



DCIA ANNOUNCES THIRD PROPOSED BUSINESS MODEL FOR COMMERCIALIZING PEER-TO-PEER MUSIC DISTRIBUTION

*Industry Association Projects 10% Revenue Growth for Music Industry,
Benefit for All Stakeholders*

(Arlington, VA) – February 9, 2004 – The DCIA (Distributed Computing Industry Association), a consensus-based non-profit trade organization established to address the wide range of vital issues involving the creation of commercial business opportunities using peer-to-peer file-sharing technologies, today unveiled its third proposed business model for P2P music distribution. This latest in a series of alternative models is intended to stimulate the selection and implementation of viable business solutions by affected entertainment, technology, and telecommunications businesses. Highlights of the three-part plan were announced Thursday during a press conference. More details can be found at the DCIA's website www.dcia.info. The DCIA presented two previous models in late 2003 and will host a discussion of all three models at its Winter Meeting being held in conjunction with the Digital Hollywood Media Summit in New York on Monday evening, February 9th.

"DCIA is dedicated to developing practical commercial solutions for the new distributed computing industry to use in serving the approximately 80 million worldwide consumers currently accessing media content by means of peer-to-peer (P2P) software," said DCIA CEO Marty Lafferty. "We recognize that no single industry sector can fully realize the commercial potential of P2P by working alone. We are bringing forth the third in a series of alternative business models based on our ongoing dialogue with key constituents representing all sectors to help expedite and deliver constructive solutions."

DCIA's modeling projects a 10% annual compounded growth rate for the music industry over the next four years, outstripping GDP growth and reversing the tide for recorded music as a whole. Phase 1 of Model C introduces file-fingerprinting systems to apply DRM to copyrighted music regardless of point-of-origin. Phase 2 offers revenue-sharing opportunities for active file-sharers to apply DRM to music files these consumers redistribute and incentives for upgrading their existing music collections, envisioning monthly revenue of approximately \$420 million. Phase 3 ubiquitously deploys ID/DRM systems to protect all content, including copyrighted work, ultimately leading to approximately \$900 million per month in new revenues, outperforming traditional music sales.

DCIA acts as a neutral forum, facilitating constructive discussion among music labels and publishers, telecommunications companies such as broadband ISPs, P2P software companies, and relevant technology suppliers. DCIA's mission is to bring the benefits of distributed computing to their full potential while protecting consumer, business, and intellectual property rights; while also ensuring interoperability and maintaining the highest standards of security, availability and quality of service. Feedback on currently proposed models and the contribution of ideas for additional alternatives are strongly encouraged within the context of DCIA meetings, where cross-industry teams process the input and work together to refine proposed solutions.

Outlines of DCIA's alternative business models are available at www.dcia.info (on the Home Page, click on the P2P Music Models link). All three models will be discussed at DCIA's 2004 Winter Meeting in Concourse A at the NY Hilton on Monday, February 9, 2004 from 6:30 PM to 9:30 PM. The Winter Meeting will include keynote speakers from technology, entertainment and government sectors, and the distribution of the DCIA Winter 2004 White Paper. Parties interested in attending the Winter Meeting may contact info@dcia.info or call 888-864-3242 for more information or to register. Space is limited.

ABOUT THE DISTRIBUTED COMPUTING INDUSTRY ASSOCIATION (DCIA)

The Distributed Computing Industry Association (DCIA) is a 501(c)(6) nonprofit Delaware corporation supported by membership dues contributed by participating companies. Its mission is to advance the adoption of distributed computing technologies and the commercial development of business models based on them. It provides a forum for senior executive discussion, a medium for lobbying governmental authorities, and a vehicle for educating the public at large. For more information please call 888-864-DCIA or visit www.dcia.info.

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