PRELIMINARY CONFIDENTIAL OFFERING CIRCULAR

Subject to Completion, dated October 10, 2016

WARNER MUSIC GROUP

WMG Acquisition Corp.

$630,000,000

(in a combination of euro and U.S. dollars)

€ % Senior Secured Notes due 2024

$ % Senior Secured Notes due 2024

WMG Acquisition Corp. ("*Warner Music Group*"), a direct wholly-owned subsidiary of WMG Holdings Corp. ("*Holdings*") and an indirect wholly-owned subsidiary of Warner Music Group Corp. (the "*Parent*"), is offering € aggregate principal amount of its % Senior Secured Notes due 2024 (the "*euro notes*") and $ aggregate principal amount of its % Senior Secured Notes due 2024 (the "*dollar notes*" and, together with the euro notes, the "*Senior Secured Notes*" or the "*notes*"). The notes will mature on . Interest will accrue from , 2016. Warner Music Group will pay interest on the notes on and of each year commencing , 2017.

The notes will be redeemable on or after , 2019 at the redemption prices specified in this offering circular. At any time prior to , 2019, Warner Music Group will be entitled to redeem the dollar notes and/or euro notes, in whole or in part, at a redemption price equal to 100% of their respective principal amount plus a make-whole premium, together with accrued and unpaid interest, if any, to the redemption date. In addition, during any 12-month period prior to , 2019, Warner Music Group may redeem up to 10% of the dollar notes and/or euro notes at a redemption price equal to % of their principal amount, together with accrued and unpaid interest, if any, to the redemption date. Warner Music Group may also redeem up to 40% of the dollar notes and/or euro notes before , 2019, together with accrued and unpaid interest, if any, to the redemption date, with the net cash proceeds from certain equity offerings or contributions to its capital at the redemption price specified in this offering circular.

The notes offered hereby will be guaranteed, on a senior secured basis, by all of Warner Music Group's existing wholly-owned domestic restricted subsidiaries that guarantee obligations under the Senior Credit Facilities (as defined in this offering circular), subject to customary exceptions. The notes and related guarantees will be secured by first-priority liens, subject to permitted liens, on substantially all of Warner Music Group's assets, the assets of Holdings and the assets of the subsidiary guarantors as described in this offering circular (the "*Collateral*"). The notes will, to the extent of the value of the Collateral, be effectively (i) senior to Warner Music Group's future indebtedness secured by liens on the Collateral that are junior to the liens on the Collateral securing the notes, (ii) senior to Warner Music Group's existing and future unsecured indebtedness, including Warner Music Group's outstanding 6.75% Senior Notes due 2022 (the "*Existing Senior Notes*"), to the extent of the value of the collateral securing the notes and (iii) equal with Warner Music Group's existing and future indebtedness secured by liens on the Collateral that are not senior or junior to the liens on the Collateral securing the notes, including Warner Music Group's outstanding 5.625% Senior Secured Notes due 2022 (the "*5.625% Notes*"), 6.000% Senior Secured Notes due 2021 (the "*Existing Dollar Notes*") to the extent the Existing Dollar Notes are not repurchased, redeemed or discharged in full as described under "Offering Circular Summary—The Refinancing Transactions—Tender Offers", 6.250% Senior Secured Notes due 2021 (the "*Existing Euro Notes*") to the extent the Existing Euro Notes are not repurchased, redeemed or discharged in full as described under "Offering Circular Summary—The Refinancing Transactions—Tender Offers" and 5.000% Senior Secured Notes due 2023 (the "5.000% Notes", and together with the 5.625% Notes, the Existing Dollar Notes and the Existing Euro Notes, the "*Existing Senior Secured Notes*") and indebtedness under the Senior Credit Facilities.

The notes and the related guarantees will be Warner Music Group's and the guarantors' general secured senior obligations and will rank senior to all their future debt that is expressly subordinated in right of payment to the notes. The notes will rank equally in right of payment with all of Warner Music Group's existing and future liabilities that are not so subordinated, including the Existing Senior Secured Notes, the Existing Senior Notes and indebtedness under the Senior Credit Facilities, and will be structurally subordinated to all of the liabilities of Warner Music Group's subsidiaries that do not guarantee the notes, to the extent of the assets of those subsidiaries.

Warner Music Group does not intend to file an exchange offer registration statement with respect to the notes.

Warner Music Group intends to use the net proceeds of the offering of the notes, together with available cash, to repurchase, redeem or discharge any and all of the Existing Euro Notes and any and all of the Existing Dollar Notes (together, the "*Tender Offer Notes*") currently outstanding.

Investing in the notes involves risks. See "Risk Factors" on page 16.

Euro Notes	**Price: %**
Dollar Notes	**Price: %**

plus accrued interest, if any, from , 2016, if settlement occurs after such date

The dollar notes will not be listed on any securities exchange or automated quotation system. Warner Music Group intends to use commercially reasonable efforts to list the euro notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market.

We expect that delivery of the dollar notes will be made in book-entry form through The Depository Trust Company ("*DTC*") and that delivery of the euro notes will be made to investors in book-entry form through Euroclear Bank S.A./N.V. ("*Euroclear*") and Clearstream Banking, société anonyme ("*Clearstream*"), in each case on or about , 2016.

The notes and the related guarantees have not been, and will not be, registered under the Securities Act. The notes may not be offered or sold within the United States or to U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A and to certain non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.

Joint Book-Running Managers

Credit Suisse **Barclays** **UBS Investment Bank**

Macquarie Capital **Nomura**

The date of this confidential offering circular is , 2016.

TABLE OF CONTENTS

NOTICE TO INVESTORS

We and the initial purchasers have not authorized anyone to provide any information other than that contained or incorporated by reference in this document or to which we or the initial purchasers have referred you. We and the initial purchasers take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This document may only be used where it is legal to sell these securities. The information contained in or incorporated by reference into this offering circular may only be accurate as of the date of this offering circular.

In this offering circular, except as otherwise indicated, the words "Warner Music Group" refers to WMG Acquisition Corp., which does business under such name, and not its subsidiaries, or to Warner Music Group Corp. alone as the context may require. The terms "we," "us," "our," "ours," and "WMG" refer collectively to WMG Acquisition Corp. and its consolidated subsidiaries, except where otherwise stated or indicated by context. With respect to the historical consolidated financial and related data presented herein, the terms "we," "us," "our" and "ours" refer to the historical consolidated financial and related data of Parent and its consolidated subsidiaries, except where otherwise stated or indicated by context. The term "Holdings" refers to WMG Holdings Corp., the direct parent of Warner Music Group, the term "Parent" refers to Warner Music Group Corp., the direct parent of Holdings and the ultimate parent of Warner Music Group. Any reference to the "Issuer" is to WMG Acquisition Corp. alone. The terms "Senior Secured Notes" and "notes" refers to the Senior Secured Notes offered hereby.

The initial purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the notes which, if commenced, may be discontinued. Specifically, the initial purchasers may over-allot in connection with the offering described herein and may bid for and purchase notes in the open market. For a description of these activities, see "Plan of Distribution."

This offering circular is highly confidential and has been prepared solely for use in connection with the offering of the notes. Its use for any other purpose is not authorized. This offering circular is personal to the offeree to whom it has been delivered by the initial purchasers and does not constitute an offer to any other person or to the public generally. Distribution of this offering circular to any person other than the offeree and

any person retained to advise such offeree is unauthorized and any disclosure of the contents of this offering circular without our prior written consent is prohibited. By accepting delivery of this offering circular, you agree to the foregoing and to make no photocopies of this offering circular or any documents referred to herein. If you do not purchase any notes or any of the offerings described herein is terminated for any reason, you must return this offering circular and all documents referred to herein to: Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, New York 10010-3629, Attention: High Yield Debt Capital Markets, Barclays Capital Inc., 745 Seventh Avenue, New York, NY 10019, Attention: High Yield Syndicate, UBS Securities LLC, 677 Washington Boulevard, Stamford, CT 06901, Attention: High Yield Syndicate, Macquarie Capital (USA) Inc., 125 West 55th Street, New York, NY 10019, Attention: High Yield Capital Markets, or Nomura Securities International, Inc., 309 West 49th Street, New York, NY 10019, Attention: Daniel Pimentel.

Upon receiving this offering circular, you acknowledge that (1) you have been afforded an opportunity to request from the Issuer, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained herein, (2) you have not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with any investigation of the accuracy of such information or your investment decision and (3) the Issuer has not authorized any person to deliver any information different from that contained in this offering circular. The offering is being made on the basis of this offering circular. Any decision to purchase the notes in the offering must be based on the information contained in this document. In making an investment decision, investors must rely on their own examination of the Issuer, as applicable, and the terms of the offerings, including the merits and risks involved.

The information contained in this offering circular has been furnished by the Issuer and other sources the Issuer believes to be reliable. The initial purchasers make no representations or warranty, express or implied, as to the accuracy or completeness of any of the information set forth in this offering circular, and you should not rely on anything contained in this offering circular as a promise or representation, whether as to the past or the future. This offering circular contains summaries, believed to be accurate, of the terms the Issuer considers material of certain documents, but reference is made to the actual documents. All such summaries are qualified in their entirety by this reference. See “Incorporation by Reference; Where You Can Find Additional Information.”

The Issuer reserves the right to withdraw the offering described herein at any time and the Issuer and the initial purchasers reserve the right to reject any commitment to subscribe for the notes in whole or in part and to allot to you less than the full amount of notes subscribed for by you.

This offering circular does not constitute an offer to sell or a solicitation of an offer to buy the notes to any person in any jurisdiction where it is unlawful to make such offer or solicitation. You are not to construe the contents of this offering circular as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the notes. The Issuer is not, and the initial purchasers are not, making any representation to you regarding the legality of an investment in the notes by you under appropriate legal investment or similar laws.

None of the notes or the related guarantees have been registered with, recommended by or approved by the Securities and Exchange Commission or any other federal or state securities commission or regulatory authority, nor has the Commission or any state securities commission or regulatory authority passed upon the accuracy or adequacy of this offering circular. Any representation to the contrary is a criminal offense.

This offering of notes is being made in reliance upon an exemption from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements set forth in this offering

circular under the caption "Transfer Restrictions." The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or an exemption from registration. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

The distribution of this offering circular and the offers and the sales of the notes may be restricted by law in certain jurisdictions. Persons into whose possession this offering circular or any of the notes comes must inform themselves about, and observe, any such restrictions. See "Plan of Distribution."

This offering circular has been prepared on the basis that any offer of notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in this offering circular may only do so in circumstances in which no obligation arises for us or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in relation to such offer. Neither we nor the initial purchasers have authorized, nor do we or they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the initial purchasers to publish a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC as amended, including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This offering circular and the documents incorporated by reference herein include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). All statements other than statements of historical facts included in this offering circular and the documents incorporated by reference herein, including, without limitation, statements regarding our future financial position, business strategy, cost savings, industry trends and plans and objectives of management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue" or the negative thereof or variations thereon or similar terminology. Such statements include, among others, our ability to compete in the highly competitive markets in which we operate, statements regarding our ability to develop talent and attract future talent, our ability to reduce future capital expenditures, our ability to monetize our music-based content, including through new distribution channels and formats to capitalize on the growth areas of the music industry, our ability to effectively deploy our capital, the development of digital music and the effect of digital distribution channels on our business, including whether we will be able to achieve higher margins from digital sales, the success of strategic actions (including the acquisition of Parlophone Label Group ("*PLG*")) we are taking to accelerate our transformation as we redefine our role in the music industry, the effectiveness of our ongoing efforts to reduce overhead expenditures and manage our variable and fixed cost structure and our ability to generate expected cost savings from such efforts, including expected cost savings and other synergies and benefits from our acquisition of PLG, our success in limiting piracy, the growth of the music industry and the effect of our and the music industry's efforts to combat piracy on the industry, Parent's intention to pay dividends or repurchase or retire our outstanding debt or notes in open market purchases, privately or otherwise, the impact on us of potential strategic transactions, our ability to fund our future capital needs and the effect of litigation on us. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable, the Issuer can give no assurance that such expectations will prove to have been correct.

There are a number of risks and uncertainties that could cause our and Parent's actual results to differ materially from the forward-looking statements contained in this offering circular and the documents incorporated by reference herein. Additionally, important factors could cause our and Parent's actual results to differ materially from such forward-looking statements. Such risks, uncertainties and other important factors include, among others:

- the failure of the digital portion of the global recorded music industry to grow or grow at a significant rate to offset declines in the physical portion of the global recorded music industry;
- downward pressure on our pricing and our profit margins and reductions in shelf space;
- our ability to identify, sign and retain artists and songwriters and the existence or absence of superstar releases;
- threats to our business associated with digital piracy;
- the significant threat posed to our business and the music industry by organized industrial piracy;
- the popular demand for particular recording artists and/or songwriters and albums and the timely completion of albums by major recording artists and/or songwriters;
- the diversity and quality of our portfolio of songwriters;
- the diversity and quality of our album releases;
- the impact of legitimate channels for digital distribution of our creative content;
- our dependence on a limited number of digital music services for the online sale of our music recordings and their ability to significantly influence the pricing structure for online music stores;
- our involvement in intellectual property litigation;
- our ability to continue to enforce our intellectual property rights in digital environments;
- the ability to develop a successful business model applicable to a digital environment and to enter into artist services and expanded-rights deals with recording artists in order to broaden our revenue streams in growing segments of the music business;
- the impact of heightened and intensive competition in the recorded music and music publishing businesses and our inability to execute our business strategy;
- risks associated with our non-U.S. operations, including limited legal protections of our intellectual property rights and restrictions on the repatriation of capital;
- significant fluctuations in our operations and cash flows from period to period;
- our inability to compete successfully in the highly competitive markets in which we operate;
- trends, developments or other events in some foreign countries in which we operate;
- local economic conditions in the countries in which we operate;
- our failure to attract and retain our executive officers and other key personnel;
- the impact of rates on other income streams that may be set by arbitration proceedings on our business;
- an impairment in the carrying value of goodwill or other intangible and long-lived assets;
- unfavorable currency exchange rate fluctuations;
- our failure to have full control and ability to direct the operations we conduct through joint ventures;
- legislation limiting the terms by which an individual can be bound under a "personal services" contract;

- a potential loss of catalog if it is determined that recording artists have a right to recapture rights in their recordings under the U.S. Copyright Act;
- trends that affect the end uses of our musical compositions (which include uses in broadcast radio and television, film and advertising businesses);
- the growth of other products that compete for the disposable income of consumers;
- the impact of, and risks inherent in, acquisitions or business combinations;
- risks inherent to our outsourcing of information technology ("*IT*") infrastructure and certain finance and accounting functions;
- our ability to maintain the security of information relating to our customers, employees and vendors and our music-based content;
- the fact that we have engaged in substantial restructuring activities in the past, and may need to implement further restructurings in the future and our restructuring efforts may not be successful or generate expected cost-savings;
- the impact of our substantial leverage on our ability to raise additional capital to fund our operations, on our ability to react to changes in the economy or our industry and on our ability to meet our obligations under our indebtedness;
- the ability to generate sufficient cash to service all of our indebtedness, and the risk that we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful;
- the fact that our debt agreements contain restrictions that limit our flexibility in operating our business;
- our indebtedness levels, and the fact that we may be able to incur substantially more indebtedness which may increase the risks created by our substantial indebtedness;
- the significant amount of cash required to service our indebtedness and the ability to generate cash or refinance indebtedness as it becomes due depends on many factors, some of which are beyond our control;
- risks of downgrade, suspension or withdrawal of the rating assigned by a rating agency to us could impact our cost of capital;
- risks relating to Access Industries, Inc. ("*Access*"), which, together with its affiliates, indirectly owns all of our outstanding capital stock, and controls our company and may have conflicts of interest with the holders of our debt or us in the future. Access may also enter into, or cause us to enter into, strategic transactions that could change the nature or structure of our business, capital structure or credit profile;
- risks related to evolving regulations concerning data privacy which might result in increased regulation and different industry standards;
- changes in law and government regulations; and
- risks related to other factors discussed under "Risk Factors" in this offering circular and the documents incorporated by reference herein.

There may be other factors not presently known to the Issuer or which the Issuer currently considers to be immaterial that could cause our or Parent's actual results to differ materially from those projected in any forward-looking statements we make. You should read carefully the factors described in the "Risk Factors" section of this offering circular to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements.

All forward-looking statements attributable to Parent, the Issuer or persons acting on our behalf apply only as of the date hereof and are expressly qualified in their entirety by the cautionary statements included or incorporated by reference herein. The Issuer assumes no obligation to update or revise these forward-looking

statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

BASIS OF PRESENTATION

This offering circular includes or incorporates by reference historical consolidated financial statements and certain financial data of Parent in lieu of consolidated financial statements and financial data of Warner Music Group, which is the issuer of the notes and Parent's indirect wholly-owned subsidiary. Parent is a holding company that conducts substantially all of its business operations through its subsidiaries and is a reporting company under the Exchange Act. The financial information of Parent is substantially identical to that of Warner Music Group except as reflected in the "Supplementary Information—Consolidating Financial Statements" included in (i) Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2015, (ii) Parent's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2015, (iii) Parent's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016 and (iv) Parent's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, each incorporated by reference herein.

In addition, this offering circular includes or incorporates certain financial information of Warner Music Group. See "Non-GAAP Financial Measures."

MARKET AND INDUSTRY DATA AND FORECASTS

This offering circular includes industry data and forecasts that we have prepared based, in part, upon industry data and forecasts obtained from industry publications and surveys and internal company surveys. The International Federation of the Phonographic Industry ("*IFPI*"), Nielsen SoundScan ("*Nielsen*"), PricewaterhouseCoopers and comScore were the primary sources for third-party industry data and forecasts. These third-party industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. The Issuer has not independently verified any of the data from third-party sources nor has the Issuer ascertained the underlying economic assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified.

NON-GAAP FINANCIAL MEASURES

This offering circular includes certain non-GAAP financial measures and ratios of Parent, including OIBDA and Free Cash Flow with the meaning and as calculated as set forth in "Offering Circular Summary—Summary Historical Consolidated Financial and Other Data," that in each case are not recognized under accounting principles generally accepted in the United States, or "GAAP."

We consider OIBDA to be an important indicator of the operational strengths and performance of our businesses, and believe the presentation of OIBDA helps improve the ability to understand our operating performance and evaluate our performance in comparison to comparable periods. However, a limitation of the use of OIBDA as a performance measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenue in our businesses.

Free Cash Flow reflects our cash flow provided by operating activities less capital expenditures and cash paid or received for investments. We use Free Cash Flow, among other measures, to measure our liquidity, and

believe Free Cash Flow provides investors with an important perspective on the cash available to fund our debt service requirements, ongoing working capital requirements, capital expenditure requirements, strategic acquisitions and investments and any dividends or repurchases or retirements of outstanding debt or notes in open market purchases, privately negotiated purchases or otherwise. As a result, Free Cash Flow is a significant measure of our ability to generate long-term value. It is useful for investors to know whether this is being enhanced or degraded as a result of our operating performance. We believe the presentation of Free Cash Flow is relevant and useful for investors because it allows investors to view liquidity in a manner similar to the method used by management. Free Cash Flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs. Because Free Cash Flow deducts capital expenditures and cash paid or received for investments from "cash flow provided by operating activities" (the most directly comparable GAAP financial measure), users of this information should consider the types of events and transactions that are not reflected.

This offering circular also includes a measure entitled "Covenant EBITDA" of Warner Music Group, with the meaning and as calculated as set forth in "Offering Circular Summary—Summary Historical Consolidated Financial and Other Data" that is not a measure recognized under GAAP. Covenant EBITDA is presented herein because it is a material component of certain ratios contained in the indenture governing our Existing Senior Secured Notes (which will also govern the notes offered hereby). Covenant EBITDA does not represent net income or cash flow from operations as those terms are defined by GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. While Covenant EBITDA and similar measures are frequently used as measures of operations and the ability to meet debt service requirements, these terms are not necessarily comparable to other similarly titled captions of other companies due to the potential inconsistencies in the method of calculation. Covenant EBITDA does not reflect the impact of earnings or charges resulting from matters that we may consider not to be indicative of our ongoing operations. In particular, the definition of Covenant EBITDA includes addbacks for certain non-cash, extraordinary, unusual or non-recurring charges that are deducted in calculating net income. However, these are expenses that may recur, vary greatly and are difficult to predict.

Covenant EBITDA of Warner Music Group as presented herein is not a measure of the performance of our business and should not be used by investors as an indicator of performance for any future period. Further, our debt instruments require that it be calculated for the most recent four fiscal quarters. As a result, the measure can be disproportionately affected by a particularly strong or weak quarter. Further, it may not be comparable to the measure for any subsequent four-quarter period or any complete fiscal year.

Because not all companies calculate OIBDA, Free Cash Flow and Covenant EBITDA identically (if at all), the presentations herein may not be comparable to other similarly titled measures used by other companies. Further, these measures should not be considered as substitutes for the information contained in the historical financial information of Parent and Warner Music Group prepared in accordance with GAAP included or incorporated by reference herein.

CURRENCY PRESENTATION

References in this offering circular to "dollars" or "$" are to the lawful currency of the United States of America. References in this offering circular to "euro" or "€" are to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time. Unless otherwise indicated, dollar equivalents of Euro amounts are translated at an exchange rate of €1.1076 = $1.00, which was the daily exchange rate as of June 30, 2016 according to Bloomberg Composite Rate (New York).

CERTAIN TRADEMARKS

This offering circular includes certain trademarks which are protected under applicable intellectual property laws and are our property or the property of our subsidiaries. This offering circular also contains trademarks, service marks, copyrights and trade names of other companies, which are the property of their respective owners. Solely for convenience, our trademarks and trade names referred to in this offering circular may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names.

INCORPORATION BY REFERENCE; WHERE YOU CAN FIND ADDITIONAL INFORMATION

We "incorporate by reference" certain documents that Parent has filed and that Parent will file with the SEC into this offering circular, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this offering circular, and any information contained in this offering circular or in any document incorporated or deemed to be incorporated by reference in this offering circular will be deemed to have been modified or superseded to the extent that a statement contained in this offering circular, or in any other document Parent subsequently files with the SEC that also is incorporated or deemed to be incorporated by reference in this offering circular, or in any offering circular supplement we may provide to you in connection with an offering of securities pursuant to this offering circular, modifies or supersedes the original statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to be a part of this offering circular. We incorporate by reference the documents listed below and any future filings made by Parent with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, or otherwise, between the date of this offering circular and the termination of the offering of securities described in this offering circular; *provided*, *however*, that we are not incorporating by reference any documents, portions of documents, exhibits or other information that is deemed to have been "furnished" to and not "filed" with the SEC:

- Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2015, filed with the SEC on December 10, 2015;
- Parent's Quarterly Report on Form 10-Q for the quarter ended December 31, 2015, filed with the SEC on February 4, 2016;
- Parent's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed with the SEC on May 6, 2016;
- Parent's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed with the SEC on August 4, 2016; and
- Parent's Current Reports on Form 8-K filed with the SEC on October 6, 2015, January 15, 2016, April 29, 2016, May 26, 2016, June 14, 2016, July 27, 2016 and October 7, 2016.

You may obtain documents incorporated by reference into this offering circular at no cost by writing or telephoning us at the following address:

WMG Acquisition Corp.
1633 Broadway
New York, NY 10019
Tel: (212) 275-2000

OFFERING CIRCULAR SUMMARY

This summary highlights information contained elsewhere in, or incorporated by reference into, this offering circular. This summary may not contain all of the information that is important to you. You should read this entire offering circular and the documents incorporated by reference herein, including the "Risk Factors" section and all the incorporated information, including the consolidated financial statements and related notes of Parent incorporated by reference herein.

Our Company

We are one of the world's major music-based content companies. Our company is composed of two businesses: Recorded Music and Music Publishing. We believe we are the world's third-largest recorded music company and also the world's third-largest music publishing company. We are a global company, generating over half of our revenues in more than 50 countries outside of the United States. Warner Music Group generated revenues of $3,155 million during the twelve-month period ended June 30, 2016 and Warner Music Group generated $550 million of Covenant EBITDA for the twelve-month period ended June 30, 2016.

Our Recorded Music business produces revenue primarily through the marketing, sale and licensing of recorded music in various physical (such as CDs, LPs and DVDs) and digital (such as downloads and streaming) formats. We have one of the world's largest and most diverse recorded music catalogs, including 15 of the 50 best-selling albums of all time in the United States. Our Recorded Music business also benefits from additional revenue streams associated with artists, including merchandising, fan clubs, sponsorships, concert promotions and artist management, among other areas. We often refer to these rights as "artist services and expanded-rights" and to the recording agreements which provide us with participations in such rights as "expanded-rights deals" or "360° deals." Prior to intersegment eliminations, our Recorded Music business generated revenues of $2.669 billion during the twelve-month period ended June 30, 2016.

Our Music Publishing business owns and acquires rights to musical compositions, exploits and markets these compositions and receives royalties or fees for their use. We publish music across a broad range of musical styles and hold rights in over one million copyrights from over 65,000 songwriters and composers. Prior to intersegment eliminations, our Music Publishing business generated revenues of $500 million during the twelve-month period ended June 30, 2016.

Our Business Strengths

We believe the following competitive strengths will enable us to grow our revenue and increase our margins and cash flow and to continue to generate recurring revenue through our diverse base of Recorded Music and Music Publishing assets:

Evergreen Catalog of Recorded Music and Music Publishing Content and Vibrant Roster of Recording Artists and Songwriters.

We believe the depth and quality of our Recorded Music and Music Publishing catalogs stand out, with a collection of owned and controlled evergreen recordings and songs that generate steady cash flows. We believe these assets demonstrate our historical success in developing talent and will help to attract future talent in order to enable our continued success. We have been able to consistently attract, develop and retain successful recording artists and songwriters. Our talented artist and repertoire ("A&R") teams are focused on finding and nurturing future successful recording artists and songwriters, as evidenced by our roster of recording artists and songwriters and our recent successes in our Recorded Music and Music Publishing businesses. With the acquisition of PLG, we have added a stable Recorded Music catalog with an attractive roster with strong new release potential. We believe our relative size, the strength and experience of our management team, our ability

to respond to industry and consumer trends and challenges, our diverse array of genres, our large catalog of hit recordings and songs and our A&R skills will help us continue to generate steady cash flows.

