

NCB's December 2006 Distribution

Dear Rights Owner

Please find enclosed royalty statement covering NCB's December 2006 Distribution.

NCB's commission rates

No changes have been made to NCB's commission rates since last distribution.

On NCB's website - www.ncb.dk/english - under the menu item of **[Do you write music?]/ [NCB's commission rates]** - you will find a complete list of all NCB's commission rates. No changes have been made.

Access to your royalty statements on NCB's website

As we informed you earlier we have done away with printed royalty statements, account statements and other distribution information as from last distribution. The information can be accessed from NCB's website where you will have your own folder with your NCB statement files 5 years back in time.

Visit the English version of NCB's website - www.ncb.dk/english - and click the menu item **[NCB Direct] / [NCB members - distribution statements]**.

If you register as a new user you will have to supply the following information:

- your "NCB Payment Receiver number"
- your e-mail address

NCB will then send you your User ID and Password by e-mail.

Online music - ringtones and music downloads

For several years now NCB's distributions have included royalties for music downloads as well as music used as ring tones in mobile phones.

KODA/NCB (Denmark) have negotiated an agreement with iTunes. The effect of the agreement is that iTunes pay the royalties that KODA/NCB claim, however, KODA/NCB agree only to distribute the royalty rate that iTunes find fair. The difference between these two amounts will be held in an escrow account until the disagreement on the royalty rate has been settled between KODA/NCB and iTunes.

Royalties collected on iTunes sales in Denmark will be included in this distribution covering the entire period of iTunes sales from 1 May 2005 up till 1 October 2006.

NCB endeavours to provide swift and accurate distribution of royalties - irrespective of the volume of data that music supplied over the Internet involves. We are currently improving our routines and systems to this situation as we are negotiating international agreements that favour our members.



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ncb

nordisk
copyright
bureau

Music videos on DVD's

At present NCB and IFPI (the association of the recording industry) disagree on the royalty rate that NCB charges for music videos on DVD's in the Baltic/Nordic area. Nor has any international agreement been reached on the royalty rate on music videos on DVD's.

As is the case with e.g. CD's, NCB claims a royalty rate of 9.009% on dealer price, however, several record companies are unwilling to accept this rate until an international agreement has been reached.

NCB insists, however, on the 9.009% rate but has decided to distribute to our members a royalty of 6.5% that will be included in this distribution. Any adjustments can then be made at a later time when we know the outcome of international and national negotiations.

Music in Danish TV2 and DR programmes

Due to a disagreement between NCB and the Danish TV broadcasters TV2 and DR concerning royalty payment on subcontracted TV productions (made by independent production companies), NCB cannot distribute royalties on the programmes concerned until the disagreement has been settled.

National taxes on NCB royalties

Please note that royalties collected by NCB in the Baltic countries and paid to rights owners in non-Baltic countries are subject to a tax on 'export of funds'. The rates are as follows: Estonia 15%, Latvia 10%, Lithuania 10%.

Norway: All royalties collected by NCB in Norway are subject to a 2% tax to 'Det Norske Komponistfond' (Norwegian Composers' Foundation) according to Norwegian legislation.

Please check your royalty statement

We suggest that you check your royalty statement immediately when you have been notified that it is available on the Internet.

Please contact NCB's Member Services - preferably in writing to our e-mail: medlem@ncb.dk - at your earliest convenience if you find any irregularities.

All the best wishes for a Merry Christmas and a Happy New Year!



Deputy MD



Distribution Co-ordinator

Copenhagen, December 2006