Company Contact:
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makemusic®

March 2, 2012

Dear Shareholder:

On February 21, 2012, the Board of Directors of MakeMusic, Inc. ("**MakeMusic**") adopted a Tax Asset Protection Plan ("**Plan**"). The Plan is designed to reduce the likelihood that MakeMusic's use of its net operating losses, loss carryforwards and other tax assets (collectively, "**tax benefits**") would be substantially limited under Section 382 of the Internal Revenue Code ("**Section 382**"). These tax benefits, or NOLs (as defined in the Plan), generally can be used to offset future taxable income and therefore reduce federal and state income tax obligations and are a valuable asset of the company. However, MakeMusic's ability to use its tax benefits may be substantially limited if there occurs an "ownership change" as defined under Section 382. In general, an ownership change will occur if MakeMusic's "5-percent shareholders," as defined under Section 382, collectively increase their ownership in MakeMusic by more than 50 percentage points over a rolling three-year period. The Plan is designed to reduce the likelihood that MakeMusic experiences such an ownership change by discouraging any person or group from becoming a 5-percent shareholder under Section 382 and dissuading any existing 5-percent shareholder from acquiring additional shares of MakeMusic's stock.

Under the Plan, rights to purchase capital stock of MakeMusic ("**Rights**") have been distributed as a dividend at the rate of one Right for each outstanding share of MakeMusic's common stock, par value $.01 per share (the "**Common Stock**") held of record as of the close of business on March 2, 2012. Rights will also attach to shares of Common Stock issued after March 2, 2012.

Each Right will entitle its holder, upon the occurrence of certain events, to purchase one ten-thousandth of a share of Series A Junior Participating Preferred Stock of MakeMusic at a price of $15.00 The Rights are not currently exercisable. The Rights will convert into a right to acquire Preferred Stock, Common Stock or other capital stock of MakeMusic in certain circumstances and subject to certain exceptions.

The Rights are not currently exercisable. The Rights will be triggered upon the acquisition of 4.95% or more of MakeMusic's outstanding Common Stock by any person or group or future acquisitions of any shares of Common Stock by any person or group who currently holds 4.95% or more of MakeMusic's outstanding Common Stock. Unless and until the Rights become exercisable, they will not be separately traded and certificates for Rights will not be issued. The Plan will expire upon the earliest of (i) February 20, 2015; (ii) the time at which the Rights are redeemed or exchanged under the Plan; (iii) the time at which the Board determines that the Plan is no longer necessary for the preservation of the tax benefits.

A list of questions and answers and a summary description outlining the principal features of the Rights and the Plan are enclosed, and I urge you to read these documents carefully and retain them for future reference. The full text of the Plan is available under "Financial Information" in the "Investor Relations" section of our website located at www.makemusic.com. The Board has adopted the Plan to protect an important asset of MakeMusic and preserve value for all of our shareholders. The issuance of the Rights has no dilutive effect, will not affect reported earnings per share, is not taxable to MakeMusic or to its shareholders, and will not change the way in which shareholders can currently trade shares of the Common Stock.

Thank you for your continued interest and support of MakeMusic.

Sincerely,

Karen van Lith

Karen van Lith
President and Chief Executive Officer

PRINCIPAL FEATURES OF THE TAX ASSET PROTECTION PLAN

- The MakeMusic Board of Directors has declared a dividend of one preferred stock purchase right (a "Right") for each outstanding share of Company common stock. Initially these Rights are dormant and are the approximate economic equivalent of one share of MakeMusic common stock. The exercise price for each Right is $15.00 (fifteen dollars).

- Exercise of the Rights is triggered when a person or group acquires shares, or announces a tender offer to acquire shares, resulting in ownership of 4.95% or more of MakeMusic common stock or, in the case of existing holders currently owning 4.95% or more of MakeMusic common stock, when any such holder acquires shares resulting in any increase in such existing holder's ownership. Any such person or group is referred to as an "Acquiring Person." The Plan is intended to cause economic and voting dilution to any Acquiring Person by voiding the Rights of any Acquiring Person and making all other Rights either exercisable for shares of Company common stock at half price or exchangeable for Company preferred stock, common stock or other securities at no cost. Under the Plan, existing shareholders currently having an ownership interest above 4.95% can maintain but cannot increase their holdings.