Highly Diversified Revenue Base.

Our revenue base is derived largely from recurring sources such as our Recorded Music and Music Publishing catalogs and new recordings and songs from our roster of recording artists and songwriters. In any given year, only a small percentage of our total revenue depends on recording artists and songwriters without an established track record and our revenue base does not depend on any single recording artist, songwriter, recording or song. We have built a large and diverse catalog of recordings and songs that covers a wide breadth of musical styles, including pop, rock, jazz, classical, country, R&B, hip-hop, rap, reggae, Latin, alternative, folk, blues, gospel and other Christian music. We are a significant player in each of our major geographic regions. In addition, our acquisition of PLG has increased our capacity in local repertoire in Europe. Continuing to enter into additional expanded-rights deals will further diversify the revenue base of our Recorded Music business.

Flexible Cost Structure with Low Capital Expenditure Requirements.

We have a highly variable cost structure, with substantial discretionary spending and minimal capital requirements beyond improving our IT infrastructure. We have contractual flexibility with regard to the timing and amounts of advances paid to recording artists and songwriters as well as discretion regarding future investment in new recording artists and songwriters, which allows us to respond to changing industry conditions. Our significant discretion with regard to the timing and expenditure of variable costs provides us with considerable flexibility in managing our expenses. In addition, our capital expenditure maintenance requirements are predictable. In order to improve operating efficiency, in 2013 we began a long-term capital expenditure plan to upgrade our IT systems. We expect to continue to make investments to upgrade our IT systems through the end of fiscal 2016 as a result of this plan. In both fiscal years 2014 and 2015, we also incurred expenditures related to the relocation of our corporate headquarters. We also continue to focus on cost control by seeking sensible opportunities to convert fixed costs to variable costs, to enhance our effectiveness, flexibility, structure and performance by reducing and realigning long-term costs and continuing to implement changes to better align our workforce with the changing nature of the music industry by continuing to shift resources from our physical sales channels to efforts focused on digital distribution and emerging technologies and other new revenue streams.

Continued Transition to Higher-Margin Digital Platforms.

We derive revenue from different digital business models and products, including digital downloads of single tracks and albums and digital streaming of both audio and video content. We have established ourselves as a leader in the music industry's transition to the digital era by expanding our distribution channels through strong partnerships and developing innovative products and services to further leverage our content and rights. For the twelve-month period ended June 30, 2016, digital revenue represented approximately 45% of our total revenue versus 41% for the twelve-month period ended June 30, 2015.

We have integrated the development of innovative digital products and strategies throughout our business and have established a culture of product innovation. Through our digital initiatives we have established strong relationships with our customers and have become a leader in the expanding worldwide digital music business. Due to the absence of certain costs associated with physical products, such as manufacturing, distribution, inventory and returns, we continue to experience higher margins on our digital product offerings than our physical product offerings.

Diversified Revenue Streams through Expanded-Rights Deals.

We have been expanding our relationships with recording artists to partner with them in other areas of their careers by entering into expanded-rights or 360° deals. Under these arrangements, we participate in sources of revenue outside of the recording artist's record sales, such as live performances, merchandising, fan clubs, artist

management and sponsorships. We believe we also have improved sponsorship and branding opportunities through the PLG Acquisition. These opportunities have allowed us, and we believe will continue to allow us, to further diversify our revenue base. The vast majority of these agreements are signed with recording artists in the early stages of their careers. As a result, we expect the revenue streams derived from these deals to increase in value over time as we help recording artists on our active global Recorded Music roster gain prominence.

Strong Management Team and Strategic Investor.

Our management team has continued to successfully implement our business strategy, including delivering strong results in our digital business and continuing to diversify our revenue mix. At the same time, management has remained vigilant in managing costs and maintaining financial flexibility. Management has also completed a number of acquisitions, which have built up the business in recent years. During fiscal 2013, our management team successfully completed the PLG Acquisition and related financing. In fiscal 2014, management completed a refinancing of our debt, lowering interest expense. In addition, since our acquisition by Access Industries in July 2011, we have benefited from our partnership with Access, which has provided us with strategic direction and planning support to help us manage the ongoing transition in the recorded music industry.

Our Strategy

We expect to increase revenues and cash flow through the following business strategies:

Attract, Develop and Retain Established and Emerging Recording Artists and Songwriters.

A critical element of our strategy is to find, develop and retain recording artists and songwriters who achieve long-term success, and we expect to enhance the value of our assets by continuing to attract and develop new recording artists and songwriters with staying power and market potential. Our A&R teams seek to sign talented recording artists who will generate a meaningful level of revenues and increase the enduring value of our catalog on an ongoing basis. We also work to identify promising songwriters who write musical compositions that will augment the lasting value and stability of our music publishing catalog. We regularly evaluate our recording artist and songwriter rosters to ensure that we remain focused on developing the most promising and profitable talent and are committed to maintaining financial discipline in evaluating agreements with artists. We will also continue to evaluate opportunities to add to our catalog or acquire or make investments in companies engaged in businesses that are similar or complementary to ours on a selective basis.

Maximize the Value of Our Music Assets.

Our relationships with recording artists and songwriters, along with our recorded music and music publishing catalogs are our most valuable assets. We intend to continue to exploit the value of these assets through a variety of distribution channels, formats and products to generate significant cash flow from our music-based content. We believe that the ability to monetize our music-based content will improve over time as we drive users and engagement across current and emerging distribution channels. We will seek to exploit the potential of previously under-monetized content in new channels, formats and product offerings. We will also continue to work with our partners to explore creative approaches and develop new deal structures and product offerings to take advantage of new distribution channels.

Capitalize on Digital Distribution.

The growth of digital formats should continue to produce new means for the distribution, exploitation and monetization of the assets of our Recorded Music and Music Publishing businesses. We believe that the continued development of legitimate online and mobile channels for the consumption of music-based content and increasing access to digital music services present significant promise and opportunity for the music industry. Legitimate digital music services offer ease of use, discovery, quality, portability and seamlessness relative to

illegal alternatives. The latest annual survey conducted by MusicWatch shows that legitimate digital music offerings have attracted large numbers of consumers. According to MusicWatch, a projected 37 million U.S. consumers age 13 and over bought digital music downloads in 2014, while a projected 133 million consumers age 13 and over streamed music online, through ad-supported services or paid subscriptions, over the same period.

We intend to continue to extend our global reach by executing deals with new partners and developing optimal business models that will enable us to monetize our content across various platforms, services and devices. In the twelve months ending on June 30, 2016, our Recorded Music digital revenue exceeded physical revenue. Research conducted by MusicWatch covering activity in the second calendar quarter of 2015 shows that roughly 40% of all U.S. Internet consumers age 13 and over used ad-supported Internet radio services like the free version of Pandora during the quarter and close to 60% used online video services like YouTube to watch or listen to music videos; close to a quarter listened to music via ad-supported iterations of dedicated on-demand audio streaming services like Spotify, while usage of paid subscription versions of Internet radio and on-demand music streaming services approached the 10% mark during the period. In addition, with the number of total smartphones in use around the world expected to reach 3.9 billion by 2019 according to forecasts from PricewaterhouseCoopers, we expect that mobile will continue to represent significant opportunity for music-based content. Figures from comScore's July 2015 MobiLens Plus data release show that the uptake of music among users of such phones is significant: according to the data, more than half of existing smartphone users in the United States and 45% of their counterparts in the United Kingdom, listened to music downloaded and stored or streamed on their handsets from services such as iTunes, Pandora, iHeartRadio, Deezer and Spotify, among other sources, during the month. We believe that the demand for music-related products, services and applications that are optimized for smartphones and tablets will continue to grow with the further development of these platforms.

Enter into Expanded-Rights Deals to Form Closer Relationships with Recording Artists and Capitalize on Revenues From Other Areas of the Music Industry.

Since the end of calendar 2005, we have implemented a strategy of entering into expanded-rights deals with new recording artists. This strategy has allowed us to create closer relationships with our recording artists through our provision of additional artist services and greater financial alignment. Expanded-rights deals allow us to diversify our Recorded Music revenue streams and capitalize on ancillary revenues, from merchandising, fan clubs, sponsorship, concert promotion, and artist management, among other areas. As part of our strategy, we have built or acquired significant in-house resources to provide additional services to our recording artists and other recording artists. We believe artist services and expanded-rights deals will contribute to Recorded Music revenue growth over time.

Focus on Continued Management of Our Cost Structure.

We plan to continue to maintain a disciplined approach to cost management in our business and to pursue additional cost savings with a focus on aligning our cost structure with our strategy and optimizing the implementation of our strategy. As part of this focus, we will continue to monitor industry conditions to ensure that our business remains aligned with industry trends. We also plan to continue to aggressively shift resources from our physical sales channels to efforts focused on digital distribution and other new revenue streams. As digital revenue makes up a greater portion of total revenue, we plan to manage our cost structure accordingly. In addition, we will continue to look for opportunities to convert fixed costs to variable costs through realigning or outsourcing certain functions or leveraging more effective IT systems where these initiatives provide additional cost savings. We are constantly monitoring our costs and seeking additional cost savings.

Contain Digital Piracy.

Containing piracy is a major focus of the music industry and we, along with the rest of the industry, continue to take multiple measures through the development of new business models, technological innovation,

litigation, education and the promotion of legislation and voluntary agreements to combat piracy, including filing civil lawsuits, participating in education programs, lobbying for tougher anti-piracy legislation and other initiatives to preserve the value of music copyrights. We expect that the effectiveness of technological measures to deter piracy will continue to improve including the ability to automate large-scale takedowns of infringing links, the identification of major brands advertising on rogue sites, sending notices via internet service providers ("*ISPs*") to repeat infringers and website/domain blocking and takedowns of infringing mobile applications. We believe these actions and technologies, in addition to the expansive growth of legitimate online and mobile music offerings, will help to limit the revenue lost to digital piracy. Research conducted by IFPI, based on data provided by recognized third-party research firms comScore and Nielsen, shows that global piracy is on the decline, with the number of fixed-line pirate users falling from over 30% of the global Internet population in July 2012 to 20% of the Internet population based on the most recent estimates published in the IFPI Digital Music Report 2015.

The Refinancing Transactions

Tender Offers

On October 10, 2016, Warner Music Group launched a tender offer for any and all of the outstanding €157,500,000 in aggregate principal amount of its 6.250% Senior Secured Notes due 2021 (the "*Existing Euro Notes*") and any and all of the outstanding $450,000,000 in aggregate principal amount of its 6.000% Senior Secured Notes due 2021 (the "*Existing Dollar Notes*" and together with the Existing Euro Notes, the "*Tender Offer Notes*") (each, a "*Tender Offer*" and together, the "*Tender Offers*"). Upon consummation of the Tender Offers, any Tender Offer Notes that have not been tendered or accepted for payment will remain outstanding and subject to the applicable indenture unless otherwise redeemed or acquired by Warner Music Group. Warner Music Group currently intends to issue conditional notices of redemption (each, a "*Notice of Redemption*" and together, the "*Notices of Redemption*") for all of the Existing Euro Notes and Existing Dollar Notes that are not accepted in the Tender Offers. Each Notice of Redemption will be conditioned upon, among other things, the consummation of this offering of notes. Upon the satisfaction of such conditions: Warner Music Group will satisfy and discharge the indenture governing the Existing Dollar Notes and the Existing Euro Notes in accordance with its terms, and Warner Music Group will redeem any Existing Dollar Notes and Existing Dollar Notes that remain outstanding on the redemption date specified in the applicable Notice of Redemption. Warner Music Group currently expects the redemption date for the Existing Dollar Notes and Existing Euro Notes to be on or about January 15, 2017. We intend to use the net proceeds of the notes offered hereby, together with available cash, to repurchase, redeem or discharge Tender Offer Notes accepted for payment in the Tender Offers or redeemed by Warner Music Group pursuant to the Notices of Redemption and pay related premiums, fees and expenses associated with each of the Transactions (as defined below). See "Use of Proceeds."

We refer to (i) the offering of the notes, (ii) the Tender Offers, (iii) the application of the net proceeds of the offering of the notes to repay, redeem or discharge the Tender Offer Notes accepted for payment in the Tender Offers or redeemed by Warner Music Group pursuant to the Notices of Redemption and (iv) the payment of related premiums, fees and expenses as described above as the "Transactions."

Recent Developments

Redemption of Holdings Notes

On June 1, 2016, Holdings elected to call for the redemption of all of its outstanding 13.75% Senior Notes due 2019 (the "*Holdings Notes*"). The redemption price for the Holdings Notes was equal to 106.875% of the principal amount of the Holdings Notes, plus accrued and unpaid interest to, but not including, the redemption date, which was July 1, 2016. In connection with the redemption, Warner Music Group declared and paid a dividend of $110,312,500 to Holdings on June 28, 2016.

Issuance of Senior Secured Notes

On July 27, 2016, Warner Music Group issued and sold $300.0 million in aggregate principal amount of its 5.000% Senior Secured Notes due 2023 under the Indenture, dated as of November 1, 2012, among the Company, the guarantors party thereto, Credit Suisse AG, as Notes Authorized Agent and Collateral Agent, and Wells Fargo Bank, National Association, as Trustee, as supplemented by the Fifth Supplemental Indenture, dated as of July 27, 2016, among the Issuer, the guarantors party thereto and the Trustee. Warner Music Group used the net proceeds of this offering for the prepayment of $295.5 million of its outstanding Senior Term Loan Facility due 2020. See "Description of Other Indebtedness—Existing Senior Secured Notes—5.000% Notes."

Revolving Credit Agreement Amendment

On June 13, 2016, Warner Music Group received unanimous lender consent to an amendment (the "Revolving Credit Agreement Amendment") to the credit agreement, dated November 1, 2012 (as amended by the amendments dated as of April 23, 2013 and March 25, 2014, the "Revolving Credit Agreement"), governing the Company's senior secured revolving credit facility with Credit Suisse AG, as administrative agent, and the other financial institutions and lenders from time to time party thereto (the "Revolving Credit Facility") described under "Description of Certain Other Indebtedness—Revolving Credit Facility". The Revolving Credit Agreement Amendment became effective on June 13, 2016. The Revolving Credit Agreement Amendment (among other changes) (i) extends the maturity date of the Revolving Credit Facility to April 1, 2021, provided that in the event that more than $400.0 million aggregate principal amount of term loans under the Senior Term Loan Credit Agreement (as defined in this offering circular) and the Existing Dollar Notes and Existing Euro Notes are outstanding on March 2, 2020, the maturity date shall be April 1, 2020 and (ii) replaces the financial covenant with a flat senior secured leverage ratio of 4.625:1.00 (with no step-down), applicable only when the Revolving Credit Facility is drawn in excess of a certain amount at the end of a quarter.

July Senior Term Loan Credit Agreement Amendment

On July 15, 2016, Warner Music Group received lender consent to, and executed, an amendment (the "July Senior Term Loan Credit Agreement Amendment") to the Senior Term Loan Credit Agreement. The July Senior Term Loan Credit Agreement Amendment (among other changes) conforms certain baskets governing the ability to incur debt and liens to the equivalent provisions applicable to the 5.000% Notes. The effectiveness of such changes to the baskets was subject to certain conditions, which were satisfied upon issuance and sale of the 5.000% Notes and the prepayment, pursuant to the prepayment notice dated July 22, 2016, of $295.5 million of the Tranche B Term Loans (as defined in the July Senior Term Loan Credit Agreement) with the net proceeds from the sale of the 5.000% Notes.

Additional Information

About Access Industries

All of Warner Music Group's common stock is indirectly owned by Access and its affiliates. Access is a privately held, U.S.-based industrial group with long-term holdings worldwide. Access was founded in 1986 by its Chairman, Len Blavatnik. Access' focus spans four key business sectors: natural resources and chemicals; media and telecommunications; technology and e-commerce; and real estate.

Access' holdings in the digital media sector currently include significant stakes in Perform Group (the online sports broadcaster), AINMT (mobile broadband services provider in Scandinavia), FanBridge (fan sites), Songkick (the second largest live music website after LiveNation), Tango (a mobile messaging service) and Deezer (a French web-based music streaming service).

Warner Music Group's History and Corporate Information

Our history dates back to 1929, when Jack Warner, president of Warner Bros. Pictures, founded Music Publishers Holding Company ("*MPHC*") to acquire music copyrights as a means of providing inexpensive music for films. Encouraged by the success of MPHC, Warner Bros. extended its presence in the music industry with the founding of Warner Bros. Records in 1958 as a means of distributing movie soundtracks and further utilizing actors' contracts. For over 50 years, Warner Bros. Records has led the industry both creatively and financially with the discovery of many of the world's biggest recording artists. Warner Bros. Records acquired Frank Sinatra's Reprise Records in 1963. Our Atlantic Records label was launched in 1947 by Ahmet Ertegun and Herb Abramson as a small New York-based label focused on jazz and R&B and Elektra Records was founded in 1950 by Jac Holzman as a folk music label. Atlantic Records and Elektra Records were consolidated in 2004 to form the Atlantic Records Group. Since 1970, our international Recorded Music business has been responsible for the sale and marketing of our U.S. recording artists abroad as well as the discovery and development of international recording artists.

Chappell & Intersong Music Group, including Chappell & Co., a company whose history dates back to 1811, was acquired in 1987, expanding our Music Publishing business. We continue to diversify our presence through acquisitions and joint ventures with various labels, such as our acquisition of Ryko in 2006, our acquisition of a majority interest in Roadrunner Music Group B.V. ("*Roadrunner*") in 2007 (we also acquired the remaining interest in Roadrunner in 2010) and the acquisition of music publishing catalogs and businesses, such as the Non-Stop Music production music catalog in 2007 and Southside Independent Music Publishing in 2011.

On July 20, 2011, Warner Music Group completed the merger with an affiliate of Access pursuant to which Access became the beneficial owner of 100% of our equity and our controlling shareholder.

On July 1, 2013, we completed the acquisition of PLG from Universal Music Group. PLG included a broad range of some of the world's best-known recordings and classic and contemporary artists spanning a wide array of musical genres. PLG was comprised of the historic Parlophone label and Chrysalis and Ensign labels in the U.K., as well as EMI Classics and Virgin Classics, and EMI's recorded music operations in Belgium, Czech Republic, Denmark, France, Norway, Poland, Portugal, Slovakia, Spain and Sweden. PLG's artists included Air, Alain Souchon, Camille, Coldplay, Daft Punk, Danger Mouse, David Bowie, David Guetta, Deep Purple, Duran Duran, Eliza Doolittle, Gorillaz, Iron Maiden, Jean-Louis Aubert, Jethro Tull, Julien Clerc, Kylie Minogue, M. Pokora, Magic System, Pablo Alborari, Pink Floyd, Roxette, Tina Turner and Tinie Tempah, as well as many developing and up-and-coming artists. PLG's EMI Classics and Virgin Classics brand names were not included with the PLG Acquisition. WMG has rebranded these businesses, respectively, as Warner Classics and Erato.

Warner Music Group is today home to a collection of record labels, including Asylum, Atlantic, Big Beat, Canvasback, Eastwest, Elektra, Erato, FFRR, Fueled by Ramen, Nonesuch, Parlophone, Reprise, Rhino, Roadrunner, Sire, Warner Bros., Warner Classics and Warner Music Nashville, as well as Warner/Chappell Music, one of the world's leading music publishers.

* * *

Our principal executive offices are located at 1633 Broadway, New York, New York 10019 and our Investor Relations telephone number is (212) 275-2000. Our internet address is www.wmg.com. **Our website and the information posted on it or connected to it are not part of this offering circular.**

THE OFFERING

The following summary is provided solely for your convenience. The summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this offering circular. For a more detailed description of the notes, see "Description of Notes."

Issuer	WMG Acquisition Corp.
Dollar Notes	$ aggregate principal amount of % Senior Secured Notes due 2024.
Euro Notes	€ aggregate principal amount of % Senior Secured Notes due 2024.
Maturity	The dollar notes will mature on , 2024. The euro notes will mature on , 2024.
Interest	Interest on the dollar notes will accrue at the rate of % per annum, payable semi-annually in cash in arrears. Interest on the euro notes will accrue at the rate of % per annum, payable semi-annually in cash in arrears. Interest on the dollar and euro notes will be payable in cash on and of each year, beginning , 2017.
Ranking	The Senior Secured Notes will be senior secured indebtedness of Warner Music Group and: • will be secured on an equal and ratable basis with all existing and future indebtedness secured under the same security arrangements, including the Existing Senior Secured Notes and indebtedness under the Senior Credit Facilities, as permitted under "Description of Notes—Liens"; • will rank senior in right of payment to our existing and future subordinated indebtedness; • will be equal in right of payment with all of our existing and future senior indebtedness, including the Existing Senior Secured Notes, the Existing Senior Notes and indebtedness under the Senior Credit Facilities; • will be effectively senior to the Existing Senior Notes to the extent of the value of the assets securing the notes; and • will be structurally subordinated to all existing and future indebtedness and other liabilities of any non-guarantor subsidiary (other than indebtedness and liabilities owed to us or our guarantor subsidiaries). As of June 30, 2016, our non-guarantor subsidiaries had approximately $1,205 million of liabilities.

Guarantees	The Senior Secured Notes will be guaranteed on a senior secured basis by substantially all of our existing wholly-owned domestic restricted subsidiaries that guarantee obligations under the Senior Credit Facilities, subject to customary exceptions. Each subsidiary guarantee will be a senior secured obligation of such subsidiary guarantor and will: • be secured on an equal and ratable basis with all existing and future obligations of such subsidiary guarantor that are secured under the same security arrangements, including the guarantee of the Existing Senior Secured Notes and indebtedness under the Senior Credit Facilities, as permitted under "Description of Notes—Liens"; • rank senior in right of payment to all subordinated obligations of the subsidiary guarantor; • be equal in right of payment with all of the subsidiary guarantor's existing and future senior obligations, including the subsidiary guarantor's guarantee of the Existing Senior Secured Notes, Existing Senior Notes and indebtedness under the Senior Credit Facilities; and • be structurally subordinated to all existing and future indebtedness and other liabilities of any non-guarantor subsidiary of the subsidiary guarantor (other than indebtedness and liabilities owed to us or our subsidiary guarantors).
Security	The Senior Secured Notes and guarantees will be secured by first-priority liens, subject to permitted liens, on the assets of Warner Music Group, Holdings and the subsidiary guarantors, which consist of our shares, substantially all of our assets and the assets of the subsidiary guarantors, in each case whether now owned or hereafter acquired, except for certain stock of foreign subsidiaries and certain excluded assets. The excluded assets include, among other things, (1) certain property that is subject to liens in respect of purchase money obligations or certain capitalized lease obligations, (2) any fee interest in certain real property, the fair market value of which is less than $5.0 million individually, (3) motor vehicles and any other assets subject to certificate of title, (4) property that has been sold or transferred in connection with certain securitization financings, (5) any interest in leased real property, (6) certain assets being held for pending divestiture in connection with an acquisition and (7) other collateral exceptions and exclusions under applicable financing agreements. See "Description of Notes—Collateral and Intercreditor Arrangements."
Optional Redemption	Prior to , 2019, we may redeem some or all of the notes at a price equal to 100% of the principal amount of the notes plus the applicable "make-whole" premium as set forth under "Description of Notes—Optional Redemption." Additionally, we may redeem the dollar notes and/or euro notes, in whole or in part, at any time on or

	after , 2019 at the redemption prices set forth under "Description of Notes—Optional Redemption." During any twelve-month period prior to , 2019, we may also redeem up to 10% of the original aggregate principal amount of the dollar notes and/or euro notes at a redemption price equal to % of the principal amount of the notes, plus accrued interest thereon, if any as set forth under "Description of Notes—Optional Redemption."
Optional Redemption After Certain Equity Offerings	At any time (which may be more than once) before , 2019, we may choose to redeem up to 40% of the dollar notes and/or euro notes with proceeds that we or one of our parent companies raises in one or more equity offerings, as long as: • Warner Music Group pays % of the face amount of the dollar notes or % of the face amount of the euro notes, plus, in each case, accrued and unpaid interest, if any; • Warner Music Group redeems the notes within 180 days of completing the equity offering; and • at least 50% of the aggregate principal amount of the notes originally issued remains outstanding afterwards.
Change of Control	Upon a change of control (as defined under "Description of Notes"), we will be required to make an offer to purchase the Senior Secured Notes. The purchase price will equal 101% of the principal amount of such notes on the date of purchase plus accrued and unpaid interest, if any. We may not have sufficient funds available at the time of any change of control to make any required debt repayment (including repurchases of the notes). See "Risk Factors—Risks Related to the Notes—We may not be able to repurchase the notes upon a change of control."
Certain Covenants	The indenture governing the Senior Secured Notes contains covenants limiting our ability and the ability of most of our subsidiaries to: • incur additional debt or issue certain preferred shares; • create liens on certain debt; • pay dividends on or make distributions in respect of our capital stock or make investments or other restricted payments; • sell certain assets; • create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make certain other intercompany transfers; • enter into certain transactions with our affiliates; and • consolidate, merge, sell or otherwise dispose of all or substantially all of our assets. These covenants are subject to a number of important limitations and exceptions. See "Description of Notes."

