

## **Sony DADC, leader in innovative format development, opens new revenue opportunities for the Music Industry**

*Sony DADC will be presenting n-CD, Hybrid Super Audio CD, Music-DVD and key2audioXS™ at the MIDEM*

Salzburg, Austria, January 2, 2004 - Sony DADC announces successful music releases on n-CD, Music-DVD and Super Audio CD as well as new and improved version of key2audioXS™ copy control. Music labels are taking advantage of Sony DADC's wide range of innovative solutions and products, such as the n-CD concept which awards customers with exclusive features and grants labels access to valuable data for their one2one marketing. Visit Sony DADC at this year's MIDEM, booth R30.01 in Cannes, France, and learn more about winning solutions to the music industry.

The recently released album of the British band 'Travis' by Independiente is one of the first **n-CD** music projects. Independiente has prepared the launch of the first single exclusively on the n-CD web-platform before it hits radio stations, TV-channels and the retailers. The label has successfully replaced ordinary mail-in cards by collecting the n-CD users' registration data for follow-ups via e-mail or SMS and to communicate directly and individually with the fan.

n-CD is also assisting Skifan, a pioneering Icelandic music label, by driving registration through the online page linked to the original disc and keeping consumers involved with exciting features, loyalty programs and vouchers. "n-CD allows music labels and artists to learn who their customers are, enabling them to personalize upcoming offers and expand one2one marketing activities which are now more powerful and guarantee high response rates," says Eidur Arnarsson, Head of A&R at Skifan pointing out the label's positive experience.

The n-CD technology pairs disc content with exclusive online features (Secure Web Link), which are solely accessible via a unique identification number inscribed on the disc. n-CD is a unique direct marketing tool with one2one marketing opportunities for music labels and exclusive cash-value features for their consumers. Modern disc identification technology ensures that these premium features are exclusively reserved for only one user of an original disc, taking the incentive out of unauthorised copying.

Since last year **key2audioXS™** comes with the capacity of playing protected audio tracks on a regular PC which may also be stored to hard disc. This upgraded copy control solution is available with various technologies for protecting the audio part and a sophisticated digital rights management system for multimedia sessions. Enhancable with additional features, such as a Secure Web Link, bonus tracks, lyrics, artist information, key2audioXS™ offers a platform for the secure delivery of exclusive contents. At the same time customers can rely on protection of their original in the well-

known Sony DADC quality. First albums with the new key2audioXS™ technology have already been released.

Right in time for the MIDEM, Sony DADC has announced that it will be expanding its **Hybrid Super Audio CD** capacities. Currently, the facility in Austria has a daily capacity of 15.000 Hybrid Super Audio CDs. Management plans are to double the capacity within this year. Demand for this high-quality multi-channel format is on the rise. Success stories underline the growth. Such as the Super Audio CD edition of Sting's ‚Sacred Love‘, produced at Sony DADC and which has already shipped more than 600,000 copies, making it the most successful multi-channel, surround sound recording to date.

Meanwhile over 100 music labels have selected Super Audio CD as their preferred audio format and over 60 consumer electronic manufacturers sell products supporting this SACD. By the end of 2002, there were around two million players in use, with over 1 million in Europe. Today market forecasts indicate that this figure is set to increase up to 4 million by April 2004. Sony DADC is the only solution provider for optical storage media offering a global replication solution and having the capability of producing Super Audio CD in Europe, the United States, Hong Kong and Japan.

Ties between Sony DADC and Sony DVD Center Europe are closer than ever: **Music-DVD** customers can profit from the synergies between both companies. Services needed for the production of a DVD, starting from concept development, to shipment of the packaged DVD are all offered from one location. Situated at the same site in Salzburg Austria, the DVD facility offers all DVD-related services, such as authoring, post production, restoration. Unique in this one-stop-shop business is the one contract – one contact policy. Meaning, only one contact person per customer. The entire process will be handled by Sony's managers, coordinating the entire DVD project and ensuring efficiency. During the first quarter of the year Sony DADC will also be launching the company's first digital copy control system for DVD-Video.

With a daily capacity of 2,5 million discs Sony DADC is the world's largest provider of pre-recorded optical discs, supplying a full line of high-quality products and services to the music business. Services include digital asset management, authoring, editing, copy control, graphic design, mastering, replication, packaging, distribution and fulfillment for CD-Audio, CD-ROM, DVD, Super Audio CD, Recordable and PlayStation™ discs. A network of 18 sales agents provides sales support in all European countries. For further questions, please contact Sandra Wiefllingseder, Sales Manager Music Division at Sony DADC at +43 6246-880-555 or via Email at [sales@sonydadc.com](mailto:sales@sonydadc.com) and visit us at [www.sonydadc.com](http://www.sonydadc.com).

###