BMG CM

Munich, 01.08.2006 BMG CEO, Clemens Joos, +49 89 4111 7000 BMG CM, Phil Mulholland, +49 89 4111 5900

Category: Organization

Distribution list: All Employees of BMG World BMG Management World

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Organizational Announcement: Category Management

Dear colleagues,

We would like to inform you that in addition to his role as Head of Category Management, Phil Mulholland has been assigned to a special task force - concentrating on our "Convergence" and "Mobile Internet" topics. This assignment is with immediate effect. Phil Mulholland will remain in charge of CM with regard to Innovation and Technology Management as well as Portfolio Management. However, he will temporarily withdraw from the day-to-day operations associated with Category Management.

In the interim, Hans-Joachim Gast will be acting on his behalf for all operational issues related to Category Management, i.e. will be participating in Sales Delivery meetings, DSB meetings and leading all operational meetings such as PBR and Sales Marketing Council. During this interim period, Hans-Joachim Gast will have day-to-day decision-making authority for the categories. Stefan Reister will support Hans-Joachim Gast by overseeing both Explore Performance and Explore Passion. Clemens Joos and Jerry Wang will increasingly be involved.

We ask you to support Hans-Joachim Gast and Stefan Reister in their interim role.

Additionally, the Accessories team is moving to the Explore Performance category reporting to Hans-Joachim Gast, but supporting all categories. Also the Limited Editions team moves to the Explore Image and Status category and reports to Bettina Siegwart.

sgd. Phil Mulholland

sgd. Dr. Roland Schmidt