NEWS RELEASE

Warner Music International Launches New Video Content Division

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WMI acquires The Rights Company, merges with Warner Vision to form Warner Music Entertainment

Warner Music International (WMI) today announced the launch of a new video content division, Warner Music Entertainment. The new venture will be created through the acquisition of The Rights Company, the UK's leading independent specialist DVD and digital production business, which will be incorporated with WMI's existing DVD sales, marketing and distribution unit, Warner Vision. Warner Music Entertainment will oversee the development and implementation of WMI's video entertainment strategy. Conrad Withey, founder and CEO of The Rights Company, is appointed President, Warner Music Entertainment, reporting to John Reid, Vice Chairman, Music, Marketing and Content, WMI.

Warner Music Entertainment will enable WMI to maximize the presence of its artists and their material across all platforms that support video content, including DVD, television, mobile and online. Based in London, the unit will also act as WMI's central hub for the creation of new music-related programming formats, acquiring content rights from third party producers and generating programming opportunities around Warner Music's extensive catalogue. The Rights Company's existing library of assets, including a host of music, comedy, sport and special interest properties, will also transfer to the new venture.

Patrick Vien, CEO, Warner Music International, commented, “The explosion of new distribution platforms has created an unprecedented opportunity for us to significantly enhance the menu of multimedia content we deliver. This acquisition supports the ongoing transformation of our organization by strengthening our capacity to create rich video material around our core recorded music business, as well as allowing us to explore new formats in the

pop culture space. The Rights Company has a successful track record of devising creative, compelling and popular vehicles for the brands and personalities they represent and we look forward to applying that same approach at Warner Music Entertainment."

John Reid commented, "The entrepreneurial spirit of The Rights Company is a natural fit with Warner Music and Warner Vision. Conrad and his team have demonstrated an impressive ability to think creatively around the properties in their portfolio, so we're extremely excited about what they can bring to the mix when working with our wide-ranging roster. We've already established a reputation for helping our artists transition their music to the digital space and the creation of this new division boosts our ability to offer them even more ways to connect with audiences."

Conrad Withey added, "The Rights Company is thrilled to be joining the Warner Music team and helping to build on the great work that Warner Vision has been doing. We believe that combining music expertise with a wealth of experience in developing and producing new formats creates a powerful proposition that will deliver benefits to artists and consumers alike."

The Rights Company was founded in 2003 by Conrad Withey, who previously held positions as Polygram Video's Director of Programming, Universal Pictures' VP of Visual Programming and Momentum Pictures' UK Director of Home Entertainment and Acquisitions. The Rights Company produces, markets and manages the distribution of a wide range of content including Ibiza Rocks, C4's hit series of concerts filmed across the summer and featuring acts such as The Futureheads, Kasabian, The Fratellis, and Dirty Pretty Things, award winning interactive DVDs such as the Stephen Fry-fronted BBC comedy panel game show Q.I. and a current best-seller with Top Gear's James May, sports-based entertainment fronted by talent including 'Freddie' Flintoff, James Nesbitt, Ian Wright and Des Lynam, a wide range of celebrity led health and fitness titles featuring presenters ranging from Kate Winslet and Carmen Electra to Gordon Ramsey and Claire Sweeney and branded digital content with global players like Weight Watchers, club brand Pacha and Party Poker.

Warner Vision is the commercial video division of WMI, and is responsible for selling and distributing long form music video programming on behalf of Warner Music artists, including Eric Clapton, Green Day, Madonna, Phil Collins, R.E.M., and Red Hot Chili Peppers among others. Warner Vision also markets, sells and distributes music and non-music video programming acquired from non-Warner Music artists, labels and production companies, including Kylie Minogue, Paul McCartney, Peter Gabriel and more. Warner Vision is a centre of excellence for high-quality DVD production and distribution and operates throughout Warner Music's worldwide network.

About Warner Music International

Warner Music International (WMI) is Warner Music Group's global (ex-U.S.) recorded music division that markets

and distributes WMG's world-class roster of U.S. and international recording artists through a network of affiliates and licensees in more than 50 countries. With a commitment to developing local talent as well as marketing international superstars, WMI leverages its expertise in each region around the world to attract and cultivate a diverse international artist roster. WMG is a pioneer in delivering music content in new and exciting ways, with a track record of 'firsts' in the digital space.

Source: Warner Music International