



News Release

For Immediate Release

PNI Digital Media and Costco Australia Launch New Online Digital Photo Centre

VANCOUVER, BC – August 3rd, 2010 - PNI Digital Media (TSX–V: PN; OTCBB: PNDMF), (“PNI” or the “Company”), the leading innovator in online and in-store digital media solutions for retailers, today announced it has expanded its agreement with Costco to launch a new online photo service for the Australian market.

Beginning today, Costco Wholesale Australia members can easily upload their photos and order prints from the Costco Wholesale Australia Digital Photo Centre at www.costcophoto.com.au.

To celebrate the launch of the new Costco Digital Photo Centre, Costco Wholesale Australia is offering members 25 free 4x6” prints as part of their first order. Costco's regular everyday price for 4x6” photo prints is A\$0.09 - a great price for high quality digital prints. Members will be able to pick up and pay for their prints the next day at Costco Docklands.

"The Costco Wholesale Australia Digital Photo Centre is the first PNI-powered online Costco photo service outside of North America", said Kyle Hall, Chief Executive Officer of PNI Digital Media. "Costco and PNI now work together in Australia, Canada, Mexico and the US, and we're pleased to work closely with our partner as they grow internationally."

About PNI Digital Media- Founded in 1995, PNI Digital Media operates the PNI Digital Media Platform, which provides transaction processing and order routing services for major retailers. The PNI Digital Media Platform connects consumer-ordered digital content, whether from online, in-store kiosks, desktop software or mobile phones, with retailers that have on-demand manufacturing capabilities for the production of personalized products such as photos, photo books and calendars, business cards and stationery. PNI Digital Media successfully generates millions of transactions each year for retailers and their thousands of locations worldwide.

Further information on our company can be found at www.PNIMEDIA.com.

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