

Seven Arts Announces Execution of Definitive Agreement to Acquire Michery Music Assets

David Michery to Become CEO of Seven Arts Music; Acquisition Includes Two Albums by Multi-Platinum Recording Artist DMX, and U.S. Scheduled Release of DMX's New Album "Undisputed" in the Second Quarter of 2012

LOS ANGELES, CA--(Marketwire -01/24/12)- Seven Arts Entertainment Inc. (NASDAQ: [SAPX](#) - [News](#)) ("Seven Arts") announced today that it has executed a definitive agreement with David Michery to acquire his music assets. Mr. Michery is a music industry veteran with an extensive track record of accomplishments. The acquired Michery assets are comprised of recording agreements with several artists, including two completed albums with multi-platinum artist DMX. Seven Arts also announced that "Undisputed," the first of these two completed DMX albums, is scheduled to be released in the United States in the second quarter of 2012 through Fontana Distribution, a division of Universal Music Group. The terms of the acquisition were not disclosed.

DMX's last four albums, which were released between seven and twelve years ago, earned gross revenues averaging more than \$35 million per album in the United States, according to SoundScan. DMX is the only artist in the history of The Billboard 200 to reach No. 1 with his first five albums. DMX's last solo album, "The Great Depression," topped the chart with debut week sales of 440,000 copies. Earlier albums, "...And Then There Was X" and "Flesh of My Flesh, Blood of My Blood," both sold more than 600,000 units in their opening weeks.

Seven Arts Entertainment CEO Peter Hoffman stated: "Dave Michery represents a significant addition to Seven Arts' business, and we are very excited about the revenue and earnings potential of DMX and Dave's other music assets."

Upon completion of the acquisition, David Michery will be appointed Chief Executive Officer of Seven Arts Music, which is the Company's new music division. This division will initially include Big Jake Music, and stars such as DMX. Seven Arts Music intends to develop new talent and label-establishing artists in the genres of hip hop, R&B, pop, dance and rock. David Michery's prominent career includes the production of numerous platinum albums and an executive role as Head of Urban Music for All American Communication, D.B.A. Scotti Bros. Records, A&R for MCA Records and Zoo/BMG, and founder of Breakaway Entertainment and American Music Corporation.

"David is a proven leader and visionary in the music industry," stated Peter Hoffman. "David's enthusiasm and strong professional reputation are well known, and he is a terrific addition to the Seven Arts team."

"I am very excited about this opportunity to be a part of building a music company for Seven Arts," stated David Michery. "Peter Hoffman has had great success over the years, and I am confident that my executive staff (to be announced soon) and I will continue that success."

About Seven Arts Entertainment Inc.:

Seven Arts Entertainment, Inc is the successor to Seven Arts Pictures Plc, which was founded in 2002 as an independent motion picture production and distribution company engaged in the development, acquisition, financing, production, and licensing of theatrical motion pictures for exhibition in domestic (i.e., the United States and Canada) and foreign theatrical markets, and for subsequent worldwide release in other forms of media, including home video and pay and free television.

Cautionary Information Regarding Forward-Looking Statements

Forward-looking statements contained in this press release are made under the Safe Harbor Provision of the Private Securities Litigation Reform Act of 1995. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from the anticipated.