

ImageSpan Inc. Secures \$11 Million Financing from Group Led by Bertelsmann Digital Media Investments

Series B Funding Will Solidify ImageSpan's Leadership in Digital Content Licensing and Settlement Services

SAUSALITO, CA – June 17, 2008 — ImageSpan Inc., which provides enabling infrastructure for digital content licensing, today announced that it has closed a second round financing of \$11 million from a group led by Bertelsmann Digital Media Investments (BDMI), a wholly owned subsidiary of Bertelsmann AG, a leading international media company.

Existing investors Greycroft Partners, headed by Alan Patricof, and Village Ventures also participated. Additional funds came from the New York City Investment Fund, City Light Capital and Ackerley Partners LLC.

The Series B financing comes as ImageSpan is launching new partnerships and rolling out its platform with major customers to extend its market leadership. ImageSpan currently provides extensive content licensing infrastructure for Omnicom's Zimmerman Partners, *Sports Illustrated*, TAKKLE, Dealer.com and Visible World.

Built for the Web 2.0 world of mashups and projects with multiple copyright holders, ImageSpan has built the premier platform for licensing digital photographs, illustrations and video content.

“We have experienced tremendous growth recently and we now have the additional financial resources we need to meet rapidly growing customer demand,” said Iain Scholnick, chief executive officer, ImageSpan. “Our automated digital content licensing platform and services address a major barrier to profitability for all sides: today's manual transaction processes for digital content licensing.”

As advertising service providers address client demands to produce a greater volume of more highly targeted campaigns in today's transmedia world, they deal with many internal and external sources of digital image, video and audio content for creating those campaigns. ImageSpan streamlines the licensing process for all this digital source material and then defines rights to the newly-created content, tracks usage, and ensures accurate royalty reporting and payments.

By dramatically reducing the time and cost of licensing and royalty settlements, ImageSpan speeds the pace of transactions, enables faster campaign creation and expands revenue opportunities.

“We see ImageSpan solving a very serious pain point affecting the entire media landscape today – that of licensing and monetizing digital image and video content at a time when both of these content categories are growing increasingly important on the web,” said Richard Sarnoff, President of BDMI.

“Since our investment in ImageSpan last year, we've been impressed by their ability to deliver exactly what media companies, advertising agencies, marketing firms and those providing commercial- and user-generated local content have been demanding – a game-changing licensing automation platform for the management and monetization of digital media,” said Alan Patricof, founder and managing director, Greycroft Partners LLC.

About ImageSpan

ImageSpan provides an enabling infrastructure for content licensing, helping content owners define rights and transact online in minutes. We automate today's manual licensing processes. ImageSpan is the market-leading licensing automation platform partner for global advertising, content production and content delivery businesses. Enterprise partners using the ImageSpan platform include Omnicom, Visible World and online advertising agencies. ImageSpan offers a number of delivery options including deployment through Adobe software. Founded in 2003 and based in Sausalito, California, ImageSpan is a trusted solution provider and is the exclusive provider of license registry services to the PLUS Coalition, the international, multi-industry standards body for image licensing.

About Bertelsmann Digital Media Investments (BDMI)

Bertelsmann Digital Media Investments (BDMI) is a strategic venture investor focused on innovative digital media technologies, products and distribution channels across the globe. BDMI is a wholly owned subsidiary of Bertelsmann AG, a leading international media company with over \$25 billion in revenues and over 102,000 employees across more than 50 countries. For more information, visit: www.bdmifund.com

Bertelsmann AG is comprised of the television channels, television production companies, and radio stations of Europe's largest entertainment group, RTL Group (RTL Television, M6, Five, Fremantle Media), and the more than 120 publishing houses of Random House, the world's largest trade book publisher (Alfred A. Knopf, Bantam, Goldmann). Gruner + Jahr is Europe's number one magazine publisher (Stern, Geo, Neon, Capital). The Sony BMG joint venture in the BMG division is synonymous with creativity and strong international music brands (Beyoncé, Dixie Chicks, Justin Timberlake, Christina Aguilera). The Arvato media and communications services division brings together distribution, service centers and customer-relationship management, state-of-the art printing manufacturing, storage media production, mobile services, and comprehensive IT services. Bertelsmann's direct-to-customer businesses are unified within the Direct Group: book, DVD, and music clubs (Der Club, France Loisirs), as well as book retailers in France and Portugal. For more information, visit: www.bertelsmann.com

About Greycroft Partners

Greycroft Partners, based in New York City, is a venture capital partnership formed to invest in promising digital media companies. The firm's \$75mm fund includes participation from leading corporate executives around the world. Greycroft also leverages an extensive network of media and technology connections to help investees gain visibility, build strategic relationships, and successfully bring their products to market. Greycroft's portfolio companies benefit from active, hands-on assistance in all phases of expansion. www.greycroftpartners.com