Use of Proceeds	We intend to use the proceeds of the offering of the notes, together with available cash, to repurchase, redeem or discharge the Tender Offer Notes accepted for payment in the Tender Offers or redeemed by Warner Music Group in accordance with the Notices of Redemption and to pay related premiums, fees and expenses. See "Use of Proceeds."
Transfer Restrictions	The notes will be subject to certain restrictions on transfer. See "Transfer Restrictions."
Restrictive Legend Removal	Warner Music Group does not intend to file an exchange offer registration statement with respect to the Senior Secured Notes; however, Warner Music Group intends to remove the restrictive legends on the Senior Secured Notes and provide unrestricted CUSIP numbers in accordance with Rule 144 under the Securities Act.
Form and Denominations	The dollar notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof and the euro notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The notes will be book-entry only and registered in the name of the nominee of DTC (in respect of the dollar notes clearing through DTC) and in the name of the nominee of a common depositary for Euroclear and Clearstream (in respect of the euro notes clearing through Euroclear and Clearstream).
Listing	The dollar notes will not be listed on any securities exchange or automated quotation system. We intend to use commercially reasonable efforts to apply to list the notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market. We cannot assure you, however, that this application will be accepted.
Governing Law	The notes and the indenture governing the notes will be governed by the laws of the State of New York.
Trustee, Paying Agent, Transfer Agent and Registrar for Dollar Notes	Wells Fargo Bank, National Association (the "*Trustee*").
European Paying Agent, Co-registrar, European Transfer Agent and Luxembourg Listing Agent for Euro Notes	Société Générale Bank & Trust.
Risk Factors	Investing in the notes involves substantial risks and uncertainties. See "Risk Factors" and other information included in this offering circular for a discussion of factors you should carefully consider before deciding to purchase any notes.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

Set forth below are summary historical consolidated financial and other data of Parent and certain financial data of Warner Music Group as of the dates and for the periods indicated. The summary historical consolidated financial data as of and for the fiscal years ended September 30, 2015, 2014 and 2013 were derived from audited consolidated financial statements which are incorporated by reference into this offering circular from Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2015. The summary historical financial and business segment data as of June 30, 2016 and for the nine month periods ended June 30, 2016 and 2015 have been derived from Parent's unaudited condensed consolidated financial statements which are incorporated by reference into this offering circular from Parent's Quarterly Report on Form 10-Q for the three months ended June 30, 2016, which have been prepared on a basis consistent with Parent's audited consolidated financial statements. In the opinion of management, such unaudited consolidated financial data reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial position of Parent and its subsidiaries for those periods. The statement of operations data for the twelve months ended June 30, 2016 have been derived by taking the historical audited combined statement of operations for the fiscal year ended September 30, 2015, less the historical unaudited combined statement of operations for the nine months ended June 30, 2015, plus the historical unaudited combined statement of operations for the nine months ended June 30, 2016. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year or any future period.

The financial data set forth below are not necessarily indicative of future results of operations. This data should be read in conjunction with, and is qualified in its entirety by reference to, the "Capitalization" section included elsewhere in this offering circular and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Parent's financial statements and notes thereto incorporated by reference into this offering circular from Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2015 and Parent's Quarterly Report on Form 10-Q for the three months ended June 30, 2016. The financial data set forth below reflects the historical results of Parent and certain financial data of Warner Music Group. For a discussion of the material differences between the financial information and historical results of operations of Parent and Warner Music Group, see "Basis of Presentation."

(in millions)	Twelve Months Ended June 30, 2016	Fiscal Year Ended September 30, 2015	Fiscal Year Ended September 30, 2014	Fiscal Year Ended September 30, 2013	Nine Months Ended June 30, 2016	Nine Months Ended June 30, 2015
	(unaudited)		(audited)		(unaudited)	
Statement of Operations Data:						
Revenues	$3,155	$2,966	$3,027	$2,871	$2,405	$2,216
Interest expense, net(1)	(176)	(181)	(203)	(203)	(131)	(136)
Net income (loss)	10	(88)	(303)	(194)	33	(65)
Net income (loss) attributable to Parent	6	(91)	(308)	(198)	29	(68)
Balance Sheet Data (at period end):						
Cash and equivalents	$ 345	$ 246	$ 157	$ 155	$ 345	$ 168
Total assets(2)	5,494	5,621	5,954	6,252	5,494	5,664
Total debt (including current portion of long-term debt)(3)	2,908	2,994	3,030	2,867	2,908	2,996
Total equity	232	239	390	743	232	273
Cash Flow Data:						
Cash flows provided by (used in):						
Operating activities	$ 311	$ 222	$ 130	$ 159	$ 207	$ 118
Investing activities	(15)	(95)	(155)	(808)	1	(79)
Financing activities	(109)	(19)	37	511	(105)	(15)
Other Financial Data (unaudited):						
OIBDA(4)	$ 497	$ 436	$ 340	$ 333	$ 384	$ 323
Depreciation & amortization	301	309	321	258	225	233
Capital expenditures	(43)	(63)	(76)	(34)	(31)	(51)
Free Cash Flow(5)	296	$ 127	$ (25)	$ (649)	$ 208	$ 39

	Twelve Months Ended June 30, 2016
	(unaudited)
Financial Data of Warner Music Group	
Covenant EBITDA(6)	$ 550
Ratio of Net Senior Secured Debt to Covenant EBITDA(7)	3.33
Ratio of Net Debt to Covenant EBITDA(8)	4.48
Ratio of Covenant EBITDA to Interest expense, net	2.33

(1) As a result of the Transactions, our annual cash paid for interest will decrease. For example, for the twelve months ended June 30, 2016, our pro forma cash paid for interest would have been approximately $159 million (assuming that the Transactions were consummated as of July 1, 2015 and not including charges/expenses associated with the Transactions), compared to actual cash paid for interest for the twelve months ended June 30, 2016 of $167 million.

(2) Results as of September 30, 2015 and as of June 30, 2015 reflect balance sheet reclassification as a result of adopting ASU-2015-17 retrospectively.

(3) Includes $150 million in aggregate principal amount of Holdings Notes for the fiscal years ended September 30, 2015, 2014 and 2013 and for the nine months ended June 30, 2015. On February 16, 2016, we redeemed $50 million aggregate principal amount of Holdings Notes. As a result, results for the nine months ended June 30, 2016 include only $100 million in aggregate principal amount of Holdings Notes. We redeemed all outstanding Holdings Notes on July 1, 2016. See "Recent Developments—Redemption of Holdings Notes."

(4) We evaluate our operating performance based on several factors, including our primary financial measure of operating income (loss) before non-cash depreciation of tangible assets, non-cash amortization of intangible assets and non-cash impairment charges to reduce the carrying value of goodwill and intangible assets (which we refer to as "*OIBDA*"). We consider OIBDA to be an important indicator of the operational strengths and performance of our businesses, including the ability to provide cash flows to service debt. However, a limitation of the use of OIBDA as a performance measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in our businesses. Accordingly, OIBDA should be considered in addition to, not as a substitute for, operating income (loss), net income (loss) and other measures of financial performance reported in accordance with accounting principles generally accepted in the United States of America ("*GAAP*"). In addition, our definition of OIBDA may differ from similarly titled measures used by other companies. The following is a reconciliation of OIBDA to operating income (loss) from continuing operations and further provides the components from operating income (loss) from continuing operations to net income (loss):

(in millions)	Twelve Months Ended June 30, 2016	Fiscal Year Ended September 30, 2015	Fiscal Year Ended September 30, 2014	Fiscal Year Ended September 30, 2013	Nine Months Ended June 30, 2016	Nine Months Ended June 30, 2015
	(unaudited)		(audited)		(unaudited)	
OIBDA:	$ 497	$ 436	$ 340	$ 333	$ 384	$ 323
Depreciation expense	(49)	(54)	(55)	(51)	(37)	(42)
Amortization expense	(252)	(255)	(266)	(207)	(188)	(191)
Operating income	196	127	19	75	159	90
Gain on sale of real estate	—	—	—	—	—	—
Loss on extinguishment of debt	—	—	(141)	(85)	—	—
Interest expense, net	(176)	(181)	(203)	(203)	(131)	(136)
Other income (expense), net	12	(21)	(4)	(12)	21	(12)
Income (loss) before income taxes	32	(75)	(329)	(225)	49	(58)
Income tax (expense) benefit	(22)	(13)	26	31	(16)	(7)
Net income (loss)	10	(88)	(303)	(194)	33	(65)
Less: (income) attributable to noncontrolling interest	(4)	(3)	(5)	(4)	(4)	(3)
Net income (loss) attributable to Parent	$ 6	$ (91)	$(308)	$(198)	29	$ (68)

(5) Free Cash Flow reflects our cash flow provided by operating activities less capital expenditures and cash paid or received for investments. We use Free Cash Flow, among other measures, to evaluate our operating performance, and believe Free Cash Flow provides investors with an important perspective on the cash available to service debt, fund ongoing operations and working capital needs, make strategic acquisitions and investments and pay any dividends or fund any repurchases of outstanding debt securities in open market purchases, privately negotiated purchases or otherwise. We believe the presentation of Free Cash Flow is relevant and useful for investors because it allows investors to view performance in a manner similar to the method used by management. In addition, Free Cash Flow is also a primary measure used externally by investors and analysts for purposes of valuation and comparing our operating performance to other companies in our industry. The following is a reconciliation of net cash provided by operating activities to Free Cash Flow:

(in millions)	Twelve Months Ended June 30, 2016	Fiscal Year Ended September 30, 2015	Fiscal Year Ended September 30, 2014	Fiscal Year Ended September 30, 2013	Nine Months Ended June 30, 2016	Nine Months Ended June 30, 2015
	(unaudited)		(audited)		(unaudited)	
Net cash provided by operating activities	$311	$222	$130	$ 159	$207	$118
Less: Capital expenditures	43	63	76	34	31	51
Less: Net cash (received) paid for investments	(28)	32	79	774	(32)	28
Free Cash Flow	$296	$127	$ (25)	$(649)	$208	$ 39

(6) Covenant EBITDA as presented herein is a financial measure defined in the indenture governing the Existing Senior Secured Notes (which will also govern the notes) as "EBITDA." We also refer to it publicly as "Consolidated EBITDA." The indenture governing the notes offered hereby may permit us to exclude other charges and expenses and make other or different adjustments in calculating Covenant EBITDA. Covenant EBITDA differs from the term "EBITDA" as it is commonly used. For example, the definition of Covenant EBITDA, in addition to adjusting net income to exclude interest expense, income taxes, and depreciation and amortization, also adjusts net income by excluding items or expenses not typically excluded in the calculation of "EBITDA" such as, among other items, (1) the amount of any restructuring charges or reserves; (2) any non-cash charges (including any impairment charges); (3) any net loss resulting from hedging currency exchange risks; (4) the amount of management, monitoring, consulting and advisory fees paid to Access under the management agreement (as defined in the indenture governing the Existing Senior Secured Notes); (5) business optimization expenses (including consolidation initiatives, severance costs and other costs relating to initiatives aimed at profitability improvement) and (6) stock-based compensation expense and also includes an add-back for certain projected cost savings and synergies.

The following is a reconciliation of net income (loss) of Warner Music Group to Covenant EBITDA. For a discussion of the difference between financial information of Parent included herein and financial information of Warner Music Group, see "Basis of Presentation":

	Twelve Months Ended June 30, 2016
	(unaudited)
Net Loss	$ 33
Income tax expense	23
Interest expense, net	157
Depreciation and amortization	302
Loss on extinguishment of debt(a)	4
Net gain on divestiture of business and assets dispositions(b)	(32)
Restructuring costs(c)	15
Net hedging and foreign exchange losses(d)	11
Management fees(e)	9
Transaction costs(f)	3
Business optimization expenses(g)	6
Share-based compensation expenses(h)	13
Other non-cash charges(i)	(5)
Pro forma impact of cost containment initiatives(j)	11
Covenant EBITDA	$550

(a) Reflects net loss incurred on the early extinguishment of our debt incurred as part of the February 2016 debt redemption and March 2016 open market purchases.
(b) Reflects net gain on divestiture of business and asset dispositions, mainly the sale of real estate.
(c) Reflects severance costs and other restructuring related expenses.
(d) Reflects severance costs and other restructuring related expenses.
(e) Reflects management fees paid to Access, including an annual fee and related expenses (excludes expenses reimbursed related to certain consultants with full-time roles at Warner Music Group). Pursuant to Warner Music Group's and Holdings' management agreement with Access, the base amount of the annual fee is approximately $9 million, subject to certain potential upward adjustments.
(f) Reflects integration and other nonrecurring costs related to the PLG Acquisition.
(g) Reflects primarily costs associated with IT systems updates.
(h) Reflects compensation expense related to the Warner Music Group Corp. Senior Management Free Cash Flow Plan.
(i) Reflects cash payments related to previous non-cash charges, including but not limited to loss on lease terminations related to our corporate headquarters consolidation.
(j) Reflects expected savings resulting from our cost containment initiatives(calculated on a pro forma basis as though such cost savings had been realized on the first day of the period for which Covenant EBITDA is being determined), net of the amount of actual benefits realized during such period from such actions. See "Risk Factors—Risks Related to Our Business—We have engaged in substantial restructuring activities in the past, and may need to implement further restructurings in the future and our restructuring efforts may not be successful or generate expected cost savings.")

(7) Net senior secured debt reflects $2,177 million aggregate principal amount of our Term Loans and Existing Senior Secured Notes outstanding as of June 30, 2016, less cash and short-term investments. Net senior secured debt does not reflect outstanding borrowings under our Revolving Credit Facility.

(8) Net Debt is total debt of Warner Music Group less cash and equivalents and short-term investments of Warner Music Group. Net Debt is a non-GAAP financial measure. Excludes approximately $100 million of Holdings Notes repaid on July 1, 2016. See "Recent Developments—Redemption of Holdings Notes."

(in millions)	Twelve Months Ended June, 2016	Fiscal Year Ended September 30, 2015	Fiscal Year Ended September 30, 2014	Fiscal Year Ended September 30, 2013	Nine Months Ended June 30, 2016	Nine Months Ended June 30, 2015
	(unaudited)		(audited)		(unaudited)	
Business Segment Data:						
Recorded Music						
Revenues	$2,669	$2,501	$2,526	$2,389	$2,038	$1,870
OIBDA	441	379	267	270	364	302
Operating income (from continuing operations)	$ 221	$ 151	$ 31	$ 92	$ 200	$ 130
Music Publishing						
Revenues	$ 500	$ 482	$ 517	$ 503	$ 377	$ 359
OIBDA	140	146	166	148	82	88
Operating income (from continuing operations)	$ 71	$ 77	$ 94	$ 81	$ 30	$ 36
Corporate expenses and eliminations						
Revenues	$ (14)	$ (17)	$ (16)	$ (21)	$ (10)	$ (13)
OIBDA	(84)	(89)	(93)	(85)	(62)	(67)
Operating (loss) (from continuing operations)	$ (96)	$ (101)	$ (106)	$ (98)	$ (71)	$ (76)
Total						
Revenues	$3,155	$2,966	$3,027	$2,871	$2,405	$2,216
OIBDA	497	436	340	333	384	323
Operating income (from continuing operations)	$ 196	$ 127	$ 19	$ 75	$ 159	$ 90

RISK FACTORS

Investing in the notes involves risks. You should carefully consider the following information about these risks, together with the other information included and incorporated by reference in this offering circular, before investing in the notes. The risks and uncertainties described below may not be the only ones facing us. Additional risks and uncertainties that we do not currently know about or that we currently believe are immaterial may also adversely impact our business operations. If any of the following risks actually occur, our business, financial condition or results of operations would likely suffer. In such case, the trading prices of the notes could fall, and you may lose all or part of the money you paid to buy the notes.

Risks Related to Our Business

We may be unable to compete successfully in the highly competitive markets in which we operate and we may suffer reduced profits as a result.

The industries in which we operate are highly competitive, have experienced ongoing consolidation among major music companies, and are driven by consumer preferences that are rapidly changing. Additionally, they require substantial human and capital resources. We compete with other recorded music companies and music publishers to identify and sign new recording artists and songwriters who subsequently achieve long-term success and to renew agreements with established artists and songwriters. In addition, our competitors may from time to time increase the amounts they spend to discover, or to market and promote, recording artists and songwriters or reduce the prices of their products in an effort to expand market share. We may lose business if we are unable to sign successful recording artists or songwriters or to match the prices of the products offered by our competitors. Our Recorded Music business competes not only with other recorded music companies, but also with the recorded music efforts of live events companies and recording artists who may choose to distribute their own works. Our Music Publishing business competes not only with other music publishing companies, but also with songwriters who publish their own works. Our Recorded Music business is to a large extent dependent on technological developments, including access to and selection and viability of new technologies, and is subject to potential pressure from competitors as a result of their technological developments. For example, our Recorded Music business may be further adversely affected by technological developments that facilitate the piracy of music, such as Internet peer-to-peer filesharing and CD-R activity, by an inability to enforce our intellectual property rights in digital environments and by a failure to develop successful business models applicable to a digital environment. The Recorded Music business also faces competition from other forms of entertainment and leisure activities, such as cable and satellite television, motion pictures and videogames in physical and digital formats.

If the recorded music industry fails to grow or streaming revenue fails to grow at a sufficient rate to offset download and physical sales declines, our prospects and our results of operations may be adversely affected.

In the last several years, recorded music sales have been mainly flat with some slight growth following a long period of decline, while legal digital music has experienced rapid growth since 2003, and revenue streams from downloading and streaming have emerged. In fact, growth in digital sales offset declines in physical sales in 2015. Streaming revenue is important as it is offsetting declines in downloads and physical sales and represents a growing area of our Recorded Music business. According to IFPI, digital downloads accounted for 52% of digital revenues in 2014. Streaming revenue, which includes revenue from ad-supported and subscription services, accounted for 32% of digital revenues in 2014, up 7 percentage points year-over-year. Although revenues from digital downloads fell by 8% in 2014, the decline was offset by an increase in streaming revenue, helping digital revenues grow by 6.9%. Streaming models comprise a range of margins. For some streaming models, our margins are superior to those for downloads and for others, our margins are slightly less. We expect these trends to continue to impact our results for the foreseeable future. There can be no assurance that this growth pattern will persist or that digital revenue will grow at a rate sufficient to offset declines in physical sales. A declining

recorded music industry is likely to lead to reduced levels of revenue and operating income generated by our Recorded Music business. Additionally, a declining recorded music industry is also likely to have a negative impact on our Music Publishing business, which generates a significant portion of its revenues from sales and other exploitation of recorded music.

There may be downward pressure on our pricing and our profit margins and reductions in shelf space.

There are a variety of factors that could cause us to reduce our prices and reduce our profit margins. They are, among others, price competition from the sale of motion pictures and videogames in physical and digital formats, the negotiating leverage of mass merchandisers, big-box retailers and distributors of digital music, the increased costs of doing business with mass merchandisers and big-box retailers as a result of complying with operating procedures that are unique to their needs and any changes in costs or profit margins associated with new digital business, including the impact of ad-supported music services, some of which may be able to avail themselves of "safe harbor" defenses against copyright infringement actions under copyright laws. Due to "safe harbor" defenses, revenue from ad-supported music services do not fully reflect increases in consumption. In addition, we are currently dependent on a small number of leading digital music services, which allows them to significantly influence the prices we can charge in connection with the distribution of digital music. Over the course of the last decade, U.S. mass-market and other stores' share of U.S. physical music sales has continued to grow. While we cannot predict how future competition will impact music retailers, as the music industry continues to transform it is possible that the share of music sales by a small number of leading mass-market retailers such as Walmart and Target, as well as online retailers and digital music services such as Amazon, Apple Music and Google Play will continue to grow, which could further increase their negotiating leverage and put pressure on profit margins. See "—We are substantially dependent on a limited number of digital music services for the online sale of our music recordings and they are able to significantly influence the pricing structure for online music stores."

Our prospects and financial results may be adversely affected if we fail to identify, sign and retain artists and songwriters and by the existence or absence of superstar releases and by local economic conditions in the countries in which we operate.

We are dependent on identifying, signing and retaining recording artists with long-term potential, whose debut albums are well received on release, whose subsequent albums are anticipated by consumers and whose music will continue to generate sales as part of our catalog for years to come. The competition among record companies for such talent is intense. Competition among record companies to sell and otherwise exploit records is also intense. We are also dependent on signing and retaining songwriters who will write the hit songs of today and the classics of tomorrow. Our competitive position is dependent on our continuing ability to attract and develop artists and songwriters whose work can achieve a high degree of public acceptance. Our financial results may be adversely affected if we are unable to identify, sign and retain such artists and songwriters under terms that are economically attractive to us. Our financial results may also be affected by the existence or absence of superstar artist releases during a particular period. Some music industry observers believe that the number of superstar acts with long-term appeal, both in terms of catalog sales and future releases, has declined in recent years. Additionally, our financial results are generally affected by the worldwide economic and retail environment, as well as the appeal of our Recorded Music catalog and our Music Publishing library to consumers.

We may have difficulty addressing the threats to our business associated with digital piracy.

The combined effect of the decreasing cost of electronic and computer equipment and related technology such as the conversion of music into digital formats have made it easier for consumers to obtain and create unauthorized copies of our recordings in the form of, for example, MP3 files. For example, about 95% of the music downloaded in 2008, or more than 40 billion files, were illegal and not paid for, according to IFPI's 2009 Digital Music Report. Separately, data provided by comScore and Nielsen and cited by IFPI in IFPI's 2015

Digital Music Report indicates that 20% of Internet users globally still access unauthorized digital sites/services on desktop-based devices on a regular basis. In addition, while growth of music-enabled mobile consumers offers distinct opportunities for music companies such as ours, it also opens the market up to risks from behaviors such as "sideloading" and mobile app-based downloading of unauthorized content. As the business shifts to streaming music or access models, piracy in these models is increasing. For example, the practice of "stream-ripping," where websites or software programs enable end-users to obtain an unauthorized copy of the audio file associated with a music video, is a growing practice among young people and in parts of the world with high mobile data costs. A substantial portion of our revenue comes from the sale of audio products and streaming services that are potentially subject to unauthorized consumer copying and widespread digital dissemination without an economic return to us. The impact of digital piracy on legitimate music sales and subscriptions is hard to quantify but we believe that illegal filesharing has a substantial negative impact on music sales. We are working to control this problem in a variety of ways including by litigation, by lobbying governments for new, stronger copyright protection laws and more stringent enforcement of current laws, through graduated response programs achieved through cooperation with ISPs and legislation being advanced or considered in many countries, through technological measures and by enabling legitimate new media business models. We cannot give any assurances that such measures will be effective. If we fail to obtain appropriate relief through the judicial process or the complete enforcement of judicial decisions issued in our favor (or if judicial decisions are not in our favor), if we are unsuccessful in our efforts to lobby governments to enact and enforce stronger legal penalties for copyright infringement or if we fail to develop effective means of protecting our intellectual property (whether copyrights or other rights such as patents, trademarks and trade secrets) or our entertainment-related products or services, our results of operations, financial position and prospects may suffer.

Organized industrial piracy may lead to decreased sales.

The global organized commercial pirate trade is a significant threat to content industries, including the music sector. A 2011 study by Frontier Economics cited by IFPI, estimates that digitally pirated music, movies and software was valued at $30 billion to $75 billion and IFPI' s 2015 Digital Music Report cited research conducted by MediaLink on behalf of the Digital Citizens Alliance that placed advertising revenues generated by 596 piracy sites at $227 million In addition, a 2010 economic study conducted by Tera Consultants in Europe found that if left unabated, digital piracy could result in an estimated loss of 240 billion Euros in retail revenues for the creative industries—including music—in Europe over the period from 2008 to 2015. Unauthorized copies and piracy have contributed to the decrease in the volume of legitimate sales. They have had, and may continue to have, an adverse effect on our business.

Legitimate channels for digital distribution of our creative content are a fairly recent development, and their impact on our business is unclear and may be adverse.

We have positioned ourselves to take advantage of online and mobile technology as a sales distribution channel and believe that the continued development of legitimate channels for digital music distribution holds promise for us. Digital revenue streams of all kinds are important to offset continued declining revenue from physical CD sales. However, legitimate channels for digital distribution have existed for less than 20 years and we cannot predict their long-term impact on our business. In digital formats, certain costs associated with physical products such as manufacturing, distribution, inventory and return costs do not apply. Partially eroding that benefit are increases in mechanical copyright royalties payable to music publishers that only apply in the digital space. While there are some digital-specific variable costs and infrastructure investments necessary to produce and sell music in digital formats, we believe it is reasonable to expect that we will generally derive a higher contribution margin from digital sales than physical sales. However, we cannot be sure that we will generally continue to achieve higher margins from digital sales especially as an ever greater percentage of our digital revenue comes from sources other than downloads. Any legitimate digital distribution channel that does develop may result in lower or less profitable sales for us than comparable physical sales. In addition, the mix of digital services is changing and not all services will be equally remunerative. Ad-supported music services, some of which may be able to avail themselves of "safe harbor" defenses against copyright infringement actions under

copyright laws, may be substitutional for more remunerative paid services. In addition, the transition to greater sales through digital channels has introduced uncertainty regarding the potential impact of the "unbundling" of the album on our business. In addition, if piracy continues unabated and legitimate digital distribution channels fail to continue to gain consumer acceptance, our results of operations could be harmed. Furthermore, as new distribution channels continue to develop, we may have to implement systems to process royalties on new revenue streams for potential future distribution channels that are not currently known. These new distribution channels could also result in increases in the number of transactions that we need to process. If we are not able to successfully expand our processing capability or introduce technology to allow us to determine and pay royalty amounts due on these new types of transactions in a timely manner, we may experience processing delays or reduced accuracy as we increase the volume of our digital sales, which could have a negative effect on our relationships with artists and brand identity.

We are substantially dependent on a limited number of digital music services for the online sale or other exploitation of our music and they are able to significantly influence the pricing structure for online music stores.

We derive an increasing portion of our revenues from sales of music through digital distribution channels. We are currently dependent on a small number of leading digital music services that sell consumers digital music. We have limited ability to increase our wholesale prices to digital service providers as a small number of digital service providers control much of the legitimate digital music business. If these providers were to adopt a lower pricing model or if there were structural changes to other pricing models, we may receive substantially less for our music, which could cause a material reduction in our revenues, unless it is offset by a corresponding increase in the number of transactions. We currently enter into short-term contracts with some digital music providers or provide our content on an at will basis to others. There can be no assurance that we will be able to enter into new contracts with any digital music provider. Additionally, digital music services at present accept and make available for sale or other exploitation all the recordings that we and other distributors deliver to them. However, if digital music services in the future decide to limit the types or amount of music they will accept from music-based content owners like us, our revenues could be significantly reduced.

