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**PURPLE COMMUNICATIONS BEGINS 2011 WITH NEW FINANCING, NEW SERVICES, AND STRATEGIC GROWTH INITIATIVE**

ROCKLIN, CALIFORNIA – JANUARY 10, 2011 -- Purple Communications™, Inc. (OTC: PRPL) ("Purple"), a leading provider of communications services for people who are deaf, hard of hearing and speech disabled, today announced the successful completion of a new debt financing, beta versions of new relay offerings, and a new strategic initiative that broadens Purple's growth potential in the new year.

"We are starting 2011 from a place of strength," said Dan Luis, CEO of Purple. "With improvements and expansions to our service offerings, Purple is well positioned for long-term communications services to people who are deaf, hard of hearing and speech disabled."

"We have successfully refinanced the company and that has put us on stronger financial footing, with a lower cost of capital," said John Ferron, CFO and President of Purple. "It has allowed us to repay early all amounts owed to the FCC under the recent Consent Decree that we announced late last year."

Purple operates its business along two primary relay business units: Video Relay -- which includes VRS, on-site interpreting, and video remote interpreting – and Text Relay.

"Strategically, we are seeing our Video Relay business expand through increased use of mobile clients, and service adoption by corporate and educational users as well as major government agencies," added Ferron. "We are excited with the results of our recent Purple VRS iPhone 4®, iPod touch®, and Mac application launches, and expect to build on these during the year."

Purple's Text Relay business, which includes both the IP-Relay and i711® service brands, also expanded its customer communication options with a new website for the IP-Relay

brand, and a beta version of its new IP-Relay for Android application that has been getting positive feedback from customers.

This week, as part of an expansion of Purple's Text Relay business, Purple introduced a beta version of ClearCaptions<sup>TM</sup>, its online telephone captioning service. Purple also added a beta version of the ClearCaptions app to the Apple App Store for iPhone<sup>®</sup>, iPod touch<sup>®</sup>, and iPad<sup>®</sup> users.

“The opportunity for ClearCaptions is significant in terms of the number of people who can benefit from the service,” said Luis. “We are excited to introduce its unique online captioning service to customers who have experienced the difficulty of trying to hear on the phone, but have yet to try captions on their calls.”

### **About Purple Communications, Inc.**

Purple Communications, Inc. is a leading provider of communications services for people who are deaf, hard of hearing or speech disabled. For more information on the company and its services, visit [www.purple.us](http://www.purple.us) or [www.clearcaptions.com](http://www.clearcaptions.com). "i711," "Purple," and the Purple logo are registered trademarks of Purple Communications, Inc. "Purple Mail," "Powered by Purple," "i711.com," "My IP-Relay," "IP-Relay.com," "One-Tap Redial," "P3", "ClearCaptions", the ClearCaptions logo, the "CC phone" logo, and "Get the whole conversation" are either registered trademarks, trademarks, or service marks of Purple Communications, Inc. Other names may be trademarks of their respective owners. Mac, iPhone 4, iPad, and iPod touch are registered trademarks of Apple, Inc.

### **Forwards Looking Statements - Safe Harbor**

Certain statements made in this press release are forward-looking statements that reflect management's current outlook and are based upon current assumptions. Such forward-looking statements may be identified by the use of forward-looking terminology such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," "continue" or similar terms, variations of such terms or the negative of those terms that convey uncertainty of future events or outcomes. Actual results could differ materially from those projected in the forward-looking statements as a result of the following risks and uncertainties, among others: (i) our ability to respond to the rapid technological change of the telecommunications relay service (known as "TRS") and/or wireless data industries and offer new or enhanced services; (ii) our dependence on wireline and wireless carrier networks and technology platforms supporting our relay services; (iii) our ability to respond to increased competition in the TRS and/or wireless data industries; (iv) our dependence on third party technology companies and suppliers for our new product releases; (v) our ability to generate revenue growth; (vi) our ability to increase or maintain gross margins, profitability, liquidity and capital resources; (vii) unanticipated expenses or liabilities or other adverse events affecting our cash flow; (x) limitations on our ability to borrow funds and satisfy the covenants under our credit arrangements or obtain new credit arrangements or other financing, if necessary; (ix) uncertainty

regarding the success of the launch of our new product releases; (x) unanticipated decreases in reimbursement rates through the federal TRS fund; (xi) uncertainties associated with changing governmental regulations and difficulties inherent in predicting the outcome of regulatory processes; (xii) such other risks and uncertainties as discussed in the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for fiscal year 2009. As a result of these and other factors, there can be no assurance that the results contemplated in forward-looking statements will be realized. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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