



DMX MUSIC Announces Definitive Agreement for Asset Sale with THP Capstar, Inc.

Will Complete Sale Through Voluntary Chapter 11 Case

LOS ANGELES, California – February 14, 2005 – DMX MUSIC, Inc., a global leader in delivering integrated audio and visual media solutions to 100 million daily listeners in homes, airlines and businesses around the world, today announced it has signed an Asset Purchase Agreement for the sale of all of DMX MUSIC's domestic and international operations with THP Capstar, Inc.

THP Capstar, Inc. is an affiliate of Capstar Partners, LLC, a private investment company led by Steve Hicks with a focus on traditional and early stage investments in broadcast/media, distributed content and media technology. Partnering with Capstar in THP Capstar, Inc. is Trinity Hunt Partners, a Dallas-based, regionally-focused private equity firm specializing in investments in established middle market companies in the media, manufacturing, business services, healthcare and consumer products industries. Silver Point Finance, LLC is providing debt financing for the transaction.

As required under the purchase agreement and to facilitate the sale, DMX MUSIC's domestic companies have voluntarily filed petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code today. These filings only involve DMX MUSIC's U.S. operations. The filing does not include its subsidiaries in Australia, Belgium, Canada, The Czech Republic, France, Germany, Holland, Hungary, Poland, Spain, Japan or the United Kingdom.

"This transaction represents very positive news for our customers, employees, affiliates and other constituents," said Mark D. Rozells, President and Chief Executive Officer of DMX MUSIC. "Completing the sale through a Chapter 11 filing will allow us to significantly reduce our debt and undertake an orderly transition to our new owners. Under THP Capstar's ownership, the business will be able to capitalize on its leading market position, proprietary technology and significant operational improvements made

since 2002, while having greater access to financial resources necessary to support our future growth.”

Mr. Rozells noted that the Chapter 11 and sale processes will have no impact on the Company’s ability to fulfill its obligations to its customers and employees. “During the sale process, we will continue our commitment to provide the premier music, messaging and imaging services, audio/video systems, and client support that our customers have come to expect. Our daily operations will continue as usual, our vendors will be paid for all supplies furnished and services rendered subsequent to the filing, and all day-to-day aspects of the business will continue without interruption. Taking care of our customers is, and will remain, our number one priority.”

New Financing Secured

DMX MUSIC also announced it has received a commitment for up to \$10 million in debtor-in-possession (DIP) financing from its current bank group led by Royal Bank of Canada, subject to court approval. The DIP financing will be used to maintain uninterrupted service and delivery to DMX MUSIC customers during the completion of the sale transaction, and to ensure payment to vendors for post-petition purchases in the ordinary course of business.

“With our positive free cash flow, DIP financing, and the protections provided under the Bankruptcy Code for post-petition purchases, we are confident our suppliers will continue their long-term support of us while we complete the sale. Throughout the sale process and beyond, we will continue to service our existing customers, renew current agreements and acquire new business,” Mr. Rozells said.

“Today’s action lays the foundation for DMX MUSIC’s future growth by creating a capital structure that will enable DMX MUSIC to maintain a dominant market presence for many years to come,” stated Mr. Rozells.

In conjunction with the filing and pursuant to Section 363 of the Bankruptcy Code, DMX MUSIC also filed a motion for the establishment of bidding procedures to allow other qualified bidders to submit higher and better offers to purchase the assets being sold. The Company anticipates the sale transaction will be completed within 60 to 90 days.

DMX MUSIC filed its voluntary petitions for reorganization in the United States District Court for the District of Delaware in Wilmington. The filing entities are Maxide Acquisition Inc.; AEI Music Network, Inc.; Tempo Sound, Inc.; and DMX Music.

About DMX MUSIC

DMX MUSIC, Inc. is majority-owned by Liberty Digital, a subsidiary of Liberty Media Corporation (NYSE: L, LMC.B). Operating in more than 100 countries, DMX MUSIC is headquartered in Los Angeles with offices throughout the United States and internationally in Australia, Belgium, Canada, The Czech Republic, France, Germany, Holland, Hungary, Poland, Spain, Japan and the United Kingdom. DMX MUSIC is a global leader in digital music and visual imaging programming, with one of the world's largest digital music and video libraries, creating more than 500 unparalleled styles of commercial-free programming delivered via digital cable, satellite, DVD and the Internet. DMX MUSIC distributes its music and visual services worldwide to more than 11 million homes, 180,000 businesses, and 30 airlines with a worldwide daily listening audience of more than 100 million people. For more information access the company's website at www.dmxmusic.com.

About Liberty Media.

Liberty Media Corporation (NYSE:L, LMC.B) owns interests in a broad range of video programming, broadband distribution, interactive technology services and communications businesses. Liberty Media and its affiliated companies operate in the United States, Europe, South America and Asia with some of the world's most recognized and respected brands, including Encore, STARZ!, Discovery, QVC and Court TV.

About Capstar Partners, LLC

Capstar Partners, LLC, is a private investment company that participates in both early stage funding and traditional investments. Capstar Partners primary seed stage investments are in the areas of Broadcast/Media, Distributed Content and Media Technology. Traditional investments include real estate, publicly traded stocks, and private non-technology companies.

About Trinity Hunt Partners

Trinity Hunt Partners is a Dallas-based, regionally-focused private equity firm specializing in leveraged acquisitions, recapitalizations and late stage growth financings of established middle market companies with enterprise values between \$15 million and \$150 million in the media, manufacturing, business services, healthcare and consumer products industries.

About Silver Point Finance, LLC

Silver Point Finance, LLC, based in Greenwich, Connecticut, is an independent provider of custom financing to large and middle market companies. The firm combines extensive experience in complex financings, cross-disciplinary expertise, streamlined decision-making, a commitment to building long-term relationships with clients. Silver Point Finance is a business of Silver Point Capital, which specializes in credit analysis and diversified investments.

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