- The Plan has a maximum three year term. It may be terminated sooner if the Board determines that the NOLs are no longer available under Section 382 or that the Plan is no longer needed. The Board retains the unrestricted right to redeem the Rights and/or terminate the Plan at any time before a person triggers the 4.95% threshold or an existing holder of more than 4.95% increases its ownership.

- Adoption of the Plan does not require shareholder approval but may be implemented by the Board in the exercise of its fiduciary duties in the management of the business and affairs of MakeMusic.

QUESTIONS AND ANSWERS ABOUT THE TAX ASSET PROTECTION PLAN

This Question and Answer guide is meant as a useful summary and is not intended as a complete description of the MakeMusic, Inc. ("**MakeMusic**" or "**Company**") Tax Asset Protection Plan ("**Plan**"). The full text of the Plan is available under "Financial Information" in the "Investor Relations" section of our website located at www.makemusic.com.

1. What is the Plan?

The Plan was adopted by the Board of Directors of MakeMusic to protect certain of MakeMusic's favorable federal income tax attributes ("**tax benefits**") that may be used to offset future taxable income– and to protect shareholder value related to this asset – by deterring an "ownership change" as defined by the Internal Revenue Service.

2. What are the tax benefits?

The tax benefits are MakeMusic's net operating loss carryovers and other tax attributes (collectively, "**NOLs**") that can generally be used to offset future taxable income and therefore reduce federal and state income tax obligations. MakeMusic's ability to use the tax benefits could be adversely affected if it experiences an "ownership change" as defined under Section 382 of the Internal Revenue Code ("**Section 382**").

3. When does an "ownership change" occur under Section 382?

An ownership change for purposes of Section 382 is a technical concept under the federal tax laws that is different from a change in beneficial ownership under the rules and regulations of the Securities and Exchange Commission. In general, an ownership change will occur if MakeMusic's "five-percent shareholders" (as defined in Section 382) collectively increase the value of their ownership in MakeMusic by more than 50 percentage points over a rolling three-year period.

4. If there is an "ownership change," what is the risk to MakeMusic's tax benefits?

If MakeMusic experiences an "ownership change," as defined under Section 382, MakeMusic's use of the tax benefits to offset future taxable income, and therefore reduce its Federal income tax obligations, could be substantially limited, and MakeMusic may have to write down a significant portion of these assets.

5. How does the Plan work to protect MakeMusic's tax benefits?

The Plan reduces the likelihood that MakeMusic will experience an ownership change under Section 382 by discouraging any shareholder from becoming a five-percent shareholder under Section 382 and discouraging any existing five-percent shareholder from acquiring additional shares of MakeMusic's common stock. However, there is no guarantee that the Plan will prevent MakeMusic from experiencing an ownership change under Section 382. For additional information regarding a shareholder that triggers the Plan, see Question and Answer 13.

6. How is ownership determined under the Plan?

Under the Plan, ownership is in general determined under the applicable rules and regulations of the Internal Revenue Code, including Section 382, which focus on actual economic ownership by a shareholder and persons related to, or acting in concert with, the shareholder, as well as the concept of "beneficial ownership" of Rule 13d-3 of the Securities Exchange Act of 1934, as amended, which focuses generally on the right to vote and control disposition of the shares.

7. Have other public companies adopted similar plans to protect tax benefits?

Yes, many public companies have adopted similar plans to protect their tax benefits.

8. When will the Rights expire or the Plan terminate?

The Plan will expire and terminate upon the earliest of:

i. the close of business on February 20, 2015;
ii. the time, prior to the date any person or group acquires sufficient shares to trigger the Plan, at which all Rights are redeemed in the Board's discretion; or
iii. the time, prior to the date any person or group acquires sufficient shares to trigger the Plan, when the Board determines that the Plan is no longer necessary for the preservation of MakeMusic's tax benefits.

