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**IBM AND RECIPROCAL ESTABLISH STRATEGIC RELATIONSHIP
TO EXPAND DIGITAL MUSIC DISTRIBUTION**

*-- BMG Entertainment First Major Label to Make Music Available
Through Reciprocal's Services on IBM's EMMS Platform --*

SANTA MONICA, CA and NEW YORK – April 6, 2000 -- Reciprocal, a global leader in digital rights management (DRM) transaction services, and IBM today announced a strategic relationship in which Reciprocal plans to adopt and support-IBM's Electronic Media Management System (EMMS), an electronic media distribution and DRM platform. Reciprocal plans to license IBM's EMMS technology and integrate it into its existing Digital Clearing Service, which is currently processing digital transactions for a number of content companies. This will enable Reciprocal to offer EMMS' management and distribution services in running and supporting music download transactions to consumers. The relationship between the two companies is a significant step in expanding the burgeoning online music industry.

BMG Entertainment is expected to be the first customer to use Reciprocal's services based on EMMS. By leveraging IBM's EMMS with Reciprocal's Digital Clearing Service, BMG will enable consumers to conveniently receive and enjoy music from top artists through next-generation software and hardware products. The companies plan to support the goals of the Secure Digital Music Initiative (SDMI)

"IBM has always been a pioneer in terms of technology innovation, and their EMMS solution continues in that fine tradition," said John Schwarz, President and CEO, Reciprocal. "Our strategic relationship with IBM furthers Reciprocal's ability to offer leading content companies the DRM platforms they feel best meet their business needs."

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"We're enthused to be working with Reciprocal to accelerate the digital distribution of music," said Richard K. Selvage, general manager, IBM Global Media & Entertainment Industry. "EMMS is a proven platform and we welcome BMG's endorsement as our first joint customer with Reciprocal. We're confident that our relationship with Reciprocal enables us to quickly expand our collective services to other content providers."

After conducting extensive testing to ensure consumers will have the best possible experience, BMG is set to commercially deploy its digital music distribution plans this summer.

"The alliance of IBM and Reciprocal is helping BMG to take this important first step to make our music widely available through digital downloading," said Kevin Conroy, Sr. Vice President, Worldwide Marketing and New Technology, BMG Entertainment.

IBM's EMMS is a sophisticated electronic distribution and DRM system designed to support all forms of media beginning first with music and audio content. EMMS was successfully tested in a broadband music distribution trial conducted with the five leading record companies last year. The system combines scalability and security features within an open architecture. Major components of EMMS include a content mastering system, tools for hosting music content and promotional materials, and tools for online music retailers supporting the sale of digital music to consumers.

Reciprocal's Digital Clearing Service features a flexible and reliable clearing system that tracks the sale of digital content, and manages access and usage privileges as designated by the content owner. The clearing service is capable of conducting millions of financial and information transactions per day.

Added Reciprocal Music President, Larry Miller, "We're extremely enthusiastic to be working with IBM. EMMS has been embraced as an effective and proven DRM platform, and our new relationship greatly enhances Reciprocal's ability to deliver the highest quality DRM services to owners of valuable digital content."

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About Reciprocal

Reciprocal, the global leader in digital rights management transaction services, provides comprehensive, easy-to-implement e-commerce clearing services and back-office solutions for the music, publishing, software, film, entertainment, and other digital content-rich industries. Reciprocal offers content owners a true outsourced DRM solution that allows them to realize new revenue streams while efficiently protecting their online digital assets.

The Reciprocal Digital Clearing Service leverages leading DRM technology from InterTrust Technologies Corporation, Microsoft Corp., IBM, Xerox Corp., Adobe Systems Incorporated, and Preview Systems, allowing companies to choose the solution that best fits their business needs. Reciprocal Digital Clearing Service is secure, flexible and capable of handling millions of transactions per day. Leading content companies such as Sony, Houghton Mifflin, Reuters and TVT Records have selected Reciprocal as their digital rights management services provider. Privately held, Reciprocal maintains offices in New York City, Buffalo, NY and Research Triangle Park, NC.

About IBM

IBM is the world's largest information technology company, with 80 years of leadership in helping businesses innovate. IBM is helping media and entertainment companies worldwide take advantage of the business opportunities made possible by digital technology. IBM offers a comprehensive portfolio of solutions, networking and service offerings that is transforming the traditional creative and business processes of media and entertainment companies and positioning them to leverage their intellectual assets into new commercial opportunities. For more information on IBM strategy for the media and entertainment industry, contact www.ibm.com/solutions/media.

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