Lyrtech at the annual and special meeting held April 30, 2007, was also approved by the board of directors of Lyrtech January 21, 2008.

Lyrtech also announces that it received the resignation of Mr. Pierre Lortie from the Board of Directors, Friday, January 18, 2008, after closing of markets, and January 21, 2008 received the resignation of Mr. Jules Pleau from the Board of Directors. Both have been valuable members of the Board of Directors and the Board of Directors would like to thank them for their contributions. Mr. Louis Bélanger and Mr. Richard Rumpf will replace Mr. Lortie and Mr. Pleau on the audit committee of Lyrtech.

## **About Lyrtech**

Lyrtech develops and manufactures advanced digital signal processing solutions for companies worldwide, a vital technology to network and wireless communications, audio and video processing, as well as electronic systems in all fields of technology. Lyrtech offers a full range of DSP-FPGA development platforms and software IP, as well as design, prototyping, and manufacturing of electronic products through its manufacturing division. Lyrtech works in partnership with industry leaders such as Texas Instruments, The MathWorks, and Xilinx. Lyrtech's customers include many prestigious names of the consumer electronics, telecommunications, aerospace, and defense fields. For more information, visit [www.lyrtech.com](http://www.lyrtech.com).

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

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