

RIAA Ex. N-107-DP

**RIAA Ex. N-107-DP - The BPI press release of 28
September 2006**

Companies agree digital royalties deal : 28:9:2006

Companies representing a substantial majority of the UK digital music market have reached a settlement relating to the royalties paid to composers, songwriters and music publishers for the digital delivery of music (such as full track downloads but not including ringtones) for online and mobile use.

The agreement amounts to a partial settlement of a case which is due to begin at the Copyright Tribunal today (Thursday September 28).

The three-year deal has been agreed between the MCPS-PRS Alliance representing songwriters, composers and music publishers, British recorded music trade association the BPI, iTunes and four UK mobile network operators, O2, Orange, T-Mobile and Vodafone. It sets a rate of 8% of Gross Revenue less VAT to be paid to composers, songwriters and publishers when their music is offered in a digital environment, with a lower rate (6.5%) for non-on-demand services. These rates are subject to minimum royalties.

All parties to the settlement welcome this agreement, which will help drive the on-going growth of the legitimate digital music market. The UK music download market is the biggest in Europe with sales of 34m units so far this year according to the Official UK Charts Company, already more than in the whole of 2005.

The Copyright Tribunal proceedings will continue in respect of issues which remain unresolved between the MCPS-PRS Alliance and the other parties as well as a single issue that remains outstanding for the mobile network operators and iTunes.