

June 2008

NEW FRONTIER MEDIA, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

New Frontier Media, Inc., a Colorado corporation (the “Company”), is committed to conduct its business in compliance with all applicable laws and regulations and in accordance with the highest standard of ethical conduct. Accordingly, the Board of Directors of the Company has adopted this Code of Business Conduct and Ethics (the “Code”) to:

- promote honest and ethical conduct, including the ethical handling of conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure;
- promote compliance with applicable laws and governmental rules and regulations;
- ensure the protection of the Company’s legitimate business interests, including corporate opportunities, assets and confidential information; and
- deter wrongdoing.

All employees, officers and directors of the Company are expected to be familiar with this Code and to adhere to those principles and procedures set forth in this Code. This Code has been provided to all employees, officers and directors in order to assist them in meeting the Company’s legal and ethical obligations.

For purposes of this Code, the “Code of Ethics Contact Person” is the Chairperson of the Audit Committee.

This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic standards of conduct to guide all employees, officers and directors of the Company. All of the Company’s employees, officers and directors must conduct themselves accordingly to avoid even the appearance of improper behavior. If a law conflicts with a policy in the Code, the employee, officer or director must comply with the law. If any aspect of this Code is unclear, or there are questions or dilemmas that are not addressed, the employee, officer or director should ask his or her supervisor, the Code of Ethics Contact Person or other appropriate personnel how to handle the situation. Because the Code addresses both legal and ethical responsibilities, non-compliance with the Code could result not only in disciplinary action, but may also subject the individual and the Company to civil and/or criminal liability. If any employee, officer or director is aware of a situation that may violate or lead to a violation of the Code, then that employee, officer or director should follow the reporting guidelines in Section XI of this Code.

I. Honest and Candid Conduct

Each director, officer and employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and candid. Deceit and subordination of principle are inconsistent with integrity.

Each employee, officer and director of the Company must:

- Act with integrity, including being honest and candid in all business dealings, while maintaining appropriate confidentiality of information where required or consistent with the Company's policies;
- Observe both the form and spirit of laws and governmental rules and regulations, accounting standards and Company policies; and
- Adhere to a high standard of business ethics.

II. Compliance with Laws, Rules and Regulations

Obedience to the laws, as it relates to our business, is the foundation of this Code. All employees, officers and directors are expected to respect and comply with local, state and federal laws, rules and regulations as a condition of continued employment or service. Although not all employees, officers and directors are expected to know the details of these laws, it is important to know enough to determine when to ask questions or seek advice from supervisors, managers, the legal department or other appropriate personnel. Ignorance is no defense.

III. Conflicts of Interest

The Company expects that each employee, officer and director will use good judgment, high ethical standards and honesty in all business dealings. Following these principles should prevent any conflict of interest from occurring.

A "conflict of interest" occurs when an individual's personal interest has the potential of interfering in any way, or when his or her private interest does, in fact, interfere with making decisions that are in the interests of the Company. A conflict of interest can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. For example, a conflict of interest would arise if an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

As illustrations of this concept, without limiting the situations that can arise in our business, clear conflict of interest situations involving directors, executive officers and other employees who occupy supervisory positions, or who have discretionary authority in dealing with third parties, may include the following:

- any significant ownership interest in any supplier or customer;
- any consulting or employment relationship with any supplier, customer or competitor;
- any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- the receipt of non-nominal gifts or excessive entertainment from any company with which the Company has current or prospective business dealings;
- the receipt of a Company loan, services or guarantee of the obligations of an employee, officer, director and/or their immediate family members;
- being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any immediate family member; and
- selling anything to the Company or buying anything from the Company, except on the same terms and conditions as unrelated third parties are permitted to so purchase or sell.

Service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest should, whenever possible, be avoided. Anything that would present a conflict for a director, officer or employee would likely also present a conflict if it is related to an immediate member of his or her family.

Conflicts of Interest may not always be clear-cut. Any questions or concerns, as well as any transaction or relationship that could potentially give rise to a conflict of interest, should be discussed with an individual's supervisor, the Code of Ethics Contact Person, the Director of Human Resources, or other appropriate personnel.

