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We7, THE AD-FUNDED MUSIC SERVICE, SECURES SIGNIFICANT \$6m FUNDING FOR EXPANSION

*-Series 'A' funding led by founder investors Peter Gabriel and Spark Ventures, who are
joined by Eden Ventures-*

21 January 2008: We7 (www.we7.com), the ad-funded music download service, today announced the closure of a significant \$6 million Series 'A' funding after an outstanding first year of achievement, investment, growth and partnerships.

The round was led by musician and digital music pioneer Peter Gabriel and Spark Ventures, with continued support from We7 founder and chairman, John Taysom, and We7 CEO Steve Purdham, who started and built UK based global technology company, SurfControl plc.

The award winning Eden Ventures team joins these original investors to bring an additional depth and strength to the management team.

This significant financing marks the close of We7's first year of trading, which has generated more than 90,000 registered download users and delivered over one million free, ad-supported downloads from an initial catalogue of 80,000 tracks. We7 allows music fans to download great music for free. Its music catalogue is growing rapidly, with access now to 500,000 quality music tracks via content deals with acclaimed independent artists and record labels including Sanctuary, V2, Big Fish and mTunes.

Pioneering the award-winning model of dynamically 'grafting' adverts based on a consumer's personal demographics, onto the front of tracks, We7 was the first to deliver DRM free ad-funded music downloads.

We7's vision is to let fans discover and consume music in the form that they want, with no restrictions, while ensuring that performers and artists receive a fair payment for their work. In independent research from industry analysts Frukt, We7's short, relevant advertising messages were preferred by music fans over other models of ad-funded music.

The We7 technology allows advertisers to intimately connect with consumers, extending the boundaries of traditional online advertising, and speaking directly into their ears. In 2007 the company successfully completed innovative advertising trials with Microsoft, for Xbox 360, and campaigns for Sony Ericsson, Café Direct and Sicko, the latest film release from renowned director, Michael Moore. Early effectiveness research shows a significant brand awareness impact of the We7 model to that of other sites, especially music based ones.

In 2007, We7 was nominated for a prestigious BT Digital Music Award, shortlisted in the Best Digital Service category, and was awarded the Best Interactive Creation award at the Hospital Club Creative Awards.

Music industry heavyweight appointed to We7 Board

As a result of the support from Eden Ventures, Charles Grimsdale, entrepreneur and co-founder of Eden Ventures, joins the We7 board, bringing 22 years experience in the software and digital media industry. Grimsdale was responsible for founding OD2, with support from Peter Gabriel, the digital music distribution service acquired by Nokia in August 2006.

Steve Purdham, CEO of We7, said: "Despite the significant challenges that face the music industry we've come a phenomenally long way in our first year with our subscriber figures and partnerships speaking for themselves. Having exceeded our one millionth track download, it shows there's a real consumer appetite for new ways to access music that delivers benefits to music fans, brands and artists alike. Thanks to Peter, Spark and Eden we're launching into 2008 with confidence and I'm hugely excited about the growth opportunities ahead."

Peter Gabriel, Musician and Founder Investor We7, commented: "We7 is one way to keep music free for consumers whilst maintaining some income for artists and content owners. When advertising is smart enough to be a responsive information service, it is less intrusive for the listener and more effective for the seller. For example, if I am looking around for a eco-friendly car, that is the time when I am happy to be informed about what is available".

Speaking about his new role, Charles Grimsdale said: "I'm delighted to be joining We7's senior leadership team. I've been a close watcher of the company since its early conception and I believe together we have what it takes to drive the business forward on full throttle".

Global digital music sales were estimated to have a trade value of \$2 Billion (2007 IFPI Digital music report), with market commentators estimating illegal digital downloads being 10-50 times that. At the same time digital Ad spend was around £2.5 billion in the UK alone with a Year on Year growth of 41.3%. Global digital Ad spend is expected to be \$36 Billion in 2008 exploding to \$61 Billion by 2010. We7 will help expand the volume of legal music use and be part of the expansion of the interactive ad market, delivering ads and free music to mobile devices for users wherever they listen to their music.

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For more information on We7 go to:

www.we7.com

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Editors Note

Peter Gabriel, We7 Founder Investor

Peter Gabriel has a proven track record with music technology projects, Having funded and launched the digital service provider OD2 ,in 1999 it was sold to Loudeye which was subsequently sold to Nokia last year

John Taysom Chairman and Founder We7

John is well known in financial circle having founded Reuters Greenhouse Fund in California. He has previously invested in a number of successful technology ventures including Yahoo! Verisign, Forbes.com and Advertising.com and was personally involved in the changing business models of news and financial information delivery from subscription and PPV models to ad funded models

Steve Purdham We7 CEO and Founder Investor

Steve has a long history in building technology companies, most notably SurfControl plc, SurfControl plc was an UK based Internet Security business which protected companies from the dark side of the Internet. SurfControl plc grew to be a Global operation joining AIM, EASDAQ and the London Main market during its growth and it was eventually acquired at the end of 2007 in excess of \$400m.

Gareth Reakes : We7 CTO and Founder

Gareth has driven the creation of several successful technology companies. These include DecisionSoft, Embrace Mobile and Parthenon Computing, which were privately funded and profitable in their first year. Using a unique blend of agile methodologies, Gareth's customers include Oracle, SleepyCat (which was recently acquired by Oracle), the UK government, CSW, Water Innovate and Delta XML. Gareth is a Vice President of Apache, the global open source foundation where he chairs the Xerces group. He is also a member of the XML committee.