



Company Fact Sheet

OVERVIEW:

DMX MUSIC is the worldwide leader in creating and delivering unique and impactful music and visual imaging entertainment to homes, businesses and airlines worldwide.

As a global leader in digital music programming, DMX MUSIC offers access to one of the world's largest digital music libraries, delivering 500 styles of non-stop music via digital cable, satellite, the Internet and aircraft. DMX MUSIC's international reach stretches over six continents and is delivered to more than 11 million homes, 180,000 businesses and 30 airlines daily, with a worldwide listening audience of over 100 million people.

SERVICES:

Music, visual imaging, message marketing, sound systems design, installation and service.

CORPORATE ADDRESS:

Capstar Partners
600 Congress Avenue, Suite 1400
Austin, Texas 78746

WEB ADDRESSES:

www.dmxmusic.com and www.capstarpartners.com

CORE COMPETENCY:

Innovative Programming: DMX MUSIC has built the industry's largest in-house programming department comprised of music professionals whose years of experience, education and talent provide the foundation for the creation and application of innovative music programs. Fueled by our intimate knowledge of the marketplace, we create music selections that enrich the lifestyles of our listeners and profits of our commercial customers. Our music programmers are located around the world, providing cultural expertise and resources that create the ultimate listening experience. The programming department performs daily research and maintenance for each DMX MUSIC program to ensure freshness and continuity. DMX MUSIC has a company-wide commitment to superior programming and customer support. DMX MUSIC delivers industry's most advanced, flexible and reliable proprietary multi-platform digital

delivery systems. DMX MUSIC offers more than 40 years experience.

Commitment To Leading-Edge Technology: DMX MUSIC was the world's first all-digital music program service and pioneers in the delivery of CD-quality stereo music entertainment. The company has the highest technical standards, delivering the greatest clarity, fidelity and reliability. DMX MUSIC remains on the forefront of product development to ensure that our music, visual imaging and message marketing are delivered in the most beneficial way.

Superior Service: DMX MUSIC backs up its delivery platforms for music, video imaging and message marketing with the industry's best technical support and a commitment to customer support. DMX MUSIC has a certified installation network and dedicated customer service support center, insuring customers promptly get solutions to any technical questions that may arise.

CUSTOMERS:

DMX MUSIC's COMMERCIAL DIVISION creates professional, demographically targeted audio, message marketing and video programming for over 180,000 businesses including the fashion, specialty retail, healthcare, sporting and hospitality industries.

DMX MUSIC INFLIGHT provides customized music and audio shows including exclusive artist interviews, video and other media services to 30 top airlines around the globe.

DMX MUSIC's BROADBAND DIVISION provides up to 50 music channels, as part of digital cable and satellite services, no additional equipment is needed. To access DMX MUSIC channels, the user simply selects DMX MUSIC from the on-screen interactive guide.

PRESS CONTACTS:

Laurie Parker or Elizabeth Christian
Elizabeth Christian & Associates Public Relations
512-472-9599
lparker@echristianpr.com or echristian@echristianpr.com

Christy Noel
DMX MUSIC
310-444-1744
Christy.noel@dmxmusic.com



CAPSTAR PARTNERS

About Capstar Partners, LLC

Based in Austin, Texas, Capstar Partners, LLC was formed in June 2000. Capstar Partners is a private investment company that participates in both the funding of early stage technology companies and traditional investments. Capstar Partners primary seed stage investments are in the areas of Broadcast/Media and Financial Services. 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, health care 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.



CAPSTAR PARTNERS
BIOGRAPHIES

R. Steven Hicks

R. Steven Hicks, 55, is Chairman of Capstar Partners, LLC formed in June 2000. Capstar Partners is a private investment company that participates in both the funding of early stage technology companies and traditional investments. Capstar Partners primary seed stage investments are in the areas of Broadcast/Media and Financial Services. Traditional investments include real estate, publicly traded stocks, and private non-technology companies.

Prior to forming this new venture, Hicks was Vice Chairman of AMFM Inc. (NYSE: AFM), the nation's largest owner and operator of radio stations, with over 450 radio stations in markets across the U.S. In August 2000, AMFM merged with Clear Channel Communications, Inc. (NYSE:CCU).

