

## MUSICNET REPORTS SURGE IN SUBSCRIPTION USAGE GROWTH

### *MusicNet Serves 400 Million Plays in Two Months*

NEW YORK, April 3, 2007 – MusicNet, the leading business-to-business digital music service provider, reports today a surge in usage among subscription service users. MusicNet served more than 400 million plays, which includes streams and subscription downloads, in a two month period from January to February 2007. This represents an average of 6.8 million songs played per day and more than 100 percent growth over the first two months of 2006.

According to MusicNet, the year-to-year surge in subscription play counts are a result of the following trends:

- More world class brands entering the market resulting in the number of subscribers climbing dramatically over the last year; examples of MusicNet's distribution partners are Yahoo, MTV, HMV, Virgin, Samsung Electronics, iMesh, BearShare, Synacor and its affiliates which include Time Warner Cable and Charter, among others;
- Consumer devices entering the market -- such as Samsung's widely popular K5 media player -- making portable music easier than ever to sync with a PC and manage music files;
- Music being added to the services quicker and in larger numbers as well as the addition of music videos; the MusicNet catalog now includes over 4 million songs and videos;
- Stronger music programming with in-depth editorial features, personalization features driving music discovery, and intuitive playlist creation.

“The significant growth in subscription usage is consistent with MusicNet's prediction that subscription services would be the best and most desirable way for consumers to access music digitally,” said Alan McGlade, President and CEO of MusicNet.

“Consumers are experiencing the value in unlimited access to music whether they want to use it on their PC or portable device. Early signs suggest that subscription usage will continue to grow significantly this year as we add more partners and a greater diversity of more powerful devices become widely available.”

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#### **About MusicNet**

MusicNet is the world's leading provider of business-to-business digital entertainment services. The Company offers the content and white-label technologies used to create music and video download and subscription services. The preferred partner of many top consumer brands, MusicNet's scalable platform delivers a quick and cost-effective path to market for PCs, portable music devices, mobile phones and beyond. The Company offers a broad range of products for companies that want a turnkey and full-service solution for offering digital music and video. MusicNet was the 2006 winner of Deloitte & Touche USA's prestigious Deloitte New York Technology Fast 50 Award. MusicNet is headquartered in New York and has offices in Seattle and London. MusicNet is wholly-owned by Baker Capital, a New York-based private equity firm with \$1.5 billion under management. For more information about MusicNet, please visit [www.musicnet.com](http://www.musicnet.com)