



NEWS RELEASE

Warner Music Group and YouTube Announce Landmark Video Distribution and Revenue Partnership

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Warner Music Group Becomes the First Media Company to Embrace Power of User-Generated Content; YouTube to Deliver Innovative New Architecture to Help Media Companies Harness the Financial Potential of User-Generated Content

NEW YORK, NY and SAN MATEO, CA, Sep 18, 2006 -- YouTube, Inc., a consumer media company for people to watch and share original videos through a Web experience, and Warner Music Group Corp. (NYSE: WMG), one of the world's leading global music companies, today announced an agreement to distribute on YouTube the library of music videos from WMG's world-renowned roster of artists as well as behind-the-scenes footage, artist interviews, original programming and other special content. In a first-of-its-kind arrangement, YouTube users will be able to incorporate music from WMG's recorded music catalog into the videos they create and upload onto YouTube.

WMG thus becomes the first music company to harness YouTube's leading video entertainment service to commercially distribute its music video catalog. More importantly, it becomes the first global media company to broadly embrace the power and creativity of user-generated content through a wide-ranging agreement with the category leader, enabling its artists to connect with a vast new audience in an entirely new way. WMG will have the opportunity to authorize the use of its content by the YouTube community by taking advantage of YouTube's advanced content identification and royalty reporting system, set for release by the end of the year. YouTube and WMG will share revenue from advertising on both WMG music videos and user uploaded videos that incorporate audio and audiovisual works from WMG's catalog. WMG's music video library and special artist content will be made available simultaneously with the launch of YouTube's content identification and royalty reporting system.

"Partnering with Warner Music Group is one of the most significant milestones for our company and our community, and shifts the paradigm in this new media movement," said Chad Hurley, CEO and Co-Founder of YouTube. "By providing a new distribution opportunity, we are paving the way for media companies to harness the vast financial potential of user-generated content on YouTube. We are thrilled that WMG had the vision to be the first music company, in partnership with its artists, to support the use of their content within user videos and to allow our community to interact with WMG music in new creative ways."

Edgar Bronfman, Jr., Chairman and CEO of Warner Music Group, said, "Technology is changing entertainment, and Warner Music is embracing that innovation. Consumer-empowering destinations like YouTube have created a two-way dialogue that will transform entertainment and media forever. As user-generated content becomes more prevalent, this kind of partnership will allow music fans to celebrate the music of their favorite artists, enable artists to reach consumers in new ways, and ensure that copyright holders and artists are fairly compensated."

Alex Zubillaga, Executive Vice President, Digital Strategy and Business Development for Warner Music Group, said, "Innovation is one of our guiding principles. That's why we've worked with innovation leader YouTube for many months now to develop this pioneering partnership. This agreement establishes a model by which content companies can transform consumers' creativity into a legitimate commercial enterprise that will benefit fans, artists and copyright holders. We commend Chad and the YouTube team for their commitment to creating a framework in which the needs of their users and rights of copyright holders can coexist in a mutually beneficial environment. We look forward to partnering with them to offer this powerful distribution platform to our artists and their fans."

Allowing the Audience to Communicate and Interact with their Favorite Artists

WMG, one of the world's largest music companies and parent company to record labels including Atlantic, Warner Bros., Asylum, Bad Boy, Cordless, East West, Nonesuch, Reprise, Rhino, Rykodisc, Sire and Word, among others, will make available its entire video catalog cleared for Internet use to YouTube in order for their artists to reach and interact with a new audience while enhancing the entertainment experience on YouTube. YouTube and WMG expect artists to embrace this new opportunity to reach a vast new audience to promote and distribute their music. With this agreement, WMG also enhances its ability to act responsibly on behalf of its artists and to request the removal of copyrighted content from YouTube when an artist elects to remove it. However, with the new content identification and royalty reporting and tracking system, WMG plans to identify and locate WMG content with the intention of enabling consumers to continue to interact with and enjoy the works of their favorite artists on YouTube.

YouTube Advanced Content Identification and Reporting Architecture to be Delivered by End of Year

By the end of the year, professional content creators, including record labels, TV networks and movie studios, will have the opportunity to authorize the use of their content within the YouTube community by taking advantage of YouTube's new content identification and royalty reporting system.

YouTube has been actively working on the operational details and building the infrastructure for this innovative new framework which includes royalty tracking and reporting, and a sophisticated content identification system. This new architecture will offer media companies the following:

- Sophisticated copyright identification tools to help identify their content on the site;
- Automated audio identification technology to locate their works within user videos on the site;
- The opportunity to authorize and monetize the use of their works within the user-generated content on the site;
- Reporting and tracking systems for royalties, etc.

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 Atlantic, Bad Boy, Elektra, Lava, Maverick, Nonesuch, Reprise, Rhino, Rykodisc, 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.

About YouTube

Founded in February 2005, YouTube is a consumer media company for people to watch and share original videos worldwide through a Web experience. YouTube allows people to easily upload and share video clips on www.YouTube.com and across the Internet through websites, blogs, and e-mail. YouTube currently delivers more than 100 million video views every day with 65,000 new videos uploaded daily and it has quickly become the leading destination on the Internet for video entertainment.