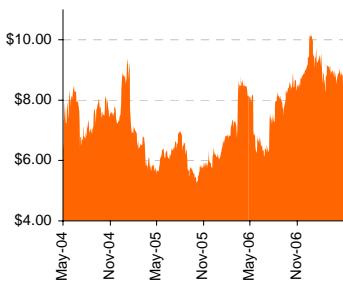




May 23, 2007

Three-Year Price History



PORTFOLIO INCOME

Reference Statistics

Sector Consumer Discretionary
Industry Broadcasting & Cable TV

Market Cap \$210.14 M

Average Volume 0.11 M shares
Float 24.0 M shares

P / E 15.13
ROE 20.31%
PE / ROE 0.74
P / B 7.73
EV / FCF 8.41

Dividend Yield 5.77%
Screen Score Percentile

Fiscal Year End March
Next Report June 2007

Contact Karyn Miller
Title Chief Financial Officer
Number XXX-XXX-XXXX

Fair Value Range \$12 - \$15
Time Horizon 5 years
Expected CAGR 11.61 %

NEW FRONTIER MEDIA, INC.

(\$8.66 / NASDAQ / NOOF)

Investment Summary

New Frontier Media is an aggregator and producer of adult-themed motion pictures. The Company acquires adult motion picture assets and produces differentiated film assets to be enhanced by its advanced editing skills, bundled in attractive thematic clusters, and distributed through the internet, digital cable, and satellite. We believe that New Frontier has developed the most diverse adult media library in the U.S.

- New Frontier has the most diverse and largest adult video library in the United States—over 25,000 hours.** We believe that the diversity and scale of the video library provides the Company with an advantage in reacting quickly to shifting consumer preferences and in maintaining long-lasting relationships with the Company's distribution partners.
- Adult video purchases have proven to be historically price inelastic, which leads to consistent free cash flow generation.** The adult entertainment industry has proven over time that its revenue generation bucks economic trends by remaining relatively constant. In retail parlance, we view the Company to have very little "fashion risk."
- We believe NOOF has a sustainable and attractive business model.** In short, the Company acquires commodity media assets and produces differentiated assets, adds value by implementing its core editing, bundling, and technological skills, and leverages this fixed investment by its distribution across medium, user, and geography. In the end, we believe this affords the Company a high-margin business that generates substantial and consistent cash flow.
- We think there could be market inefficiencies at work given that the Company operates in the adult entertainment industry.** The Company is followed by only two analysts and trades at a significant discount to mainline media companies. However, given the Company's limited fashion risk and consistent cash flow, the scale of its discount versus mainline media companies is unwarranted.
- New Frontier faces attractive potential growth avenues in the face of a tough competitive environment.** We believe the Company has aligned its chips better than its competitors to take advantage of international distribution, superior customer knowledge, general video on demand growth, and mobile technology.
- The Company has recently enacted some shareholder-friendly policies, including a special dividend, a quarterly free cash flow distribution policy, and a share buyback program.**