

NCB's June 2011 Distribution

Dear Rights Owner

- Please find below important information on NCB's June 2011 Distribution.

NCB'S COMMISSION RATES

NCB's commission rate on music DVDs sold under a Central Licensing Agreement has been changed from 9.07% to 11.32% as from this distribution. This ONLY applies to music DVDs.

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

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.

From NCB's website - menu item [NCB Direct] - you can also access NCB's two web services, which are described here:

Distribution Search provides you with unique search facilities in the NCB distribution statements you have received since December 2005 and up till now. It will offer search facilities on song titles, artists, albums, agreements and producers – on accumulated amounts as well as subtotals at detailed level.

Album & Track Search helps you to keep track of all your songs that have been released throughout the years. The database contains information on music that has been licensed by NCB for re-release on audio and audio-visual recordings in the Nordic/Baltic countries. It includes songs that have been released on physical media as well as digital music files. Search facilities are on album level as well as on track level.

You can also find this newsletter on NCB's website – www.ncb.dk/english – if you choose menu items: [Do you write music?]>[Distributions]> [- newsletters].

DISTRIBUTION OF LUMP SUMS

Some of the royalties NCB receives for distribution are so-called lump sums that come from various types of collection.

In order to distribute the money, it is paid out proportionately to the relevant members and sister societies.

The lump sums that will be paid out with this distribution are:

- Lump sums from online collections ("online undocumented")



One of these lump sums includes collected royalties below DKK 50.00 per track – tracks that have not been active during the last 3 years, and for which it has not been possible to find a match with any of the musical works in our database.

These royalties – totalling DKK 2 million – were collected during the years 2003-2006. They will be distributed proportionally to the rights holders that received online royalties during the period in question.

The mechanical rights share was included in NCB's December 2010 Distribution, and now we pay out the performing rights share.

- Lump sums from Nordic agreements.
- "Lump sums unspecified" (unspecified online lump sums).

ONLINE MUSIC

iTunes – Payment from iTunes for their sales during 3rd and 4th quarters of 2010 is delayed. Consequently, these royalties cannot be included in this distribution.

SALES MADE BY UNIVERSAL

Royalties for sales made by Universal in NCB's territory of administration are collected – as from 4th quarter of 2010 – by the French society, SDRM, under a so-called Central Licensing Agreement.

We have not yet received any payment from SDRM for Universal's sales in NCB's territory during the 4th quarter of 2010. The amounts involved are:

NOK 4.8 million, EUR 0.2 million, DKK 5.0 million, SEK 3.6 million.

We expect to distribute these royalties in our next distribution (September 2011), provided that payment has been received.

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 for sales in Norway are subject to a 2% tax to 'Det Norske Komponistfond' (Norwegian Composers' Foundation) according to Norwegian legislation.

FOUR ANNUAL NCB DISTRIBUTIONS

NCB now makes four annual distributions of royalties to members in the following months:

- March (mainly online royalties)
- June
- September (mainly online royalties)
- December

The exact distribution dates will be announced on NCB's website.

CALCULATION OF ONLINE ROYALTIES

As royalties from online music include mechanical rights as well as performing rights – and due to the fact that calculation principles may vary from one country to another – we have uploaded a document to our website that explains how online royalties that appear on your distribution statement are calculated.

You will find the document on this link:



www.ncb.dk/english >
[Do you write music?] > [Distributions] >
[- how to read NCB's distribution statement].

PLEASE CHECK YOUR ROYALTY STATEMENT

We suggest that you check your royalty statement immediately on receipt and compare it to previous statements.

Please contact NCB's Member Services - preferably in writing to our e-mail: **member@ncb.dk** – preferably in writing – if you find any irregularities, and inform us as soon as possible in order for any adjustments to be included in your next NCB distribution.

Note! It may occur that NCB pays out royalties in error. NCB reserves the right to make adjustments back in time for any amount paid out in error. NCB will either reclaim the amount – or set it off against your next NCB royalty payment.

Consequently, you should always check if your statement includes royalties for music that you have not written, or react if you receive more money than expected.

Some of the information on your statement can guide you: Run a check to see if cover titles, artists and sales figures are correct – and if the sales figures indicated are higher than expected.

Yours sincerely

NCB/Copenhagen