

NCB's June 2007 Distribution

Dear Rights Owner - Please find below information concerning NCB's June 2007 Distribution.

NCB'S COMMISSION RATES

NCB's commission on 'commissioned music' in feature films has been reduced from 17% to 10%. All other commission rates remain unchanged.

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.

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. The information can be accessed from NCB's website where you will have your own folder with your NCB statement files.

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.

NEW WEB SERVICES FOR OUR MEMBERS

Later this year NCB will introduce new web services:

The first one - **Album & Track Search** - will provide publishers and rights owners with search facilities in NCB's album and track data base over the

Internet. The application is almost ready and is expected to be launched shortly after this distribution.

The second one - **Distribution Search** - will provide publishers and rights owners with search facilities in their NCB distribution statements over the Internet. It will offer search facilities in your statements on work level across various accounting periods. The application is being developed presently and is expected to be launched around NCB's December 2007 Distribution.



ONLINE MUSIC - RINGTONES AND MUSIC DOWNLOADS

The number of transactions deriving from music downloads has also increased this time. Unfortunately, the increase in royalties has not increased proportionally, even though collections are on a rise. In spite of the challenges we meet in this connection, no other copyright society in the world provides a higher and faster correct payout rate in this field than NCB.



Some special licence questions have been cleared up. A reporting problem related to certain Danish content providers reporting to NCB through the Danish Phonofile organisation has been solved and therefore this NCB distribution will now contain the part of the royalties we could not distribute in December 2006.

Royalties collected from the Swedish ringtone provider M-Surfers in the period up till the end of 2004 have also been subject to challenges, as we had discussions with our Spanish sister society, SGAE, who collected the money from the provider in the first place. This has now been cleared and the relevant royalties are included in the distribution this time. The provider now has a direct agreement with NCB and Stim.

Please note that in a few cases special amounts collected as lump sum royalties will appear on your statement with an amount that does not necessarily add up to the official tariffs when running a cross check.



MUSIC ON DVD'S

At present NCB and IFPI (the association of the recording industry) are negotiating the royalty rate that NCB charges for music videos on DVD's.

It seems likely that the outcome will be close to the decision by the German arbitration court. The court decided on a net royalty rate of 6.99%.

At this moment NCB has decided to pay a royalty of 6.5% to our members and subsequently make any required adjustments - depending on the outcome of the present 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 pleasant summer!

NCB