



NEWS RELEASE

Warner Music Group Corp. Announces Acquisition of Ryko Corporation

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Ryko's Catalog, Award-Winning Independent Distribution, Label and Artist Roster Complement and Strengthen WMG's Existing Businesses

NEW YORK, NY, Mar 24, 2006 -- Warner Music Group Corp. (NYSE: WMG) today announced it has signed a definitive agreement to acquire Ryko Corporation, a leading independent, integrated music and entertainment company from an investment group led by JPMorgan Partners for \$67.5 million.

In making the announcement, Lyor Cohen, Chairman and CEO, U.S. Recorded Music at WMG, said, "Recognized as a leader in independent music with a diverse catalog spanning many musical genres and eras, and an award-winning independent distribution company and label, Ryko is a perfect complement to WMG's existing businesses. By applying WMG's marketing expertise, strength in the digital space and its leading position in U.S. independent distribution, we're confident that we will be able to maximize Ryko's value. We look forward to working with Ryko's talented and passionate team in realizing Ryko's potential."

Sam Holdsworth, CEO of Ryko Corporation, who was a partner in the original JPMorgan Partners investment group, will step down following the completion of the sale of Ryko to WMG. Holdsworth said, "Ryko's artists and employees have found the ideal home at Warner Music Group, where independent music, entrepreneurship and artist development are of paramount importance. It's been a privilege to serve as CEO for this wonderful organization, and I know I speak for the entire Ryko team when I say how excited we are that the next chapter for our artists, labels and recordings will be written at WMG."

Expanding WMG's Legendary Catalog

Ryko owns a catalog of more than 1,000 titles of rock, folk, jazz, world, blues and alternative albums including Restless Records' celebrated catalog of punk, new wave and soundtrack recordings. Ryko also owns the prestigious Hannibal catalog of British and American folk rock and world music, the Gramavision jazz and blues catalog, the Emperor Norton electronic and dance catalog and the Traditional catalog of historic recordings of early jazz, folk and blues, among several other label catalogs. Select artists represented in the catalog include: Ali Farka Toure with Ry Cooder, Bill Hicks, Brian Eno, Frank Zappa, Joe Jackson, Kelly Willis, Richard Thompson, Soul Asylum, The Dead Milkmen, The Flaming Lips, The Misfits, The Replacements, They Might Be Giants and Ween. WMG's Rhino Entertainment, the world's leading pop culture label, will work closely with Ryko to promote its catalog in both the digital and physical spaces and develop new catalog-related business opportunities throughout Warner Music Group as well as with third-party companies.

Strengthening WMG's Position as a Leader in Independent Distribution

Ryko Distribution, Ryko's award-winning retail sales and marketing division, sells music and DVD releases from Rykodisc as well as from third-party record and video labels, such as SPV, Oh Boy, Rough Trade/Sanctuary, Blix Street, Alligator, Bloodshot, Compass Records and Blue Underground. Ryko Distribution Filmworks has rapidly evolved into one of the preeminent distributors of DVD theatrical works. Ryko Distribution will work alongside WMG's Alternative Distribution Alliance (ADA), the No. 1 distributor of independent music in the U.S. With unique label distribution relationships and specialties in varying niches, Ryko Distribution, ADA and WEA, functioning side-by-side, will form a combined distribution network that further establishes WMG as the U.S. leader in the distribution of independent music.

John Esposito, President and CEO, WEA Corp. said, "The Rykodisc label has a keen sense for independent A&R and artist development and was a 2005 NARM label of the year. Ryko Distribution has a sterling reputation as a distributor, having been named NARM's Distributor of the Year, Medium Division, for five of the last seven years. As the provider of Ryko's fulfillment services over the last few years, WEA already has a great working relationship with Ryko Distribution's Jim Cuomo and his excellent management team and staff, and we are delighted to welcome them, along with William Hein and the Rykodisc label team, to the WMG family."

Jim Cuomo, President of Ryko Distribution, said: "Through their continued rock steady success at ADA, WMG has demonstrated both respect for, and an understanding of, the unique needs of the independent community. We're extremely pleased to be part of an organization that recognizes the importance of preserving the Ryko culture and that can provide us with the resources to supercharge our current capabilities and offer our labels the finest independent distribution services available."

Growing WMG's World-Class Roster

Ryko includes a recorded music label, Rykodisc, focusing on a range of contemporary music and comedy releases from artists such as Kelly Willis, The Posies, Big Star, Brian Eno, Joe Jackson, The Misfits, Rory Block, Jimmy Thackery, comedian Billy Connolly, Elf Power, and numerous film and television soundtracks including the Showtime series "Weeds." Rykodisc will continue as a standalone label and will be able to draw upon the resources of WMG's leading labels, Warner Bros. and Atlantic, as well as Warner Music International in promoting its own roster.

William Hein, President of the Rykodisc label, said, "For more than two decades Rykodisc has forged a reputation for artistic diversity, excellence and creative independence in the U.S. and around the world. As a long-term entrepreneur in the independent music business I recognize fellow travelers on the WMG team who have managed one of the world's great music companies with verve and innovation. We're very proud to now be part of this worldwide music group which combines a major's resources with a true independent spirit."

Ryko Corporation, Ryko Distribution and the Rykodisc label will continue to be headquartered in New York City. Completion of the transaction is subject to customary closing conditions including regulatory clearances. WMG does not expect the acquisition to be material to earnings in 2006.

About Warner Music Group

Warner Music Group became the only stand-alone music company to be publicly traded in the United States in May 2005. With its broad roster of new stars and legendary artists, Warner Music Group is home to a collection of the best-known record labels in the music industry including Asylum, Atlantic, Bad Boy, Cordless, East West, Elektra, Lava, Maverick, Nonesuch, Reprise, Rhino, Sire, Warner Bros. and Word. Warner Music International, a leading company in national and international repertoire, operates through numerous international affiliates and licensees in more than 50 countries. Warner Music Group also includes Warner/Chappell Music, one of the world's leading music publishers.