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FOUNDATION 9 LANDS SUBSTANTIAL STRATEGIC INVESTMENT FROM FRANCISCO PARTNERS

Leading tech private equity fund looks to increase scale of leading video game developer

LOS ANGELES, CA – June 1, 2006 – Foundation 9 Entertainment (F9E), one of the largest independent videogame developers in North America, announced today that it has received a significant capital infusion from Francisco Partners, one of the world’s largest technology-focused investment firms with over \$4.5 billion under management. Francisco Partners will fund the Company with up to \$150 million over the next few years, with access to further resources as necessary for Foundation 9’s organic growth, IP development, and future acquisitions.

“Foundation 9’s breadth of experience across all platforms and age groups, paired with its innovative and cost-effective approach to launching original properties, place it in a unique position within the videogame industry,” said Brian Ruder, a principal with Francisco Partners. “We plan to work actively with management to continue growing this business in scale and creativity.”

Ruder added that, “Francisco frequently makes follow-on investments behind our platform companies. Relative to other businesses we have evaluated in the videogame sector, Foundation 9 enjoys a low volatility, solid growth, and consistent profitability, making it an excellent platform for further consolidation, and continued deployment of capital.”

“We’ve had great success – and it’s been a fantastic ride – pursuing, on our own, both a profitable work-for-hire business, as well as layering on new creative opportunities with original IP development,” said Jon Goldman, Chairman and Chief Executive Officer of Foundation 9 Entertainment. “Francisco Partners’ deep resources will enable us to continue creating stronger opportunities for our employees and publishing partners, as well as our partners in the film/TV and consumer products worlds.”

UBS Securities served as advisor to Foundation 9 in this transaction.

Foundation 9 Entertainment was formed just over a year ago by the merger of Backbone Entertainment and The Collective. The company has shipped more than 300 titles since its inception, including the original title *Death, Jr.* Foundation 9’s games have generated

more than \$1 billion in consumer sales, with recent successes including the multi-million seller *Star Wars Episode III: Revenge of the Sith* and the critically acclaimed *Age of Empires: The Age of Kings*.

In addition, Foundation 9 Entertainment has extensive partnerships and creative interests outside the gaming industry, including a number of relationships with film, television and comic book creators as well as consumer products companies. The company owns a significant minority stake in Hollywood production and management company, Circle of Confusion, whose clients include the Wachowskis, creators of *The Matrix*. Circle of Confusion recently announced a production deal with CBS.

In other company news, Foundation 9 previewed 15 games currently in development by its studios at the 2006 Electronics Entertainment Expo, including the continuation of its original property, *Death, Jr.* F9E's games were displayed in a variety of publisher booths including all three first party hardware manufacturers. In addition, *Brooktown High*, a new dating simulation developed in conjunction with Konami, received best of show accolades from the *San Jose Mercury News*. The company's debut next-gen title, *Dirty Harry*, published by Warner Brothers Interactive Entertainment, was previewed in special ticketed events off the show floor.

About Foundation 9 Entertainment

Foundation 9 Entertainment is a premier developer of interactive entertainment products and properties, and the largest independent games developer in North America. With studios in the San Francisco Bay Area, Vancouver, Boston, Los Angeles, Newport Beach, Eugene, Charlottetown, and Honolulu, Foundation 9 Entertainment is a development powerhouse, uniquely positioned to maximize the value of entertainment properties across all entertainment genres.

Through its studios and core brands, Backbone Entertainment, The Collective, Pipeworks, ImaginEngine, and Digital Eclipse, Foundation 9 Entertainment has worked with the largest names in the game publishing world, including Electronic Arts, Konami, Sega, Capcom and Take-Two Interactive. The company creates titles for all age groups and all platforms, through licensed and original IP, as well as contract development and its studios have developed more than 300 titles, including more than 40 in 2005 alone. For more information, please visit: www.F9E.com.

About Francisco Partners

With over \$4.5 billion of capital under management, Francisco Partners is one of the world's largest technology-focused private equity funds. The firm was founded to pursue structured investments in technology companies in the midst of strategic, technological, and operational inflection points. FP pursues investment opportunities where domain knowledge, strategic insight and long-term focus generate a differentiated view of investment value and drive differentiated investment returns. FP targets majority and minority investments in private companies, public companies, and divisions of public companies, with transaction values ranging from \$30 million to \$2.0 billion. The principals of Francisco Partners have a proven track record, having invested in excess of \$3.0 billion of equity capital in over 50 technology companies. For additional information, visit www.franciscopartners.com.