



iLINC PROVIDES OPERATIONAL AND FINANCIAL UPDATE

Transition to SaaS Model Completed Providing Renewed Optimism for 2010

PHOENIX, Arizona February 17, 2010 – iLinc Communications, Inc., a leading developer of web and video conferencing software and services, today provided a review of progress made in calendar year 2009 and a view of its prospects in 2010.

2009 Highlights

- Completed a business model shift from iLinc’s traditional software purchase model to the more predictable Software-as-a-Service (SaaS) license model.
 - Added over 1,500 new SaaS customers within the SMB and enterprise space.
 - Grew SaaS revenue from direct sales by 200%.
 - Increased total subscription services revenue by 50%.
 - Achieved churn rate of less than 2% on SaaS contracts.
- Implemented a “going dark” initiative that, with other expense reductions, provided cost savings of over \$1.8 million or 21% compared to 2008.
- Successfully divested the audio conferencing business to a strategic partner and grew our wholesale audio revenue from near zero to \$500,000.
- Increased intellectual property portfolio securing a patent on the iLinc Green Meter.
- Advanced sales reach, strengthening key relationships with Salesforce.com.
- Launched SaaS distribution partnership with SYNEX already adding more than 100 resellers.
- Capitalized on our services innovation leadership to differentiate and grow iLinc’s business and hired industry veteran Kelly Roy as VP of Customer Success to lead the effort.

James M. Powers, Jr., President and Chief Executive Officer of iLinc Communications, said, “We recognized the growing popularity and strategic value of the SaaS recurring revenue model, and therefore carefully restructured our sales and marketing teams and strategies to better align our organization to focus on the opportunity. When we began that undertaking, we had concerns about the impact that the U.S. recession would have on us, but we felt the move was critical for long-term success. Clearly, the change to focus on SaaS, going dark, divesting of the audio conferencing business and dramatically cutting costs across the organization, including pay cuts, all contributed to a successful 2009.

With those important transformations behind us, iLinc is well-positioned for continued revenue growth in 2010. The “public company burden” is lifted and we have been able to redirect capital and focus it keenly on driving ahead our SaaS offering and are experiencing market success. We are pleased to announce continued growth in compounding SaaS revenues at a pace exceeding industry averages and we continue to receive an abundance of praise from new and existing customers about our industry-leading product line and our extraordinary customer service,” continued Dr. Powers.

“We set out in 2009 with a goal of adding over 1,500 new SaaS customers and in spite of the recession and the business model shift, we eclipsed that milestone last year. While many of the new customers added were very small businesses that were challenged by the national economy, for 2010, we are focusing more intensely on attracting companies in our sweet spot of 25 to 1,000 employees. With improvement in the U.S. economy and leveraging the solid foundation established last year, we are forecasting accelerating growth in 2010. Our sales and marketing focus remains on our Software-as-a-Service offering that is providing sustainable long-term growth in recurring revenue, backlog and deferred revenue. We expect 2010 to be a break-out year for iLinc as we add to a well-established recurring revenue base.

From a financial point of view in calendar 2009, total revenues grew only slightly over 2008, yet the recurring percentage of those revenues improved dramatically. By transitioning away from legacy low margin businesses and intensifying our focus on more valuable revenue streams, namely high margin direct subscription sales, we successfully grew that recurring revenue 200% over 2008 and grew total recurring revenue from all subscription services 50% over 2008. Importantly, we stabilized our cash flow in 2009 and we expect to generate cash in 2010 as revenues rise while we continue to hold down costs. Accordingly, we are sustaining cash balances and do not anticipate a need to raise capital this year to achieve our growth plans,” continued Dr. Powers.

“We continue to invest in our award-winning products. We are pleased to have received a patent on the iLinc Green Meter™ that utilizes sophisticated algorithms to measure the CO2 emissions and dollars saved by using web conferencing to avoid travel and we expect to further capitalize on the continuing green movement. Among many sales initiatives, we recently enhanced our product integration and partnership with Salesforce.com, increasing our exposure to their customers and global resellers. We also strengthened our relationship with the large account reseller Softmart, which distributes iLinc domestically.

On the strategic front, we continue to explore strategic partnerships to expand the distribution footprint of our industry-leading technology. In addition to the expanding Salesforce.com relationship, we launched a new partnership with SYNEX to distribute our SaaS software through their vast reseller network and have signed an OEM agreement to distribute our web conferencing solutions through a leading audio conferencing provider.

With the successful implementation of the many changes I’ve outlined and our clear operating focus, we are making every effort to reward our customers, shareholders and employees with success in 2010. We look forward to providing updates on our progress in the future,” concluded Dr. Powers.

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About iLinc Communications, Inc.

iLinc, a recognized leader in web and video conferencing and collaboration solutions, empowers people to achieve their organizational goals easily and quickly, making it possible for them to accomplish more, travel less, achieve work-life balance, all while preserving the environment. iLinc’s Software-as-a-Service (SaaS) delivery, industry-leading service, and integrations such as iLinc for Salesforce, which automatically synchronizes web conferencing and CRM data, increase operational efficiency across the organization, letting you drive more revenue. For more, visit www.ilinc.com.

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