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ANCHOR BAY ENTERTAINMENT ANNOUNCES FORMATION OF NEW THEATRICAL FILM UNIT

Anchor Bay Films Plans to Release of 8 – 10 Films Annually

(BURBANK, CA) --- Anchor Bay Entertainment, a worldwide leader in the home entertainment industry, is forming a new theatrical film division, Anchor Bay Films, Anchor Bay Entertainment CEO Chris McGurk announced today. The new division plans to release 8 – 10 films annually and will be headed by Anchor Bay Entertainment President Bill Clark. The expansion into theatrical distribution and establishment of a releasing label marks a natural growth for the company given the broad range of distribution opportunities it can offer filmmakers.

“While many entertainment companies are now dissolving or scaling back their independent film divisions and the independent video industry is experiencing major consolidation, Anchor Bay Entertainment has continued to expand,” commented McGurk. “Our company has distribution capability across all platforms – DVD, premium pay TV thru Starz and now theatrical. Anchor Bay Films can now provide the high quality, fully integrated distribution platform that independent filmmakers are seeking to maximize exposure for their films.”

“We will be acquiring commercial star driven films and creating a highly collaborative, filmmaker friendly environment spanning all aspects of the marketing and release of each film,” remarked Clark. “We will be adding a dedicated, high powered executive team to run Anchor Bay Films and are currently in discussions with filmmakers to begin immediate sourcing of films for the new label, which should be fully operational by the end of this year.”

Clark added, “This is a new chapter for Anchor Bay as we formalize our theatrical efforts by having a dedicated executive team behind it. It allows us to dedicate exclusive resources to both the theatrical and home entertainment markets based upon the favourable economics we have already experienced. We, at Anchor Bay, are thrilled to be able to fill the void in the video business and be the only provider of quality fully integrated distribution across multiple territories for independent films -- truly a one-stop shopping solution for this industry.”

Anchor Bay Films is unique in that it offers the creative community a fully integrated distribution capability and an international solution extending beyond the U.S. Anchor Bay is on the ground providing quality distribution with operations in the United Kingdom, Canada and Australia as well as distribution capabilities in other key territories. The company will focus on a platform release strategy for its films with an eye towards also maximizing their potential across all ancillary distribution platforms.

Anchor Bay's Australian Managing Director John Vale added, "For Australia, this means that a number of these pictures, under the Anchor Bay Films label, will be available to us for distribution. Historically, our limited theatrical releases, going back to DONNIE DARKO and BEYOND THE SEA, have been our best performers. This is a great opportunity for Anchor Bay Films Australia to step up to a new and consistent level of motion pictures across all forms of distribution".

About Anchor Bay Entertainment

Anchor Bay Entertainment is the home entertainment division of Starz Media, LLC. It includes the Anchor Bay Films and Manga Entertainment brands. It distributes feature films, children's entertainment, fitness, TV series, documentaries, anime and other filmed entertainment on DVD and Blu-ray formats. It is the exclusive distributor in the U.S. of the theatrical titles from Overture Films. Headquartered in Burbank, CA, Anchor Bay Entertainment has offices in Troy, MI, as well as Canada, the United Kingdom and Australia. Starz Media (www.starzmedia.com) is a controlled subsidiary of Liberty Media Corporation attributed to the Liberty Capital Group.

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