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3ALITY DIGITAL ACQUIRES ELEMENT TECHNICA

Two Leaders in Stereoscopic 3D Technology to Combine

BURBANK, CA – August 25, 2011 – 3ality Digital, backed by Clearlake Capital Group, L.P., announced that it acquired Element Technica. The combined company, to be called 3ality Technica, will be the world’s largest provider of end to end stereoscopic 3D solutions, including camera rigs, image processors, and accessories used by the motion picture and broadcast industries. Hector Ortega and Stephen Pizzo, the founders of Element Technica, will join the senior leadership team of 3ality Technica. Additional terms of the deal were not disclosed.

3ality Technica will develop new 3D rigs that bring together 3ality Digital’s cutting edge stereo image processing software with Element Technica’s manufacturing and design expertise. "As a leading provider of 2D and 3D rigs and accessories, we have always had great respect for Element Technica and their achievements. Thanks in part to Clearlake and their help in pulling this deal together, 3ality Technica will be the combination of two award winning design and technology companies, creating an industry powerhouse with unparalleled capabilities," said Steve Schklair, CEO of 3ality Digital.

The new company plans to present a unified presence at IBC 2011, a major broadcast industry conference, and highlight the potential for automation to significantly lower 3D production costs and enhance production quality for 3D content. "We are very excited about the opportunity to partner with 3ality and Clearlake. Pooling our resources and expertise will further propel us toward our shared goal of enabling the efficient production of high quality stereoscopic 3D content," Ortega said.

"This transaction will create the film and broadcast industry’s only end to end solution for live-action stereoscopic 3D," said Behdad Eghbali, Founding Partner at Clearlake, and Prashant Mehrotra, a Vice President at Clearlake. "We expect the combined company to continue to lead the industry as the proliferation of digital 3D media accelerates." Clearlake became the lead sponsor of 3ality Digital in April 2011 and provided significant financial backing to support the growth of the company.

Headwaters MB acted as financial advisor to 3ality Digital in this transaction.

About 3ality Digital

3ality Digital™ enables the world to power live-action stereoscopic 3D (S3D) through the most advanced evolutionary technology available. 3ality Digital systems are currently deployed for the productions of Peter Jackson's *THE HOBBIT: An Unexpected Journey*, and Bryan Singer's *JACK THE GIANT KILLER*. The technology was also employed for Sony Pictures' *THE AMAZING SPIDER-MAN*, directed by Marc Webb. 3ality Digital's camera platforms are earning a reputation as the "S3D Gold Standard©" for the emerging medium of stereoscopic visualization. 3ality Digital engineered some of the world's first S3D cinematic and broadcast achievements, including *U2 3D* (the movie), and the first live S3D broadcasts from the NFL, BCS Championship, BSkyB, the Super Bowl, and NBC television. For more information, please visit www.3alitydigital.com.

About Element Technica

Element Technica has developed groundbreakingly innovative accessory products for the film production industry, including tools for general use-first unit photography, the Steadicam, stabilized aerial platforms, high speed camera cars, deep water marine application, an extensive catalogue of accessories for the RED ONE camera. The company's Technica 3D rigs have revolutionized the business of 3D cine and live production by creating rugged and precise 3D rigs designed for quick and easy set-up and configuration, along with the flexibility to be utilized in all operating environments. For more information about Element Technica, please visit www.technica3D.com.

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.

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Media contact:

Kristin Celauro, 732-291-5456

Owen Blicksilver Public Relations, Inc.