In 1996, Hicks founded Capstar Broadcasting Corporation with a \$700 million equity commitment from Hicks, Muse, Tate and Furst. Capstar Broadcasting's strategy was to be a leading consolidator of middle market radio stations across the U.S. By 1998, Capstar Broadcasting was the nation's largest radio station holding company with 350 radio stations. Also in 1998, Hicks led Capstar Broadcasting to a successful initial public offering on the New York Stock Exchange. In August 1999 Capstar Broadcasting merged with Dallas-based Chancellor Media Corporation, another radio industry powerhouse, and in a stock swap valued at \$4.1 billion, AMFM Inc. was born. In addition to serving AMFM Inc. as Vice Chairman, Hicks was CEO of its New Media division, which developed Internet products and technologies for the radio industry.

Hicks bought his first radio station at age 29 and co-founded Hicks Communications, Inc., in 1979. Over the next 14-years Hicks acquired stations in Texas, Oklahoma, Louisiana, Tennessee, Mississippi and South Carolina. In 1993, Hicks co-founded SFX Broadcasting, Inc., building it into a publicly traded industry leader and one of the five largest radio groups in the country. Hicks left the company in mid-1996 to begin building the Capstar Broadcasting group.

Steve Hicks made radio history by inventing the local marketing agreement (LMA), the forerunner to the radio duopoly, which has dramatically changed the way the broadcasting industry does business by allowing consolidation of radio station operations. This innovation changed FCC regulations and returned many radio stations to profitability, increasing the value of broadcast properties across the nation. Eventually, Hicks' new system of management helped persuade Congress to change ownership rules in the 1996 Telecommunications Act.

A 33-year veteran of the radio broadcasting industry, including 20 as a station owner, Hicks was named Radio Executive of the Year and in 1997. In that same year, Hicks was also named one of the 10 Most Powerful People in Radio by Radio Ink magazine. In 1996, Hicks was honored as an Ernst & Young Entrepreneur of the Year and the Texas Association of Broadcasters recognized Hicks as Broadcaster of the Year. He serves on numerous charitable and professional boards. A father of three children, two stepchildren, and two grandchildren, he makes his home in Austin, Texas, with his wife, Donna.



CAPSTAR PARTNERS
BIOGRAPHIES (CONT.)

John D. Cullen

John D. Cullen, 51, serves as a Partner in Capstar Partners, a private investment company that participates in both the funding of early stage technology companies and traditional investments with a focus on media and real estate.

Prior to joining Capstar, Cullen had twenty-five years of experience in management and marketing including twenty-years of experience in Radio Sales, Sales Management, General Management and Senior Media Management.

Most recently, Cullen served as a member of the Executive team with Clear Channel (NYSE:CCU) as President of the International Division and as the Senior Vice President for Clear Channel Radio. In this role he streamlined operations in all markets, developed and implemented systems and managed acquisitions for his divisions.

Prior to joining Clear Channel, Cullen served as the President of the New Media division of AMFM (NYSE:AFM) where he supervised the Systems, Services and Technology initiatives for AMFM including Katz Media Group, Prophet Systems, Galaxy, Star Performance and StarSystems. Further, he re-engineered Television Representation Division producing an 86% increase in income in 2000. In the technology arena, he oversaw and secured buy-in for the development and installation of the Prophet digital audio system for all AMFM properties and continued sponsorship of the Galaxy unified Traffic, Billing, Inventory and Yield Management System. All of these systems have been adopted by Clear Channel and are now the standard for the surviving company.

Prior to AMFM, Mr. Cullen served as the Chief Operating Officer of Capstar Broadcasting Partners (NYSE:CRB), successfully managing the then largest Radio broadcast company in the United States. The Company completed the acquisition and successful integration of stations in 75 markets preparing the Company for an Initial Public Offering. In 1998 the Company successfully completed the then largest Radio IPO in history. Capstar was unique to the radio industry as the Company developed the infrastructure for distributing content (StarSystems) and introduced collective contesting thereby reducing annual operating cost by an estimated \$10,000,000 while simultaneously increasing ratings.

The Capstar involvement stemmed from the results achieved in GulfStar Broadcasting where serving as President and CEO, the Company was transformed from a privately held eight-station group in 1996 into a \$233,000,000 eighty-seven station asset by July of 1997. It was within the GulfStar organization that the then unique StarSystem content distribution was developed.

