

**Press Contact:**

Kim Nguyen, IBM  
(415) 545-2187  
ktnghuyen@us.ibm.com

Murat Aktar, Sterling Sound  
(212) 604-9433  
murat@sterling-sound.com

**LEADING MUSIC MASTERING STUDIO TO USE IBM'S DIGITAL RIGHTS  
MANAGEMENT TECHNOLOGY**

*Sterling Sound Licenses IBM's Electronic Media Management System For Music Preparation*

**NEW YORK, July 24, 2000** -- IBM and Sterling Sound, a worldwide leader in audio mastering, today announced Sterling Sound will license and use IBM's Electronic Media Management System (EMMS) to prepare music for digital distribution to consumers. Sterling Sound will infuse EMMS security features into music during the mastering process to help protect from unlawful copying while being digitally distributed.

Sterling Sound will include EMMS, an electronic distribution and digital rights management system, in its new e-Mastering™ service. After 30 years of enhancing music for traditional distribution in various formats ranging from LPs to CDs, Sterling Sound's e-Mastering service will now optimize music for playing on the Web. Within the e-Mastering process, Sterling Sound will also help secure music using EMMS, creating a fluid process for enhancing and protecting music for digital distribution and output. IBM will also provide hardware and services support for implementing and integrating EMMS. Sterling Sound will run EMMS on IBM's NetFinity server.

"Sterling has known for several years that digital distribution is going to be the next big wave in the music business, and we've been looking for solutions to address the security issues that have been holding up the growth of the marketplace," said Murat Aktar, president, Sterling Sound. "To date, EMMS offers the only comprehensive and proven digital rights management system on the market and is a complement to our e-Mastering strategy for the Internet."

"IBM designed EMMS to be flexible and inclusive of all segments of the music industry that want to leverage e-business and participate in digital music distribution," said Scott Burnett, content distribution executive, IBM Global Media and Entertainment Industry. "Sterling Sound's e-Mastering service offers a key step in preparing music for the digital world. It also offers a logical process for incorporating security functionality through EMMS, a critical element for the advancement of this marketplace."

The agreement with Sterling Sound represents another milestone in IBM's work to help the music industry transform its business for the digital age. EMMS helps the industry embrace e-business by providing security features through every step of the digital distribution process -- from content preparation, to e-tail transactions, to distribution, to consumer playback application and devices.

In addition to Sterling Sound, EMMS has received support from BMG, Handleman Company, Liquid Audio, RealNetworks, Reciprocal, Sony Music Entertainment - Japan, Sony Consumer Electronics and Toshiba. EMMS was successfully tested in the first broadband music distribution trial conducted with the five leading record companies.

### **About EMMS**

EMMS is a comprehensive electronic media distribution and digital rights management system designed to support a broad range of media types, beginning first with music and audio content. EMMS provides the foundation for new business models created by the digital delivery of assets and offers a rich set of security features designed to protect the intellectual property rights of content owners throughout the delivery process. EMMS has an open architecture to allow technology advances in audio compression, encryption, formatting, watermarking, and end-user devices and applications to be integrated. EMMS is part of IBM's broadbased digital media management portfolio which offers comprehensive, enterprise-wide solutions for creating, managing, storing and distributing digital assets. Additional information on EMMS can be found at [www.ibm.com/software/emms](http://www.ibm.com/software/emms).

### **About Sterling Sound**

Sterling sound is a worldwide leader in audio mastering with 30 years experience in the art of enhancing music mixes. In 1999 alone, Sterling Sound's experienced and diverse music engineering staff mastered projects nominated for 62 Grammy awards across every musical style.

Today, Sterling Sound has eight complete mastering suites and can prepare masters for any commercial release format including CD, Vinyl, Cassette, DVD Audio, DVD Video, MP3, AAC and other Internet formats. Additional information about Sterling Sound can be found at [www.sterling-sound.com](http://www.sterling-sound.com).

### **About IBM**

IBM is the world's largest information technology company, with 80 years of leadership in helping businesses innovate. IBM is helping media and entertainment companies worldwide take advantage of the business opportunities made possible by digital technology. IBM offers a comprehensive portfolio of solutions, networking and service offerings that is transforming the traditional creative and business processes of media and entertainment companies and positioning them to leverage their intellectual assets into new commercial opportunities. Additional information on IBM strategy for the media and entertainment industry can be found at [www.ibm.com/solutions/media](http://www.ibm.com/solutions/media).

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