



DHX Media Ltd.

DHX MEDIA ACQUIRES STUDIO B PRODUCTIONS INC.

Halifax, Canada – December 4, 2007 – DHX Media Ltd. (AIM & TSX ticker: "DHX"), a leading independent international producer and distributor of television programming and interactive content and the parent company of DECODE Entertainment and Halifax Film, has acquired all the outstanding shares in Studio B Productions Inc. ("Studio B"), a privately-owned producer of primarily proprietary children's programming.

Vancouver-based Studio B has a current production slate of seven shows including *Kid vs. Kat* for YTV, *Ricky Sprocket*, *Showbiz Boy!* For Teletoon and *Martha Speaks* for WGBH in the United States. In addition, Studio B has a library of over 400 half-hours of children's programming content and operates a 24,000 square foot studio with a specialty in digital and classical animation. Studio B had projected, internally prepared, unaudited net income of approximately \$1.4 million for the year ended October 31, 2007 ("Fiscal 2007") on unaudited assets of approximately \$15.3 million as at the prior year ended October 31, 2006 (internally prepared unaudited asset totals as at the year ended October 31, 2007, were not available at the time of this release).

DHX Media will benefit from several new broadcaster relationships, expanded production capabilities and a greater supply of children's programming from which it can generate future distribution revenues. Furthermore, the television series created by Studio B will contribute to DHX Media's stated strategy of growing a significant library of children's content from which revenues can be generated over multiple platforms.

Commenting on the transaction, Michael Donovan, Chairman and CEO, said: *"We are delighted to partner with Studio B Productions as it offers DHX Media access to a growing library, significant creative and production skills, and outstanding children's content production capabilities. This deal will leverage the strength of our distribution capabilities and will help add to our growing library of productions from which we will be able to generate recurring revenues."*

Blair Peters and Chris Bartleman, co-founders and co-CEO's at Studio B, added: *"We are very excited about this partnership. The synergies with DHX Media and specifically their international distribution group will allow us to focus on increasing our proprietary titles which will lead to significant growth in worldwide distribution potential and earnings."* Peters and Bartleman will continue as co-presidents to operate Studio B as a wholly-owned production subsidiary of DHX Media under four year employment contracts.

The deal terms include an initial cash payment of CAD \$8 million against a total purchase price of 4.5 times the average of Studio B's Fiscal 2007 and the year ending October 31, 2008 ("Fiscal 2008") earnings before interest, taxes, depreciation and amortization of capital equipment ("EBITDA") up to a maximum amount of CAD \$20 million. Any further potential consideration payable by DHX Media is subject to Studio B meeting certain financial performance benchmarks for Fiscal 2007 and Fiscal 2008 and would be paid 30% in cash and 70% in shares of DHX Media.

All financial information included in this press release relating to Studio B is unaudited and has been provided to DHX Media by Studio B, which has advised DHX Media that such information has been derived from its financial statements that have been prepared in accordance with Canadian generally accepted accounting principles. DHX Media has not undertaken an audit level review of accounting practices and policies followed by Studio B to identify all differences from those followed by DHX Media, and as a result, the financial information relating to Studio B contained in this press release may differ materially from that derived from Studio B's financial statements had they been prepared in accordance with accounting practices and policies followed by DHX Media. DHX Media has undertaken significant due diligence into material transactions of Studio B, accounting policies and procedures, economic benefits and risks in connection with this transaction.

About Studio B Productions

Headquartered in Vancouver, B.C., Canada, Studio B Productions Inc. is a leader in the field of kids' entertainment. Studio B is the producer of popular and award-winning properties such as *Ricky Sprocket – Showbiz Boy* (seen on TELETOON and Nickelodeon worldwide), *Being Ian™*, *The Amazing Adrenalini Brothers!*, *Class of the Titans™* and *George of the Jungle*, a co-production with Classic Media set to air on Cartoon Network U.S. In addition, Studio B will launch two new properties in 2008, *Kid vs. Kat*, an original series with YTV and *Martha Speaks*, a co-production with WGBH Boston. For more information, please visit www.studiobproductions.com. There is no limit to our imagination.

About DHX Media

DHX Media Ltd. is a leading international producer and distributor of film and television programming and interactive content with an emphasis on children, family and youth markets. DHX Media Ltd. shares are listed on the Alternative Investment Market of the London Stock Exchange, AIM, and the Toronto Stock Exchange, TSX. DHX Media's production companies, DECODE Entertainment and Halifax Film, are the producers or co-producers of 14 original television series and theatrical releases currently commissioned for production and maintain a growing library of over 1,750 half-hours of mostly children and youth-oriented television productions.

www.DHXMEDIA.com

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Disclaimer

This press release contains forward looking statements with respect to the Company. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, such statements involve risks and uncertainties and are based on information currently available to the Company. Such statements include reference to DHX Media benefiting from new broadcaster relationships, expanded production capabilities and a greater supply of children's programming; generation of revenues in the future over multiple platforms that are recurring in nature; obtaining access to a growing library, significant creative and production skills, and outstanding children's content production capabilities; increasing Studio B's proprietary titles; growth in Studio B's worldwide distribution potential and earnings; and the launch of two new properties in 2008 by Studio B. Actual results may differ materially from those expressed or implied by such forward looking statements. Factors that could cause actual results or events to differ materially from current expectations, among other things, include risks related to market factors, customer contract interpretation, application of accounting policies and principles, and production related risks, and other factors discussed in materials filed with applicable securities regulatory authorities from time to time including matters discussed under "Risk Factors" in the Company's short form prospectus dated November 7, 2007 and in the Company's Amended Annual Information Form incorporated by reference therein. These forward-looking statements are made as of the date hereof, and the Company assumes no obligation to update or revise them to reflect new events or circumstances.