

Sony Corporation (“Sony”) and Bertelsmann AG (“Bertelsmann”) today issued the attached press release concerning Sony’s purchase of Bertelsmann’s 50% stake in SONY BMG MUSIC ENTERTAINMENT (“SONY BMG”).

The transaction will be structured as follows: First, a portion of Bertelsmann’s interest in SONY BMG will be redeemed for approximately \$600 million of cash by SONY BMG (SONY BMG has not been consolidated by Sony and will not be consolidated until after this transaction closes). Sony’s U.S. wholly-owned subsidiary, Sony Corporation of America, will then purchase the remaining interest from Bertelsmann for approximately \$600 million. As a result, Bertelsmann will receive approximately \$900mm in value for its 50% stake plus \$300mm of its share of cash on Sony BMG's balance sheet. Sony views this as approximately \$600mm net cash cost as it does not consolidate Sony BMG’s cash.

In addition, Bertelsmann will be taking over a limited amount of selected European music catalog assets from SONY BMG. These catalogs represented approximately \$20 million (less than 1%) of SONY BMG’s revenues in calendar year 2007. The parties have also agreed to continue to share the company’s manufacturing and distribution requirements between Sony’s manufacturing subsidiary, Sony DADC, and Bertelsmann’s services company, Arvato Digital Services GmbH (“Arvato”), by extending agreements with Arvato for additional terms of up to six years.

The closing of the transaction is subject to a number of conditions, including approvals of regulatory authorities in certain jurisdictions.