

AEON DIGITAL SELECTS MUSICNET TO PROVIDE DIGITAL MUSIC AND VIDEOS FOR DIRECT-TO-CONSUMER SET TOP BOXES

World's Leading Business-to-Business Digital Music Service Provider to Work With Aeon Digital's Broadband Network in the United States, United Kingdom and Canada

LOS ANGELES, CA, January 18, 2006 – Aeon Digital, a privately held company specializing in the delivery of Internet-based entertainment into the living room, today announced that it has entered into an exclusive agreement with MusicNet, the world's leading business-to-business digital music service provider, whereby MusicNet will provide key technological and programming components for the on-demand music service and make its catalog of licensed digital music tracks and videos available to Aeon Digital's online network subscribers in the United States, United Kingdom and Canada. The agreement with Aeon Digital reinforces MusicNet's ongoing diversification to deliver its industry-leading digital music services and content on the PC, directly to portable devices and set top boxes, and over the air to mobile phones.

Consumers can choose either the DV-220 set top box or a specially-equipped 32" LCD TV to access the Aeon Digital network. Both devices will be available to users in the United States and Canada in the second quarter of this year. For the first time, consumers will be able to directly purchase set top boxes that will enable them to access and enjoy the largest available catalog of licensed digital music available today, including content from all of the major labels and more than 40,000 independent labels.

"This is an impressive addition of fabulous content to our network and we're very excited about being able to offer it to our subscribers," said Giovanni Dander, CEO of Aeon Digital. "Our network already had music, but the addition of MusicNet's library brings this entertainment offering into a whole new league. Our network will now be providing consumers with access to millions of songs, thousands of movies, radio stations from around the world, live and specialty channels – and we're just starting. Finally, a set top box converging with IPTV that will make the delivery of entertainment when, where and how people want it that much easier."

"Digital music continues to find exciting new paths to reach the needs of today's thirsty fans and Aeon Digital has created an exciting way to bring their favorite tracks directly into the living room," said Alan McGlade, President and CEO of MusicNet. "The ability to purchase a set top box and instantly access, create and customize your music experience is yet another example of how a MusicNet partner is helping to revolutionize the digital music market."

Aeon Digital's cutting-edge line of set top boxes automatically accesses Aeon's online network via a standard broadband connection, allowing users to stream or download content at a quality better than cable. The benefit of the system is that content is very easily accessed and can be enjoyed in the comfort of the living room using a television set or a sound system, without the need of a PC.

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The DV-220 set top box will be the first of a line of units that will become available in the second quarter of 2006. All of Aeon's DV line of players allow direct access to content and are loaded with numerous features. In addition, the DV-220 includes a built-in 80 GB hard drive, which provides enough storage for 200 hours of content; an integrated 10/100, 802.11b/g wireless router; and a built-in firewall for added security when using the Internet. The device also includes an electronic programming guide (EPG) to locate and program favorite TV programs for the upcoming two weeks. It provides an interactive directory with detailed descriptions of programs, the ability to search by type of program, as well as different programming options. The DV-220 can access any media file stored on a home PC, allowing movies, songs and pictures stored on a

PC to be accessed and enjoyed in the living room. The DV-220 is distributed on an OEM basis. The technology is also integrated into Aeon Digital's LCD televisions and can be easily be adapted to numerous applications.

About MusicNet

MusicNet is the world's leading business-to-business digital music service provider. The top U.S. and global consumer brands private label MusicNet's comprehensive suite of digital music services. MusicNet enables its partners to offer their customers a fully customized experience, including the ability to buy music downloads and subscriptions, choose from the industry's largest catalog of licensed music, explore engaging editorial programming and enjoy an easy-to-use interface. Headquartered in New York, MusicNet is wholly-owned by Baker Capital, a New York-based private equity firm with \$1.5 billion under management. For more information, please visit www.musicnet.com <<http://www.musicnet.com/>> .

About Aeon Digital

Aeon Digital (AD) is a privately held company specializing in the delivery of Internet-based entertainment to the living room. AD has developed its line of set-top boxes, a family of Internet-connected digital video recorders that can stream and download secure music and movies using any home's high speed Internet connection. In addition to recording broadcast television and playback of Internet-based media, the DV-220 also plays PC-hosted media in the living room, making the DV-220 a complete home entertainment center. To provide Internet-based audio and video services, the Company has created and deployed the Aeon Digital Network, a highly scalable, standards-based server system that can deliver secure audio and video in both streaming and on-demand formats. Most remarkably, the Aeon Digital Network is hosted on the Internet backbone, and therefore, Aeon Digital is not limited to offering its services to customers of a specific service provider. Instead, anyone with a high-speed Internet connection can install and use the DV-220, subject only to regional content licensing restrictions. AD has offices in Los Angeles & Silicon Valley in the United States, Montreal, Canada and Shanghai, China. More information is available online at <http://www.aeon-digital.com>, or email: <mailto:minfo@aeon-digital.com>

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