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TheaterXtreme signs agreement to open franchise in Springfield, MA

NEWARK, DE, 10/18/04—TX Expansion Group, Inc., the business development extension of affiliate TheaterXtreme, Inc., announces the opening of its fourth design center following a Springfield, MA territory approval to JISA, Inc.

TheaterXtreme conditionally approved franchise design center options in Amherst, MA, Worcester, MA, and Hartford, CT to JISA. “TheaterXtreme is a solid business opportunity for us, and we’re encouraged by its potential to be a leading brand in the front projection home theater market category” stated a representative of JISA.

The forthcoming Springfield, MA location is part of TheaterXtreme’s ongoing franchise campaign. “Their timing is outstanding, as we are continuing to build this organization into a national brand,” said Scott Oglum, president, TX Expansion Group, Inc.

JISA is a model example of the kind of franchisee talent that TheaterXtreme seeks.

“We expect the Springfield design center to be an exciting home theater shopping destination in the Springfield community,” said Ken Warren, vice president of franchising. “We’re pleased to see them come aboard.”

After seven months of consideration, JISA, encouraged by TheaterXtreme’s record of accomplishment, decided to open the Springfield, MA design center. Construction has already begun on the movie-theater-inspired retail space. It will display five TheaterXtreme home cinema rooms. The grand opening of the 4000 square foot design center will occur in early 2005.

For more information about TheaterXtreme’s franchise system, contact Ken Warren. Or, visit theaterxtreme.com. Franchises start at \$250,000.

ABOUT THEATERXTREME, INC.—TheaterXtreme sells and installs affordable, large-format, front projection home theaters. The company focuses on middle-income consumers in the home entertainment marketplace, emphasizing value and performance across its line of home theater 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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