

Apace Media's Music Business Signs Agreement with SonyBMG

(London 12 October 2006) Apace Media plc (APA) announces that its music compilation company, Apace Music, has signed a first ever deal with SonyBMG to access the music giant's extensive back catalogue of international recording artists.

The UK territory agreement gives Apace Music access to some of the world's most popular recording stars including Andy Williams, The Jacksons, Earth Wind and Fire, Michael Bolton, Bill Withers and many more. The deal covers licensing for compilations and as well as single artist releases.

Announcing the deal Apace Media plc Chairman, Didier Stoessel said,:

"This is a very special deal – a first for both Apace and SonyBMG. It gives us access to arguably the biggest and best music catalogue, one that is unrivalled in breadth and diversity. Access to such ever-green, mass appeal artists has the potential to transform the business and drive volume significantly."

Apace Music Managing Director Tim Millington commented,

"This arrangement enables Apace Music to build on its early success and push the business forward through high-quality, single artist albums as well as compilation releases that will compete in the mid-price market with track-listings normally associated with full-price product – a very attractive retail proposition."

Apace Music has already planned a raft of new triple CD releases based on the SonyBMG catalogue. The first releases include "Best of Soul", "Best of Country", "Best of Jazz", "Best of 80's", "Best of 90's" and "Best of Swing". There will also be an Andy Williams Christmas album entitled "Andy Williams A Swinging Christmas" – a double CD featuring all of the legendary artist's Christmas favourites.

About Apace Music

Apace Music specialises in mid-priced compilation music CD's sold predominately through the major high street chains including Asda, Boots, Woolworths, Sainsburys, Borders and Virgin. Internationally Apace Music has a music presence in the major music chains in Germany, Holland, Italy, Spain, Australia and the US.

During 2005 Apace Music sold over half a million albums under a range of labels including *Mastercuts*, *Bar de Lune* and *Pure*. In total 80 albums were released covering such genres as Funk, Soul, Reggae and Salsa. Apace Music re-launched the *Mastercuts* brand featuring albums from Marvin Gaye, Bob Marley and others. Internationally 2005 saw great progress with successful export drives into the US, the large European markets, Japan and Australia. This year the company is on course to release over 100 albums. Launched two years ago Apace Music has a recording and publishing catalogue which now stands at over 3000 tracks including 850, which are 100% owned by the Company.

About Apace Media plc

Apace Media plc is a fast-growing company specialising in content creation and Eastern European broadcasting. The content creation activities include the production of popular factual, factual entertainment, science, sports content and the production of music CD's. On an annual basis the Company produces in excess of 300 hours of programming screened all around the world. Apace Media's Eastern European broadcasting and other media activities include the ownership of seven cable channels, cinema and home entertainment distribution and music production in Bulgaria.

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