



FOR IMMEDIATE RELEASE

**CLEARLAKE CAPITAL GROUP LEADS  
RECAPITALIZATION OF 3ALITY DIGITAL**

***3D-Enabling Technology Leader at the Forefront of Media Digitization***

**SANTA MONICA, CA – April 12, 2011** – Clearlake Capital Group, L.P. (“Clearlake”) today announced that it sponsored the recapitalization and acquisition of 3ality Digital (“3ality” or the “Company”) and simultaneously provided a significant capital infusion to the Company. 3ality is the leading provider of digital stereoscopic 3D (S3D) production hardware and software technology to the motion picture and broadcast industries. In connection with the acquisition, Clearlake, the Modell Family and management will control the Company. Additional terms were not disclosed.

Based in Burbank, California, 3ality provides the motion picture and broadcast industries with stereo image processing software and S3D image scaling technologies and capture solutions that are considered the “gold standard” for the production of compelling and immersive S3D entertainment. The Company’s technologies, which make S3D filming and post-production far simpler and more cost-effective, are rapidly being adopted worldwide by networks, production companies, and studios to enable the highest quality S3D content creation and consumer experience.

“Digital 3D media will be a key driver in the digitization of the consumer entertainment ecosystem. 3ality’s solutions enable the wider proliferation of 3D content through new, automated technologies that significantly reduce the cost of producing 3D content,” said Behdad Eghbali, a Founding Partner at Clearlake. “We’re excited to partner with the 3ality team and will bring significant resources to bear as the Company continues to innovate and lead the market.”

“3ality brings real results to our customers, who are increasingly looking to produce high quality S3D as the format becomes essential rather than optional. With support from the Clearlake team in this recapitalization, the Company is positioned for additional growth as we continue offering technology solutions and expanded field services to our customers,” said Steve Schklair, Founder of 3ality Digital, who will continue to serve as the Company’s CEO. “With break-through motion pictures like *The Amazing Spider-Man* and *The Hobbit* being produced using 3ality technology and equipment, we are confident the Company is poised for great success.”

“3ality has provided ground-breaking technologies and products for S3D production from the beginning. This recapitalization will enable the Company to make significant investments to continue its industry-leading track record serving the film and television industry as S3D adoption becomes a mainstream worldwide,” said David Modell, Chairman of the Board.

Mr. Eghbali and Prashant Mehrotra, a Vice President at Clearlake, have joined the Company’s Board of Directors.

Headwaters MB acted as financial advisor to Clearlake in this transaction.

**About Clearlake Capital Group**

Clearlake Capital Group, L.P. is a private investment firm focused on special situations such as corporate divestitures, recapitalizations, buyouts, restructurings, turnarounds and other equity investments. Clearlake seeks to partner with world-class management teams by providing patient, long-term capital and operational expertise to invest in businesses going through change. Clearlake’s founding principals have led over 50 investments totaling more than \$2.7 billion of capital in sectors including business services, communications and media, energy and power, healthcare, manufacturing, retail/consumer and technology. For more information, please visit [www.clearlakecapital.com](http://www.clearlakecapital.com).

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