Our involvement in intellectual property litigation could adversely affect our business.

Our business is highly dependent upon intellectual property, an area that has encountered increased litigation in recent years. If we are alleged to infringe the intellectual property rights of a third-party, any litigation to defend the claim could be costly and would divert the time and resources of management, regardless of the merits of the claim. There can be no assurance that we would prevail in any such litigation. If we were to lose a litigation relating to intellectual property, we could be forced to pay monetary damages and to cease the sale of certain products or the use of certain technology. Any of the foregoing may adversely affect our business.

Due to the nature of our business, our results of operations and cash flows may fluctuate significantly from period to period.

Our net sales, operating income and profitability, like those of other companies in the music business, are largely affected by the number and quality of albums that we release or that include musical compositions published by us, timing of release schedules and, more importantly, the consumer demand for these releases. We also make advance payments to recording artists and songwriters, which impact our operating cash flows. The timing of album releases and advance payments is largely based on business and other considerations and is made without regard to the impact of the timing of the release on our financial results. We report results of operations quarterly and our results of operations and cash flows in any reporting period may be materially affected by the timing of releases and advance payments, which may result in significant fluctuations from period to period.

Our business operations in some foreign countries subject us to trends, developments or other events which may affect us adversely.

We are a global company with strong local presences, which have become increasingly important as the popularity of music originating from a country's own language and culture has increased in recent years. Our mix of national and international recording artists and songwriters provides a significant degree of diversification for our music portfolio. However, our creative content does not necessarily enjoy universal appeal. As a result, our results can be affected not only by general industry trends, but also by trends, developments or other events in individual countries, including:

- limited legal protection and enforcement of intellectual property rights;
- restrictions on the repatriation of capital;
- fluctuations in interest and foreign exchange rates;
- differences and unexpected changes in regulatory environment, including environmental, health and safety, local planning, zoning and labor laws, rules and regulations;
- varying tax regimes which could adversely affect our results of operations or cash flows, including regulations relating to transfer pricing and withholding taxes on remittances and other payments by subsidiaries and joint ventures;
- exposure to different legal standards and enforcement mechanisms and the associated cost of compliance;
- difficulties in attracting and retaining qualified management and employees or rationalizing our workforce;
- tariffs, duties, export controls and other trade barriers;
- longer accounts receivable settlement cycles and difficulties in collecting accounts receivable;
- recessionary trends, inflation and instability of the financial markets;
- higher interest rates; and
- political instability.

We may not be able to insure or hedge against these risks, and we may not be able to ensure compliance with all of the applicable regulations without incurring additional costs. For example, our results for the fiscal year 2015 were impacted by the continued strengthening of the U.S. dollar against most currencies. See "—Unfavorable currency exchange rate fluctuations could adversely affect our results of operations." Furthermore, financing may not be available in countries with less than investment-grade sovereign credit ratings. As a result, it may be difficult to create or maintain profit-making operations in developing countries.

In addition, our results can be affected by trends, developments and other events in individual countries. There can be no assurance that in the future other country-specific trends, developments or other events will not have such a significant adverse effect on our business, results of operations or financial condition. Unfavorable conditions can depress sales in any given market and prompt promotional or other actions that affect our margins.

Our business may be adversely affected by competitive market conditions and we may not be able to execute our business strategy.

We expect to increase revenues and cash flow through a business strategy which requires us, among other things, to continue to maximize the value of our music assets, to significantly reduce costs to maximize flexibility and adjust to new realities of the market, to continue to act to contain digital piracy and to diversify our revenue streams into growing segments of the music business by entering into expanded-rights deals with recording artists and by operating our artist services businesses and to capitalize on digital distribution and emerging technologies.

Each of these initiatives requires sustained management focus, organization and coordination over significant periods of time. Each of these initiatives also requires success in building relationships with third parties and in anticipating and keeping up with technological developments and consumer preferences and may involve the implementation of new business models or distribution platforms. The results of our strategy and the success of our implementation of this strategy will not be known for some time in the future. If we are unable to implement our strategy successfully or properly react to changes in market conditions, our financial condition, results of operations and cash flows could be adversely affected.

Our ability to operate effectively could be impaired if we fail to attract and retain our executive officers.

Our success depends, in part, upon the continuing contributions of our executive officers, however, there is no guarantee that they will not leave. Some of our executive officers have employment arrangements. We do not have a direct employment arrangement with our CEO and certain of our other executive officers have at-will employment letters. Our CEO and each of our executive officers who have at-will employment letters have elected to participate in the Warner Music Group Corp. Senior Management Cash Flow Plan, and the at-will employment letters were a condition to their participation in the Plan. The loss of the services of any of our executive officers or the failure to attract other executive officers could have a material adverse effect on our business or our business prospects.

A significant portion of our revenues are subject to rate regulation either by government entities or by local third-party collection societies throughout the world and rates on other income streams may be set by governmental proceedings, which may limit our profitability.

Mechanical royalties and performance royalties are the two largest sources of income to our Music Publishing business and mechanical royalties are a significant expense to our Recorded Music business. In the United States, mechanical royalty rates are set every five years pursuant to an administrative process under the U.S. Copyright Act, unless rates are determined through voluntary industry negotiations, and performance royalty rates are set by performing rights societies and subject to challenge by performing rights licensees. Mechanical royalties are currently paid at a penny rate of 9.1 cents per song per unit in the United States for physical formats (*e.g.*, CDs and vinyl albums) and permanent digital downloads (recordings in excess of five minutes attract a higher rate) and 24 cents for ringtones. Outside the United States, mechanical and performance royalty rates are typically negotiated on an industry-wide basis. In most territories outside the United States, mechanical royalties are based on a percentage of wholesale prices for physical product and based on a percentage of consumer prices for digital products. The mechanical and performance royalty rates set pursuant to such processes may adversely affect us by limiting our ability to increase the profitability of our Music Publishing business. If the mechanical royalty rates are set too high it may also adversely affect us by limiting our ability to increase the profitability of our Recorded Music business. In addition, rates our Recorded Music business receives in the United States for webcasting and satellite radio are set every five years by an administrative process under the U.S. Copyright Act unless rates are determined through voluntary industry negotiations. It is important as sales shift from physical to diversified distribution channels that we receive fair value for all of the uses of our intellectual property as our business model now depends upon multiple revenue streams from multiple sources. The rates set for Recorded Music and Music Publishing income sources through legally prescribed rate-setting processes could have a material adverse impact on our business prospects.

An impairment in the carrying value of goodwill or other intangible and long-lived assets could negatively affect our operating results and equity.

As of June 30, 2016, we had $1.630 billion of goodwill and $118 million of indefinite-lived intangible assets. Financial Accounting Standards Codification ("*ASC*") Topic 350, Intangibles—Goodwill and other ("*ASC 350*") requires that we test these assets for impairment annually (or more frequently should indications of impairment arise) by first assessing qualitative factors and then by quantitatively estimating the fair value of each of our reporting units (calculated using a discounted cash flow method) and comparing that value to the reporting

units' carrying value, if necessary. If the carrying value exceeds the fair value, there is a potential impairment and additional testing must be performed. In performing our annual tests and determining whether indications of impairment exist, we consider numerous factors including actual and projected operating results of each reporting unit, external market factors such as market prices for similar assets and trends in the music industry. We performed an annual assessment, at July 1, 2015, of the recoverability of its goodwill and indefinite-lived intangibles as of September 30, 2015, noting no instances of impairment. However, future events may occur that could adversely affect the estimated fair value of our reporting units. Such events may include, but are not limited to, strategic decisions made in response to changes in economic and competitive conditions and the impact of the economic environment on our operating results. Failure to achieve sufficient levels of cash flow at our reporting units could also result in impairment charges on goodwill and indefinite-lived intangible assets. If the value of the acquired goodwill or acquired indefinite-lived intangible assets is impaired, our operating results and shareholders' equity could be adversely affected.

We also had $2.269 billion of definite-lived intangible assets as of June 30, 2016. Financial Accounting Standard Board ("*FASB*") ASC Topic 360-10-35 ("*ASC 360-10-35*") requires companies to review these assets for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. No such events or circumstances were identified during the year ended September 30, 2015. If similar events occur as enumerated above such that we believe indicators of impairment are present, we would test for recoverability by comparing the carrying value of the asset to the net undiscounted cash flows expected to be generated from the asset. If those net undiscounted cash flows do not exceed the carrying amount, we would perform the next step, which is to determine the fair value of the asset, which could result in an impairment charge. Any impairment charge recorded would negatively affect our operating results and shareholders' equity.

Unfavorable currency exchange rate fluctuations could adversely affect our results of operations.

The reporting currency for our financial statements is the U.S. dollar. We have substantial assets, liabilities, revenues and costs denominated in currencies other than U.S. dollars. To prepare our consolidated financial statements, we must translate those assets, liabilities, revenues and expenses into U.S. dollars at then-applicable exchange rates. Consequently, increases and decreases in the value of the U.S. dollar versus other currencies will affect the amount of these items in our consolidated financial statements, even if their value has not changed in their original currency. These translations could result in significant changes to our results of operations from period to period. Prior to intersegment eliminations, 61% of our revenues related to operations in foreign territories for the fiscal year ended September 30, 2015. From time to time, we enter into foreign exchange contracts to hedge the risk of unfavorable foreign currency exchange rate movements. During the current fiscal year, we have hedged a portion of our material foreign currency exposures related to royalty payments remitted between our foreign affiliates and our U.S. affiliates.

We may not have full control and ability to direct the operations we conduct through joint ventures.

We currently have interests in a number of joint ventures and may in the future enter into further joint ventures as a means of conducting our business. In addition, we structure certain of our relationships with recording artists and songwriters as joint ventures. We may not be able to fully control the operations and the assets of our joint ventures, and we may not be able to make major decisions or may not be able to take timely actions with respect to our joint ventures unless our joint venture partners agree.

The enactment of legislation limiting the terms by which an individual can be bound under a "personal services" contract could impair our ability to retain the services of key artists.

California Labor Code Section 2855 ("*Section 2855*") limits the duration of time any individual can be bound under a contract for "personal services" to a maximum of seven years. In 1987, Subsection (b) was added, which provides a limited exception to Section 2855 for recording contracts, creating a damages remedy for record companies. Legislation was introduced in New York in 2009 to create a statute similar to Section 2855 to

limit contracts between artists and record companies to a term of seven years which term could be reduced to three years if the artist was not represented in the negotiation and execution of such contracts by qualified counsel experienced with entertainment industry law and practices. Such legislation could result in certain of our existing contracts with artists being declared unenforceable, or may restrict the terms under which we enter into contracts with artists in the future, either of which could adversely affect our results of operations. There is no assurance that California will not introduce legislation in the future seeking to repeal Subsection (b). The repeal of Subsection (b) and/or the passage of legislation similar to Section 2855 by other states could materially adversely affect our results of operations and financial position.

We face a potential loss of catalog to the extent that our recording artists have a right to recapture rights in their recordings under the U.S. Copyright Act.

The U.S. Copyright Act provides authors (or their heirs) a right to terminate U.S. licenses or assignments of rights in their copyrighted works in certain circumstances. This right does not apply to works that are "works made for hire." Since the effective date of U.S. federal copyright protection for sound recordings (February 15, 1972), virtually all of our agreements with recording artists provide that such recording artists render services under a work-made-for-hire relationship. A termination right exists under the U.S. Copyright Act for U.S. rights in musical compositions that are not "works made for hire." If any of our commercially available sound recordings were determined not to be "works made for hire," then the recording artists (or their heirs) could have the right to terminate the U.S. federal copyright rights they granted to us, generally during a five-year period starting at the end of 35 years from the date of release of a recording under a post-1977 license or assignment (or, in the case of a pre-1978 grant in a pre-1978 recording, generally during a five-year period starting at the end of 56 years from the date of copyright). A termination of U.S. federal copyright rights could have an adverse effect on our Recorded Music business. From time to time, authors (or their heirs) have the opportunity to terminate our U.S. rights in musical compositions. However, we believe the effect of any potential termination is already reflected in the financial results of our Music Publishing business.

If we acquire, combine with or invest in other businesses, we will face certain risks inherent in such transactions.

We have in the past considered and will continue, from time to time, to consider, opportunistic strategic transactions, which could involve acquisitions, combinations or dispositions of businesses or assets, or strategic alliances or joint ventures with companies engaged in businesses that are similar or complementary to ours. Any such strategic combination could be material, be difficult to implement, disrupt our business or change our business profile significantly.

Any future strategic transaction could involve numerous risks, including:

- potential disruption of our ongoing business and distraction of management;
- potential loss of recording artists or songwriters from our rosters;
- difficulty integrating the acquired businesses or segregating assets to be disposed of;
- exposure to unknown and/or contingent or other liabilities, including litigation arising in connection with the acquisition, disposition and/or against any businesses we may acquire;
- reputational or other damages to our business as a result of a failure to consummate such a transaction for, among other reasons, failure to gain anti-trust approval; and
- changing our business profile in ways that could have unintended consequences.

If we enter into significant strategic transactions in the future, related accounting charges may affect our financial condition and results of operations, particularly in the case of any acquisitions. In addition, the financing of any significant acquisition may result in changes in our capital structure, including the incurrence of

additional indebtedness. Conversely, any material disposition could reduce our indebtedness or require the amendment or refinancing of our outstanding indebtedness or a portion thereof. We may not be successful in addressing these risks or any other problems encountered in connection with any strategic transactions. We cannot assure you that if we make any future acquisitions, investments, strategic alliances or joint ventures or enter into any business combination that they will be completed in a timely manner, or at all, that they will be structured or financed in a way that will enhance our creditworthiness or that they will meet our strategic objectives or otherwise be successful. We also may not be successful in implementing appropriate operational, financial and management systems and controls to achieve the benefits expected to result from these transactions. Failure to effectively manage any of these transactions could result in material increases in costs or reductions in expected revenues, or both. In addition, if any new business in which we invest or which we attempt to develop does not progress as planned, we may not recover the funds and resources we have expended and this could have a negative impact on our businesses or our company as a whole.

We have outsourced our information technology infrastructure and certain finance and accounting functions and may outsource other back-office functions, which will make us more dependent upon third parties.

In an effort to make our information technology, or IT, more efficient and increase our IT capabilities and reduce potential disruptions, as well as generate cost savings, we outsource a significant portion of our IT infrastructure functions to a third-party. This outsourcing initiative is a component of our ongoing strategy to monitor our costs and to seek additional cost savings. As a result, we rely on third parties to ensure that our IT needs are sufficiently met. This reliance subjects us to risks arising from the loss of control over IT processes, changes in pricing that may affect our operating results, and potentially, termination of provisions of these services by our supplier. In addition, in an effort to make our finance and accounting functions more efficient, as well as generate cost savings, we outsource certain finance and accounting functions. A failure of our service providers to perform services in a satisfactory manner may have a significant adverse effect on our business. We may outsource other back-office functions in the future, which would increase our reliance on third parties.

Additionally, we are currently in the process of implementing substantial changes to our IT systems. We may not be able to successfully implement these systems in an effective manner. In addition, we may incur significant increases in costs and encounter extensive delays in the implementation and rollout of our new IT systems. If there are technological impediments, unforeseen complications, errors or breakdowns in implementing this new core operating system or if this new core operating system does not meet the requirements of our customers, our business, financial condition, results of operations or customer perceptions may be adversely affected.

We have engaged in substantial restructuring activities in the past, and may need to implement further restructurings in the future and our restructuring efforts may not be successful or generate expected cost savings.

The recorded music industry continues to undergo substantial change. These changes continue to have a substantial impact on our business. See "—If the recorded music industry fails to grow or streaming revenue fails to grow at a sufficient rate to offset download and physical sales declines, our prospects and our results of operations may be adversely affected." Following the 2004 acquisition of substantially all of the interests of the recorded music and music publishing business of Time Warner, we implemented a broad restructuring plan in order to adapt our cost structure to the changing economics of the music industry. Since then, we have continued to shift resources from our physical sales channels to efforts focused on digital distribution, emerging technologies and other new revenue streams. In addition, in order to help mitigate the effects of the recorded music transition, we continue our efforts to reduce overhead and manage our variable and fixed-cost structure to minimize any impact. In addition, as PLG had meaningful operational overlap with our existing business we implemented a restructuring and integration plan and achieved cost savings in conjunction with the PLG Acquisition.

We cannot be certain that we will not be required to implement further restructuring activities, make additions or other changes to our management or workforce based on other cost reduction measures or changes in the markets and industry in which we compete. Our inability to structure our operations based on evolving market conditions could impact our business. Restructuring activities can create unanticipated consequences and negative impacts on the business, and we cannot be sure that any future restructuring efforts will be successful or generate expected cost savings.

Access, which indirectly owns all of our outstanding capital stock, controls our company and may have conflicts of interest with the holders of our debt or us in the future. Access may also enter into, or cause us to enter into, strategic transactions that could change the nature or structure of our business, capital structure or credit profile.

As a result of the Merger, affiliates of Access indirectly own all of our common stock, and the actions that Access undertakes as our sole ultimate shareholder may differ from or adversely affect the interests of debt holders. Because Access ultimately controls our voting shares and those of all of our subsidiaries, it has the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as to elect our directors and those of our subsidiaries, to change our management and to approve any other changes to our operations. In addition, Access sets the compensation for Stephen Cooper, our CEO, pursuant to an arrangement between Mr. Cooper and Access, and we reimburse Access for any compensation paid to Mr. Cooper pursuant to the Management Agreement. Access also provides us with financial, investment banking, management, advisory and other services pursuant to the Management Agreement, for which we pay Access a specified annual fee, plus expenses, and a specified transaction fee for certain types of transactions completed by Holdings or one or more of its subsidiaries, plus expenses. Access also has the power to direct us to engage in strategic transactions, with or involving other companies in our industry, including acquisitions, combinations or dispositions, and the acquisition of certain assets that may become available for purchase, and any such transaction could be material. Any such transaction would carry the risks set forth above under "—If we acquire, combine with or invest in other businesses, we will face certain risks inherent in such transactions."

Additionally, Access is in the business of making investments in companies and is actively seeking to acquire interests in businesses that operate in our industry and may compete, directly or indirectly, with us. Access may also pursue acquisition opportunities that may be complementary to our business, which could have the effect of making such acquisition opportunities unavailable to us. Access could elect to cause us to enter into business combinations or other transactions with any business or businesses in our industry that Access may acquire or control, or we could become part of a group of companies organized under the ultimate common control of Access that may be operated in a manner different from the manner in which we have historically operated. Any such business combination transaction could require that we or such group of companies incur additional indebtedness, and could also require us or any acquired business to make divestitures of assets necessary or desirable to obtain regulatory approval for such transaction. The amounts of such additional indebtedness, and the size of any such divestitures, could be material. Access may also from time to time purchase outstanding debt securities that we issued, and could also subsequently sell any such debt securities. Any such purchase or sale may affect the value of, trading price or liquidity of our debt securities.

Finally, because neither we nor our parent company have any securities listed on a securities exchange, we are not subject to certain of the corporate governance requirements of any securities exchange, including any requirement to have any independent directors.

Evolving regulations concerning data privacy may result in increased regulation and different industry standards, which could increase the costs of operations or limit our activities.

We engage in a wide array of online activities and are thus subject to a broad range of related laws and regulations including, for example, those relating to privacy, consumer protection, data retention and data protection, online behavioral advertising, geo-location tracking, text messaging, e-mail advertising, mobile

advertising, content regulation, defamation, age verification, the protection of children online, social media and other Internet, mobile and online-related prohibitions and restrictions. The regulatory framework for privacy and data security issues worldwide has become increasingly burdensome and complex, and is likely to continue to be so for the foreseeable future. Practices regarding the collection, use, storage, transmission, security and disclosure of personal information by companies operating over the Internet and mobile platforms are receiving ever-increasing public scrutiny. The U.S. government, including Congress, the Federal Trade Commission and the Department of Commerce, has announced that it is reviewing the need for even greater regulation for the collection of information concerning consumer behavior on the Internet and mobile platforms, including regulation aimed at restricting certain targeted advertising practices, the use of location data and disclosures of privacy practices in the online and mobile environments, including with respect to online and mobile applications. State governments are engaged in similar legislative and regulatory activities. In addition, privacy and data security laws and regulations around the world are being implemented rapidly and evolving. These new and evolving laws are likely to result in greater compliance burdens for companies with global operations. Globally, many government and consumer agencies have also called for new regulation and changes in industry practices with respect to information collected from consumers.

In October 2012, one of our subsidiaries entered into a consent agreement to settle certain Federal Trade Commission charges that it violated the Children's Online Privacy Protection Act ("*COPPA*") by improperly collecting personal information from children under 13 without their parents' verifiable consent. While our subsidiary neither admitted nor denied the agency's allegations, the settlement imposed a $1 million civil penalty, barred future violations of COPPA, and required that our subsidiary delete information allegedly collected in violation of COPPA, among other requirements.

The Federal Trade Commission adopted certain revisions to its rule promulgated pursuant to COPPA, effective as of July 1, 2013, that may impose greater compliance burdens on us. COPPA imposes a number of obligations, such as obtaining verifiable parental permission, on operators of websites, apps and other online services to the extent they collect certain information from children who are under 13 years of age. The changes broaden the applicability of COPPA, including by expanding the definition of "personal information" subject to the rule's parental consent and other obligations.

In addition, our business, including our ability to operate and expand internationally, could be adversely affected if laws or regulations are adopted, interpreted, or implemented in a manner that is inconsistent with our current business practices and that require changes to these practices. Therefore, our business could be harmed by any significant change to applicable laws, regulations or industry practices regarding the collection, use or disclosure of customer data, or regarding the manner in which the express or implied consent of consumers for such collection, use and disclosure is obtained. Such changes may require us to modify our operations, possibly in a material manner, and may limit our ability to develop new products, services, mechanisms, platforms and features that make use of data regarding our customers and potential customers.

If we or our service providers do not maintain the security of information relating to our customers, employees and vendors and our music-based content, security information breaches through cyber security attacks or otherwise could damage our reputation with customers, employees, vendors and artists, and we could incur substantial additional costs, become subject to litigation and our results of operations and financial condition could be adversely affected. Moreover, even if we or our service providers maintain such security, such breaches remain a possibility due to the fact that no data security system is immune from attacks or other incidents.

We receive certain personal information about our customers and potential customers, and we also receive personal information concerning our employees, artists and vendors. In addition, our online operations depend upon the secure transmission of confidential information over public networks. We maintain security measures with respect to such information, but despite these measures, we may be vulnerable to security breaches by computer hackers and others that attempt to penetrate the security measures that we have in place. A compromise

of our security systems (through cyber-attacks or otherwise which are rapidly evolving and sophisticated) that results in personal information being obtained by unauthorized persons could adversely affect our reputation with our customers, potential customers, employees, artists and vendors, as well as our operations, results of operations, financial condition and liquidity, and could result in litigation against us or the imposition of governmental penalties. We may also be subject to cyber-attacks that target our music-based content, including not-yet-released songs or albums. The theft and premature release of this music-based content may adversely affect our reputation with current and potential artists and adversely impact our results of operations and financial condition. In addition, a security breach could require that we expend significant additional resources related to our information security systems and could result in a disruption of our operations.

We increasingly rely on third-party data storage providers, including cloud storage solution providers, resulting in less direct control over our data. Such third parties may also be vulnerable to security breaches and compromised security systems, which could adversely affect our reputation.

Risks Related to the Notes

Our substantial leverage on a consolidated basis could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our obligations under our indebtedness, including the notes.

We are highly leveraged. As of June 30, 2016, after giving effect to the Transactions, our total consolidated indebtedness would have been $2.818 billion. In addition, we would have been able to borrow up to $145 million under our Revolving Credit Facility as of June 30, 2016 (giving effect to approximately $5 million of letters of credit outstanding under Revolving Credit Facility as of June 30, 2016).

Our high degree of leverage could have important consequences for our investors. For example, it may:

- make it more difficult for us to make payments on our indebtedness, including the notes;
- increase our vulnerability to general economic and industry conditions, including recessions and periods of significant inflation and financial market volatility;
- expose us to the risk of increased interest rates because any borrowings we make under the revolving portion of our Senior Credit Facilities will bear interest at variable rates;
- require us to use a substantial portion of our cash flow from operations to service our indebtedness, thereby reducing our ability to fund working capital, capital expenditures and other expenses;
- limit our ability to refinance existing indebtedness on favorable terms or at all or borrow additional funds in the future for, among other things, working capital, acquisitions or debt service requirements;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- place us at a competitive disadvantage compared to competitors that have less indebtedness; and
- limit our ability to borrow additional funds that may be needed to operate and expand our business.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in the indentures governing the Existing Senior Secured Notes and the Existing Senior Notes (the "*Existing Notes Indentures*") and, upon issuance, the indenture governing the notes offered hereby as well as under the Senior Credit Facilities. If new indebtedness is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify.

The indenture that will govern the notes offered hereby, the Existing Notes Indentures and the credit agreements that govern the Senior Credit Facilities contain or will contain restrictive covenants that limit our

ability to engage in activities that may be in our long-term best interests. Those covenants include restrictions on our ability to, among other things, incur more indebtedness, pay dividends, redeem stock or make other distributions, make investments, create liens, transfer or sell assets, merge or consolidate and enter into certain transactions with our affiliates. Our failure to comply with those covenants could result in an event of default, which, if not cured or waived, could result in the acceleration of all of our indebtedness. See also "—Our debt agreements contain restrictions that limit our flexibility in operating our business."

Despite our indebtedness levels, we may be able to incur substantially more indebtedness which may increase the risks created by our substantial indebtedness.

We may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. The Existing Note Indentures do not and when the notes are issued, the indenture that will govern the notes offered hereby will not fully prohibit us or our subsidiaries from incurring additional indebtedness under certain circumstances. If we or our subsidiaries are in compliance with certain incurrence ratios set forth in such indentures, we or our subsidiaries may be able to incur substantial additional indebtedness, which may increase the risks created by our current substantial indebtedness.

