

FOR IMMEDIATE RELEASE

ActiveVideo Networks Acquires Avinity Systems, Creates Powerful Interactive Platform to Redefine iTV on Global Scale

COLOGNE, Germany (May 27, 2009) – [ActiveVideo Networks](#)™ announced today that it has reached an agreement to acquire Avinity Systems BV, bringing together the two leading providers of cloud-based interactive TV platforms and applications, and expanding the reach and availability of the Web-based user experiences that are redefining interactive television (iTV 2.0).

The transaction, which was announced at the ANGA Cable Trade Fair here, strengthens ActiveVideo Networks' technology and application offerings and creates a global leader in the fast-growing market for delivery of cloud-based services to televisions around the world. The acquisition combines two companies that will have deployed interactive services to more than five million homes worldwide by the end of 2009. Post-acquisition, ActiveVideo Networks will have publicly-disclosed deployments with a wide variety of service providers, including [Oceanic Time Warner Cable](#) and Grande Communications in the United States; Tele2 and Reggefiber in Europe; and PCCW in Hong Kong. In addition, the acquisition will significantly expand ActiveVideo Networks' list of content relationships and middleware and infrastructure integrations.

"The two companies were pursuing the same vision on different continents," said Gary Lauder, chairman of ActiveVideo. "Fortunately, their strengths and technological assets are very complementary. Due to that, and the Avinity team's high caliber, we expect everyone to be retained and to be a vital part of our global expansion."

ActiveVideo Networks and Avinity have consistently advocated that the future of content delivery – including VoD navigation, Web-based video, interactive advertising and other services -- will be driven by server-based technologies. Both platforms use an ultra-thin client in the set-top box to pass user keystrokes to servers in the network. The servers create compressed video streams in response to user interaction and unicast them over IP or cable back to the home to be decoded and displayed by the set-top box. When combined, the [ActiveVideo](#)® and Avinity RenderCast platforms will be capable of delivering Web-like personalization and interactivity to a worldwide television audience through both legacy and next generation digital set-top boxes and broadband-connected devices.

In conjunction with the acquisition, ActiveVideo's European operations will be relocated to Avinity's headquarters in Hilversum, The Netherlands, near Amsterdam. Ronald Brockmann, director of Avinity, will serve as Managing Director for ActiveVideo Europe. Adding a strong European team to the ActiveVideo teams on the East and West Coasts of the United States builds on the company's philosophy that local knowledge and experience are required to create television applications that appeal to audiences that increasingly demand localization and personalization of their content.

"We have always been impressed with Avinity's technological progress, philosophical approach and marketplace traction in Europe," said Jeff Miller, president and CEO of ActiveVideo Networks. "Combining their people and technology portfolio with our own enables us to significantly increase our deployment momentum to European markets. The combination creates a team with global reach and local experience that is unparalleled in the delivery of stream-based interactivity"

"ActiveVideo has been a leader in anticipating the media industry's adoption of cloud-based interactive services," said Brockmann. "Ultimately, both of our companies recognized that we could do more for service and content providers, advertisers and consumers by bringing our very complementary capabilities under a single roof."

About Avinity Systems BV

Avinity Systems is a leading vendor of interactive TV platforms and tools enabling rich media services on existing infrastructures, without the need for new high-end set-top boxes. Its partners include Tier 1 Cable and IPTV operators as well as leading content providers. Avinity's RenderCast platform enables richer

video navigation, branded portals, web to TV and interactive advertisements. Avinity was founded in early 2005 and is based at the Hilversum Media Park in The Netherlands.

About ActiveVideo Networks

ActiveVideo Networks™ provides programming and technology that infuse television with Web content and interactivity. Based on standard Web authoring and delivery technologies, the company's ActiveVideo® Distribution Network simply and inexpensively enables expanded programming, navigation and advertising possibilities, allowing viewers to define and share their TV experiences. ActiveVideo combines Web-based media and targeted, clickable advertisements with the high-quality video, immediate responsiveness and remote control navigation of television for uniform interactivity across all digital set-tops and Web-connected televisions. ActiveVideo Networks is based in the heart of Silicon Valley, with offices in Los Angeles and Baltimore. For more information, visit www.activevideo.com.

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