IV. Insider Trading

Employees, officers and directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except to conduct the Company's business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision based upon this information is not only unethical, but it may also be illegal. No employee, officer or director may purchase or sell any of the Company's securities while in possession of non-public information relating to the Company except in compliance with applicable state and federal securities laws (e.g., Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended). No employee, officer or director may purchase or sell the securities of any other company while in possession of any non-public information relating to that company.

Any employee, officer or director who is uncertain about the legal rules involving a purchase or sale of any Company securities or any securities in companies that he or she is familiar with by virtue of his or her work for the Company, should consult with the Company's Chief Financial Officer prior to the transaction.

V. Disclosure

Each employee, officer or director involved in the Company's disclosure process is required to be familiar with and comply with the Company's disclosure controls and procedures and internal control over financial reporting, to the extent relevant to his or her area of responsibility, so that the Company's public reports and documents filed with the Securities and Exchange Commission ("SEC") comply in all material respects with the applicable federal securities laws and SEC rules. In addition, each such person having direct or supervisory authority regarding these SEC filings or the Company's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

Each employee, officer or director who is involved in the Company's disclosure process must:

- Familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company;
- Not knowingly misrepresent, or cause others to misrepresent, facts about the

Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations; and

- Properly review and critically analyze proposed disclosure for accuracy and completeness (or, where appropriate, delegate this task to others).

VI. Competition and Fair Dealing

The Company makes commercial decisions based on its best interests. These decisions are made independently of, and free from, any understandings or agreements with any competitors and in full compliance with all applicable antitrust laws and regulations. All employees, officers and directors must avoid any conduct that violates, or which might appear to violate, antitrust laws, which include any express agreement, implicit or tacit understanding, or consultation with competitors regarding fixing prices, terms of sale, division of markets, agreements not to compete, allocations of customers, boycotts or any other activity that restrains competition among sellers and purchasers. Antitrust laws are designed to promote consumer welfare through competition and to protect competition by prohibiting conspiracies in restraint of trade. Before negotiating with competitors, consult with the legal department or other appropriate personnel. Do not discuss competitors' or the Company's prices or other proprietary terms and conditions of business, except as in furtherance of lawful purposes as previously approved by the legal department and, to the extent necessary, subject to a signed confidentiality agreement. Do not discuss divisions of markets. Do not discuss the Company's intentions to competitively bid or not to bid upon a particular transaction or opportunity and comply with the Company's confidentiality obligations in this regard. All employees, officers and directors must promptly refer to the legal department any inquiries or investigations on antitrust matters affecting the Company.

The Company seeks to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee, officer and director should endeavor to respect the rights of and deal fairly with the Company's purchasers, suppliers, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage over purchasers, suppliers, competitors or employees. No gift or entertainment should ever be directly or indirectly offered, given, provided or accepted by any employee, officer or director, any family member of an employee, officer or director or any agent (acting in its capacity as such) if doing so might make it appear that your judgment may be compromised. Additionally, no gift or entertainment should be accepted from any customer, supplier or competitor of the Company, unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot reasonably be construed as a bribe or payoff, and (5) does not violate any laws or regulations. Please discuss any gifts or proposed gifts which you are not certain are appropriate with your supervisor, the Code of Ethics Contact Person, or the legal department.

VII. Corporate Opportunities

Employees, officers and directors owe a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Employees, officers and directors are prohibited from taking (or directing to a third party to take) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. More generally, employees, officers and directors are prohibited from using corporate property, information or position for personal gain and from competing with the Company.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes there are both personal and Company benefits in certain activities. Employees, officers and directors who intend to make use of Company property or services in a manner not solely for the benefit of the Company must consult beforehand with the Code of Ethics Contact Person.

VIII. Confidentiality and Protection of Company Assets

Most losses of proprietary information occur through carelessness or negligence of Company employees. People talk more than they should:

- With other employees who do not have a need to know;
- With family and friends;
- With visitors and inspectors; and
- At trade shows and trade association meetings.