Our ability to incur secured indebtedness, including the notes, is subject to compliance with certain secured leverage ratios that are calculated as of the date of incurrence. The amount of secured indebtedness that we are able to incur and the timing of any such incurrence under these ratios vary from time to time and are a function of several variables, including our outstanding indebtedness and our results of operations calculated as of specified dates or for certain periods. There can be no assurance that if we incur secured indebtedness in this offering in compliance with such ratios, we would be able to incur the same amount of or any secured indebtedness on any future date. See "Description of Certain Other Indebtedness—Senior Term Loan Facility," "Description of Certain Other Indebtedness—Revolving Credit Facility," "Description of Certain Other Indebtedness—Existing Senior Secured Notes," "Description of Certain Other Indebtedness—Existing Senior Notes" and "Description of Notes—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock."

Warner Music Group may not be able to generate sufficient cash to service all of its indebtedness, and may be forced to take other actions to satisfy its obligations under its indebtedness, which may not be successful.

Warner Music Group's ability to make scheduled payments on or to refinance its debt obligations depends on its financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. Warner Music Group may not maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on its indebtedness.

Warner Music Group will rely on its subsidiaries to make payments on its borrowings. If these subsidiaries do not dividend funds to Warner Music Group in an amount sufficient to make such payments, if necessary in the future, Warner Music Group may default under the Existing Notes Indentures, or the indenture that will govern the notes offered hereby, which would result in all such notes becoming due and payable.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

The Existing Notes Indentures, the credit agreements governing the Senior Credit Facilities contain and, when issued, the indenture governing the notes offered hereby contain or will contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability and the ability of our restricted subsidiaries to, among other things:

- incur additional debt or issue certain preferred shares;
- create liens on certain debt;

- pay dividends on or make distributions in respect of our capital stock or make investments or other restricted payments;
- sell certain assets;
- create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make certain other intercompany transfers;
- enter into certain transactions with our affiliates; and
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

In addition, the credit agreements governing the Senior Credit Facilities contain a number of covenants that limit our ability and the ability of our restricted subsidiaries to:

- pay dividends on, and redeem and purchase, equity interests;
- make other restricted payments;
- make prepayments on, redeem or repurchase certain debt;
- incur certain liens;
- make certain loans and investments;
- incur certain additional debt;
- enter into guarantees and hedging arrangements;
- enter into mergers, acquisitions and asset sales;
- enter into transactions with affiliates;
- change the business we and our subsidiaries conduct;
- restrict the ability of our subsidiaries to pay dividends or make distributions;
- amend the terms of subordinated debt and unsecured bonds; and
- make certain capital expenditures.

Our ability to borrow additional amounts under the revolving portion of the Senior Credit Facilities depends upon satisfaction of these covenants. Events beyond our control can affect our ability to meet these covenants. In addition, under the credit agreement governing the revolving portion of our Senior Credit Facilities, a financial maintenance covenant is applicable if more than $30 million is drawn at the end of a quarter.

Our failure to comply with obligations under the instruments governing our indebtedness may result in an event of default under such instruments. We cannot be certain that we will have funds available to remedy these defaults. A default, if not cured or waived, may permit acceleration of our indebtedness. If our indebtedness is accelerated, we cannot be certain that we will have sufficient funds available to pay the accelerated indebtedness or will have the ability to refinance the accelerated indebtedness on terms favorable to us or at all.

All of these restrictions could affect our ability to operate our business or may limit our ability to take advantage of potential business opportunities as they arise.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments in recording artists and songwriters, capital expenditures or dividends, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of

material assets or operations to meet our debt service and other obligations. The indentures governing our outstanding notes restrict our ability to dispose of assets and use the proceeds from dispositions. We may not be able to consummate those dispositions or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

Because each guarantor's liability under its guarantee of the notes may be reduced to zero, avoided or released under certain circumstances, holders of the notes may not receive any payments from some or all of the guarantors.

The guarantees of the notes provided by our subsidiary guarantors are limited to the maximum amount that the guarantors are permitted to guarantee under applicable law. As a result, a guarantor's liability under a guarantee could be reduced to zero depending on the amount of other obligations of such entity. Further, under certain circumstances, a court under applicable fraudulent conveyance and transfer statutes or other applicable laws could void the obligations under a guarantee or subordinate the guarantee to other obligations of the guarantor. See "—Federal and state fraudulent transfer laws may permit a court to void the notes and/or the guarantees of the notes, and if that occurs, you may not receive any payments on the notes." In addition, holders of the notes will lose the benefit of a particular guarantee if it is released under the circumstances described under "Description of Notes—Guarantees."

As a result, an entity's liability under its guarantee could be materially reduced or eliminated depending upon the amounts of its other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee issued by a company that is not in the company's corporate interests or where the burden of that guarantee exceeds the benefit to the company may not be valid and enforceable. It is possible that a creditor of an entity or the insolvency administrator in the case of an insolvency of an entity may contest the validity and enforceability of the guarantee and the applicable court may determine that the guarantee should be limited or voided. If any guarantees are deemed invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the guarantee apply, the notes would be effectively subordinated to all liabilities of the applicable guarantor, including trade payables of such guarantor.

If the guarantees under certain other indebtedness are released or terminated, those guarantors will be released from their guarantees of the notes.

If a subsidiary is no longer a guarantor of obligations under the Senior Credit Facilities or the notes, then the guarantee of the notes by such subsidiary will be released automatically without action by, or consent of, any holder of the notes or the trustee under the relevant indenture. See "Description of Notes—Guarantees." You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of holders of the notes.

We will require a significant amount of cash to service our indebtedness. The ability to generate cash or refinance indebtedness as it becomes due depends on many factors, some of which are beyond our control.

Our ability to make scheduled payments on, or to refinance our obligations under, our indebtedness, including the notes and to fund planned capital expenditures and other corporate expenses will depend on our future operating performance and on economic, financial, competitive, legislative and other factors and any legal and regulatory restrictions on the payment of distributions and dividends to which they may be subject. Many of these factors are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations, that currently anticipated cost savings and operating improvements will be realized or that future borrowings will be available to us in an amount sufficient to enable us to satisfy our obligations under our indebtedness or to fund our other needs. To satisfy our obligations under our indebtedness and to fund planned capital expenditures, we must continue to execute our business strategy. If we are unable to do so, we may need to reduce or delay our planned capital expenditures or refinance all or a portion of our indebtedness on or before

maturity. Significant delays in our planned capital expenditures may materially and adversely affect our future revenue prospects. In addition, we cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all. While limited by the terms of our debt agreements, if we were to pay dividends to our shareholders, the funds used to make such dividend payments would not be available to service our indebtedness.

If we or our subsidiaries default on our or their obligations to pay our or their indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness, including a default under the Senior Credit Facilities that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the notes and such other indebtedness when due and substantially decrease the market value of the notes and such other indebtedness.

If we or our subsidiaries are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants in the instruments governing our indebtedness (including covenants in the credit agreements governing the Senior Credit Facilities or the indentures governing our indebtedness, including the Existing Notes Indentures or the indenture that will govern the notes offered hereby), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the revolving portion of the Senior Credit Facilities could elect to terminate their commitments thereunder and cease making further loans, and holders of such indebtedness that is secured could institute foreclosure proceedings against our assets, which could further result in a cross-default or cross-acceleration of our debt issued under other instruments, and we could be forced into bankruptcy or liquidation. If amounts outstanding under the Senior Credit Facilities, the notes, our other indebtedness or other debt of our subsidiaries are accelerated, all our non-guarantor subsidiaries' debt and liabilities would be payable from our subsidiaries' assets, prior to any distributions of our subsidiaries' assets to pay interest and principal on the notes and our other indebtedness, and we might not be able to repay or make any payments on the notes and our other indebtedness.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of a change of control event specified in the Existing Notes Indentures, including the indenture that will govern the notes offered hereby, we will be required to offer to repurchase all our respective outstanding debt securities issued under such indentures (unless otherwise redeemed) at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. It is possible, however, that we would not have sufficient funds available at the time of the change of control to make the required repurchase of such indebtedness. We may be unable to repay all of that indebtedness or to obtain such consent. Any requirement to offer to repurchase outstanding debt securities may therefore require us to refinance our other outstanding debt, which we may not be able to do on commercially reasonable terms, if at all. A change of control may constitute an event of default under the Senior Credit Facilities. In addition, our failure to repurchase the notes, the Existing Senior Notes and the Existing Senior Secured Notes after a change of control in accordance with the terms of the applicable indenture would constitute an event of default under such indenture, which in turn would result in a default under the Senior Credit Facilities, resulting in the acceleration of the indebtedness represented by the notes and under the Senior Credit Facilities.

Certain corporate events may not trigger a change of control event, in which case we will not be required to redeem the notes.

The Existing Notes Indentures permit and the indenture that will govern the notes offered hereby will permit us to engage in certain important corporate events that would increase indebtedness or alter our business but

would not constitute a "Change of Control" as defined in the applicable indenture. If we effected a leveraged recapitalization or other such non-change of control transaction that resulted in an increase in indebtedness or fundamentally changed our business, our ability to make payments on the notes would be adversely affected. However, we would not be required to redeem the notes, and you might be required to continue to hold your notes, despite our decreased ability to meet our obligations under the notes.

The definition of Change of Control includes a disposition of "all or substantially all of our assets." Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "substantially all" of our assets. As a result, it may be unclear as to whether a Change of Control has occurred and whether the Issuer is required to make an offer to repurchase the notes.

Federal and state fraudulent transfer laws may permit a court to void the notes and/or the guarantees of the notes, and if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of the guarantees of the notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or the guarantees thereof could be voided as a fraudulent transfer or conveyance if we or any of the guarantors, as applicable, (a) issued the notes or incurred the guarantee with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantee and, in the case of (b) only, one of the following is also true at the time thereof:

- we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantee;
- the issuance of the notes or the incurrence of the guarantee left us or any of the guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on its business; or
- we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or such guarantor's ability to pay as they mature.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is satisfied. A court would likely find that we or any of the guarantors did not receive reasonably equivalent value or fair consideration for issuing the notes or incurring its guarantee to the extent we or such guarantor did not obtain a reasonably equivalent benefit from the issuance of the notes or the incurrence of such guarantee.

We cannot be certain as to the standards a court would use to determine whether or not we or any of the guarantors of the notes, were insolvent at the relevant time or, regardless of the standard that a court uses, whether the notes or the guarantees of the notes would be subordinated to our or any of such guarantors' other debt. In general, however, a court would deem an entity insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they became due.

If a court were to find that the issuance of the notes or the incurrence of a guarantee of the notes was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or that guarantee,

subordinate the notes of that guarantee to presently existing and future indebtedness of the applicable obligor or require the holders of the notes to repay any amounts received with respect to that guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, with respect to the notes or the guarantees thereof, you may not receive any repayment on the notes.

The Existing Notes Indentures contain, and the indenture that will govern the notes offered hereby will contain, a "savings clause" intended to limit each subsidiary guarantor's liability under its guarantee to the maximum amount that it could incur without causing the guarantee to be a fraudulent transfer under applicable law. There can be no assurance that this provision will be upheld as intended.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to us, or our parent companies or the notes, if any, could cause the liquidity or market value of the notes to decline and our cost of capital to increase.

The notes have been rated by nationally recognized rating agencies and may in the future be rated by additional rating agencies. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any downgrade, suspension or withdrawal of a rating by a rating agency (or any anticipated downgrade, suspension or withdrawal) could reduce the liquidity or market value of the notes.

Any future lowering of our ratings or the ratings of any of our parent companies, including Holdings, may make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the notes is subsequently lowered or withdrawn for any reason, you may lose some or all of the value of your investment.

Certain restrictive covenants in the instruments governing our indebtedness will not apply during any time that the securities issued thereunder achieve investment grade ratings.

Most of the restrictive covenants in the Existing Notes Indentures and the indenture that will govern the notes offered hereby will not apply during any time that the notes achieve investment grade ratings from Moody's Investment Service, Inc. and Standard & Poor's, and no default or event of default has occurred. If these restrictive covenants cease to apply, we may take actions, such as incurring additional debt or making certain dividends or distributions, which would otherwise be prohibited under such indenture. Ratings are given by these rating agencies based upon analyses that include many subjective factors. The investment grade ratings, if granted, may not reflect all of the factors that would be important to holders of the notes.

There are restrictions on your ability to transfer or resell the notes without registration under applicable debt securities laws.

We are offering the notes under exemptions from registration under the Securities Act and applicable state securities laws. The notes have not been registered under the Securities Act and, therefore, you may only offer or sell the notes pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws or pursuant to an effective registration statement. See "Transfer Restrictions."

There is no established trading market for the notes, which means there are uncertainties regarding the price and terms on which a holder could dispose of the notes, if at all.

The notes will constitute new issues of securities with no established trading market. We cannot assure you that an active trading market will develop for any of the notes. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all. Future trading prices of the notes will depend on

many factors, including, among other things, our ability to have the restrictive legend removed from the notes, prevailing interest rates, our operating results and the market for similar securities. The initial purchasers have informed us that they currently intend to make a market in the notes after this offering is completed; however, the initial purchasers are not obligated to do so, and they may cease their market-making at any time. We do not intend to list the dollar notes on any securities exchange. Although we will apply to list the euro notes on the Luxembourg Stock Exchange for trading on the Euro MTF market, we cannot assure you that a trading market for the notes will develop, or if a trading market does develop, that it will be maintained.

We cannot assure you that you will be able to sell your notes at a particular time or that the prices that you receive when you sell your notes will be favorable. We also cannot assure you as to the level of liquidity of the trading market for the notes if one develops. Future trading prices of the notes will depend on many factors, including:

- our operating performance and financial condition;
- the amount of indebtedness we have outstanding;
- prevailing interest rates;
- the interest of securities dealers in making a market and the number of available buyers; and
- the market for similar securities.

You should not purchase any of the notes unless you understand and know you can bear all of the investment risks involving the notes.

You may face currency exchange risks by investing in the notes.

The euro notes are denominated and payable in euros and the dollar notes are denominated and payable in dollars. If you measure your investment returns by reference to a currency other than the currency in which the notes are denominated, investment in such notes entails foreign currency exchange-related risks due to, among other factors, possible significant changes in the value of the dollar or the euro, as applicable, relative to the currency you use to measure your investment returns, caused by economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the dollar or euro, as applicable, against the currency in which you measure your investment returns would cause a decrease in the effective yield of the notes below their stated coupon rates and could result in a loss to you when the return on the notes is translated into the currency in which you measure your investment returns. There may be tax consequences for you as a result of any foreign currency exchange gains or losses resulting from your investment in the notes. See "U.S. Federal Income Tax Considerations." You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the notes.

Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the countries that utilize the euro as an official currency (the "Eurozone"), or the potential dissolution of the euro entirely, could adversely affect the value of the euro notes.

Concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual member states. These and other concerns could lead to the re-introduction of individual currencies in one or more member states, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the euro notes.

Risk Factors Related to the Collateral

We will in most cases have control over the collateral, and the sale of particular assets by us could reduce the pool of assets securing the notes and the related guarantees.

The collateral documents allow us to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the collateral securing the notes and the related guarantees.

In addition, we will not be required to comply with all or any portion of Section 314(d) of the Trust Indenture Act of 1939 (the "*Trust Indenture Act*") if we do not qualify the Existing Notes Indentures under the Securities Act. Because we intend to remove the restrictive legends on the notes, and provide an unrestricted CUSIP number for the notes, it is likely that we do not file a registration statement relating to the notes and thus likely that we do not so qualify the Existing Notes Indentures. Section 314(d) would otherwise have required certain appraisal and valuation actions in connection with certain releases of collateral under the security arrangements. See "Description of Notes."

There may not be sufficient collateral to pay all or any of the notes.

No appraisal of the value of the collateral has been made in connection with the offering of the notes and the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. The fair value of the collateral securing the notes is subject to fluctuations based on factors that include, among other things, the condition of our industry, the ability to sell the collateral in an orderly sale, general economic conditions, the availability of buyers and other factors. The amount to be received upon a sale of the collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the collateral at such time and the timing and the manner of the sale. By its nature, portions of the collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the collateral can be sold in a short period of time or in an orderly manner. In the event of a foreclosure, liquidation, reorganization, bankruptcy or other insolvency proceeding, we cannot assure you that the proceeds from any sale or liquidation of the collateral will be sufficient to pay our obligations under the notes. In addition, in the event of any such proceeding, the ability of the holders of the notes to realize upon any of the collateral may be subject to bankruptcy and insolvency law limitations.

The notes are secured on an equal and ratable basis with all of our existing and future indebtedness secured pursuant to the same security arrangements and future indebtedness under the Senior Credit Facilities. As a result, upon any distribution to our creditors, foreclosure, liquidation, reorganization, bankruptcy or other insolvency proceedings, or following acceleration of our indebtedness or an event of default under our indebtedness, the holders of the notes, the holders of the Existing Senior Secured Notes and lenders under the Senior Credit Facilities will be entitled to be repaid on an equal and ratable priority basis from the proceeds of collateral.

In addition, the security interest of the collateral agent for the notes, will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the collateral agent may need to obtain the consent of a third party to obtain or enforce a security interest in a contract. We cannot assure you that the collateral agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Also, certain items included in the collateral securing the notes, such as licenses and other permits, may not be transferable (by their terms or pursuant to applicable law) and therefore the collateral agent may not be able to realize value from such items in the event of a foreclosure. Accordingly, the collateral agent, as collateral agent for the notes, may not have the ability to foreclose upon those assets and the value of the collateral securing the notes may significantly decrease.

There are circumstances other than repayment or discharge of the notes under which the collateral securing the notes and related guarantees will be released automatically, without the consent of the holders of the notes or the trustee.

Under various circumstances, collateral securing the notes will be released automatically, including:

- a sale, transfer or other disposal of such collateral in a transaction not prohibited under the Existing Notes Indentures or the credit agreements governing the Senior Credit Facilities;
- with respect to collateral held by a guarantor, upon the release of such guarantor from its guarantee; and
- with respect to collateral that is capital stock, upon the dissolution of the issuer of such capital stock in accordance with the Existing Notes Indentures.

In addition, the guarantee of a subsidiary guarantor will be automatically released in connection with a sale of such subsidiary guarantor in a transaction not prohibited by the Existing Notes Indentures.

The Existing Notes Indentures will also permit us to designate one or more of our restricted subsidiaries that is a guarantor of the notes as an unrestricted subsidiary. If we designate a subsidiary guarantor as an unrestricted subsidiary for purposes of the Existing Notes Indentures, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the notes by such subsidiary or any of its subsidiaries will be released under the Existing Notes Indentures. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the unrestricted subsidiary and its subsidiaries will have a senior claim on the assets of such unrestricted subsidiary and its subsidiaries. See "Description of Notes."

The security agreement in respect of the collateral securing the notes limits the ability of the trustee for the notes to take or direct enforcement actions with respect to such collateral.

The security agreement in respect of the collateral securing the notes provides that only the "Applicable Authorized Representative" has the right to direct foreclosures and take other actions with respect to the collateral, including directing its release, and the representatives of other series of obligations secured pursuant to the security agreement have no right to take actions with respect to the collateral. See "Description of Notes—Collateral and Intercreditor Arrangements—Intercreditor Provisions."

Certain categories of assets will be excluded from the collateral securing the notes and the related guarantees. Excluded assets will include the assets of our non-guarantor subsidiaries and equity investees, certain capital stock of our subsidiaries and equity investees and certain properties and motor vehicles. If an event of default occurs and the notes are accelerated, the notes and the related guarantees will rank equally with the holders of other unsubordinated and unsecured indebtedness of the relevant entity with respect to such excluded property.

The rights of holders of the notes in the collateral may be adversely affected by the failure to perfect security interests in certain collateral in the future.

Applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at the time such property and rights are acquired and identified. The security agreement in respect of the collateral securing the notes does not require us to take certain actions to perfect the security interests granted thereunder including entering into any control agreements. In addition, the trustee and collateral agent may not monitor, or we may not inform the trustee and collateral agent of, the future acquisition of property and rights that constitute collateral, and necessary action may not be taken to properly perfect the security interest in such after-acquired collateral. The collateral agent for the notes will have no obligation to monitor the acquisition of additional

property or rights that constitute collateral or the perfection of any security interest in favor of the notes against third parties. Such failure may result in the loss of the security interest therein or the priority of the security interest in favor of the notes against third parties.

Delivery of security interests in collateral after the issue date of the notes increases the risk that the security interests in respect of such collateral could be avoidable in bankruptcy.

The delivery of security interests in certain collateral, including after-acquired property, is expected to be made after the issue date of the notes. If the grantor of any such security interest were to become subject to a bankruptcy proceeding, any mortgage or security interest in collateral delivered by such grantor after the issue date of the notes would face a greater risk than security interests in place on the issue date of being voidable as a preference under bankruptcy law by the pledgor (as debtor in possession) or by its trustee in bankruptcy or other third parties, if certain events or circumstances exist or occur, including if the pledge is deemed a fraudulent conveyance or the person pledging or granting such security interest is insolvent at the time of the pledge or grant of the security interest, if the pledge or security interest permits the holders of the notes to receive a greater recovery than if the security interest had not been pledged or granted and a bankruptcy proceeding in respect of the grantor is commenced within 90 days following the pledge or grant, or, in certain circumstances, a longer period. To the extent that any such grant or pledge is avoided as a preference, you would lose the benefit of the security interest in the applicable collateral.

The collateral is subject to casualty risks.

We intend to maintain insurance or otherwise insure against hazards in a manner appropriate and customary for our business. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any of the pledged collateral, the insurance proceeds may not be sufficient to satisfy all of the secured obligations, including the notes and the related guarantees.

State law may limit the ability of the trustee and the holders of the notes to foreclose on real property and improvements included in the collateral.

The notes will be secured by, among other things, liens on real property and related improvements located in various states. State laws may limit the ability of the collateral agent to foreclose on the improved real property collateral located therein. State laws govern the perfection, enforceability and foreclosure of mortgage liens against real property which secure debt obligations such as the notes. These laws may impose procedural requirements for foreclosure that differ from, and may necessitate a longer time period for completion than, the requirements for foreclosure of security interests in personal property. Debtors may have the right to reinstate defaulted debt (even if it has been accelerated) before the foreclosure date by paying the past due amounts, and a right of redemption after foreclosure. The laws of certain states may also impose "security first" or "single action" rules, which limit the type or number of judicial remedies that a creditor may seek in respect of defaults on mortgaged property, and which might affect the ability to foreclose or the timing of foreclosure on real and personal property collateral regardless of the location of the collateral and limit the right to recover any deficiency following a foreclosure.

The holders of the notes and the trustee, as collateral agent for the notes, may also be limited in their ability to seek remedies in the event of a breach of the covenant described under "Description of Notes—Limitation on Liens." Judicial decisions in some jurisdictions have placed limits on a lender's ability to accelerate debt as a result of a breach of similar covenants. Under these decisions, a lender seeking to accelerate debt secured by real property upon breach of covenants prohibiting the creation of certain junior liens may be required to demonstrate that enforcement is reasonably necessary to protect against impairment of the lender's security or to protect against an increased risk of default. Although federal law may preempt, in whole or in part, certain of these decisions, the scope of such preemption, if any, is uncertain. Accordingly, courts in certain jurisdictions could

prevent the collateral agent from exercising all the remedies available to it pursuant to the Existing Notes Indentures upon a breach of this covenant, which could have a material adverse effect on the ability of holders to enforce the covenant.

In the event of our bankruptcy, the ability of the holders of the notes to realize upon the collateral will be subject to certain bankruptcy law and other limitations.

The ability of holders of the notes to realize upon the collateral will be subject to certain bankruptcy law limitations in the event of our bankruptcy. Under applicable U.S. federal bankruptcy laws, secured creditors are prohibited from repossessing their security from a debtor in a bankruptcy case without bankruptcy court approval and may be prohibited from disposing of security repossessed from such a debtor without bankruptcy court approval. Moreover, applicable federal bankruptcy laws generally permit the debtor to continue to retain collateral, including cash collateral, even though the debtor is in default under the applicable debt instruments, *provided* that the secured creditor is given "adequate protection."

The meaning of the term "adequate protection" may vary according to the circumstances, but is intended generally to protect the value of the secured creditor's interest in the collateral with the commencement of the bankruptcy case and may include cash payments or the granting of additional security if and at such times as the court, in its discretion, determines that a diminution in the value of the collateral occurs as a result of the stay of repossession or the disposition of the collateral during the pendency of the bankruptcy case. In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary powers of a U.S. bankruptcy court, we cannot predict whether or when the collateral agent for the notes could foreclose upon or sell the collateral or whether or to what extent holders of notes would be compensated for any delay in payment or loss of value of the collateral through the requirement of "adequate protection."

Moreover, the collateral agent may need to evaluate the impact of the potential liabilities before determining to foreclose on collateral consisting of real property, if any, because secured creditors that hold a security interest in real property may be held liable under environmental laws for the costs of remediating or preventing the release or threatened releases of hazardous substances at such real property. Consequently, the collateral agent may decline to foreclose on such collateral or exercise remedies available in respect thereof if it does not receive indemnification to its satisfaction from the holders of the notes.

USE OF PROCEEDS

Gross proceeds from the sale of the notes offered hereby are expected to be approximately $630,000,000.

The following table illustrates the estimated sources and uses of the funds relating to the Transactions, as if the Transactions had occurred on June 30, 2016. Actual amounts are subject to adjustments and may vary at the time of the consummation of the Transactions.

We intend to use the net proceeds of the offering of the notes, together with available cash, to repurchase, redeem or discharge the Tender Offer Notes accepted for payment in the Tender Offers or redeemed by Warner Music Group pursuant to the Notices of Redemption and to pay related premiums, fees and expenses.

