

Making the Most of Mobile

J. Scott Dinsdale

EVP, Digital Operations & New Technology

Sony BMG Music Entertainment



The Undisputed Leader in Mobile Music

- **Leading Global Mobile Music Label (#1 in Total Revenue)**
- **First to Launch Master Ringtones in US Market (July 2003)**
- **#1 in Master Ringtone Sales Globally**
- **#1 in Mobile Video Sales Globally**
- **Sony Music Box, Continuing to Reign as One of BREW®'s Most Successful Applications**
- **Distribution Deals with Every Major Operator Worldwide**
- **More than a Dozen Mobile Product Lines**

musicbox



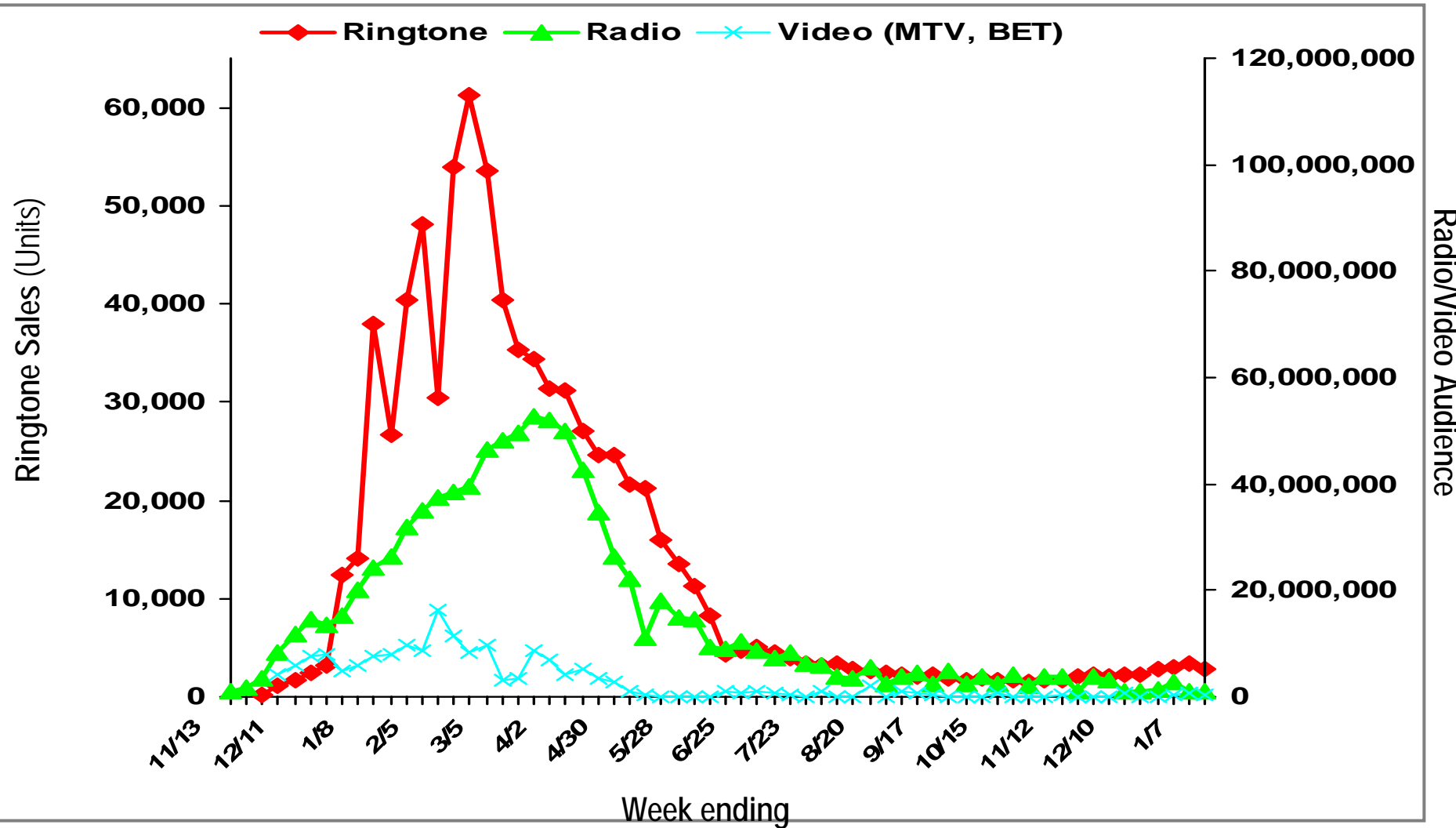
Digital Distribution Benchmarks

- From negligible in '03 to 12% of revenue in '05
- At the vanguard; 21% of US revenue in Q1 '06
- Digital sales are closing the gap created by declining physical sales
- Varying levels of maturity across markets and platforms

Music Marketing Case Studies



Release Execution



Digital Evolution

- **Stage 1 (1997 - 2002)**
 - Connectivity to fan base
 - Release support
 - Ancillary distribution
- **Stage 2 (2002 – today)**
 - Artist development
 - Integral component of release planning & execution
- **Stage 3**
 - Vertical market & lifestyle driven products and applications
 - Integrated multi-platform delivery, providing clear value to all participants

SONY & BMG
MUSIC ENTERTAINMENT

 Sony Ericsson

 **cingular**
raising the bar™



- Sony Music Urban/Columbia Records superstar artist Xzibit join forces with Cingular and Sony Ericsson in the search for the next Hip Hop SupaStar
- Consumers voted for their favorite semi-finalist ringtones solely via text messaging
- The grand prize winner received the opportunity to record with Sony BMG Music and win a brand new car

What Can You and BREW Do?

- **We are big fans of BREW**
 - Media previewing
 - A continually evolving ecosystem of applications
- **Need to keep reinvigorating the user experience**
- **Look for opportunities, applications & experiences that go beyond “the usual”**
- **Continually expand reach and value impact of mobile applications, leveraging each others assets and platforms**

Matisyahu: “Youth”

