

For Immediate Release

IMAGE ENTERTAINMENT AND LEVITY PRODUCTIONS EXTEND EXCLUSIVE DISTRIBUTION AGREEMENT TO INCLUDE NEW COMEDY RELEASES

Image secures rights for up to 7 new titles including Jeff Dunham Holiday Special

CHATSWORTH, Calif., July 14, 2008 – Image Entertainment, Inc. (NASDAQ: DISK), a leading independent licensee, producer and distributor of home entertainment programming in North America, announced today that it has amended its exclusive output distribution agreement with Levity Productions, one of the world’s foremost producers of comedy content, to increase the number of comedy projects by up to seven additional stand-up shows.

The amendment to the existing output agreement between the two companies extends the agreement for another 5-7 titles and provides Image exclusive North America distribution rights for all home entertainment, digital, theatrical, non-theatrical and audio formats.

The amendment includes distribution rights to Jeff Dunham’s upcoming release entitled “Jeff Dunham’s Very Special Christmas Special” which was produced by Levity and filmed in June at the Pabst Theater in Milwaukee, Wisconsin. The Dunham special will air on Comedy Central in November and be released on DVD and Blu-ray through Image that same month. The recent RIAA certifications for 1 million units shipped on each of Dunham’s last two releases, “Arguing with Myself” and “Spark of Insanity,” both exclusively distributed by Image, have created enormous anticipation for his upcoming Christmas special with retailers and consumers.

“Our relationship with Levity has played an integral role in Image amassing one of the most impressive libraries of stand-up comedy performances in the world,” said David Borshell, president of Image Entertainment. “We look forward to continually bringing quality comedic content to the marketplace and are especially pleased to maintain our position as the exclusive distributor of Jeff Dunham’s creative projects.”

Titles already released as part of the original agreement include, John Witherspoon’s “You Got To Coordinate,” John Pinette’s “I’m Starvin’,” Gabriel Iglesias’ “Hot and Fluffy,” Daniel Tosh’s “Completely Serious” and Steve Byrne’s “Happy Hour.”

“Image has been a terrific partner and brings extensive distribution capabilities to the table,” said Judi Brown-Marmel, a partner at Levity Productions. “Through Image, we have been able to expand our audiences across the continent and bring our comedy content to all major retail outlets.”

About Levity Entertainment:

Levity Entertainment Group, through its merger with Triage Entertainment has full-service production capabilities and experience producing content for a variety of formats and distribution. From live multi-camera signature events to award-winning documentary-style programming, Levity and Triage produce content for all major broadcast and cable networks, first-run syndication and digital platforms.

About Image Entertainment:

Image Entertainment, Inc. is a leading independent licensee, producer and distributor of home entertainment programming in North America, with approximately 3,000 exclusive DVD titles and approximately 250 exclusive CD titles in domestic release and approximately 450 programs internationally via sublicense agreements. For many of its titles, the Company has exclusive audio and broadcast rights and, through its subsidiary Egami Media, Inc., has digital download rights to approximately 2,000 video programs and over 300 audio programs containing more than 4,500 tracks. The Company is headquartered in Chatsworth, California. For more information about Image Entertainment, Inc., please go to www.image-entertainment.com.

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Contact: Steve Honig
The Honig Company, Inc.
818-986-4300
press@honigcompany.com

Mark Roche
Image Entertainment
818-534-9340
mroche@image-entertainment.com