Sources	
($ in millions)	
Cash(1)	$ 40
Senior Secured Notes offered hereby(2)	630
Total sources of funds	$670

Uses	
($ in millions)	
Repayment, redemption or discharge of Tender Offer Notes(3)	$625
Tender premium and accrued interest, fees and expenses(4)	45
Total uses of funds	670

(1) Reflects available cash that will be used to repurchase, redeem or discharge a portion of the Tender Offer Notes and pay related premiums, fees and expenses associated with each of the Transactions.

(2) Reflects the aggregate principal amount of dollar notes and the equivalent in U.S. dollars of the aggregate principal amount of euro notes offered hereby that will be used to repurchase, redeem or discharge the Tender Offer Notes and pay related premiums, fees and expenses associated with each of the Transactions described above.

(3) Reflects the repayment, redemption or discharge of the equivalent in U.S. dollars of the €157.5 million in aggregate principal amount of the Existing Euro Notes and $450 million in aggregate principal amount of the Existing Dollar Notes.

(4) Reflects the estimated fees and expenses associated with the offering of the notes and the Tender Offers.

CAPITALIZATION

The following table sets forth cash and cash equivalents and capitalization of Warner Music Group:

- as of June 30, 2016, on an actual basis;
- as adjusted to give effect to the redemption of the Holdings Notes and the issuance of the 5.000% Notes (and the application of the proceeds therefrom) as if they had been completed on June 30, 2016; and
- pro forma as adjusted to give effect to the Transactions, the redemption of the Holdings Notes and the issuance of the 5.000% Notes as if they had been completed on June 30, 2016.

The total capitalization of Warner Music Group is substantially similar to that of Parent. The primary difference between the two was the $100 million in aggregate principal amount of 13.75% Senior Notes due 2019 of Holdings that was reflected in Parent's total debt, which were redeemed in full on July 1, 2016. See "Recent Developments—Redemption of Holdings Notes." Debt amounts presented in the table below reflect the aggregate outstanding principal amounts.

After giving effect to the Transactions, actual amounts may vary from the estimated as adjusted amounts depending on several factors, including differences from our estimate of fees and expenses. We intend to use the net proceeds of this offering, together with available cash, to repurchase, redeem or discharge the Tender Offer Notes and to pay certain other related fees and expenses. See "Use of Proceeds."

This table should be read in conjunction with "Use of Proceeds," "Risk Factors," and "Offering Circular Summary—The Refinancing Transactions" sections in this offering circular and the interim unaudited financial statements of Parent as of June 30, 2016 and for the three months periods ended June 30, 2016 and 2015, incorporated by reference into this offering circular. See "Supplementary Information—Consolidating Financial Statements" included in Parent's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, incorporated by reference herein.

	As of June 30, 2016		
	Actual	As Adjusted	Pro Forma As Adjusted
		($ in millions)	
Cash and cash equivalents(1)	$ 345	$ 235	$ 195
Debt			
Revolving Credit Facility(2)	$ —	$ —	$ —
Term Loan Facility	1,273	979	979
Notes offered hereby(3)	—	—	630
6.000% Senior Secured Notes due 2021	450	450	—
6.250% Senior Secured Notes due 2021(4)	175	175	—
5.625% Senior Secured Notes due 2022	275	275	275
5.000% Senior Secured Notes due 2023	—	300	300
6.750% Senior Notes due 2022	635	635	635
Total debt	2,808	2,814	2,819
Equity(5)	1,128	1,128	1,128
Total capitalization	$3,936	$3,942	$3,947

(1) As of June 30, 2016, Parent had a cash and cash equivalents balance of $345 million. As of October 6, 2016, we had a cash and cash equivalents balance of approximately $347 million. As adjusted cash and cash equivalents reflects payment of a dividend of approximately $110 million to Holdings for redemption of the Holdings Notes. Cash and cash equivalents do not reflect approximately $40 million used to pay interest since June 30, 2016.

(2) Reflects $150 million of commitments under our Revolving Credit Facility, less letters of credit outstanding of approximately $5 million as of June 30, 2016. As of October 1, 2016, we had no outstanding revolver balance.
(3) Reflects the aggregate principal amount of dollar notes and the equivalent in U.S. dollars of the aggregate principal amount of euro notes offered hereby.
(4) Reflects the equivalent in U.S. dollars at June 30, 2016 of the €157.5 million aggregate outstanding principal amount of such notes.
(5) Represents additional paid-in capital.

BUSINESS

Our Company

We are one of the world's major music-based content companies. Our company is composed of two businesses: Recorded Music and Music Publishing. We believe we are the world's third-largest recorded music company and also the world's third-largest music publishing company. We are a global company, generating over half of our revenues in more than 50 countries outside of the United States. We generated revenues of $3.155 billion during the twelve-month period ended June 30, 2016.

Our Recorded Music business produces revenue primarily through the marketing, sale and licensing of recorded music in various physical (such as CDs, LPs and DVDs) and digital (such as downloads and streaming) formats. We have one of the world's largest and most diverse recorded music catalogs, including 15 of the 50 best-selling albums of all time in the U.S. as of September 23, 2016. Our Recorded Music business also benefits from additional revenue streams associated with artists, including merchandising, fan clubs, sponsorships, concert promotions and artist management, among other areas. We often refer to these rights as "artist services and expanded-rights" and to the recording agreements which provide us with participations in such rights as "expanded-rights deals" or "360° deals." Prior to intersegment eliminations, our Recorded Music business generated revenues of $2.669 billion during the twelve-month period ended June 30, 2016.

Our Music Publishing business owns and acquires rights to musical compositions, exploits and markets these compositions and receives royalties or fees for their use. We publish music across a broad range of musical styles and hold rights in over one million copyrights from over 65,000 songwriters and composers. Prior to intersegment eliminations, our Music Publishing business generated revenues of $500 million during the twelve-month period ended June 30, 2016.

Recorded Music Operations

Our Recorded Music business primarily consists of the discovery and development of artists and the related marketing, distribution and licensing of recorded music produced by such artists. In the fiscal year ended September 30, 2015, 2014 and 2013, our Recorded Music business generated 84%, 83% and 83%, respectively, of consolidated revenues, before intersegment eliminations. Recorded Music represented 85% of revenue contribution for the twelve month period ended June 30, 2016 and had an OIBDA margin of 17%. We play an integral role in virtually all aspects of the recorded music value chain from discovering and developing talent to producing albums and promoting artists and their products.

In the United States, our Recorded Music operations are conducted principally through our major record labels—Warner Bros. Records and Atlantic Records. Our Recorded Music operations also include Rhino, a division that specializes in marketing our music catalog through compilations and reissuances of previously released music and video titles. We also conduct our Recorded Music operations through a collection of additional record labels, including, Asylum, Big Beat, Canvasback, Eastwest, Elektra, Erato, FFRR, Fueled by Ramen, Nonesuch, Parlophone, Reprise, Roadrunner, Sire, Warner Classics and Warner Music Nashville.

Outside the United States, our Recorded Music activities are conducted in more than 50 countries through various subsidiaries, affiliates and non-affiliated licensees. Internationally, we engage in the same activities as in the United States: discovering and signing artists and distributing, marketing and selling their recorded music. In most cases, we also market and distribute the records of those artists for whom our domestic record labels have international rights. In certain smaller markets, we license the right to distribute our records to non-affiliated third-party record labels. Our international artist services operations include a network of concert promoters through which we provide resources to coordinate tours for our artists and other artists as well as management companies that guide artists with respect to their careers.

Our Recorded Music distribution operations include Warner-Elektra-Atlantic Corporation ("*WEA Corp.*"), which markets and sells music and video products to retailers and wholesale distributors; and Alternative Distribution Alliance ("*ADA*"), which distributes the products of independent labels to retail and wholesale distributors; various distribution centers and ventures operated internationally.

In addition to our Recorded Music products being sold in physical retail outlets, our Recorded Music products are also sold in physical form to online physical retailers such as Amazon.com, barnesandnoble.com and bestbuy.com and in digital form to digital download services such as Apple's iTunes and Google Play, and are offered by digital streaming services such as Apple Music, Deezer, Rhapsody, Spotify and YouTube, including digital radio services such as iTunes Radio, iHeart Radio, Pandora and Sirius XM.

We have integrated the exploitation of digital content into all aspects of our business, including A&R, marketing, promotion and distribution. Our business development executives work closely with A&R departments to ensure that while a record is being produced, digital assets are also created with all distribution channels in mind, including streaming services, social networking sites, online portals and music-centered destinations. We also work side-by-side with our online and mobile partners to test new concepts. We believe existing and new digital businesses will be a significant source of growth and will provide new opportunities to successfully monetize our assets and create new revenue streams. The proportion of digital revenues attributed to each distribution channel varies by region and proportions may change as the roll out of new technologies continues. As an owner of music content, we believe we are well positioned to take advantage of growth in digital distribution and emerging technologies to maximize the value of our assets.

We have diversified our revenues beyond our traditional businesses by entering into expanded-rights deals with recording artists in order to partner with artists in other aspects of their careers. Under these agreements, we provide services to and participate in artists' activities outside the traditional recorded music business such as touring, merchandising and sponsorships. We have built artist services capabilities and platforms for exploiting this broader set of music-related rights and participating more widely in the monetization of the artist brands we help create.

We believe that entering into expanded-rights deals and enhancing our artist services capabilities in areas such as concert promotion and management has permitted us to diversify revenue streams and capitalize on other revenue opportunities. This provides for improved long-term relationships with artists and allows us to more effectively connect artists and fans.

A&R

We have a decades-long history of identifying and contracting with recording artists who become commercially successful. Our ability to select artists who are likely to be successful is a key element of our Recorded Music business strategy and spans all music genres and all major geographies and includes artists who achieve national, regional and international success. We believe that this success is directly attributable to our experienced global team of A&R executives, to the longstanding reputation and relationships that we have developed in the artistic community and to our effective management of this vital business function.

In the United States, our major record labels identify potentially successful recording artists, sign them to recording agreements, collaborate with them to develop recordings of their work and market and sell these finished recordings to retail stores and legitimate digital channels. Increasingly, we are also expanding our participation in image and brand rights associated with artists, including merchandising, sponsorships, touring and artist management. Our labels scout and sign talent across all major music genres, including pop, rock, jazz, classical, country, R&B, hip-hop, rap, reggae, Latin, alternative, folk, blues, gospel and other Christian music. Internationally, we market and sell U.S. and local repertoire through our network of affiliates and licensees in more than 50 countries. With a roster of local artists performing in various local languages throughout the world, we have an ongoing commitment to developing local talent aimed at achieving national, regional or international success.

Many of our recording artists continue to appeal to audiences long after we cease to release their new recordings. We have an efficient process for sustaining sales across our catalog releases. Relative to our new releases, we spend comparatively small amounts on marketing for our catalog.

We maximize the value of our catalog of recorded music through our Rhino business unit and through activities of each of our record labels. We use our catalog as a source of material for re-releases, compilations, box sets and special package releases, which provide consumers with incremental exposure to familiar songs and artists.

Music Publishing Operations

While recorded music is focused on exploiting a particular recording of a composition, music publishing is an intellectual property business focused on the exploitation of the composition itself. In return for promoting, placing, marketing and administering the creative output of a songwriter, or engaging in those activities for other rightsholders, our Music Publishing business garners a share of the revenues generated from use of the composition.

Our Music Publishing operations are conducted principally through Warner/Chappell, our global music publishing company headquartered in Los Angeles with operations in over 50 countries through various subsidiaries, affiliates and non-affiliated licensees. We own or control rights to more than one million musical compositions, including numerous pop hits, American standards, folk songs and motion picture and theatrical compositions. Assembled over decades, our award-winning catalog includes over 65,000 songwriters and composers and a diverse range of genres including pop, rock, jazz, classical, country, R&B, hip-hop, rap, reggae, Latin, folk, blues, symphonic, soul, Broadway, techno, alternative, gospel and other Christian music. Warner/Chappell also administers the music and soundtracks of several third-party television and film producers and studios, including Lucasfilm, Ltd., Hallmark Entertainment and Disney Music Publishing. Through consistent and tactical talent investment, Warner/Chappell has developed a broad array of talent across all genres, resulting in Warner/Chappell being awarded ASCAP's Top Publisher of the Year for Latin Music in 2015, to add to the successes of Top Publisher in each of Pop, Country and Urban categories in 2014. We have an extensive production music library collectively branded as Warner/Chappell Production Music.

Warner/Chappell, as a copyright owner and/or administrator of copyrighted musical compositions, is entitled to receive royalties for the exploitation of musical compositions. We continually add new musical compositions to our catalog, and seek to acquire rights in songs that will generate substantial revenue over long periods of time.

Music publishers generally receive royalties pursuant to mechanical, public performance, synchronization and other licenses. In the United States, music publishers collect and administer mechanical royalties, and statutory rates are established by the U.S. Copyright Act of 1976, as amended, for the royalty rates applicable to musical compositions for sales of recordings embodying those musical compositions. In the United States, public performance royalties are typically administered and collected by performing rights organizations and in most countries outside the United States, collection, administration and allocation of both mechanical and performance income are undertaken and regulated by governmental or quasi-governmental authorities. Throughout the world, each synchronization license is generally subject to negotiation with a prospective licensee and, by contract, music publishers pay a contractually required percentage of synchronization income to the songwriters or their heirs and to any co-publishers.

Warner/Chappell acquires copyrights or portions of copyrights and/or administration rights from songwriters or other third-party holders of rights in compositions. Typically, in either case, the grantor of rights retains a right to receive a percentage of revenues collected by Warner/Chappell. As an owner and/or administrator of compositions, we promote the use of those compositions by others. For example, we encourage recording artists to record and include our songs on their albums, offer opportunities to include our compositions

in filmed entertainment, advertisements and digital media and advocate for the use of our compositions in live stage productions. Examples of music uses that generate publishing revenues include:

Performance:	Performance of the song to the general public
	• Broadcast of music on television, radio and cable
	• Live performance at a concert or other venue *(e.g.*, arena concerts, nightclubs)
	• Broadcast of music at sporting events, restaurants or bars
	• Performance of music in staged theatrical productions
Mechanical:	Physical recordings such as CDs, Vinyl, LPs, and DVDs
	• Sale of recorded music in various physical formats
Synchronization:	Use of the song in combination with visual images
	• Films or television programs
	• Television commercials
	• Videogames
	• Merchandising, toys or novelty items
Digital:	Sale of recorded music in various digital formats
	• Digital recordings such as digital downloads and streaming services
Other:	Licensing of copyrights for use in printed sheet music

MANAGEMENT

The following table sets forth information as to members of senior management and board of directors of Parent as of the date of this offering circular. The respective age of each individual in the table below is as of October 1, 2016.

Name	Age	Position
Stephen Cooper	69	CEO and Director*
Jon Platt	51	Chairman and CEO, Warner/Chappell Music
Cameron Strang	49	Chairman and CEO, Warner Bros. Records, and Director
Eric Levin	53	Executive Vice President and Chief Financial Officer
Maria Osherova	51	Executive Vice President, Human Resources
Paul M. Robinson	58	Executive Vice President and General Counsel and Secretary
Stu Bergen	49	CEO, International and Global Commercial Services, Warner Recorded Music
James Steven	39	Executive Vice President, Communications and Marketing
Len Blavatnik	59	Vice Chairman of the Board
Lincoln Benet	53	Director*
Alex Blavatnik	52	Director*
Mathias Dopfner	53	Director
Ynon Kreiz	51	Director
Thomas H. Lee	72	Director
Jorg Mohaupt	49	Director
Oliver Slipper	40	Director
Donald A. Wagner	53	Director*

* Also serves as a member of the board of directors of the Issuer.

Executive Officers

Our executive officers are appointed by, and serve at the discretion of, the Board of Directors. Each executive officer is an employee of Warner Music Group or one of its subsidiaries. The following information provides a brief description of the business experience of each of our executive officers and directors.

Stephen Cooper has served as a director of Parent since July 20, 2011 and as our CEO since August 18, 2011. Mr. Cooper also currently serves as director of the Issuer. Previously, Mr. Cooper was Parent's Chairman of the Board from July 20, 2011 to August 18, 2011. Mr. Cooper is a member of the Supervisory Board of Directors for LyondellBasell, one of the world's largest olefins, polyolefins, chemicals and refining companies. He has more than 30 years of experience as a financial advisor, and has served as Vice Chairman and member of the office of Chief Executive Officer of Metro-Goldwyn-Mayer, Inc.; Chief Executive Officer of Hawaiian Telcom; Executive Chairman of Blue Bird Corporation; Chairman of the Board of Collins & Aikman Corporation; Chief Executive Officer of Krispy Kreme Doughnuts; and Chief Executive Officer and Chief Restructuring Officer of Enron Corporation. Mr. Cooper also served on the Board of Directors as Vice Chairman and served as the Chairman of the Restructuring Committee of LyondellBasell Industries AF S.C.A. Mr. Cooper is also the Managing Partner of Cooper Investment Partners, a private equity firm.

Jon Platt has served as Chairman and CEO of Warner/Chappell Music since May 2016. Mr. Platt served as CEO of Warner/Chappell Music from November 1, 2015 through May 2016. Mr. Platt joined Warner/Chappell in September 2012 as President, Creative—North America and was promoted to President, North America in December 2013. During his tenure, he has overseen the strengthening of Warner/Chappell's A&R activities in North America, while expanding opportunities for the company's diverse roster of songwriters. Among his notable achievements, Mr. Platt received the SESAC "Visionary Award" this past May, was listed on the 2015

Billboard Power 100 list, and was lauded as BRE Magazine's "Man of the Year." Before joining Warner/Chappell, Mr. Platt spent 17 years at EMI, where artists/songwriters he signed at the outset of their careers included JAY Z, Kanye West, Usher, Drake, Ludacris, Mary Mary, Young Jeezy, Fabolous and Snoop Dogg. Mr. Platt also signed Beyonce and negotiated deals for Pharrell Williams and Sean "Puffy" Combs. Mr. Platt has also served as Vice Chairman of the Board of Directors for the MusiCares Foundation, and sits on the Board of the Living Legends Foundation. Mr. Platt was the first music publisher to be featured in Source magazine's annual Power 30 issue, and was named 2011 Music Visionary of the Year by the UJA-Federation of New York. Mr. Platt has also consulted for EMI Records, LaFace Records, Island Records and Atlantic Records. Mr. Platt began his career in the music business as a DJ in his native Denver, before moving to Los Angeles to manage producers.

Cameron Strang has served as a director since July 20, 2011 and as Chairman and CEO, Warner Bros. Records ("*WBR*") since November 2012. In addition, Mr. Strang served as Chairman of Warner/Chappell Music ("*WCM*") from July 1, 2011 through May 2016. Until November 1, 2015, Mr. Strang also served as CEO of WCM. As a result of his transition from WCM, Mr. Strang will focus on WBR. Previously, Mr. Strang was the founder of New West Records and of Southside Independent Music Publishing, which was acquired by Warner/Chappell in 2010. Prior to being acquired by Warner/Chappell, Southside was a leading independent music publishing company with a reputation for discovering and developing numerous talented writers, producers and artists across a wide range of genres. Southside was founded with the signing of J.R. Rotem and, in just six years, built a roster that included Elektra Records' recording artist, Bruno Mars; producer, Brody Brown; Nashville-based writers, Ashley Gorley and Blair Daly; Christian music star, Matthew West; and Kings of Leon. Mr. Strang also co-founded DMZ Records, a joint venture record label. Mr. Strang holds a bachelor of commerce degree from the University of British Columbia and a J.D. from British Columbia Law School.

Eric Levin has served as our Executive Vice President and Chief Financial Officer since October 13, 2014. From October 2012 to June 2014, he served as the financial director of Ecolab (China) Investment Co. Ltd, a multinational technology and manufacturing group in China, from October 2012 to June 2014. From May 1988 to December 2001, he worked in various financial functions at Home Box Office, Inc., a subsidiary of Time Warner, and was promoted to CFO from January 2000 to December 2001. Thereafter and until 2011, he served in various operational and financial roles in companies in the media and publishing industry. From 2004 to 2007, he was the Co-Founder and CEO of City on Demand, LLC, a television production company. From 2009 to 2011, Mr. Levin was CFO at SCMP Group Limited, a company listed on the Hong Kong Stock Exchange, which is a leading Asia media holding company, and joined the board of The Post Publishing Public Company Limited, a company listed on the Stock Exchange of Thailand, which publishes newspapers and magazines. Mr. Levin obtained a B.S. in Electrical Engineering from the University of Pennsylvania in May 1984 and an M.B.A. in finance and economics from the University of Chicago Graduate School of Business in March 1988.

Maria Osherova has served as our Executive Vice President, Human Resources since July 29, 2014. Ms. Osherova joined Warner Music Group in 2006 as Vice President, Human Resources for Warner Music International, based in London. Advancing to Senior Vice President of Warner Music International, she played a pivotal role in the successful integration of Parlophone Label Group within Warner Music Group. Prior to joining Warner Music Group, Ms. Osherova was Global HR Manager for a division of Shell International Petroleum, where she headed a department responsible for employees in over 120 countries. She previously held several posts at The Coca-Cola Company, based variously in Copenhagen, Oslo, and St. Petersburg. Osherova studied at St. Petersburg State Technical University, where she was awarded a Master of Sciences degree.

Paul M. Robinson has served as our Executive Vice President and General Counsel and Secretary since December 2006. Mr. Robinson joined Warner Music Group's legal department in 1995. From 1995 to December 2006, Mr. Robinson held various positions with Warner Music Group, including Acting General Counsel and Senior Vice President, Deputy General Counsel. Before joining Warner Music Group, Mr. Robinson was a partner in the New York City law firm Mayer, Katz, Baker, Leibowitz & Roberts. Mr. Robinson has a B.A. in English from Williams College and a J.D. from Fordham University School of Law.

Stu Bergen has served as our President, International, Recorded Music since June 2013. He is responsible for our global Recorded Music business outside of the U.S. and U.K. markets. In addition, since March 2015, he oversees WEA Corp., the company's global distribution and artists and label services arm, as well as ADA, which provides worldwide services to independent labels and artists. On December 1, 2015, he was named CEO, International and Global Commercial Services, Warner Recorded Music. Mr. Bergen, who joined Warner Music Group in 2006, was previously Executive Vice President, International & Head of Global Marketing. Prior to Warner Music Group, Mr. Bergen held posts at several major record labels, including serving as Executive Vice President of Rock Music for Columbia Records, Executive Vice President of Island Records, and Vice President of Promotion for Epic Records. Mr. Bergen began his music industry career in 1988 at TVT Records, following which he became Director Promotion at Relativity Records. Mr. Bergen holds a B.A. degree from Princeton University.

James Steven has served as Executive Vice President, Communications and Marketing since January 1, 2015. He is responsible for our worldwide communications and corporate marketing functions, including external and internal communications, investor relations, social responsibility and special events. He also oversees the interaction and coordination of the communications functions of our operating companies. Mr. Steven joined the company in 2007 as part of the company's international communications team based in London. He relocated to New York in 2012, becoming Senior Vice President, Communications and Marketing. Prior to Warner Music Group, Mr. Steven held various roles at public relations and marketing agencies, including Cow PR and Consolidated PR, working with clients in the film, TV, technology, retail, beverages and automobile industries.

Board of Directors

Len Blavatnik has served as a director and as Vice Chairman of the Board of Parent since July 20, 2011. Mr. Blavatnik is the founder and Chairman of Access, a privately held, U.S. industrial group with strategic investments in the U.S., Europe and South America. Mr. Blavatnik is a director of numerous companies in the Access portfolio, including UC RUSAL, plc. He previously served as a member of the board of directors of Warner Music Group from March 2004 to January 2008. Mr. Blavatnik provides financial support to and remains engaged in many educational pursuits, in 2010 committing £75 million to establish the Blavatnik School of Government at the University of Oxford. He is a member of boards at Oxford University and Tel Aviv University, and is a member of Harvard University's Global Advisory Council and the Task Force on Science and Engineering and the Board of Dean's Advisors at Harvard Business School. Mr. Blavatnik and the Blavatnik Family Foundation have also been generous supporters of leading cultural and charitable institutions throughout the world. Mr. Blavatnik is a member of the board of directors of the 92nd Street Y in New York, The Mariinsky Foundation of America, The Carnegie Hall Society, Inc. and The Center for Jewish History in New York. He is also a member of the Board of Governors of The New York Academy of Sciences and a Trustee of the State Hermitage Museum in St. Petersburg, Russia. Mr. Blavatnik emigrated to the United States in 1978 and became a U.S. citizen in 1984. He received his Master's degree from Columbia University in 1981 and his M.B.A from Harvard Business School in 1989. Mr. Blavatnik is the brother of Alex Blavatnik.

Lincoln Benet has served as a director of Parent and the Issuer since July 20, 2011. Mr. Benet is the Chief Executive Officer of Access. Prior to joining Access in 2006, Mr. Benet spent 17 years at Morgan Stanley, most recently as a Managing Director. His experience spanned corporate finance, mergers and acquisitions, fixed income and capital markets. Mr. Benet is a member of the Supervisory Board of Directors for LyondellBasell and a member of the board of Clal Industries Ltd. Mr. Benet graduated summa cum laude with a B.A. in Economics from Yale University and received his M.B.A. from Harvard Business School.

Alex Blavatnik has served as a director of Parent since July 20, 2011 and currently serves as a director of the Issuer. Mr. Blavatnik is an Executive Vice President and Deputy Chairman of Access. A 1993 graduate of Columbia University, Mr. Blavatnik joined Access in 1996 to manage the company's growing activities in Russia. Currently, he oversees Access' operations out of its New York-based headquarters and serves as a

director of various companies in the Access global portfolio. In addition, Mr. Blavatnik is engaged in numerous philanthropic pursuits and sits on the boards of several educational and charitable institutions. Mr. Blavatnik is the brother of Len Blavatnik.

