



UNIVERSAL MUSIC GROUP, WORLD'S LARGEST MUSIC COMPANY, DRAMATICALLY REDUCES CD PRICES

UMG Institutes a \$12.98 Manufacturer Suggested Retail Price on Virtually all Top Line CDs

New York, NY and Santa Monica, California September 3, 2003 - Universal Music Group (UMG) announced today an aggressive plan to significantly reduce the cost consumers pay for CDs by decreasing its wholesale prices and by instituting a \$12.98 Manufacturer Suggested Retail Price (MSRP) on virtually all top line CDs in the U.S..

UMG will introduce a new pricing policy with the aim of bringing music fans back into retail stores and driving music sales. The program, which will begin in the fourth quarter of 2003, will eliminate \$16.98, \$17.98 and \$18.98 equivalent MSRPs. UMG believes retailers will begin offering the lower priced CDs to consumers as soon as October 1, 2003.

As part of this new policy, UMG's labels plan to significantly increase their direct-to-consumer advertising to raise music fans' awareness of the artists and their music.

Concurrently, UMG will also reduce its wholesale price on cassettes so its MSRP for top line releases will be \$8.98.

UMG's roster includes such renowned artists as Ashanti, Mary J. Blige, blink-182, Bon Jovi, Mariah Carey, Sheryl Crow, Dr. Dre, Eminem, 50 Cent, Enrique Iglesias, India.Arie, Elton John, Diana Krall, Nelly, No Doubt, Puddle of Mudd, Reba McEntire, Stevie Wonder, Sting, t.A.T.u., Texas, Shania Twain and U2. The new pricing policy will also apply to UMG's historic catalog of recordings which includes artists such as ABBA, Louis Armstrong, James Brown, Eric Clapton, Patsy Cline, John Coltrane, Ella Fitzgerald, Jimi Hendrix, Billie Holiday, Antonio Carlos Jobim, Bob Marley, Nirvana, The Police, Rod Stewart, The Who, Hank Williams and the Motown catalog, which includes The Four Tops, Marvin Gaye, The Supremes and The Jackson Five.

"Our new pricing policy will allow us to take the initiative in making music the best entertainment value and most compelling option for consumers," said Doug Morris, Chairman and CEO, Universal Music Group. "UMG is responsible for almost 30% of all album sales in the U.S. so we are uniquely positioned to try this new strategy. We strongly believe that when the prices are dramatically reduced on so many titles, we will drive consumers back to stores and significantly bolster music sales."

"Music fans will benefit from the price reductions we are announcing today," said Jim Urie, President, Universal Music & Video Distribution. "Our new pricing model will enable U.S. retailers to offer music at a much more appealing price point in comparison to other entertainment products. We are confident this pricing approach will drive music fans back into retail stores."

About Universal Music Group

Universal Music Group is the world's leading music company with wholly-owned record operations or licensees in 71 countries. Its businesses also include Universal Music Publishing Group, one of the industry's largest global music publishing operations.

Universal Music Group consists of record labels Decca Record Company, Deutsche Grammophon, Interscope Geffen A&M Records, Island Def Jam Music Group, Lost Highway Records, MCA Nashville, Mercury Records, Mercury Nashville, Philips, Polydor, Universal Music Latino, Universal Motown Records Group, and Verve Music Group as well as a multitude of record labels owned or distributed by its record company subsidiaries around the world. The Universal Music Group owns the most extensive catalog of music in the industry, which is marketed through two distinct divisions, Universal Music Enterprises (in the U.S.) and Strategic Marketing and Commercial Affairs (outside the U.S.). Universal Music Group also includes eLabs, a new media and technology division.

Universal Music Group is a unit of Vivendi Universal, a global media and communications company.