

PRESS RELEASE

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Aristo Music receives capital injection of 2.6 million euros

Financing must enable international growth

Aristo Music, specialist in new selection and distribution techniques for digital music, has today announced a capital increase for an amount of 2.6 million euros. The new resources will be used first and foremost for the international expansion of its activities. The parties involved in this round are LRM, KBC Arkiv and the Baekeland Fonds II and the Gemma Frisius Fonds II that was already a shareholder.

Aristo Music is a Limburg-based company that works in close cooperation with the universities of Leuven and Ghent. For some years now it has been conducting research to introduce new techniques and insights in digital music solutions. Aristo Music's objective is to create a world in which everyone can create his or her most suitable musical atmosphere, at any time, in any location or in any situation. An easy cooperation between experienced music experts (such as radio icon Gust De Coster) and a team of dynamic software specialists is the driving force behind the enterprise.

Besides the objective parameters (e.g., region, vocal, instrumental, release date), subjective parameters and parameters based on scientifically founded research (danceability, hardness, atmosphere...) are also set for the music. This makes it possible to quickly and easily create music selections for specific situations, music selections that go beyond mere selection of a musical genre (e.g., calm music for breakfast at a hotel, happy music for a children's party, music with high danceability for the end of year party). The Aristo Music technology also allows this new, revolutionary music selection technique to be used in different forms of digital music distribution (e.g., PC, IPTV, GSM).

One of the applications of Aristo Music is the recently launched Tunify music platform: a new online music service specifically targeting business clients. With this unique concept, stimulating, turnover-increasing or image-enhancing music can be selected and played in a company, simply and inexpensively from a website (www.tunify.com). The relatively young Aristo Music can also already look back on some successful projects with clients such as MTV, VRT, Mars, Humo, Mayerline, Overtoom, KBC and Fortis.

"With the capital increase of 2.6 million euros Aristo Music will be able to extend its commercial activities further towards the European market," says Benito Stans, CEO and founder of Aristo Music. "We will, of course, continue to invest in research and development.

To support this growth, it will be necessary to engage extra staff and to reinforce the strategic cooperation with both K.U.Leuven and the University of Ghent. The present business plan makes provision for the expansion of our team in the near future by 11 new colleagues in new premises in Limburg."

Aristo Music was recently given a subsidy of 577 000 euros from IWT-Vlaanderen for a major innovation project in cooperation with the research groups Hypermedia & Databases (led by Prof. Dr. Ir. Erik Duval) from K.U.Leuven and Digital Speech and Signal Processing (ELIS Speech Lab) (led by Prof. Dr. Ir. Jean-Pierre Martens) from the University of Ghent.

Aristo Music develops new technologies with particular attention to the rights of the writers and music producers. The company was able to sign contracts for the provision of background music and online streaming services with management companies SABAM and SIMIM. The company's new online services strongly simplify the reporting of digital music usage.

About LRM

LRM, the "investment company for Limburg", supports economic development in Limburg with its expertise in venture capital, real estate and project development.

The LRM venture capital department puts up venture capital for local and international enterprises investing in the Province of Limburg, with technological emphasis on biomedical science, cleantech and ICT. The LRM venture capital department also finances and advises management buyouts and buyins. LRM's present venture capital portfolio contains more than 60 participating interests.

The LRM real estate and project development department invests in sustainable projects concerning real estate projects, infrastructure, the development of industrial zones, facilities and urban development.

www.lrm.be

About KBC Arkiv

KBC Arkiv is a subsidiary of KBC Private Equity and Arkimedes-Fonds, offering growth capital and advice to innovative, rapidly growing Flemish enterprises. KBC Arkiv is a fund with fixed capital for 10 years and has at its disposal an investment budget of 25 million euros. KBC Arkiv is managed by KBC Private Equity. KBC Arkiv has invested in 12 promising Flemish enterprises since its foundation. (www.kbcpe.be)

About Baekeland-Fonds II

Baekeland-Fonds II was set up as a second university capital fund in 2005 by the partners of the Associatie Universiteit Gent, together with Fortis Private Equity Belgium, KBC Private Equity, Ethias, Volksvermogen and the ARKimedes-Fonds. This fund, with a capital of 11.1 million euros, aims to invest in some ten mainly high-technology companies emerging from the research laboratories of the University of Ghent, Hogeschool Gent, Arteveldehogeschool

or the Hogeschool West-Vlaanderen. Being a seed and “early stage” fund, Baekeland-Fonds II hopes to complete large-scale projects that enter into consideration for additional financing from Flemish and international venture capital providers. Baekeland-Fonds II is also eager to generate a commercially acceptable return on investments.

Baekeland Fonds II is managed by the department UGent TechTransfer. For more info, see www.baekelandfonds.be.

ARKimedes is a component of ParticipatieMaatschappij Vlaanderen, which invests in strong-growing enterprises that it sees as catalysts for innovation, employment and quality of life.

About GFF

The Gemma Frisius Fonds II was set up in 2002 by K.U.Leuven Research & Development, KBC Private Equity and Fortis Private Equity after conclusion of the investment period of the first Gemma Frisius Fonds. The support provided by this seed money fund makes it possible for fledgling companies to further develop scientific research for innovation to commercial products and services. The Fund already invested in Aristo Music back in 2006. This first capital injection gave Aristo Music the opportunity to further develop its R&D activities around music and shift the commercial expansion of the organization up a gear.

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