

News Release

**U.S. Consumers are Likely Legally Purchasing Music From
AllofMP3.com**

Moscow, Russia - November 28, 2006 - Mediaservices today presented a legal position that outlined why it is likely that consumers in the U.S. are legally purchasing music from the site. The company also offered, again, to remove music from AllofMP3.com if the copyright holders request such action and can prove they own the rights.

“Mitch Bainwol (the chairman and CEO of RIAA) calling AllofMP3 a pirate site is preposterous,” said Vadim Mamotin, deputy general of AllofMP3. “It is evident that Bainwol is deliberately trying to mischaracterize the site or considers those that pay fees to licensing societies to be thieves.”

AllofMP3 is based in Russia and operates under Articles 44 and 45 of the laws of the Russian Federation on copyright and related rights (the Copyright Law). The question has never been whether AllofMP3 is legal. The Russian Copyright Law unequivocally provides a legal basis for the company to operate. The question that concerns the big record companies is whether U.S. consumers are legally purchasing music from AllofMP3, and we believe the answer is yes.

U.S. consumers are most likely legally purchasing music from AllofMP3 based on a thorough legal review of U.S. statues such as 17 U.S.C. sections 602(a), 1008, 1001, 109, 107, 117 among others. Specifically, Private Importation, the “iPod” exception, Fair Use provisions, and the First Sale doctrine give consumers a legal basis to purchase music from

AllofMP3. For more information about how those provisos apply to AllofMP3, please review the accompanying document.

“If the RIAA had done its homework, it would have discovered that even under U.S. law, consumers apparently have a legal basis to purchase music from AllofMP3,” said Vadim Mamotin, Director General. “There is absolutely no legal basis for the campaign against AllofMP3”.

While the RIAA would like U.S. law to prevail over Russian law in Russia, the fact is that the sovereign rights of one nation can't be trampled on by an outside organization like the RIAA. And, although the RIAA tried in vain to link two disparate issues - the business dispute with AllofMP3 and the WTO matter - it was clearly a failed exercise insofar as they based the link on a misrepresentation about the illegality of AllofMP3.

For months, AllofMP3 has stated the company will comply with the request from any copyright holder to remove any music from the site. However, the company has not heard from the Russian Licensing Societies or the record labels. Perhaps, opt-out requests are not being made because the record labels can't clear the rights.

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