9. What is the dividend of Rights?

In connection with the Plan, on February 21, 2012, the Board declared a dividend distribution of one Right for each outstanding share of MakeMusic's common stock, payable to holders of record on March 2, 2012, as well as to holders of common stock issued after that date. The Rights are not initially exercisable. If they were exercisable, the terms of the Rights would entitle the holder to purchase 1/10,000 of a share of a series of preferred stock for $15.00 or, in certain circumstances, to instead acquire shares of common stock. Each 1/10,000 of a share of preferred stock is intended to be the economic equivalent of one share of common stock.

10. Why is my Right a right to purchase preferred stock rather than common stock?

Preferred stock is used so that MakeMusic's authorized common stock could be used for other purposes and would not have to be reserved for issuance upon exercise of the Rights. The dividend and liquidation rights of the preferred stock are designed so that each 1/10,000 of a share of preferred stock has rights similar to one share of common stock.

11. How are my Rights evidenced before the Plan is triggered?

Before the Plan is triggered and the Rights become exercisable, the Rights are essentially "stapled" to the common stock and are deemed to be represented by MakeMusic's common stock certificates or the book entry records for common stock. The Rights may only be transferred with the corresponding shares of common stock. Also, Rights will be issued with any shares of common stock of MakeMusic that are newly issued.

12. When do my Rights first become exercisable?

The Rights currently are not exercisable. The Rights will "detach" from the common stock and become exercisable only if the Plan is triggered, which would occur in the instance of any person or group acquiring 4.95% or more of the outstanding shares of MakeMusic's common stock. The Plan would also be triggered if any existing investor who currently owns more than 4.95% of MakeMusic's common stock acquires any additional shares. In each instance, the person or group is referred to as an "Acquiring Person" under the Plan.

13. What happens when the Rights detach and become exercisable?

If the Rights detach and become exercisable, then each holder of a Right, other than Rights held by the shareholder that triggered the Plan, any other Acquiring Persons, if any, and their respective related persons or transferees, will be entitled to purchase shares of MakeMusic common stock with a value of two times the exercise price of the Rights. In lieu of common stock, the Board may issue one ten-thousandth of a share of Series A Junior Participating Preferred Stock of MakeMusic or other MakeMusic securities. The initial exercise price is set at $15.00 and is subject to anti-dilution adjustments under the terms of the Plan.

14. How are my Rights evidenced if the Plan is triggered?

If the Plan is triggered, the Rights will detach from each share of MakeMusic common stock and Rights Certificates will be distributed to the holders (except for an acquiring shareholder that triggers the Plan and other Acquiring Persons, if any, and their respective related persons, or transferees, none of whom will be able to exercise the Rights). After that time, the Rights will be solely evidenced by the Rights Certificates and will trade separately from the common stock.

15. How can the Rights be exercised after a triggering event?

If the Plan is triggered, Wells Fargo Bank, N.A., the Rights Agent will mail Rights Certificates representing the Rights to holders of record (except for the shareholder that triggered the Plan, other Acquiring Persons, if any, and their related persons and transferees), who may return the completed Form of Election to Purchase along with the exercise price.

16. May the Board exchange the Rights following a triggering event?

Yes, after a triggering event and before any shareholder that triggered the Plan acquires 50% or more of the shares of MakeMusic common stock, the Board may choose to "exchange" the Rights into shares of preferred stock, common stock or other securities. The holders of Rights would not be required to pay an exercise price. An exchange effected by the Board would likely be designed to give each holder of a Right (other than any Acquiring Person and its related persons and transferees) an amount of shares or other securities that would substantially equivalent to an exercise of the Rights by a shareholder.

17. Are there exemptions to the terms of the Plan?

Yes. Acquisitions by MakeMusic, its subsidiaries, and its employee benefit plans and related entities or trustees, and certain acquisitions directly from MakeMusic, are exempt under the Plan. The Board may choose to exempt an acquisition if the Board determines that the acquisition was inadvertent and the shareholder promptly divests of sufficient shares.

18. What rights do I have as a Right holder?

Until a Right is exercised or exchanged as described in Questions and Answers 15 and 16, it does not entitle you to any additional rights as a shareholder of MakeMusic, including voting or dividend rights.

