

THE HATCHERY AND MY GYM CHILDREN'S FITNESS CENTER TO ENTER PRODUCTION, LICENSING, MERCHANDISING AGREEMENT

Branded Product Lines for Nationwide Leader in Kids Fitness
To Include DVDs, CDs, Publishing, TV/Film Entertainment

First Entertainment DVD-CD, "Mymo's Adventures," is Huge Success at
My Gym Centers; Broader Consumer Marketing Campaign Planned

Los Angeles (Date) -- Los Angeles entertainment company The Hatchery, LLC, has entered into a deal with My Gym Children's Fitness Center, the nationwide leader in kids fitness, to produce entertainment product for the popular children's destination. The Hatchery will also provide strategic direction and manage licensing and merchandising opportunities for the My Gym brand. Planned product lines for the partnership include DVDs, music CDs, publishing and television and film entertainment programming and toys. Announcement of the agreement was made by Bruce Stein and Margaret Loesch, Co-CEOs of The Hatchery, LLC, and Matt Hendison, Executive Vice President of Marketing and Entertainment for My Gym Children's Fitness Center.

The first product of the venture, "Mymo's Adventures," an interactive, live-action and animation mix DVD-CD, is selling briskly at the 150 My Gym Centers nationwide and online at www.my-gym.com. Negotiations have commenced by The Hatchery with a major distributor for a broader consumer distribution of the DVD-CD accompanied by an aggressive marketing campaign.

The Hatchery provided development and production oversight for "Mymo's Adventures." Its principals, Margaret Loesch, Bruce Stein and Dan Angel served as executive producers. Production services and direction were provided by Janicek-Marino Creative. Len Marino's and partner Jim Janicek's credits also include the best-selling "Disney Baby Einstein" video series. The first original production of "Mymo's Adventure" also features original music by Milkshake Music and Fundamentals of Music and Movement.

Created in 1983, My Gym Children's Fitness Centers are bright and exciting facilities where children actively participate in a variety of structured, weekly physical education classes to gain social skills and self-esteem. From sports, dance and gymnastics to birthday parties and mommy-and-me programs, this award-winning approach to children's health, fitness and well-being has empowered millions of children by helping them acquire skills, confidence and a positive self-image.

"Between 16 and 33 percent of children and adolescents are obese, and overweight adolescents have a 70 percent chance of becoming overweight or obese adults," says Hendison. "In the My Gym atmosphere, children learn to listen, to follow directions, to be independent and to cooperate by being part of a group. These branded product lines are an extension of that successful philosophy. They are an entertaining and valuable resource for parents and children to help them incorporate health and movement into their daily lives."

According to The Hatchery's Dan Angel, "The My Gym brand is already associated with fun and active movement so children will naturally respond to the energetic action on the DVD. The result is healthier, happier kids. For kids to want to participate in more rigorous activities it's important to find a brand that matches their notion of fun. My Gym and 'Mymo' are ideal brands for that."

About My Gym Enterprises: Established in 1983, **MY GYM** is the #1-ranking fitness center destination for children with 150 locations nationwide. For more than two decades, **MY GYM** has combined innovative, early physical education/pre-gymnastics classes with state-of-the-art facilities to empower children - ages 3 months through 13 years - by helping them acquire the skills, confidence and positive self-image needed to become healthy young adults. My Gym's award winning, structured, noncompetitive and age-appropriate classes enhance children's overall physical development through games, music, exercise, sports, gymnastics, puppets, special rides and fun! The children gain strength, balance, coordination, fine and gross motor proficiency, agility, flexibility and social skills. For more information, go to www.my-gym.com.

About The Hatchery, LLC: The Hatchery LLC is dedicated to building quality intellectual properties in the family and kids arena. The company develops and produces original entertainment for all media, including film, television, direct-to-home video/DVDs, video games, new media distribution, and consumer products. In addition, The Hatchery acquires, develops and exploits new and existing brand franchises for all media.

Projects in various stages of development include feature film projects based on the award-winning book series *The Great Brain*; "Jekyll & Hyde" the musical, based on the Broadway hit and worldwide sensation; and a series of movies based on the best-selling book series of author V.C. Andrews. Television projects include development of the hit movie "Holes" into a series in partnership with Walden Media. The Hatchery is also developing a series of direct-to-home video/DVD projects including a family-friendly adaptation of the best-selling horror anthologies based on *Nightmare Hour* and *The Haunting Hour* from the world's best-selling children's book author, multiple award-winner R.L. Stine (*Goosebumps*).

In December 2004, American Greetings Corporation (NYSE: AM), one of the world's largest manufacturers of social expression products, acquired a significant ownership stake in The Hatchery. The partnership leverages American Greetings' extensive catalog of intellectual properties, leading-edge creative resources and strong retail relationships with The Hatchery's significant experience in identifying and building successful franchises in family and children's entertainment and consumer products.

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