



FOR IMMEDIATE RELEASE

CONTACT:

Justin Schakelman
TheaterXtreme Entertainment Group
+1 302-455-1334
Email: justin@theaterxtreme.com
Website: theaterxtreme.com

TheaterXtreme Unveils New Retail Store Design Concept

NEWARK, DE, 06/21/05—TheaterXtreme, Inc., a Newark, DE-based home cinema design and installation company, announced today a new retail design concept to be the basis of all future stores.

Created by Mitchell Associates of Wilmington, DE, a national leader for innovative design solutions, the concept is a refinement of TheaterXtreme's unique movie-theater-theme retail design.

“Being first to create a franchise around its products is essential to TheaterXtreme's market share. This design reflects the importance of distinctive elements and how they affect consumer buying habits,” said Sheree Jones, a Principle at Mitchell.

One major upgrade includes a new merchandising strategy to aid the sale of décor and furnishings products. “When customers enter, the showroom moves them through the unique experience of buying a TheaterXtreme home cinema,” Jones added.

Home cinema vignettes are now featured in the lobby to present the consumer with more design-solution choices. Jones went on saying: “The [vignettes] complement the style and taste of the retail space.”

Architecturally, the design center is visually stunning. A filmstrip ceiling soffit, curved movie counter, complementary color palette, and dramatic lighting all combine to inspire the consumer and stimulate the senses.

“Customers and the business community have responded well to the new design,” stated Scott Oglum, President and CEO, TheaterXtreme Entertainment Group. “The Mitchell Associates design team has transformed our retail space into a first-class environment. It's exciting, modern, and reminiscent all at once—an unforgettable shopping experience.”

The first store to integrate the concept completely will be Bel Air, MD, slated to open in August 2005. Selected existing locations will be retrofitted, with an adoption timeline of about six months.

The company's Newark, DE store features a sneak preview of the Mitchell Associates' lobby design.

To experience a virtual tour of the design concept, visit www.theaterxtreme.com and click *Virtual Tour* on the *Bel Air, Maryland* link.

TheaterXtreme of Bel Air, MD is located at 1202-B Agora Drive, Amyclae Business Center, Bel Air, MD 21014. Visit TheaterXtreme.com for directions and store hours.

ABOUT THEATERXTREME ENTERTAINMENT GROUP, INC.—TheaterXtreme designs, sells, and installs affordable, large-format, front projection home cinemas. Its home cinema packages feature OneView, a proprietary media controller that combines on-screen movies, music, photos, games, and Internet access with the touch of a button. The company focuses on middle-income consumers in the home entertainment marketplace, emphasizing value and performance across its line of home cinema audio, video, furnishings, and accessories.

SAFE HARBOR STATEMENT—Some of the information presented in this constitutes forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements represent the Company's judgment regarding future events, and are based on currently available information. Although the Company believes it has a reasonable basis for these forward-looking statements, the Company cannot guarantee their accuracy and actual results may differ materially from those the Company anticipated due to a number of known and unknown uncertainties, of which the Company is not aware. Factors which could cause actual results to differ from expectations include, among others, the ability of the Company to sell franchises, success of the franchise stores, location of stores, delay or loss of key products from vendors, disruption of product delivery from overseas suppliers, changes in regard to significant customers or suppliers, increased competition from companies with more expertise or experience, technological improvements in the home theater market which may render the Company's offerings obsolete, less competitive, or too expensive, material reduction in the demand for home theaters, and lack of sufficient capital to allow the Company to achieve its strategic objectives. For additional information concerning these and other important factors that may cause the Company's actual results to differ materially from expectations and underlying assumptions, please refer to the reports filed by the Company with the Securities and Exchange Commission.

###