19. Will the Plan or the dividend of Rights affect earnings per share or be a taxable event?

No. The adoption of the Plan is not dilutive and will not affect reported earnings per share. Nor was the distribution of the Rights a taxable event for you as a shareholder or for MakeMusic.

20. Where will the Rights be traded?

Before the Plan is triggered, the Rights are essentially "stapled" to MakeMusic's common stock and are deemed to be represented by the common stock certificates or the book entry records for MakeMusic common stock. The Rights are listed and traded on the NASDAQ Stock Market with MakeMusic's common stock and there is no separate trading market for the Rights.

21. May the Board redeem the Rights and at what price?

In general, the Board of Directors may redeem the Rights at any time until the Rights become exercisable. The redemption price is $0.0001 per Right.

22. May additional Rights be issued after the date the Plan is adopted, including in connection with common stock issuances upon the exercise of stock options and convertible security conversions?

As described in Question and Answer 11, all common stock issued by MakeMusic will be issued with corresponding Rights, including upon the exercise of stock options or under any employee plan or arrangement; upon the exercise, conversion or exchange of securities issued by MakeMusic; or in connection with a contractual obligation of MakeMusic, in each case, only if such options, employee plans, securities, or obligations existed before the Plan was triggered.

23. May the Board amend the provisions of the Plan?

The Board has the flexibility to amend the terms of the Plan. Once the Rights become exercisable and Right Certificates are distributed, the Board is free to amend the terms of the Plan so long as such amendment does not adversely affect the interests of holders of outstanding Rights.

24. Where can I access the full text of the Plan?

The full text of the Plan is available under "Financial Information" in the "Investor Relations" section of MakeMusic's website located at www.makemusic.com.

Exhibit C

SUMMARY OF RIGHTS TO PURCHASE PREFERRED STOCK OF MAKEMUSC, INC.

Introduction

On February 21, 2012, the Board of Directors of MakeMusic, Inc. (the "Company"), initially declared a dividend of one preferred stock purchase right (a "Right") per share for each outstanding share of common stock, par value $.01 (the "Common Stock"), of the Company. The dividend is payable on March 2, 2012 (the "Record Date") to shareholders of record at the close of business on that date. The description and terms of the Rights are set forth in a Tax Asset Protection Plan, dated as of February 21, 2012, (the "Plan"), between the Company and Wells Fargo Bank, N.A., as Rights Agent (the "Rights Agent").

The description that follows of the terms of the Plan and of the Rights issued thereunder is a general description only and does not purport to be complete. The terms of the Rights will in all cases be governed by the Plan. A copy of the Plan has been filed with the Securities and Exchange Commission as an Exhibit to the Amendment to Registration Statement on Form 8-A dated February 22, 2012. A copy of the Plan is available free of charge from the Company. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Tax Asset Protection Plan.

Purchase Price

Each Right entitles the registered holder to purchase from the Company one ten-thousandth of a share of Series A Junior Participating Preferred Stock, par value $.01 (the "Preferred Stock"), of the Company at a price of $15.00 (fifteen dollars) per ten-thousandth of a share of Preferred Stock (the "Purchase Price"), subject to adjustment.

Distribution Date

The Rights are attached to all certificates representing the Common Stock and no separate certificates evidencing the Rights ("Rights Certificates") will be distributed. The Rights will separate from the Common Stock and a "Distribution Date" will occur upon the earlier of (i) the date that a person or group of affiliated or associated persons becomes an "Acquiring Person" (as defined below), or (ii) ten (10) business days (or such later date as the Board shall determine) following the commencement of a tender offer or exchange offer that would result in a person or group becoming an "Acquiring Person." Except as set forth below, an "Acquiring Person" is a person or group of affiliated or associated persons who has acquired beneficial ownership of 4.95% or more of the outstanding shares of Common Stock. The term "Acquiring Person" excludes (i) the current holdings of any existing holder of more than 4.95% of the Company shares, under certain circumstances (ii) the Company or any wholly owned Subsidiary of the Company, (iii) any employee benefit plan of the Company or any wholly owned Subsidiary of the Company, and (iv) any person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan.

