



For Immediate Release

Imagine Communications Closes \$10 Million Venture Capital Round to Fuel Growth in Next Generation Video Markets

San Diego, Calif. – April 20, 2010 – Imagine Communications, a leading innovator in advanced digital video solutions, today announced the completion of a \$10 million round of expansion financing, bringing total venture capital investment in Imagine Communications to more than \$34 million. All previous and existing investors participated, including Court Square Ventures, Columbia Capital and Carmel Ventures. The new financing will be used to expand support to the company's leading MSO customers, while accelerating the commercial deployment of Imagine's break-through solutions for MPEG-4 encoding and transcoding.

"Imagine's vision for PersonalizedTV[®] on every screen is now becoming a reality," said Imagine's President and CEO, Jamie Howard. "This new capital enables us to accelerate the development and deployment of our real-time h.264 encoding, transcoding and streaming solutions to support the growing demand for Internet and mobile video content delivered in multiple formats, including 3D. The core innovations of ICE[®] and ICE-Q[®] are directly applicable to the TV Anywhere challenge and we look forward to leveraging our strong investor commitment and endorsement."

"Imagine is uniquely well positioned for the upcoming explosive growth in digital video processing," said Phil Herget of Columbia Capital. "Imagine's core technology and innovation engine has yet again proven an ability to surge ahead and create a demonstrable gap in competitive performance. We're excited about Imagine and its prospects for continued growth in these new and global markets."

About Imagine Communications

Imagine Communications is a leading innovator in digital video solutions, enabling content providers and system operators to deliver bandwidth-intensive services with optimum video quality and Quality of Experience (QoE). Imagine's products serve the digital broadcast markets as well as emerging PersonalizedTV[®] applications such as TV Anywhere, Network PVR (nPVR), Internet/Mobile Video and IPTV. Imagine is based in San Diego with R&D in Israel. Imagine's strong management team includes industry leaders with decades of experience delivering innovations in video communications. Founded in 2005, Imagine Communications is privately held and funded by Carmel Ventures, Columbia Capital and Court Square Ventures.

www.imaginecommunications.com

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