

FOR IMMEDIATE RELEASE



Optical Innovation™

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FUSION OPTIX, INC. ACQUIRES ASSETS OF PROJECTION SYSTEMS BUSINESS OF NASHUA CORPORATION

Leading Developer of Components and Solutions for Flat Panel Displays and Solid State Lighting adds significantly to Intellectual Property Portfolio and R&D Capabilities

Cambridge, MA – January 21, 2005 – Fusion Optix, Inc. announced today the acquisition of the assets of the Projection Systems Business of Nashua Corporation (NYSE:NSH) for an undisclosed amount of cash. As a result of the transaction, Fusion Optix has acquired none of Nashua's debt or employees, but does receive fourteen granted patents and one pending patent. All of the newly acquired intellectual property is highly relevant to Fusion Optix's core technology and products. In addition to the patents, the company will also receive a cadre of process equipment to accelerate its own research and development efforts at its Cambridge Massachusetts headquarters. The acquisition provides Fusion Optix with three strategic advantages. First, it now has ownership and control of patents that will significantly improve new and existing products. Second, it keeps these valuable assets out of the hands of current or would be competitors. Finally, acquisition of intellectual property rights significantly increases the company's value.

According to Terry Yeo, Fusion Optix's CEO, "As a growing company, we understand the importance of patented technology developed by an industry leader. When Nashua Corporation decided to exit the displays industry we felt this was a good acquisition for us to make. We knew that the technology is solid because members of our team worked on developing some of the materials and processes at MIT when Nashua contracted with the school to provide research and development of the technology. In addition, the Projection Systems Business achieved some early commercial success and received interest and sales from a number of potentially attractive customers"

About Fusion Optix

Fusion Optix's world-class team is pioneering innovative high performance custom solutions, products, and technologies for global optical markets, such as displays and LED lighting. Our approach to focus on leading edge optical design and fundamental materials science, as well as advanced manufacturing, has resulted in a unique highly customizable product platform and system solutions that leverage this platform. Fusion Optix is privately held and funded by major international investment firms. We have established a dedicated global customer support and supply chain infrastructure to respond to the demands of the world's leading companies.

This press release contains forward-looking statements, including, without limitation, statements concerning our possible or assumed future results of operations. These statements are preceded by, followed by or include the words "believes," "could," "expects," "intends" "anticipates," or similar expressions. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons including the general risks and uncertainties inherent in the current business climate and within our industry as a whole. Although we believe the expectations reflected in the forward-looking statements are reasonable, they relate only to events as of the date on which the statements are made, and our future results, levels of activity, performance or achievements may not meet these expectations. We do not intend to update any of the forward-looking statements after the date of this document to conform these statements to actual results or to changes in our expectations, except as required by law.