Exercisability

The Rights are not exercisable until the occurrence of the Distribution Date. Until the occurrence of the Distribution Date, (i) the Rights will be evidenced by the Common Stock certificates and will be transferred with and only with such Common Stock certificates, (ii) new Common Stock certificates issued after the Record Date will contain a notation incorporating the Tax Asset Protection Plan by reference, and (iii) the surrender for transfer of any certificates for Common Stock outstanding will also constitute the transfer of the Rights associated with the Common Stock represented by such certificates.

As soon as practicable after the occurrence of the Distribution Date, Rights Certificates will be mailed to holders of record of the Common Stock as of the close of business on the Distribution Date and, thereafter, the separate Rights certificates alone will represent the Rights. The Rights will expire at the close of business on February 20, 2015, unless earlier terminated or redeemed by the Company.

Adjustments

The Purchase Price payable, and the number of shares of Preferred Stock or other securities or property issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Preferred Stock, (ii) if holders of the Preferred Stock are granted certain rights or warrants to subscribe for Preferred Stock or convertible securities at less than the current market price of the Preferred Stock, or (iii) upon the distribution to holders of the Preferred Stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above). With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments amount to at least 1% of the Purchase Price. No fractional Rights will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Preferred Stock on the last trading date prior to the date of exercise.

Preferred Stock

Because of the nature of the Preferred Stock's dividend, liquidation and voting rights, the value of the one ten-thousandth interest in a share of Preferred Stock purchasable upon exercise of each Right should approximate the value of one share of Common Stock. Preferred Stock purchasable upon exercise of the Rights will not be redeemable. Each share of the Preferred Stock will be entitled to a quarterly dividend payment of 10,000 times the dividend declared per share of Common Stock. Each share of Preferred Stock will have 10,000 votes, voting together with the shares of Common Stock. These rights are protected by customary antidilution provisions.

Flip-In Provision

In the event that, at any time following the Distribution Date, a person becomes an Acquiring Person, each holder of a Right will thereafter have the right to receive, upon exercise of the Right, Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a value equal to two times the exercise price of the Right. Notwithstanding any of the foregoing, following the occurrence of the event set forth in this paragraph, all Rights that are, or (under certain circumstances specified in the Plan) were, beneficially owned by any Acquiring Person will be null and void and nontransferable and any holder of any such Right (including any purported transferee or subsequent holder) will be unable to exercise or transfer any such Right.

Flip-Over Provision

In the event that, at any time following the Distribution Date, the Company is acquired in certain merger or other business combination transactions or 50% or more of the Company's assets or earning power is sold, mortgaged or transferred, each holder of a Right (except Rights which previously have been voided as set forth above) shall thereafter have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two times the exercise price of the Right.

Redemption

At any time until the Shares Acquisition Date, the Company may redeem the Rights in whole, but not in part, at a price of $.0001 per Right by resolution of the Board of Directors.

Exchange

At any time after a Person becomes an Acquiring Person (subject to certain exceptions), and prior to the acquisition by a Person of 50% or more of the outstanding Common Stock, the Board of Directors of the Company may exchange all or part of the Rights for Preferred Stock at an exchange ratio per Right defined in the Plan, subject to adjustment. At its discretion, the Board may substitute Common Stock or other securities for the Preferred Stock pursuant to the exchange.

Rights of Holders

Until a Right is exercised, the holder thereof, as such, will have no rights as a shareholder of the Company, including, without limitation, the right to vote or to receive dividends. While the distribution of the Rights will not be taxable to shareholders or to the Company, shareholders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Common Stock (or other consideration) of the Company or for common stock of the acquiring company as set forth above.

Amendments

Any of the provisions of the Tax Asset Protection Plan may be amended by resolution of the Company's Board of Directors prior to the Distribution Date. After the Distribution Date, the provisions of the Tax Asset Protection Plan may be amended by resolution of the Company's Board in order to make changes that do not adversely affect the interests of holders of Rights (excluding the interests of any Acquiring Person or its affiliates or associates).