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TheaterXtreme's files 10K-SB for year ended June 30, 2005

NEWARK, DE, 10/14/05— TheaterXtreme Entertainment Group, a Newark, DE-based franchisor of home cinema design and installation centers, announced today it has filed its annual report with the SEC for the fiscal year ended June 30, 2005.

The report can be found online at:

<http://www.sec.gov/Archives/edgar/data/1089775/000095015905001151/theaterx10ksb.htm>

ABOUT THEATERXTREME, 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.

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