Employees, officers and directors must maintain the confidentiality of sensitive information entrusted to them by the Company, its customers, partners or business associates, except when disclosure is authorized by a supervisor or required by laws or regulations. Sensitive information has monetary value. Employees, officers and directors must take reasonable measures to keep the Company's confidential and proprietary information secret and limit access to those with a need to know. Confidential information includes all non-public information that might be of use to competitors, or which might be harmful to the Company or its customers, partners or business associates if disclosed. It includes, for example, trade secrets, processes, formulas, data, know-how, improvements, techniques, business forecasts, plans and strategies, and information concerning customers and vendors, information that suppliers and customers have entrusted to us or that the Company has obligated itself to maintain in confidence. The obligation to preserve confidential information continues even after employment ends.

Employees, officers and directors are obligated to protect the Company's assets, including its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties. All employees are required to sign an Acknowledgement of Receipt of the Company's employee handbook, which includes or accompanies this Code of Business Conduct and Ethics.

IX. Proper Use of Company Assets

All employees, officers and directors should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct adverse impact on the Company's performance. All Company assets should be used only for legitimate business purposes. Any suspected incident of fraud, theft, embezzlement or other wrongdoing should be immediately reported by an employee to his or her immediate supervisor, or if the employee is uncomfortable reporting to his or her supervisor, then to the Company's Code of Ethics Contact Person for investigation. Investigations of suspected dishonest and fraudulent activity will always be conducted in strictly confidential procedures. Company charge accounts, credit cards, bank accounts and other resources are strictly limited to Company use; personal charges on Company accounts are prohibited, though nominal personal charges that occur in connection with, and are incidental to, a legitimate business purpose may be permitted if they are promptly reported and reimbursed in accordance with Company policy. Company equipment should not be used for non-Company business, though incidental personal use and properly authorized use of Company cars may be permitted.

X. Waivers of this Code of Business Conduct and Ethics

Changes in or waivers of the Code may be made only by the Board of Directors of the Company and, in the case of any waiver of the Code for the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions ("Principal Officers"), only after its receipt of a recommendation with respect thereto from the independent directors on the Board of Directors of the Company. All changes in or waivers of the Code for Principal Officers will be promptly disclosed as required by law or stock exchange rules.

XI. Reporting and Accountability

Employees are encouraged to talk to their supervisors, managers, the Code of Ethics Contact Person or other appropriate personnel about observed illegal or unethical conduct, and when in doubt about the best course of action in a particular situation. Employees, officers and directors are required to report any actual or potential violations of laws, rules, regulations or the Code. A failure to do so is, itself, a violation of this Code. It is the policy of the Company not to allow retaliation or retribution for reports of misconduct by others made by employees. Employees, officers and directors are expected to cooperate in internal investigations of misconduct.

The Board of Directors is responsible for applying this Code to specific situations in which questions are presented to it and has the authority to interpret this Code in any particular situation.

Any questions relating to how this Code should be interpreted or applied should be addressed to the Code of Ethics Contact Person. If you are uncomfortable reporting to this individual, a report can be made to your supervisor, the legal department, or other appropriate management level personnel. A director, officer or employee who is unsure of whether a situation violates this Code should discuss the situation with the Code of Ethics

Contact Person or other appropriate personnel.

The Board of Directors shall undertake a prompt and thorough investigation of violations reported to it, the scope of which will be determined by applicable law and/or regulation, as determined by the Board of Directors. If a violation has occurred, the Company will take disciplinary or preventive action, or appropriate reporting as dictated by the situation.

XII. Code Not A Contract/Code Not Exclusive

This Code sets forth guidelines that all employees, officers and directors are required to follow and any failure to comply with this Code may result in disciplinary action up to and including termination of employment. Nothing in this Code, however, should be construed to create a contractual right to employment where none previously existed or shall in any way alter the nature of an at-will employment relationship. The Code is not exclusive. For instance, the Company has approved an Employee Manual and a Supplemental “Code of Ethics for Financial Management”, which are additional and separate obligations of the Company’s employees, officers and directors subject thereto as provided therein. The Board of Directors has also approved and may from time-to-time approve other guidelines and policies related to the Company and its business practices that employees, officers and directors are required to follow. The Board of Directors reserves its right, in discharging its governance responsibilities, to amend, alter or terminate this Code or its guidelines and policies at any time for any reason.