



BLACKSTONE

June 11, 2008

Dear *Publishing Partner/Licensor/Rights Holder*:

I'm sure that many of you are aware of the letters being circulated by several audiobook publishers addressing the shift away from DRM (Digital Rights Management) as the prevailing method of encryption with audiobooks.

It's Blackstone's position that the removal of DRM restrictions will effectively serve to make your content readily playable with a variety of download devices and thereby be available to a huge portion of the marketplace that has previously had to struggle with the choice between two forms of DRM encryption.

In the past, consumers who sought audiobook content needed to be sure that purchased title(s) would actually work with their specific playback device, as those books encrypted with either Apple's or Microsoft's proprietary DRM protection would play only on iPods or various MP3 units, respectively. Needless to say, this has hardly been what we consider to be a consumer-friendly position.

It is our opinion that we in the audiobook industry need to find a simpler avenue to listeners if we hope to make our product readily available to the vast majority of the public (some sources peg this figure at 75%) that has yet to attempt its first audiobook experience. The subsequent projected entry of new MP3 audiobook retailers to the Internet will further act as a catalyst to increased sales for our licensors.

Blackstone Audio was one of the original suppliers of audiobook content to eMusic beginning in September of 2007. In the first phase of this relationship, we provided approximately 20% of our digitized titles all specifically cleared by rights holders for MP3 dissemination. Through periodic research of known piracy sites on the Internet, we can truthfully say that no Blackstone titles found their way to these sites by way of audio files downloaded from eMusic.

Please understand that Blackstone doesn't take a cavalier approach to the protection of your spoken-word assets. While we want to drop the need for DRM we are still insisting that watermarking be in place. For those who are unfamiliar with watermarking it is a unique digital fingerprint that is put on every download. So if a file appears on an illegal download site and it originated from an approved DRM free download partner, we would be able to tell from which site it came and to whom the file was sold. You must know that if we had any hesitancy whatsoever about the effectiveness of watermarking technology with the distribution of MP3-formatted files, we simply wouldn't advocate this option.

Should it be your considered opinion that you would rather not allow for the distribution of your content without DRM encryption in place, please contact us at your earliest convenience and we will be sure to keep the existing protection in place. If we do not hear from you by July 15, 2008 we will move forward and make your content available to our DRM free download partners. In addition, should you initially decide to allow for non-DRM distribution of your works and later decide that you would like to revert to DRM protection, let us know and we will make the appropriate requested change.

Regards,



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