



FOR IMMEDIATE RELEASE

CHANNEL ISLANDS TARGETED AD SYSTEM IN FIRST COMMERCIAL DEPLOYMENT

***RUSSIA'S CONTENT HOUSE IPTV INTEGRATOR CAN NOW DELIVER
COMMERCIALS TO HOUSEHOLDS MOST LIKELY TO ACT ON THEM***

June 8, 2009 –MOSCOW, RUSSIA and SAN DIEGO, CALIFORNIA — Today Channel Islands, the software company delivering next generation television solutions to cable operators, and Content House, a leading integrator and provider of IPTV services to Russian broadband operators, announced the deployment of Channel Islands' Digital Video Advertising (DiVA) solution. Content House is using DiVA to deliver targeted ads to ISP's, Telco's and their customers across the country. This represents one of the first commercial roll-outs of a targeted advertising system anywhere in the world.

"Channel Islands offers the Targeted Advertising solution which gives us out-of-the-box functionality, quick and easy integration with our ecosystem partners and also allows us to rapidly customize the interface for each operator customer," said Roman Kurguzov, CEO of Content House. "Delivering specific commercials to the subscribers most likely to act on them appeals to our advertisers and makes more money for our affiliated operators."

To keep up with growing market awareness and desire for TV on Demand services, Content House will add network-based personal video services to its system later in the year. It is also exploring development of a first iteration of the user portal, aiming to add entirely new and innovative services using Channel Islands' DiVA solution.

"Content House is among the fastest-growing multi-channel platform companies anywhere, and we are grateful for their confidence in us," said Lindsay Gardner, President, Channel Islands. "Over the next several months, we will return to Russia regularly to add features and measure the incremental lift to Content House's ad sales business."

Unlike its competitors, Channel Islands' targeted advertising system does not require costly servers to operate. Instead, it uses proprietary technology that activates the processing power in each subscriber's set-top receiver. Upcoming Channel Islands commercial deployments will span the globe, stretching from Greece to California to Asia.

About Content House

Content-House LTD is an independent provider of interactive TV and PC services to Russian broadband operators.

Possessing a number of unique services, a huge library of content and owning all necessary licenses, Content-House has rapidly become the leading national distributor of interactive services in 16 main cities of Russia. The company has proved its reputation as a reliable partner for leading television and multimedia services operators, and as a branded and time-proved distributor for legal owners of content as well.

Content House enables Russian Internet Services' Providers (ISPs) to offer branded IPTV services without the need to deploy or develop the infrastructure and expertise to provide them. Content House compiles and manages all of a system's content in its Moscow facility and makes IPTV service available via custom-branded interfaces for each telephone carrier using servers in multiple regional locations. Telephone providers need only connect their customers to one of the regional servers to offer the IPTV service.

About Channel Islands

Channel Islands is a software solutions company serving cable operators, IPTV providers and satellite distributors. The company is currently deploying DiVA, its targeted television advertising system, at IPTV headends in Europe and Asia. DiVA delivers specific commercials to the households most likely to act on them and performs without significant incremental equipment.

Founded in 2008, Channel Islands is a privately held company with headquarters in San Diego and offices in Los Angeles and London.

For more information please visit: www.cnth.ru/ and www.channelislands.com

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