

UNIVERSAL MUSIC GROUP AND REALNETWORKS FORM STRATEGIC ALLIANCE

Consumer Electronics Show, Las Vegas, London, January 14 –In A Significant Move To Provide consumers greater access to the digital music revolution, The Seagram Company Ltd.'s Universal Music Group (NYSE: VO) and RealNetworks® Inc., (Nasdaq: RNWK) announced a strategic alliance which will enable digital music from Universal's vast collection of artists to be played on RealNetworks' market-leading RealJukebox™. UMG and RealNetworks will join together in online and offline digital music marketing activities, including UMG's distribution of RealJukebox. RealJukebox will seamlessly integrate a Universal-supported, rights-protected digital music distribution format, providing consumers familiar ways to download, store and enjoy music by a wide variety of artists from the Universal Music Group.

The digital music format to be employed will provide protection for artists' rights and allow for digital commerce by employing InterTrust's rich digital rights management technology and NatWest Bank's Magex clearinghouse infrastructure.

Edgar Bronfman, Jr., CEO, The Seagram Company Ltd. said, "By partnering with RealNetworks, Universal is taking another important step in achieving the secure delivery of digital music."

"This alliance further enables mainstream adoption of digital music, providing consumers more choice and control over their music experience," said Rob Glaser, CEO, RealNetworks, Inc.

RealJukebox (<http://www.real.com>) is the most complete digital music system on the market allowing consumers to play, record, organise, and search for music all from a single user interface. RealJukebox allows consumers to listen to their favourite music at their convenience, record CD collections to PC hard drives, find and download music from the Internet, organise and personalise music collections and take their music anywhere they wish through the use of portable devices.

RealNetworks, Inc. develops and markets software products and services designed to enable users of personal computers and other consumer electronic devices to send and receive audio, video and other multimedia services using the Web. Consumers can access and experience audio/video programming and download RealNetworks consumer software on the Internet at <http://www.real.com>.

Universal Music Group is the world's leading music company with wholly-owned record operations or licensees in 59 countries around the world. Its businesses include Universal Music Publishing Group, one of the industry's largest global music publishing operations.

The Universal Music Group owns the most extensive catalogue of music in the industry which is marketed through two distinct divisions, Universal Music Enterprises (in the U.S.) and UM3 (outside the U.S.).

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