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CHOICESTREAM DELIVERS NEXT GENERATION PERSONALIZATION TO EMUSIC

First Time an Online Music Service Delivers True, 1:1 Personalization; Broader Deployment Based on ChoiceStream's Proven ROI

Cambridge, MA (September 12, 2005) – ChoiceStream, Inc., the leading provider of personalization solutions for online consumer services, mobile and media operators, announced today that eMusic, the world's No. 2 digital download service, is launching two new ChoiceStream features: Your New Arrivals and Personalized Playlists. These new capabilities build on the success and proven ROI of previous ChoiceStream deployments at eMusic, including Music Neighbors and Top Fans, taking music personalization to an entirely new level. Your New Arrivals is available on the site now; Personalized Playlists will be coming soon.

"We're delighted to continue working with eMusic to develop innovative personalization solutions that go beyond collaborative filtering and 'attribute only' recommendation services," said Daren Gill, vice president of business development for entertainment at ChoiceStream. "By matching attributes of the music with individual consumer preferences, eMusic can now recommend music at the artist, album, or specific track level – delivering true one-to-one personalization to the world of digital music for the first time and further establishing eMusic as the leader of technical innovation."

The new ChoiceStream-powered features include:

- **Your New Arrivals** – Provides accurate, personalized recommendations of both new releases as well as older music that is new to the eMusic service. The recommendations make it easier for subscribers to discover great music – even for fans of obscure or non-mainstream music – by automatically surfacing the most personally relevant albums as soon as they become available. To view Your New Arrivals, click the More button under New Arrivals on the eMusic home page or visit <http://www.emusic.com/browse/new.html>.
- **Personalized Playlists (coming soon)** – Provide personalized lists of playlists based on each member's specific music preferences. The recommended lists are culled from an inventory of tens of thousands of playlists created by eMusic subscribers, eMusic's award-winning editorial staff and from the new eMusic Dozens which represent the personal picks of influential musicians, rock critics and authors in each of more than 60 sub-genres.

Proven ROI Drives Personalization

Since launching ChoiceStream's community-based personalization capabilities on eMusic last fall, eMusic has noticed dramatic increases in revenue and usage by those users who have taken advantage of the features. More specifically, eMusic users who have used ChoiceStream-powered Neighbors and Top Fans:

- Are more valuable customers, or 2 x more likely to commit to higher price point subscription programs.
- Are more loyal customers, with an average 2.9 x longer lifetime.

- Use the service more, downloading 3.5 x more songs per user, per month.

“We deployed the first phase of our ChoiceStream-powered personalization strategy last fall and are thrilled with the effect it is having on our business,” said David Pakman, president and CEO of eMusic. “ChoiceStream makes it easier for our subscribers to find and download music they’ll love, resulting in greater revenue and more loyal users. Our investment in ChoiceStream is delivering a superior ROI and we look forward to working even more closely with them in the future as we continue to build more revenue-generating personalization into our service.”

True, 1:1 Music Personalization

ChoiceStream delivers these dramatic results because of its unique approach to personalization, built on an understanding of the preferences that drive consumer behavior – why people choose what they choose. ChoiceStream uses proven proprietary techniques to uncover the preference-driving characteristics in music and other content, and to learn each consumer’s preferences for those characteristics.

Other solutions that claim to provide music personalization simply offer ‘more like this’ functionality in which they catalog music and recommend tracks based on how similar they are to what a consumer has selected or is listening to, at that time, and not the consumer’s overall music preferences. For example, using these recommendation systems, if two consumers happen to select Elvis Costello’s ‘Alison,’ they both get the same recommendations – even though they may have very different tastes in music.

ChoiceStream builds a profile for each consumer based on all available information – selections, ratings, purchase and download history – to understand each subscriber’s music preferences, enabling truly personalized, 1:1 recommendations that uniquely offer:

- **Relevant targeted promotion of new releases** – This is a critical capability since, historically, as much as 50% of music sales is driven by new releases about which little is known, making pattern-matching solutions based on other users’ purchases impractical.
- **Accurate targeting of profitable back catalog and non-mainstream artists** – Often the most profitable merchandise for a music retailer, this music is overlooked by popularity-based approaches.
- **Accurate, relevant music recommendations for all users – even first-time visitors** – ChoiceStream personalization models make highly informed recommendations based on very limited input from users.
- **Relevant recommendations across multiple types of content** – ChoiceStream can be applied to virtually any type of content, such as DVDs and shopping, enabling a service to invest in one core personalization technology for all of their merchandizing efforts.
- **True scalability** – ChoiceStream is proven to deliver 1:1 personalization to millions of consumers simultaneously for some of the world’s largest sites and services. Traditional music cataloguers cannot scale as each piece of content is manually editorialized, resulting in a solution that is never ‘complete’ and always out of date.

About ChoiceStream

ChoiceStream delivers personalization solutions for online consumer services, mobile and media operators. Relied on by the world’s largest sites and services, including AOL and Yahoo!, ChoiceStream’s patent-pending personalization technology and expert client services help companies build brand, increase retention and drive profitability by automatically delivering the most relevant content and products to each consumer. For more information, please visit our Web site at www.choicestream.com.