

**FINAL**

**November 19, 2004**

**Melodeo Announces \$9.5 Million in New Funding to  
Bring Music to Mobile Phones**

*Funding Received from GF Capital, Ignition Partners, Intel Capital and Voyager Capital*

**SEATTLE —Nov. 19, 2004** — Melodeo, Inc., a provider of software to bring music to mobile phones, today announced it has received \$9.5 million in funding from GF Capital, Ignition Partners, the Intel Communications Fund and Voyager Capital.

Melodeo, a Seattle-based company, provides full-length music tracks over-the-air to wireless subscribers through a mobile-music solution that resides on the wireless phone. Wireless service providers will deploy Melodeo technology on their networks that allows them to offer subscribers the ability to shop, preview, purchase, download and play music tracks on their mobile phones.

The investment will be used to accelerate sales and marketing initiatives, as the company works to secure licensing agreements with leading wireless operators and mobile phone manufacturers worldwide.

“The music industry has now fully shifted into a digital mindset,” says Gary Fuhrman, CEO of GF Capital, the lead investor in the \$9.5 million funding round. “Mobile networks represent a very significant new growth opportunity for the industry, and Melodeo’s innovative, mass-market solution for music on mobile phones promises to be a major catalyst for distribution to the large, global wireless subscriber base.”

“The market potential for music delivered to mobile phones is huge,” says Bill Valenti, CEO of Melodeo. “With over 1.5 billion subscribers worldwide, and 550 million new wireless

phones expected to be sold in 2004, we know there is a vast audience for the kind of service Melodeo offers. Our integrated, turnkey solution is fun and easy to use, with a dynamic, built-in music store. Record labels, artists, and service providers all have a tremendous shared revenue opportunity with the Melodeo mobile music solution.”

Says senior analyst Genelle Hung of the Radicati Group: “Melodeo is confident mobile phones will replace the PC as the preferred delivery platform for digital music, and the company is positioning itself to be the key player in this growing industry. I’m impressed with their business model, the technology behind the product, and the customer experience they provide.”

Melodeo is entirely focused on the music mobile phone market. Its software incorporates the most advanced audio codec, aacPlus, from Coding Technologies and other partners, which produce music files in the 500 to 750K range, significantly smaller than a typical MP3 file, in a solution that is downloaded, not streamed, saving valuable bandwidth. Subscribers can download the Melodeo client software over the air, or their handsets will be equipped with the Melodeo client software that offers stereo capabilities and music-store connectivity. While phone memory will vary by brand, users can expect roughly 75 to 125 tracks in 64MB of memory.

Melodeo’s mobile music solution includes an extensive music catalog that resides on the phone and includes the patented “power-search” capability for finding songs or artists with just a few keystrokes. Consumers can also find music from recommendations, new releases, or select music off the charts. Finally, Melodeo has developed a solution for personalizing each individual’s catalog of music based on his or her individual preferences. The Melodeo mobile music solution has intelligence that allows it to learn an individual’s taste so it can serve up the music that the subscriber will like.

## **About GF Capital**

Based in New York, GF Capital makes private equity investments in a variety of industries including media, entertainment, branded consumer products and other select industries. GF currently manages over \$4 Billion in private equity, real estate, hedge funds and other asset classes. For more information, visit [www.gfcap.com](http://www.gfcap.com).

### **About the Intel Communications Fund**

The \$500 million Intel Communications Fund, managed by Intel Capital, was established in September 1999 and focuses on accelerating Intel voice and data communications and wireless networking initiatives. The fund targets companies developing basic communications and semiconductor components and boards, real-time operating systems, software tools and utilities, system level hardware and software, and wireless network services and channels. The Intel Communications Fund has made investments in 17 countries on five continents. For more information about the fund, visit [www.intel.com/capital/portfolio/funds/icf.htm](http://www.intel.com/capital/portfolio/funds/icf.htm) <<http://www.intel.com/capital/portfolio/funds/icf.htm>>.

### **About Ignition Partners**

Ignition Partners, ([www.ignitionpartners.com](http://www.ignitionpartners.com)), headquartered in Bellevue, Wash., is a premier venture capital firm focused on investments in software and communications technology, with a particular emphasis in enterprise and consumer facing software and services, telecommunications and network infrastructure. Ignition brings together an unparalleled combination of domain focus, technical expertise and operational experience. Ignition's partners are proven business leaders who have built some of the world's most successful businesses of the last two decades, including Microsoft Windows, McCaw Cellular Communications, AT&T Wireless and Microsoft's enterprise business. The VC's founders are also credited with leading McCaw's entry into wireless and Microsoft's Internet turnaround.

## **About Voyager Capital**

Voyager Capital is a leading Pacific Northwest information technology venture capital firm, providing entrepreneurs with the resources, experience, and connections to build successful companies. Voyager invests primarily in early stage business software and services, mobility, digital media and infrastructure companies, where the firm's domain expertise, team-building track record and go-to-market resources help build market leaders. Voyager Capital has \$265M under management with offices in Seattle, WA and on Sand Hill Road in Menlo Park, CA. For more information, visit Voyager's web site at [www.voyagercapital.com](http://www.voyagercapital.com) or telephone (206) 438-1800.

## **About Melodeo**

Melodeo, Inc. is a privately held company in Seattle, Washington, dedicated to creating software and services to bring music to mobile phones. Its *Melodeo Mobile Music* client software solution provides wireless-phone handset manufacturers the means to provide secure digital music to wireless subscribers in an easy-to-use, dynamic user interface. Recognizing the growing market for wireless content, Melodeo offers its easy-to-use distribution model that at the same time supports the Digital Rights Management initiative, securing artist and label compensation. For more information, visit the company's website at <http://www.melodeo.com>, or send email to [info@melodeo.com](mailto:info@melodeo.com) or call (206) 812-4300.

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