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Press Release

Resort Records Pioneers Internet Music Retail

Company's Next-Generation Web Site Vends MP3 Music, Automates Business

Lake Tahoe, February 22, 1999: While the music industry clambers to reinvent music retail online, independent music label, Resort Records Inc. launches it's next-generation web site – an Internet storefront that not only vends downloadable music, but also automates business with industry partners through a sophisticated *extranet*. Rather than wait for the SDMI [*Secure Digital Music Initiative*] to fulfill promises of an “open standard” for digital music delivery, the company marries the Internet's prevailing technologies – MP3, RealAudio, VeriSign and CyberCash – to produce a secure Internet music retail system that delivers music in the formats consumers want today.

Internet Music Shopping: Resort Records employs the popular RealAudio G2 streaming music technology to provide free, full-length previews of every song in their music catalog. Customers may then purchase individual, CD-quality MP3 singles for immediate download or order traditional CDs and cassettes.

“Internet consumers demand instant gratification when previewing music and CD quality when purchasing music. The dominant delivery formats of the hour are RealAudio and MP3, respectively. Alone, neither format fulfills both requirements and other formats, while perhaps more secure or sophisticated, simply aren't as popular with Internet music fans. Despite the RIAA's concerns over music piracy and the promise of SDMI, we will deliver these formats until consumers demand otherwise,” reports company president and CEO, David Delbridge.

The web site's unique shopping interface is both entertaining and convenient, supporting music searches and point-and-click shopping, without the multi-page “continue shopping?” nuisance typical of Internet retail sites. To inspire customer confidence, the shopping environment features well-respected VeriSign SSL security and CyberCash credit card processing.

Music Business-to-Business: Behind the scenes, Resort Records' network servers automate transactions between the company, customers and suppliers. Record label partners control web site content, including artist information and product catalog, while promoters receive commissions on sales. Orders for hard goods are delivered to fulfillment centers for domestic and international shipping. Customers may check the status of orders at any time.

David Delbridge continues, "Much of what we are doing is now hands-free – an important requirement for our relatively isolated Lake Tahoe company. The resources of Los Angeles, New York and London, for example, are now largely available to us through our extranet, enabling specialized companies in those cities to transact daily business with us, routinely without our involvement."

The web site and extranet solutions were developed in-house over a period of three months.

Resort Records is located on the Internet at www.resortrecords.com.

Extranets Defined: The extranet is a network that extends a company's private, internal network, or *intranet*, onto the worldwide Internet for access by authorized business partners. Through extranets, companies improve business-to-business transactions and customer service.

Company Background: Resort Records Inc. is an independent music recording label headquartered in Lake Tahoe, Nevada. Conceived in 1994 from a visionary "all-Internet" paradigm, the company operates a virtual organization and state-of-the-art technology to achieve zero-inventory, point-to-point music retail.