Mathias Döpfner has served as a director of Parent since May 1, 2014. Mr. Döpfner is Chairman and CEO of Axel Springer SE in Berlin. He has been with Axel Springer AG since 1998, initially as Editor-in-Chief of Die Welt and since 2000 as Member of the Management Board. During his career he has held different positions in media companies. Among others he was Editor-in-Chief of the newspapers Wochenpost and Hamburger Morgenpost. At Gruner+Jahr he was Assistant to the CEO in Hamburg and on the staff of the Head of International Business in Paris. Mr. Döpfner has also worked as author and Brussels based correspondent for Frankfurter Allgemeine Zeitung. He studied Musicology, German and Theatrical Arts in Frankfurt and Boston. He is a Member of the Board of Directors of Time Warner Inc., a Member of the Board of Directors of Vodafone Group Plc., Chairman of the Board of Directors of Business Insider Inc., and holds several honorary offices, among others at the American Academy, the American Jewish Committee and the European Publishers Council (EPC). In 2010 he was Visiting Professor in Media at the University of Cambridge and became a member of St. John's College.

Ynon Kreiz has served as a director of Parent since May 9, 2016. Mr. Kreiz served as the Chairman and CEO of Maker Studios from March 2012 to January 2016, the global leader in online short-form video and the largest content network on YouTube. Before joining Maker, from June 2008 to June 2011, Mr. Kreiz was Chairman and CEO of Endemol Group, the world's largest independent television production company, with major international programming franchises including "Big Brother" and "Deal or No Deal." Prior to Endemol, from 2005 to 2007, Mr. Kreiz was a General Partner at Balderton Capital (formerly Benchmark Capital Europe). Prior to that, Mr. Kreiz co-founded Fox Kids Europe N.V. where he was Chairman and CEO from 1996 to 2002. Mr. Kreiz holds a B.A. in Economics and Management from Tel Aviv University and an M.B.A. from UCLA's Anderson School of Management where he currently serves on the Board of Visitors.

Thomas H. Lee has served as a director of Parent since August 17, 2011. Mr. Lee had previously served as our director from March 4, 2004 to July 20, 2011. He is Chairman and CEO of Thomas H. Lee Capital, LLC, Thomas H. Lee Capital Management, LLC and Lee Equity Partners, LLC. Thomas H. Lee Capital Management, LLC manages the Blue Star I, LLC fund of hedge funds. Lee Equity Partners, LLC is engaged in the private equity business in New York City. In 1974, Mr. Lee founded the Thomas H. Lee Company, the predecessor of Thomas H. Lee Partners, L.P., and from that time until March 2006 served as its Chairman and CEO. From 1966 through 1974, Mr. Lee was with First National Bank of Boston where he directed the bank's high technology lending group from 1968 to 1974 and became a Vice President in 1973. Prior to 1966, Mr. Lee was a securities analyst in the institutional research department of L.F. Rothschild in New York. Mr. Lee serves or has served, including during the past five years, as a director of numerous public and private companies in which he and his affiliates have invested, including MidCap Financial LLC, Papa Murphy's International, LLC, Edelman Financial Services, LLC and Aimbridge Hospitality Holdings LLC. Mr. Lee is currently a Trustee of Lincoln Center for the Performing Arts, The Museum of Modern Art, NYU Langone Medical Center and the New York City Police Foundation among other civic and charitable organizations. He also serves on the Executive Committee for Harvard University's Committee on University Resources. Mr. Lee is a 1965 graduate of Harvard College.

Jorg Mohaupt has served as a director of Parent since July 20, 2011. Mr. Mohaupt has been associated with Access since May 2007, and is involved with Access' activities in the media and communications sector. Prior, Mr. Mohaupt was a managing director of Providence Equity Partners and he co-founded and managed Continuum Group Limited, a communications services venture business. Prior to this, Mr. Mohaupt was an executive director at Morgan Stanley & Co. and Lehman Brothers in their respective media and telecommunications groups. Mr. Mohaupt serves on a number of boards including Perform Group Plc, AINMT Holdings, Gettaxi Ltd, Deezer, ULE, Songkick and Sentient Technologies. Mr. Mohaupt graduated with a degree in history from Rijksuniversiteit Leiden (Netherlands) and a degree in Communications Science from Universiteit van Amsterdam.

Oliver Slipper has served as a director of Parent since May 1, 2014. Mr. Slipper is the founder and CEO of Masomo Gaming Limited, a social games start-up headquartered in the U.K. He previously served as Joint-CEO and was appointed to the Board of Perform Group plc in August 2007, where he still acts as a Non-Executive Director. Together with Simon Denyer, Joint-CEO of Perform, Mr. Slipper took the business public, achieving a listing on the London Stock Exchange in 2011, with a market capitalization of over £500 million Previously he was the Chief Executive Officer of Premium TV until its amalgamation with Inform Group in 2007 to create Perform. Mr. Slipper joined Premium TV in 2001 as Commercial Manager. In 2005, he was appointed Chief Executive Officer. Prior to Premium TV, Mr. Slipper worked at Accenture within the Media and Entertainment team, where he worked for clients including Cable & Wireless, NTL and Sony Playstation advising on digital strategies. He holds a BA (Hons) in Classical Studies from Manchester University. He also serves on the Board of Surrey County Cricket Club and is a Patron of the Zoological Society of London.

Donald A. Wagner has served as a director of Parent and the Issuer since July 20, 2011. Mr. Wagner is a Managing Director of Access, having been with Access since 2010. He is responsible for sourcing and executing new investment opportunities in North America. From 2000 to 2009, Mr. Wagner was a Senior Managing Director of Ripplewood Holdings L.L.C., responsible for investments in several areas and heading the industry group focused on investments in basic industries. Previously, Mr. Wagner was a Managing Director of Lazard Freres & Co. LLC and had a 15-year career at that firm and its affiliates in New York and London. He is a board member of EP Energy and was on the board of NYSE-listed RSC Holdings from November 2006 until August 2009. Mr. Wagner graduated summa cum laude with an A.B. in physics from Harvard College.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

Senior Term Loan Facility

On November 1, 2012, Warner Music Group entered into a $600 million senior secured term loan credit facility, dated November 1, 2012, pursuant to a credit agreement (the "*Senior Term Loan Credit Agreement*") with Credit Suisse AG, as administrative agent and collateral agent, and the other financial institutions and lenders from time to time party thereto (as described below, the "*Senior Term Loan Facility*").

General

The Issuer is the borrower under the Senior Term Loan Facility (the "Term Loan Borrower"). On May 9, 2013, the Term Loan Borrower entered into an amendment to the Senior Term Loan Facility among the Term Loan Borrower, Holdings, the subsidiaries of the Term Loan Borrower party thereto, Credit Suisse AG, as administrative agent, and the other financial institutions and lenders from time to time party thereto, providing for the refinancing of the then outstanding term loan and for a $820 million senior secured incremental term loan facility, which was drawn on July 1, 2013. On July 15, 2016, we entered into an amendment to the Senior Term Loan Credit Agreement with Credit Suisse AG, as administrative agent, and the other financial institutions and lenders from time to time party thereto, providing for (among other changes) conforming certain baskets governing the ability to incur debt and liens to the equivalent provisions applicable to the 5.000% Notes. The effectiveness of such changes to the baskets was subject to certain conditions, which have now been satisfied by the completed issuance and sale of the 5.000% Notes and the prepayment, pursuant to the prepayment notice dated July 22, 2016, of $295.5 million of the Tranche B Term Loans (as defined in the Senior Term Loan Credit Agreement) with the net proceeds from the sale of the 5.000% Notes. Currently, the Senior Term Loan Facility provides for term loans thereunder (the "Term Loans") in an amount of up to $1,273 million.

The loans outstanding under the Senior Term Loan Facility mature on July 1, 2020.

In addition, the Senior Term Loan Credit Agreement provides the right for individual lenders to extend the maturity date of their loans upon the request of the Term Loan Borrower and without the consent of any other lender.

Subject to certain conditions, without the consent of the then existing lenders (but subject to the receipt of commitments), the Senior Term Loan Facility may be expanded (or a new term loan facility entered into) by up to the greater of (i) $300 million and (ii) such additional amount as would not cause the net senior secured leverage ratio, after giving effect to the incurrence of such additional amount and any use of proceeds thereof, to exceed 4.00:1.00.

Interest Rates and Fees

The loans under the Senior Term Loan Credit Agreement bear interest at a rate equal to: (i) the rate for deposits in U.S. dollars in the London interbank market (adjusted for maximum reserves) for the applicable interest period ("*Term Loan LIBOR*"), plus 2.75%, or (ii) the base rate, which will be the highest of (x) the corporate base rate established by the administrative agent as its prime rate in effect at its principal office in New York City from time to time, (y) 0.50% in excess of the overnight federal funds rate and (z) one-month Term Loan LIBOR, plus 1.00% per annum, plus, in each case, 1.75%. The loans under the Term Loan Credit Agreement are subject to a Term Loan LIBOR "floor" of 1.00%.

Prepayments

The Senior Term Loan Facility is subject to mandatory prepayment and reduction in an amount equal to (a) 50% of excess cash flow (as defined in the Senior Term Loan Credit Agreement), with reductions to 25% and zero based upon achievement of a net senior secured leverage ratio of less than or equal to 2.00:1.00 or 1.50:1.00, respectively, (b) 100% of the net cash proceeds received from the incurrence of indebtedness by the Term Loan

Borrower or any of its restricted subsidiaries (other than indebtedness permitted under the Senior Term Loan Facility), and (c) 100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property by the Term Loan Borrower and its restricted subsidiaries (including certain insurance and condemnation proceeds) in excess of $75 million and subject to the right of the Term Loan Borrower and its restricted subsidiaries to reinvest such proceeds within a specified period of time, and other exceptions. Voluntary prepayments of borrowings under the Senior Term Loan Facility are permitted at any time, in minimum principal amounts of $1 million or a whole multiple of $500,000 in excess thereof, subject to reimbursement of the lenders' redeployment costs actually incurred in the case of a prepayment of adjusted LIBOR borrowings other than on the last day of the relevant interest period.

Guarantee; Security

All obligations under the Senior Term Loan Facility are guaranteed by each direct and indirect U.S. restricted subsidiary of the Term Loan Borrower, other than certain excluded subsidiaries.

All obligations of the Term Loan Borrower and each guarantor are secured on an equal basis with the Existing Senior Secured Notes and will be secured on an equal basis with the Senior Secured Notes by a perfected security interest in the capital stock of the Term Loan Borrower and substantially all tangible and intangible assets of the Term Loan Borrower and each guarantor, including the capital stock of each direct material U.S. subsidiary of the Term Loan Borrower and each guarantor, and 65% of each series of capital stock of any non-U.S. subsidiary held directly by the Term Loan Borrower or any guarantor, subject to exceptions for fee owned real property with a value of less than $5 million, leasehold interests including requirements to deliver landlord lien waivers, estoppels and collateral access waivers, assets specifically requiring perfection through control agreements and other customary exceptions.

Covenants, Representations and Warranties

The Senior Term Loan Facility contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants are incurrence-based high yield covenants and limit the ability of the Term Loan Borrower and its restricted subsidiaries to:

- incur additional indebtedness or issue certain preferred shares;
- pay dividends, redeem stock or make other distributions;
- repurchase, prepay or redeem subordinated indebtedness;
- make investments;
- create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make other intercompany transfers;
- create liens;
- transfer or sell assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with affiliates; and
- designate subsidiaries as unrestricted subsidiaries.

The negative covenants are subject to customary exceptions. There are no financial covenants included in the Senior Term Loan Credit Agreement.

Events of Default

Events of default under the Senior Term Loan Credit Agreement are limited to nonpayment of principal when due, nonpayment of interest or other amounts, inaccuracy of representations or warranties in any material respect, violation of covenants, cross default and cross acceleration to other material debt, certain bankruptcy or

insolvency events, certain ERISA events, certain material judgments, actual or asserted invalidity of security interests in excess of $50 million, and upon a change of control, in each case subject to customary thresholds, notice and grace period provisions.

Revolving Credit Facility

On November 1, 2012, Warner Music Group entered into a credit agreement dated November 1, 2012 as amended by the amendment dated as of April 23, 2013, the amendment dated April 9, 2014 and the amendment dated June 13, 2016 (the "*Revolving Credit Agreement*"), for a senior secured revolving credit facility with Credit Suisse AG, as administrative agent, and the other financial institutions and lenders from time to time party thereto (the "*Revolving Credit Facility*" and, together with the Senior Term Loan Facility, the "*Senior Credit Facilities*"). The final maturity of the Revolving Credit Facility is April 1, 2021, provided that in the event that more than $400.0 million aggregate principal amount of term loans under the Senior Term Loan Credit Agreement and the Existing Dollar Notes and the Existing Euro Notes are outstanding on March 2, 2020, the maturity date shall be April 1, 2020.

Warner Music Group is the borrower (the "*Revolving Borrower*") under the Revolving Credit Agreement which provides for a revolving credit facility in the amount of up to $150 million (the "*Commitments*") and includes a $50 million letter of credit sub-facility. Amounts are available under the Revolving Credit Facility in U.S. dollars, euros or pounds Sterling. The Revolving Credit Agreement permits loans for general corporate purposes and may also be utilized to issue letters of credit. Borrowings under the Revolving Credit Agreement bear interest at the Revolving Borrower's election at a rate equal to (i) the rate for deposits in the borrowing currency in the London interbank market (adjusted for maximum reserves) for the applicable interest period ("*Revolving Libor*") plus 2.00% per annum, or (ii) the base rate, which is the highest of (x) the corporate base rate established by the administrative agent from time to time, (y) the overnight federal funds rate plus 0.5% and (z) the one-month Revolving LIBOR plus 1.0% per annum, plus, in each case, 1.00% per annum.

Prepayments

If, at any time, the aggregate amount of outstanding loans (including letters of credit outstanding thereunder) exceeds the Commitments, prepayments of the loans (and after giving effect to such prepayment the cash collateralization of letters of credit) will be required in an amount equal to such excess. The application of proceeds from mandatory prepayments shall not reduce the aggregate amount of then effective commitments under the Revolving Credit Facility and amounts prepaid may be reborrowed, subject to then effective commitments under the Revolving Credit Facility.

Voluntary reductions of the unutilized portion of the Commitments under the Revolving Credit Facility are permitted at any time in certain minimum principal amounts, without premium or penalty. Voluntary prepayments of borrowings under the Revolving Credit Facility are permitted at any time in certain minimum principal amounts, subject to reimbursement of the lenders' redeployment costs actually incurred in the case of a prepayment of Revolving LIBOR-based borrowings other than on the last day of the relevant interest period.

Ranking

The indebtedness incurred under the Revolving Credit Facility constitutes senior secured obligations of the Revolving Borrower, which are secured on an equal and ratable basis with all existing and future indebtedness secured with the same security arrangements as the Revolving Credit Facility, including the Senior Term Loan Credit Agreement, the Existing Senior Secured Notes and the Secured Notes. Indebtedness incurred under the Revolving Credit Facility ranks senior in right of payment to the Revolving Borrower's subordinated indebtedness; ranks equally in right of payment with all of the Revolving Borrower's existing and future senior indebtedness, including indebtedness under the Senior Term Loan Credit Agreement, the Existing Senior Secured Notes, the notes offered hereby and any future senior secured credit facility; is effectively senior to the Revolving

Borrower's existing and future unsecured senior indebtedness, including the Existing Senior Notes, to the extent of the value of the collateral securing the Revolving Credit Facility; and is structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of any of the Revolving Borrower's non-guarantor subsidiaries (other than indebtedness and liabilities owed to the Revolving Borrower or one of its Subsidiary Guarantors (as defined below)).

Guarantees

All obligations under the Revolving Credit Facility are guaranteed by the Revolving Borrower's existing subsidiaries that guarantee the Existing Senior Secured Notes and each other direct and indirect wholly owned U.S. subsidiary of the Revolving Borrower, other than certain excluded subsidiaries and are secured by substantially all assets of the Revolving Borrower and each subsidiary guarantor to the extent required under the security agreement securing the Existing Senior Secured Notes, including a perfected pledge of all the equity interests of the Revolving Borrower and of any subsidiary guarantor, mortgages on certain real property and certain intellectual property.

Covenants, Representations and Warranties

The Revolving Credit Facility contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants are limited to the following: limitations on dividends on, and redemptions and purchases of, equity interests and other restricted payments, limitations on prepayments, redemptions and repurchases of certain debt, limitations on liens, limitations on loans and investments, limitations on debt, guarantees and hedging arrangements, limitations on mergers, acquisitions and asset sales, limitations on transactions with affiliates, limitations on changes in business conducted by the Revolving Borrower and its subsidiaries, limitations on restrictions on ability of subsidiaries to pay dividends or make distributions and limitations on amendments of subordinated debt and unsecured bonds. The negative covenants are subject to customary and other specified exceptions.

There are no financial covenants included in the Revolving Credit Agreement, other than a springing senior secured leverage ratio of 4.625:1.00 (with no step-down), which will be tested only at the end of any fiscal quarter when there are loans outstanding under the Revolving Credit Facility in excess of $30,000,000 (excluding (i) letters of credit that have been cash collateralized and (ii) undrawn outstanding letters of credit that have not been cash collateralized not exceeding $20,000,000).

Events of Default

Events of default under the Revolving Credit Agreement are limited to nonpayment of principal, interest or other amounts, violation of covenants, incorrectness of representations and warranties in any material respect, cross default and cross acceleration of certain material debt, bankruptcy, material judgments, ERISA events, actual or asserted invalidities of the Revolving Credit Agreement, guarantees or security documents and a change of control, in each case subject to customary notice and grace period provisions.

Existing Senior Secured Notes

General

On November 1, 2012, Acquisition Corp. issued (i) $500 million in aggregate principal amount of its 6.000% Senior Secured Notes due 2021 (the "*Existing Dollar Notes*") and (ii) €175 million in aggregate principal amount of its 6.250% Senior Secured Notes due 2021 (the "*Existing Euro Notes*") under the Indenture, dated as of November 1, 2012 (the "*Senior Secured Base Indenture*"), among the Issuer, the guarantors party thereto, Credit Suisse AG, as Notes Authorized Agent and Collateral Agent and Wells Fargo Bank, National Association, as Trustee (the "*Trustee*"), as supplemented by the First Supplemental Indenture, dated as of November 1, 2012 (the "*Existing Euro Supplemental Indenture*"), among Acquisition Corp., the guarantors party thereto and the Trustee, in the case of the Existing Euro Notes, and the Second Supplemental Indenture, dated as of November 1,

2012, among the Issuer, the guarantors party thereto and the Trustee, in the case of the Existing Dollar Notes (the "*Existing Dollar Supplemental Indenture*"). On April 9, 2014, Acquisition Corp. issued $275 million in aggregate principal amount of its 5.625% Senior Secured Notes due 2022 (the "*5.625% Notes*") under the Senior Secured Base Indenture, as supplemented by the Fourth Supplemental Indenture, dated as of April 9, 2014, among Acquisition Corp., the guarantors party thereto and the Trustee (the "*5.625% Supplemental Indenture*"). On July 27, 2016, Acquisition Corp. issued $300 million in aggregate principal amount of its 5.000% Senior Secured Notes due 2023 (the "5.*000% Notes*" and, together with the 5.625% Notes, the Existing Dollar Notes and the Existing Euro Notes, the "*Existing Senior Secured Notes*") under the Senior Secured Base Indenture, as supplemented by the Fifth Supplemental Indenture, dated as of July 27, 2016, among Acquisition Corp., the guarantors party thereto, Credit Suisse AG, as Notes Authorized Agent and Collateral Agent, and the Trustee (the "*5.000% Supplemental Indenture*" and, the Senior Secured Base Indenture, together with the Existing Euro Supplemental Indenture, the Existing Dollar Supplemental Indenture, the 5.625% Supplemental Indenture, or the 5.000% Supplemental Indenture, as applicable, the "*Existing Senior Secured Notes Indenture*").

Interest on the 5.625% Notes accrues at the rate of 5.625% per annum and is payable semi-annually in arrears on April 15 and October 15, commencing on October 15, 2014. Interest on the 5.000% Notes accrues at a rate of 5.000% per annum and is payable semi-monthly in arrears on February 1 and August 1, commencing on February 1, 2017.

On June 21, 2013, the Issuer redeemed $50 million in aggregate principal amount of its outstanding 6.000% Senior Secured Notes due 2021 and €17.5 million in aggregate principal amount of its outstanding 6.250% Senior Secured Notes due 2021. On February 16, 2016, Holdings redeemed $50 million of its $150 million outstanding Holdings Notes and redeemed the remaining $100 million of the Holdings Notes on July 1, 2016.

Ranking

The Existing Senior Secured Notes are the Issuer's senior secured obligations. The Existing Senior Secured Notes rank senior in right of payment to the Issuer's existing and future subordinated indebtedness; rank equally in right of payment with all of the Issuer's existing and future senior indebtedness, including the notes offered hereby and indebtedness under the Senior Credit Facilities; are effectively senior to the Issuer's existing and future unsecured senior indebtedness, including the Existing Senior Notes, to the extent of the value of the collateral securing the Existing Senior Secured Notes; and are structurally subordinated to all existing and future indebtedness and other liabilities of any of the Issuer's non-guarantor subsidiaries (other than indebtedness and liabilities owed to the Issuer or one of its subsidiary guarantors (as such term is defined below)), to the extent of the assets of such subsidiaries.

Guarantees; Security

The Existing Senior Secured Notes are fully and unconditionally guaranteed on a senior secured basis by each of the Issuer's existing direct or indirect wholly owned domestic subsidiaries, except for certain excluded subsidiaries, and by any such subsidiaries that guarantee other indebtedness of the Issuer in the future. Such subsidiary guarantors are collectively referred to herein as the "subsidiary guarantors," and such subsidiary guarantees are collectively referred to herein as the "subsidiary guarantees." Each subsidiary guarantee ranks senior in right of payment to all existing and future subordinated obligations of such subsidiary guarantor; ranks equally in right of payment with all of such subsidiary guarantor's existing and future senior indebtedness, including such subsidiary guarantor's guarantee of the notes offered hereby and indebtedness under the Senior Credit Facility; ranks equally in right of payment to all of such subsidiary guarantor's existing and future secured indebtedness, including such subsidiary guarantor's guarantee of the Existing Senior Notes, to the extent of the value of the collateral securing the Existing Senior Secured Notes; and is structurally subordinated to all existing and future indebtedness and other liabilities of any non-guarantor subsidiary of such subsidiary guarantor (other than indebtedness and liabilities owed to the Issuer or one of its subsidiary guarantors), to the extent of the assets of such subsidiary. Any subsidiary guarantee of the Existing Senior Secured Notes may be released in certain circumstances. The Existing Senior Secured Notes are not guaranteed by Holdings.

On November 16, 2012, Parent issued a guarantee whereby it fully and unconditionally guaranteed on a senior secured basis, the payments of the Issuer on the Existing Dollar Notes. On May 7, 2014, Parent issued a guarantee whereby it fully and unconditionally guaranteed on a senior secured basis, the payments of the Issuer on the 5.625% Notes. On July 27, 2016, Parent issued a guarantee whereby it fully and unconditionally guaranteed on a senior secured basis, the payments of the Issuer on the 5.000% Notes.

The obligations of the Issuer and each subsidiary guarantor under the Existing Senior Secured Notes are secured by substantially all assets of the Issuer and each subsidiary guarantor to the extent required under the security agreement securing the Existing Senior Secured Notes and the Senior Credit Facility, including a perfected pledge of all the equity interests of the Issuer and of any subsidiary guarantor, mortgages on certain real property and certain intellectual property.

Optional Redemption

5.625% Notes

At any time prior to April 15, 2017, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of 5.625% Notes (including the aggregate principal amount of any additional notes of the same series) issued under the Existing Senior Secured Notes Indenture, at its option, at a redemption price equal to 105.625% of the principal amount of the 5.625% Notes redeemed, plus accrued and unpaid interest thereon, if any, to the date of redemption (subject to the rights of holders of 5.625% Notes on the relevant record date to receive interest on the relevant interest payment date), with funds in an aggregate amount not exceeding the net cash proceeds of one or more Equity Offerings by the Issuer or any contribution to the Issuer's common equity capital made with the net cash proceeds of one or more Equity Offerings by the Issuer's direct or indirect parent; *provided* that:

(1) at least 50% of the aggregate principal amount of 5.625% Notes originally issued under the Existing Senior Secured Notes Indenture (including the aggregate principal amount of any additional notes of the same series) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of, and may be conditioned upon, the closing of such Equity Offering.

The 5.625% Notes may be redeemed, in whole or in part, at any time prior to April 15, 2017, at the option of the Issuer, at a redemption price equal to 100% of the principal amount of the 5.625% Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest thereon, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

On or after April 15, 2017, the Issuer may redeem all or a part of the 5.625% Notes, at its option, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, on the 5.625% Notes to be redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on April 15 of the years indicated below:

Year	Percentage
2017	104.219%
2018	102.813%
2019	101.406%
2020 and thereafter	100.000%

In addition, during any 12-month period prior to April 15, 2017, the Issuer will be entitled to redeem up to 10% of the original aggregate principal amount of the 5.625% Notes (including the principal amount of any additional notes of the same series) at a redemption price equal to 103.000% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

5.000% Notes

At any time prior to August 1, 2019, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the 5.000% Notes (including the aggregate principal amount of any additional securities constituting 5.000% Notes) issued under the Existing Senior Secured Notes Indenture, at its option, at a redemption price equal to 105% of the principal amount of the 5.000% Notes redeemed, plus accrued and unpaid interest thereon, if any, to the date of redemption (subject to the rights of holders of 5.000% Notes on the relevant record date to receive interest on the relevant interest payment date), with funds in an aggregate amount not exceeding the net cash proceeds of one or more equity offerings by the Issuer or any contribution to the Issuer's common equity capital made with the net cash proceeds of one or more equity offerings by the Issuer's direct or indirect parent; *provided* that:

(1) at least 50% of the aggregate principal amount of the 5.000% Notes originally issued under the Existing Senior Secured Notes Indenture (including the aggregate principal amount of any additional securities constituting 5.000% Notes issued under the Existing Senior Secured Notes Indenture) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 180 days of the date of, and may be conditioned upon, the closing of such equity offering.

