



## Thoma Bravo to Acquire Telestream to Accelerate Business Growth

**Transaction positions Telestream for further strategic acquisitions and strengthened industry leadership**

**Nevada City, CA** – Dec. 21, 2011 Telestream®, the leading provider of video transcoding and digital media software solutions, today announced that leading private equity investment firm Thoma Bravo, LLC has entered into a definitive agreement to purchase Telestream, Inc. The transaction will facilitate further growth of Telestream's core businesses in addition to providing additional capital for further market expansion and acquisition.

"This acquisition recognizes Telestream's history of market leadership, double-digit growth and profitability," said Dan Castles, Telestream's co-founder and CEO. "That growth would not be possible without our original investors and dedicated team of employees who have demonstrated a strong commitment to our customers. We look forward to our next phase of growth and expansion with Thoma Bravo as we continue to play a leadership role in the digital media industry."

For more than 13 years, Telestream has been at the forefront of innovation, pioneering file-based video encoding and transcoding solutions for media and entertainment companies, enterprises, and consumers. According to 2011 reports by business research firms Frost & Sullivan and In-Stat, the worldwide multi-format transcoders market is poised for strong growth.

According to Mukul Krishna, Global Director, Digital Media at Frost & Sullivan, "Vendors like Telestream have been helping to fuel growth in the digital video market by providing solutions that help media companies meet the challenges of scalability and economically creating and delivering the massive volumes of content demanded by a multi-screen environment."

"Frost & Sullivan has recognized Telestream for its best practices multiple times and based on Frost & Sullivan's analysis, Telestream is the market leader for the global video transcoders market," adds Avni Rambhia, Senior Industry Analyst, Digital Media at Frost & Sullivan.

"Thoma Bravo is excited to partner with Telestream's existing management team to continue to expand the company's market leadership position," said Holden Spaht, partner at Thoma Bravo. "We look forward to building on the company's impressive reputation for product innovation, strategic acquisitions, and world-class customer service."

"The video ecosystem continues to grow and expand as customers require increasingly complex tools to manage their end-to-end video workflows," said A.J. Rohde, vice president at Thoma Bravo. "Thoma Bravo sees significant opportunity in the digital media market, and Telestream is well positioned as a strong platform for increased investment in the industry."

Telestream has been profitable since 2001 and has self-financed three acquisitions: compression specialist Popwire in 2006; live webcasting and screencasting provider Vara Software Ltd. in 2008; and

Anystream, a leading provider of automated multi-platform media publishing solutions in 2010. At the close of 2011 Telestream brings thirteen straight years of record sales growth.

The transaction is expected to close in early January 2012. Terms of the deal were not disclosed as both companies are privately held. Telestream will continue to operate as an independent entity with existing management teams continuing their current roles. Headquarters will remain in Nevada City, California with offices in Virginia, Sweden and Germany. For more information about Telestream, visit <http://www.telestream.net>.

### **About Telestream**

Telestream provides world-class live and on-demand digital video tools and workflow solutions that allow consumers and businesses to transform video on the desktop and across the enterprise. Many of the world's most demanding media and entertainment companies, such as CBS, BBC, CNN, FOX, CBC, Comcast, Direct TV, Time Warner, MTV, Discovery, and Lifetime, as well as a growing number of users in a broad range of business environments, rely on Telestream products to streamline operations, reach broader audiences and generate more revenue from their media. These companies choose to work with Telestream as they know they will get a trusted and highly skilled technical partner. Telestream products span the entire digital media lifecycle, including video capture and ingest; live and on-demand encoding and transcoding; playout, delivery, and live streaming; as well as management and automation of the entire workflow. The company also partners closely with the industry's leading digital media companies across the entire digital media lifecycle, from consumer to enterprise. Telestream corporate headquarters are located in Nevada City, California. The company is privately held. For more information, visit [www.telestream.net](http://www.telestream.net).

**About Thoma Bravo, LLC**

Thoma Bravo is a leading private equity investment firm that has been providing equity and strategic support to experienced management teams building growing companies for 30 years. The firm originated the concept of industry consolidation investing, which seeks to create value through the strategic use of acquisitions to accelerate business growth. Thoma Bravo applies its investment strategy across multiple industries, with a particular focus on the software and service sectors, and works in partnership with management to implement its operating and consolidation expertise to build long-term value. In software, Thoma Bravo has completed more than 46 add-on acquisitions across 18 platform companies with total annual earnings of approximately \$1 billion. For more information, visit [www.thomabravo.com](http://www.thomabravo.com).