

UNIVERSAL MUSIC INTERNATIONAL COMPLETES DIGITISATION OF ENTIRE ACTIVE EUROPEAN MUSIC CATALOGUE

300,000 tracks from 25,000 albums available for online music services

LONDON, 3 MARCH, 2004 — Universal Music International's entire active European music catalogue - some 300,000 tracks drawn from more than 25,000 albums - has been fully digitised and is available for online retailers and distributors.

The announcement confirms Universal's market-leading position in the online music sphere as the first major music company to digitise its entire active European catalogue and offer high quality audio, images and data as part of a comprehensive online sales order and delivery system.

More than 5,000 artists from more than twenty countries have recordings available in this form. From Europe, they include Daniel Bedingfield, Bond, Busted, The Cardigans, The Cranberries, Ms. Dynamite, Sophie Ellis-Bextor, Johnny Hallyday, Ronan Keating, Luciano Pavarotti, S Club 8, Sting, Sugababes, t.A.T.u., Texas, Russell Watson and Zucchero. From North America, they include The Black Eyed Peas, Bon Jovi, Bryan Adams, Diana Krall, Dr. Dre, Eminem, Enrique Iglesias, Limp Bizkit, Mariah Carey, Mary J. Blige, No Doubt, Ryan Adams, Shania Twain, Sheryl Crow, 50 Cent and 3 Doors Down.

Catalogue artists include ABBA, Chuck Berry, Johnny Cash, Marvin Gaye, Jimi Hendrix, B.B. King, Bob Marley, Nirvana, Barry White and Stevie Wonder.

Following an intensive two-year Digital Initiatives project, Universal Music has positioned digital music at the heart of the company's entire content management and delivery systems, requiring a major overhaul of processes that had previously been geared only towards the manufacture and production of physical CDs.

Boyd Muir, UMI Executive Vice President, said: "For two years, we've been working diligently behind the scenes to digitise our entire European music catalogue and implement a system that allows us to deliver it online, directly to retailers and distributors. 2004 will see an explosion in legitimate music download services, and Universal is aggressively and uniquely placed to provide these services, and their customers, with what they really want - the widest possible selection of our music at the highest possible quality, digitised at source.

"The completion of this part of our Digital Initiatives project ensures everyone involved in the creation of the music - including artists, songwriters and producers - gets properly rewarded for their efforts, and gives us as a company a much clearer idea of the issues involved, making the entire process more efficient and accountable."

Charles Grimsdale, Chief Executive Officer of OD2, Europe's leading digital distributor of music, underlined the significance of Universal's announcement: "Our experience shows that online music consumers want and expect two things - a massive choice of back catalogue, and new music as soon as it is available. The

ability to access Universal's entire European catalogue through a comprehensive online delivery system is a massive step forward for OD2 and the online music world, and it is already making a huge difference to the service we offer to our retail partners."

Universal's active European catalogue is comprised of key domestic and international repertoire from North America and the domestic repertoire of every country in Europe, including substantial catalogues from the UK, Germany and France. All future domestic and international titles issued in Europe will be available to Universal's online retail partners prior to or on release, with on average 2,000 newly released tracks per week added to the system.

In addition to high quality digital audio, Universal supplies cover images which can be used as thumbnails and on media players. Digital tracks also incorporate unique 'metadata' - detailed, accurate information on the artist, track title, track length, and rules describing to retailers how the track can be used. This information is also used by Universal to track royalty payments.

Online retailers and distributors place their orders online, and receive - via the internet - bundled electronic 'packages' containing the audio, graphics and data, specifically tailored to their individual requirements. Retailers can immediately host this material on their websites or distribution backbones, avoiding the considerable additional expense and time involved in any 'in house' digitisation and enabling them to offer Universal's tracks to their customers as quickly as possible.

Universal already has digital distribution agreements with key online music retailers and distributors around the world, including Apple, Napster, Buy.com and Liquid. Europe's leading digital distributor of music, OD2, is already taking advantage of Universal's new system to supply music to more than twenty five retailers across ten countries, including MSN, Freeserve, HMV, Wandoo, Tiscali, MTV, Virgin and Fnac.