

FOR IMMEDIATE RELEASE

eMUSIC INTRODUCES WORLD'S FIRST AUDIOBOOKS CATALOGUE IN MP3

MP3 Pioneer to Offer Audiobooks in World's Most Popular Digital Format Starting September 18

No. 2 Digital Music Retailer Will Expand a Market Poised for Growth

NEW YORK, Sept. 17, 2007 -- eMusic, the world's largest retailer of independent music and the world's second-largest digital music service after iTunes, announces the availability of more than a thousand downloadable audiobook titles in the universally compatible MP3 format starting tomorrow, September 18. Consumers, who have long wondered why they can't simply use audiobooks with their existing MP3 players, can now enjoy them without restrictions. eMusic's expansion into audiobooks, its first retail product beyond music, brings the company's award-winning combination of universal compatibility, great value, and expert editorial to a market that is poised for growth – worldwide digital audiobooks sales are expected to reach \$201 million this year and nearly half of eMusic subscribers recently polled have expressed interest in audiobooks.

eMusic will offer more than a thousand audiobooks from major audiobook publishers including Blackstone Audio, Hachette, Naxos Audiobooks, Penguin and Random House, with hundreds more to be added each week. The catalogue comprises fiction and non-fiction classics, bestsellers and new releases, including notable books narrated by well-known voices such as: Michael Ondaatje's *The English Patient*, read by Ralph Fiennes; Shakespeare's *Hamlet*, read by Sir John Gielgud; Nicola Kraus' *The Nanny Diaries*, read by Julia Roberts; and Barack Obama reading his own books, *Dreams of My Father* and *The Audacity of Hope*. Upcoming releases this fall will include President Bill Clinton reading his own *Giving* and Eric Clapton's autobiography, narrated by Bill Nighy. Other best-selling authors available on eMusic are Jon Stewart, David Sedaris, James Patterson, Michael Connelly, Joel Osteen, Brad Meltzer, and Janet Fitch.

As with its music service, eMusic will offer audiobooks at a great value. Current eMusic customers can sign up for monthly subscriptions priced at \$9.99 for one book or \$19.99 for two books — and get one book free as part of an introductory offer. New eMusic customers will be offered an audiobooks subscription with one audiobook free if they sign up within 14 days. (Audiobooks-only subscriptions will be available in the future.) eMusic audiobooks subscription plans represent a considerable discount from the cost of physical audiobooks, which typically retail for \$20 - \$40, and are far more convenient, as physical products often include at least four and sometimes as many as 20 CDs.

eMusic also will bring its sophisticated editorial voice to its audiobooks offering. Subscribers will find regular reviews of audiobooks by critics from the *Washington Post*, *Los Angeles Times*, *Chicago Sun-Times*, *Philadelphia Inquirer*, *New York Observer*, and *Slate*, among others. Other editorial features will include the "eMusic Bookshelf," featuring six books that touch on a specific theme (similar to the eMusic Dozen), plus monthly columns on noteworthy new arrivals, interviews with authors and more. The eMusic Book Club will accommodate what's expected to be an enthusiastic eMusic community of literary fans.

eMusic audiobooks will be encoded in high-quality 64 kbps bit rate -- twice the audio quality available from iTunes and Audible. Customers can download eMusic audiobooks with a single click using the new eMusic Remote™ helper application, which immediately adds the audiobook to the library within their existing digital audio software (e.g., iTunes, Windows Media Player and Winamp). Moving the audiobook to an MP3 player is a simple additional click. Using existing functionality on selected players, including iPods®, eMusic audiobooks will remember where the user left off when pausing during listening.

The digital audiobooks market is currently the fast-growing segment of the book publishing industry. According to Piper Jaffray & Co., the worldwide market for digital audiobooks and other spoken word is expected to grow 45% in revenue from \$138.6 million in 2006 to \$201.1 million in 2007, and 36.5% to \$274.4 million in 2008. When eMusic subscribers were polled recently on what new products they would be most interested in, 49% expressed interest in audiobooks.

“With the launch of eMusic audiobooks, eMusic is now a multi-product digital entertainment retailer. As we expand our offerings, we will continue our focus on customers over the age of 25, and continue to offer them an inexpensive, low-risk way to explore great entertainment they wouldn’t find otherwise,” said David Pakman, eMusic President and CEO. “We expect that our sales will help to dramatically accelerate the audiobooks market. For the first time, thousands of audiobooks from major publishers will be sold in the universally compatible MP3 format, delivering far more convenience and flexibility to the consumer than ever before. Finally, consumers can listen to their audiobooks on any device they like.”

eMusic will officially mark its audiobooks launch with a private event tomorrow night at the Angel Orensanz Foundation Center for the Arts on New York City’s Lower East Side, featuring welcoming remarks by Benjamin Kunkel, author of acclaimed 2005 fiction novel *Indecision*, and two rising independent bands, XL Recordings’ Vampire Weekend and Daptone Records’ the Budos Band.

About eMusic

eMusic (www.emusic.com) is a digital entertainment retailer focused on serving customers 25 and older by offering independent music and audiobooks in a universally compatible format at a great value. It is the world’s largest retailer of independent music and the world’s second-largest digital music service after iTunes, with more than 2.8 million tracks from 20,000 of the world’s leading independent labels and over 1000 titles from top audiobooks publishers. To super-serve its customers, eMusic provides award-winning editorial content, a vibrant online community and unrivaled music discovery tools. eMusic’s subscription-based service offers 25 free downloads and one free audiobook at sign-up, giving consumers an inexpensive, low-risk way to explore great new music and books they wouldn’t find otherwise. Its universally compatible MP3 files play on any audio device including the iPod®. Based in New York with an office in London, eMusic.com Inc. is wholly owned by Dimensional Associates, Inc., the private equity arm of JDS Capital Management, Inc.

###

CONTACT:

Cathy Halgas Nevins, eMusic
212-201-9201 or cnevins@emusic.com

Denise Yantin, eMusic
212-300-2885 or dyantin@emusic.com