Prior to 1996, Cullen held various management positions within SFX, Capstar, Cox and Sterling Communications.



CAPSTAR PARTNERS
BIOGRAPHIES (CONT.)

Paul Stone

Paul D. Stone, 43, is President of Stone Management Company formed in 2002 to provide financial consulting services and to make strategic investments in media and other high margin growth industries. By partnering with seasoned operating veterans in each industry and capitalizing on relationships with equity fund operators developed through years in the finance industry, SMC is developing a portfolio of profitable companies with high growth potential. Mr. Stone also serves as a Partner in Capstar Partners, a private investment firm with similar investment goals.

Prior to creating SMC, Stone served as Executive Vice President of Activant Solutions (formerly CCITriad), a \$400 million technology company that develops and supports information systems for automotive parts distributors and hardware stores. Formed in 1997 as a merger/LBO sponsored by Hicks Muse Tate & Furst, Inc., the company struggled under poor management and significant debt. Stone was partnered with new CEO to engineer a turnaround that stabilized the business and significantly improved cash flow. Implemented operating systems, established cash controls, reorganized corporate and operational infrastructures, rationalized product offerings, reduced operating costs, negotiated lender agreements and restored investor confidence.

The Activant turnaround came on the heels of his tenure as Chief Financial Officer for Capstar Broadcasting Corporation (NYSE:CRB) from 1997-1999.

Capstar was a \$4.5 billion operator of 350 radio broadcasting stations in 80 markets. Formed in 1996, the company became America's largest owner of radio stations within 18 months. After a successful IPO in 1998, Capstar was merged into AMFM (NYSE:AFM) in 1999 and later into Clear Channel Communications. The Capstar team raised \$2.1 billion of investment capital, negotiated numerous acquisitions and sales transactions, integrated multiple operating units, implemented management reporting systems and developed an efficient corporate infrastructure in a compressed time period.

Previous experience in media included a similar position as CFO of GulfStar Broadcasting from 1996-1997, a \$220 million operator of radio stations that was merged into Capstar Broadcasting Corporation in 1997. Stone raised \$125 million of investment capital, engineered a financial turnaround, negotiated acquisitions, integrated 45 radio properties in 12 markets, developed management reporting systems and structured final merger into Capstar.

Prior to his involvement in broadcast, Stone served as a Vice President of Hicks, Muse, Tate and Furst, a diversified private investment firm with over \$14 billion of invested capital under management. During this time, he performed acquisition due diligence, established operational performance plans with management of portfolio companies, developed investor reporting systems and monitored personal investments for principals.

Mr. Stone resides in Austin with his wife and four children. He is active in numerous civic and charitable organizations.



CAPSTAR PARTNERS

FAQ's

Who is THP Capstar?

THP Capstar Inc. was formed through the partnership of Capstar Partners, LLC and Trinity Hunt Partners for the sole purpose of acquiring the assets of DMX MUSIC. Capstar Partners is a private investment company based in Austin, Texas and led by Steve Hicks. Trinity Hunt Partners is a private equity firm based in Dallas, Texas.

Will there be a new management team leading the company?

There will be a new President, CEO, COO, and CFO going forward. The new management team will consist of:

- Steve Hicks - CEO
- John Cullen - President
- Paul Stone - COO

The intention is to retain most of the existing management team and leverage their valuable insight and experience in the business with our fresh ideas and experience. This combination should provide an exciting atmosphere for success.

What background does the new management have in this industry?

The team has a proven track record and reputation of running successful organizations, especially within the broadcast media industry. This same management team was extraordinarily successful in building Capstar Broadcasting (NYSE:CRB), a company they took public and acquired over 300 radio stations becoming the largest radio operator in the country and the largest single owner of independent Muzak franchises. This was all completed within an 18 month timeframe.

Why did THP Capstar want to purchase DMXUSIC?

When THP Capstar originally looked at DMX MUSIC, we saw a company that had tremendous assets...top quality products with top quality people, not to mention a very strong customer base. We also saw a company unable to grow and reach its potential because it simply had too much debt. At closing, DMX will have the best financed operations in the industry. What that means is DMX will be the only company in this industry that will have the financial flexibility to invest in people, systems, products, customer service, etc -- all the key attributes that make a good company a GREAT company.