The 5.000% Notes may be redeemed, in whole or in part, at any time prior to August 1, 2019, at the option of the Issuer, at a redemption price equal to 100% of the principal amount of the 5.000% Notes redeemed plus the applicable make-whole premium as of, and accrued and unpaid interest thereon, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

On or after August 1, 2019, the Issuer may redeem all or a part of the 5.000% Notes, at its option, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, on the 5.000% Notes to be redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on August 1 of the years indicated below:

Year	Percentage
2019	102.500%
2020	101.250%
2021 and thereafter	100.000%

In addition, during any 12-month period prior to August 1, 2019, the Issuer will be entitled to redeem up to 10% of the original aggregate principal amount of the 5.000% Notes (including the principal amount of any Additional Notes of the same series) at a redemption price equal to 103.000% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Change of Control

Upon the occurrence of certain events constituting a change of control, the Issuer is required to make an offer to repurchase all of the Existing Senior Secured Notes (unless otherwise redeemed) at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any to the repurchase date.

Covenants

The Existing Notes Indentures contain covenants that, among other things, limit the Issuer's ability and the ability of most of its subsidiaries to: incur additional debt or issue certain preferred shares; pay dividends on or make distributions in respect of its capital stock or make investments or other restricted payments; create

restrictions on the ability of its restricted subsidiaries to pay dividends to the Issuer or make certain other intercompany transfers; sell certain assets; create liens securing certain debt; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets.

Events of Default

Events of default under the Existing Notes Indentures are limited to: the nonpayment of principal or interest when due, violation of covenants and other agreements contained in the Existing Notes Indentures, cross payment default after final maturity and cross acceleration of certain material debt; certain bankruptcy and insolvency events, material judgment defaults, actual or asserted invalidity of a guarantee of a significant subsidiary, or of security interests in excess of $50 million, subject to customary notice and grace period provisions. The occurrence of an event of default would permit or require the principal of and accrued interest on the Existing Senior Secured Notes to become or to be declared due and payable.

Tender Offers for Existing Euro Notes and Existing Dollar Notes

On October 10, 2016, Warner Music Group launched the Tender Offers for (i) any and all of the outstanding Existing Euro Notes and Existing Dollar Notes. Notes acquired by the Company in the Tender Offers will be canceled. We intend to redeem and satisfy and discharge all of the Existing Euro Notes and Existing Dollar Notes not tendered in the Tender Offers using the proceeds from the offering of the notes offered hereby. See "Offering Circular Summary—The Refinancing Transactions—Tender Offers".

Existing Senior Notes

General

On April 9, 2014, Warner Music Group issued $660 million in aggregate principal amount of its 6.750% Senior Notes due 2022 (the "*Senior Notes*") under the Indenture, dated as of April 9, 2014 (the "*Senior Base Indenture*"), among the Issuer, the guarantors party thereto and Wells Fargo Bank, National Association, as Trustee (the "*Trustee*"), as supplemented by the First Supplemental Indenture, dated as of April 9, 2014 (the "*Senior Notes Supplemental Indenture*" and, the Senior Base Indenture, together with the Senior Notes Supplemental Indenture, the "*Existing Senior Notes Indenture*"), among Acquisition Corp., the guarantors party thereto and the Trustee.

Interest on the Senior Notes accrues at the rate of 6.750% per annum and is payable semi-annually in arrears on April 15 and October 15, commencing on October 15, 2014.

On March 11, 2016, the Issuer repurchased $25,137,000 in aggregate principal amount of Senior Notes and subsequently cancelled the repurchased Senior Notes.

Ranking

The Senior Notes are the Issuer's senior obligations. The Senior Notes rank senior in right of payment to the Issuer's existing and future subordinated indebtedness; rank equally in right of payment with all of the Issuer's existing and future senior indebtedness, including the notes offered hereby and indebtedness under the Senior Credit Facilities; and are structurally subordinated to all existing and future indebtedness and other liabilities of any of the Issuer's non-guarantor subsidiaries (other than indebtedness and liabilities owed to the Issuer or one of its subsidiary guarantors (as such term is defined below)), to the extent of the assets of such subsidiaries.

Guarantees

The Senior Notes are fully and unconditionally guaranteed on a senior basis by each of the Issuer's existing direct or indirect wholly owned domestic subsidiaries, except for certain excluded subsidiaries, and by any such

subsidiaries that guarantee other indebtedness of the Issuer in the future. Such subsidiary guarantors are collectively referred to herein as the "subsidiary guarantors," and such subsidiary guarantees are collectively referred to herein as the "subsidiary guarantees." Each subsidiary guarantee ranks senior in right of payment to all existing and future subordinated obligations of such subsidiary guarantor; ranks equally in right of payment with all of such subsidiary guarantor's existing and future senior indebtedness, including such subsidiary guarantor's guarantee of the notes offered hereby and indebtedness under the Senior Credit Facility; and is structurally subordinated to all existing and future indebtedness and other liabilities of any non-guarantor subsidiary of such subsidiary guarantor (other than indebtedness and liabilities owed to the Issuer or one of its subsidiary guarantors), to the extent of the assets of such subsidiary. Any subsidiary guarantee of the Senior Notes may be released in certain circumstances. The Senior Notes are not guaranteed by Holdings.

On April 9, 2014, Parent issued a guarantee whereby it fully and unconditionally guaranteed on a senior basis, the payments of the Issuer on the Senior Notes.

Optional Redemption

At any time prior to April 15, 2017, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of Senior Notes (including the aggregate principal amount of any Additional Notes) issued under the Indenture, at its option, at a redemption price equal to 106.750% of the principal amount of the Senior Notes redeemed, plus accrued and unpaid interest thereon, if any, to the date of redemption (subject to the rights of Holders of Senior Notes on the relevant record date to receive interest on the relevant interest payment date), with funds in an aggregate amount not exceeding the net cash proceeds of one or more Equity Offerings by the Issuer or any contribution to the Issuer's common equity capital made with the net cash proceeds of one or more Equity Offerings by the Issuer's direct or indirect parent; *provided* that:

(1) at least 50% of the aggregate principal amount of Senior Notes originally issued under the Indenture (including the aggregate principal amount of any Additional Notes) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 90 days of the date of, and may be conditioned upon, the closing of such Equity Offering.

The Senior Notes may be redeemed, in whole or in part, at any time prior to April 15, 2017, at the option of the Issuer, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest thereon, if any, to, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

On or after April 15, 2017, the Issuer may redeem all or a part of the Senior Notes, at its option, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, on the Senior Notes to be redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on April 15 of the years indicated below:

Year	Percentage
2017	105.063%
2018	103.375%
2019	101.688%
2020 and thereafter	100.000%

Change of Control

Upon the occurrence of certain events constituting a change of control, the Issuer is required to make an offer to repurchase all of the Senior Notes (unless otherwise redeemed) at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any to the repurchase date.

Covenants

The Existing Senior Notes Indentures contain covenants that, among other things, limit the Issuer's ability and the ability of most of its subsidiaries to: incur additional debt or issue certain preferred shares; pay dividends on or make distributions in respect of its capital stock or make investments or other restricted payments; create restrictions on the ability of its restricted subsidiaries to pay dividends to the Issuer or make certain other intercompany transfers; sell certain assets; create liens securing certain debt; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets.

Events of Default

Events of default under the Existing Senior Notes Indentures are limited to: the nonpayment of principal or interest when due, violation of covenants and other agreements contained in the Existing Notes Indentures, cross payment default after final maturity and cross acceleration of certain material debt; certain bankruptcy and insolvency events, material judgment defaults, actual or asserted invalidity of a guarantee of a significant subsidiary, or of security interests in excess of $50 million, subject to customary notice and grace period provisions. The occurrence of an event of default would permit or require the principal of and accrued interest on the Senior Notes to become or to be declared due and payable.

Holdings Notes

On June 1, 2016, Holdings elected to call for redemption all of its outstanding Holdings Notes. See "Recent Developments—Redemption of Holdings Notes."

DESCRIPTION OF NOTES

You can find the definitions of certain terms used in this description under the subheading "—Certain Definitions." In this description, the term "Issuer" refers only to WMG Acquisition Corp. and not to any of its subsidiaries.

The Issuer will issue its U.S. dollar-denominated % Senior Secured Notes due 2024 (the "*Dollar Notes*") and its euro-denominated % Senior Secured Notes due 2024 (the "*Euro Notes*" and together with the Dollar Notes, the "*Offered Notes*") under the indenture, dated as of November 1, 2012 (the "*Base Indenture*") among itself, as issuer, the Guarantors, Wells Fargo Bank, National Association, as trustee (the "*Trustee*"), and Credit Suisse AG, as Notes Authorized Agent and Collateral Agent, with respect to the Dollar Notes, as supplemented by the sixth supplemental indenture thereto, and, with respect to the Euro Notes, as supplemented by the seventh supplemental indenture thereto, each to be dated as of the issue date of the Offered Notes (the "*Closing Date*") (the Base Indenture as supplemented, the "*Indenture*") in a private transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." The Issuer previously issued $500.0 million principal amount of 6% Senior Secured Notes due 2021 (the "*Initial Dollar Notes*"), €175.0 million principal amount of 6.25% Senior Secured Notes due 2021 (the "*Initial Euro Notes*" and, together with the Initial Dollar Notes, the "*Initial Notes*"), $275.0 million principal amount of 5.625% Senior Secured Notes due 2022 (the "*5.625% Notes*") and $300.0 million principal amount of 5.000% Senior Secured Notes due 2023 (the *"5.000% Notes*", and, together with the Initial Notes and the 5.625% Notes, the "*Existing Notes*") under the Base Indenture, as supplemented by the first and second supplemental indentures thereto, on November 1, 2012, the fourth supplemental indenture thereto, on April 9, 2014 and the fifth supplemental indenture thereto, on July 27, 2016. The Dollar Notes and Euro Notes will each be issued as separate series under the Indenture but vote as a single class with the Existing Notes (except as otherwise provided herein). The Existing Notes, the Offered Notes and any other Additional Notes (as defined below) are referred to collectively in this "Description of Notes" as the "Notes" and references to "Issue Date" are to November 1, 2012, the issue date of the Initial Notes. The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*").

The following description is a summary of the material provisions of the Indenture, the Offered Notes and the Security Documents. It does not restate those agreements in their entirety. We urge you to read those documents because they, and not this description, define your rights as Holders of the Offered Notes. Copies of the Indenture, the Offered Notes and the Security Documents may be obtained from the Issuer upon request. Certain defined terms used in this description but not defined below under "—Certain Definitions" have the meanings assigned to them in the Indenture, the Offered Notes and the Security Documents.

The registered Holder of any Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

Brief Description of the Offered Notes and the Guarantees

The Offered Notes:

- will be general obligations of the Issuer;
- will be secured on an equal basis with all existing and future Obligations of the Issuer having Pari Passu Lien Priority, including the Senior Credit Facilities and the Existing Notes, by first-priority Liens (subject to Permitted Liens) on the Collateral from time to time owned by the Issuer;
- will rank senior in right of payment to all existing and future subordinated Indebtedness of the Issuer;
- will be *pari passu* in right of payment with all existing and future senior Indebtedness of the Issuer, including the 6.75% Senior Notes due 2022, issued pursuant to an indenture dated as of April 9, 2014, the Existing Notes and the Senior Credit Facilities;

- will be structurally subordinated to all existing and future Indebtedness and other liabilities (other than certain intercompany obligations) of any non-Guarantor subsidiary; and
- will not be guaranteed by Holdings (the principal asset of which, other than cash on hand from time to time, is the shares of the Issuer).

The Guarantees in respect of the Offered Notes:

- will be general obligations of such Guarantor;
- will be secured on an equal basis with all existing and future Obligations of such Guarantor having Pari Passu Lien Priority, including such Guarantor's guarantee of the Senior Credit Facilities and the Existing Notes, by first-priority Liens (subject to Permitted Liens) on the Collateral from time to time owned by such Guarantor;
- will rank senior in right of payment to all existing and future subordinated Indebtedness of such Guarantor;
- will be *pari passu* in right of payment with all existing and future senior Indebtedness of such Guarantor, including its guarantee of the 6.75% Senior Notes due 2022, the Existing Notes and the Senior Credit Facilities; and
- will be structurally subordinated to all existing and future Indebtedness and other liabilities (other than certain intercompany obligations) of any Subsidiary of such Guarantor that is not also a Guarantor of the Offered Notes.

As of June 30, 2016, on a *pro forma* basis after giving effect to the Transactions:

- the Offered Notes and related Guarantees would have been secured on an equal basis with approximately $1,554 million of indebtedness of the Issuer and the Guarantors represented by indebtedness under the Senior Credit Facilities and the Existing Notes;
- the Offered Notes and related Guarantees would have been structurally subordinated to approximately $1,205 million of liabilities of our non-Guarantor subsidiaries; and
- we would have had $145 million in unutilized revolving capacity under the Senior Credit Facilities (after giving effect to approximately $5 million of letters of credit outstanding under the Revolving Credit Facility as of June 30, 2016), which would be *pari passu* in right of payment with the Notes and would be secured on an equal basis with the Notes.

The Indenture permits us to incur additional secured Indebtedness, including additional Indebtedness secured by the Collateral.

Principal, Maturity and Interest

The Dollar Notes will be issued initially in an aggregate principal amount of $ million, and the Euro Notes will be issued initially in an aggregate principal amount of € million. The Initial Dollar Notes were issued in an aggregate principal amount of $500 million, the Initial Euro Notes were issued in an aggregate principal amount of €175 million, the 5.625% Notes were issued in an aggregate principal amount of $275 million and the 5.000% Notes were issued in an aggregate principal amount of $300 million. In addition to the Existing Notes, additional securities may be issued under the Indenture in one or more series (the "*Additional Notes*") from time to time after the offering of the Initial Notes. The Offered Notes are being issued pursuant to this provision of the Indenture, and will constitute Additional Notes of a different series from the Existing Notes. Any offering of Additional Notes is subject to the covenants described below under the captions "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and "—Certain Covenants—Liens." The Offered Notes and any other Additional Notes issued under the Indenture will vote as a single class with the

Existing Notes (except as otherwise provided herein) and will otherwise be treated as Notes for purposes of the Indenture. The Indenture permits the Issuer to designate the currency, maturity date, interest rate and optional redemption provisions applicable to each series of Additional Notes, which may differ from the maturity date, interest rate and optional redemption provisions applicable to the Existing Notes of any series and the Offered Notes issued on the Closing Date. Additional Notes that differ with respect to currency, maturity date, interest rate or optional redemption provisions from the Existing Notes of any series or the Offered Notes issued on the Closing Date will constitute a different series of Notes from such Existing Notes or Offered Notes, as applicable. Additional Notes that have the same currency, maturity date, interest rate and optional redemption provisions as the Existing Notes of any series or the Offered Notes issued on the Closing Date will be treated as the same series as such Existing Notes or Offered Notes, as applicable, unless otherwise designated by the Issuer. The Issuer will similarly be entitled to vary the application of certain other provisions to any series of Additional Notes. A separate CUSIP or ISIN would be issued for any Additional Notes, unless the Existing Notes of any series or Offered Notes, as applicable, and such Additional Notes are treated as part of the "same issue" for U.S. federal income tax purposes, or both the Existing Notes of any series or Offered Notes, as applicable, and such Additional Notes are issued in the same series without (or with less than a de minimis amount of) original issue discount for U.S. federal income tax purposes, or another then-recognized identifier is used. The Issuer will issue Dollar Notes in denominations of $2,000 and integral multiples of $1,000 in excess of $2,000 and Euro Notes in denominations of €100,000 and integral multiples of €1,000 in excess of €100,000. The Dollar Notes will mature on 2024 and the Euro Notes will mature on 2024.

Interest on the Dollar Notes will accrue at the rate of % per annum and will be payable semi-annually in arrears on and , commencing on , 2017. The Issuer will make each interest payment to the Holders of record of the Offered Notes on the immediately preceding and , whether or not a business day.

Interest on the Euro Notes will accrue at the rate of % per annum and will be payable semi-annually in arrears on and , commencing on , 2017. The Issuer will make each interest payment to the Holders of record of the Offered Notes on the immediately preceding and , whether or not a business day.

Interest on the Offered Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of Receiving Payments on the Notes

If a Holder has given wire transfer instructions to the Issuer, the Issuer, through the paying agent for the Dollar Notes, European paying agent for the Euro Notes, or otherwise, will pay all principal, interest and premium, if any, on that Holder's Offered Notes in accordance with those instructions. All other payments on the Dollar Notes will be made at the office or agency of the paying agent and registrar (initially within the City of Minneapolis, Minnesota) and all other payments on the Euro Notes will be made at the office or agency of the European paying agent and co-registrar (initially within the City of Luxembourg), unless the Issuer elects to make interest payments by check mailed to the Holders at their address set forth in the register of Holders or otherwise.

The Issuer will maintain one or more registrars (each, a "*Registrar")* if and for so long as the Euro Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market. The Registrars will maintain a register reflecting ownership of Notes (as defined herein) outstanding from time to time (the "*Register")* and will make payments on and facilitate transfer of Euro Notes on behalf of the Issuer. The Issuer will also maintain a register of Euro Notes at its registered office which, in case of any discrepancy with the information contained in the Register, shall prevail over the Register.

Paying Agent and Registrar for the Notes

The Trustee will initially act as paying agent, transfer agent and registrar of the Dollar Notes and Société Générale Bank & Trust will initially act as the European paying agent, transfer agent and co-registrar for the Euro Notes. The Issuer may change the paying agent, transfer agent, European paying agent, registrar or co-registrar without prior notice to the Holders, and the Issuer or any of its Subsidiaries may act as paying agent, European paying agent, registrar or co-registrar.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture and the procedures described in "Book Entry, Delivery and Form" and "Transfer Restrictions." The registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuer is not required to transfer or exchange any Note selected for redemption. Also, the Issuer is not required to transfer or exchange any Note (1) for a period of 15 days before a selection of Notes to be redeemed or (2) tendered and not withdrawn in connection with a Change of Control Offer or an Asset Sale Offer.

Optional Redemption

Dollar Notes

At any time prior to , 2019, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of Dollar Notes (including the aggregate principal amount of any Additional Notes of the same series) issued under the Indenture, at its option, at a redemption price equal to % of the principal amount of the Dollar Notes redeemed, plus accrued and unpaid interest thereon, if any, to the date of redemption (subject to the rights of Holders of Dollar Notes on the relevant record date to receive interest on the relevant interest payment date), with funds in an aggregate amount not exceeding the net cash proceeds of one or more Equity Offerings by the Issuer or any contribution to the Issuer's common equity capital made with the net cash proceeds of one or more Equity Offerings by the Issuer's direct or indirect parent; *provided* that:

(1) at least 50% of the aggregate principal amount of Dollar Notes originally issued under the Indenture (including the aggregate principal amount of any Additional Notes of the same series) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 180 days of the date of, and may be conditioned upon, the closing of such Equity Offering.

The Dollar Notes may be redeemed, in whole or in part, at any time prior to , 2019, at the option of the Issuer, at a redemption price equal to 100% of the principal amount of the Dollar Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest thereon, if any, to, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

On or after , 2019, the Issuer may redeem all or a part of the Dollar Notes, at its option, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, on the Dollar Notes to be redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on of the years indicated below:

Year	Percentage
2019	%
2020	%
2021 and thereafter	%

In addition, during any 12-month period prior to , 2019, the Issuer will be entitled to redeem up to 10% of the original aggregate principal amount of the Dollar Notes (including the principal amount of any Additional Notes of the same series) at a redemption price equal to % of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Issuer may acquire Dollar Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

The Issuer may provide in any notice of redemption that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

Any redemption or notice of any redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an Equity Offering, other offering or other corporate transaction or event. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed. Notice of any redemption in respect of an Equity Offering may be given prior to the completion thereof.

Notwithstanding the foregoing, in connection with any tender for Dollar Notes, if Holders of not less than 90% in the aggregate principal amount of the outstanding Dollar Notes validly tender and do not withdraw such Dollar Notes in such tender offer and the Issuer, or any other Person making such tender offer, purchases all of the Dollar Notes validly tendered and not withdrawn by such Holders, the Issuer will have the right, upon notice given not more than 30 days following such purchase pursuant to such tender offer, to redeem all of the Dollar Notes of such series that remain outstanding following such purchase at a price in cash equal to the price offered to each Holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest to but excluding the date of redemption (subject to the rights of Holders of Dollar Notes on the relevant record date to receive interest on the relevant interest payment date).

Euro Notes

At any time prior to , 2019, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of Euro Notes (including the aggregate principal amount of any Additional Notes of the same series) issued under the Indenture, at its option, at a redemption price equal to % of the principal amount of the Euro Notes redeemed, plus accrued and unpaid interest thereon, if any, to the date of redemption (subject to the rights of Holders of Euro Notes on the relevant record date to receive interest on the relevant interest payment date), with funds in an aggregate amount not exceeding the net cash proceeds of one or more Equity Offerings by the Issuer or any contribution to the Issuer's common equity capital made with the net cash proceeds of one or more Equity Offerings by the Issuer's direct or indirect parent; *provided* that:

(1) at least 50% of the aggregate principal amount of Euro Notes originally issued under the Indenture (including the aggregate principal amount of any Additional Notes of the same series) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 180 days of the date of, and may be conditioned upon, the closing of such Equity Offering.

The Euro Notes may be redeemed, in whole or in part, at any time prior to , 2019, at the option of the Issuer, at a redemption price equal to 100% of the principal amount of the Euro Notes redeemed plus the

Applicable Premium as of, and accrued and unpaid interest thereon, if any, to, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

On or after , 2019, the Issuer may redeem all or a part of the Euro Notes, at its option, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, on the Euro Notes to be redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on of the years indicated below:

Year	Percentage
2019	%
2020	%
2021 and thereafter	%

In addition, during any 12-month period prior to , 2019, the Issuer will be entitled to redeem up to 10% of the original aggregate principal amount of the Euro Notes (including the principal amount of any Additional Notes of the same series) at a redemption price equal to % of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Issuer may acquire Euro Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws, so long as such acquisition does not otherwise violate the terms of the Indenture.

The Issuer may provide in any notice of redemption that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

Any redemption or notice of any redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an Equity Offering, other offering or other corporate transaction or event. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed. Notice of any redemption in respect of an Equity Offering may be given prior to the completion thereof.

Notwithstanding the foregoing, in connection with any tender for Euro Notes, if Holders of not less than 90% in the aggregate principal amount of the outstanding Euro Notes validly tender and do not withdraw such Euro Notes in such tender offer and the Issuer, or any other Person making such tender offer, purchases all of the Euro Notes validly tendered and not withdrawn by such Holders, the Issuer will have the right, upon notice given not more than 30 days following such purchase pursuant to such tender offer, to redeem all of the Euro Notes of such series that remain outstanding following such purchase at a price in cash equal to the price offered to each Holder in such tender offer, *plus*, to the extent not included in the tender offer payment, accrued and unpaid interest to but excluding the date of redemption (subject to the rights of Holders of Euro Notes on the relevant record date to receive interest on the relevant interest payment date).

Selection and Notice

If less than all of the Offered Notes are to be redeemed at any time, the Trustee will select Offered Notes for redemption as follows:

(1) if the Offered Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Offered Notes are listed; or

(2) if the Offered Notes are not listed on any national securities exchange, on a pro rata basis, by lot or by such method as the Trustee deems fair and appropriate, or in accordance with Euroclear's, Clearstream's or DTC's procedures, as applicable.

No Dollar Notes of $2,000 or less can be redeemed in part and no Euro Notes of €100,000 or less can be redeemed in part. If a partial redemption is made with the proceeds of an Equity Offering in accordance with the first paragraph under "—Optional Redemption," the Trustee will select the applicable Offered Notes on a pro rata basis or on as nearly a pro rata basis as is practicable (subject to Euroclear's, Clearstream's or DTC's procedures, as applicable, unless otherwise required by law or applicable stock exchange or depositary requirements). Notices of redemption will be mailed by first-class mail or delivered by electronic transmission at least 10 but not more than 60 days before the redemption date to each Holder of Offered Notes to be redeemed, except that redemption notices may be mailed or delivered by electronic transmission more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Offered Notes or a satisfaction and discharge of the Indenture.

If any Offered Note is to be redeemed in part only, the notice of redemption that relates to that Offered Note will state the portion of the principal amount of that Offered Note that is to be redeemed. A new Offered Note in principal amount equal to the unredeemed portion of the original Offered Note will be issued in the name of the Holder of Offered Notes upon cancellation of the original Offered Note. Offered Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Offered Notes or portions of them called for redemption.

Guarantees

The Indenture provides that the Guarantors jointly and severally guarantee the Issuer's obligations under the Indenture and the Notes on a senior secured basis. The Indenture provides that the obligations of each Guarantor under its Guarantee are limited as necessary to prevent the Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law.

Each Guarantor may consolidate with or merge into or sell its assets to the Issuer or another Restricted Subsidiary without limitation, or with other Persons upon the terms and conditions set forth in the Indenture. The Guarantee of a Guarantor will be released in the event that:

(a) the sale, disposition or other transfer (including through merger or consolidation) of all of the Capital Stock (or any sale, disposition or other transfer of Capital Stock or other transaction following which the applicable Guarantor is no longer a Restricted Subsidiary), or all or substantially all the assets, of the applicable Guarantor if such sale, disposition or other transfer is made in compliance with the applicable provisions of the Indenture;

(b) the Issuer designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in accordance with the provisions of the Indenture set forth under "—Certain Covenants—Restricted Payments" and the definition of "Unrestricted Subsidiary";

(c) the release or discharge of the guarantee by such Restricted Subsidiary of Indebtedness under the Senior Term Loan Agreement or Senior Revolving Credit Agreement, or the guarantee that resulted in the obligation of such Restricted Subsidiary to guarantee the Notes;

(d) the exercise of the legal defeasance option or covenant defeasance option by the Issuer as described under "Legal Defeasance and Covenant Defeasance" or the Issuer's obligations under the Indenture being discharged in accordance with the terms of the Indenture; or

(e) during the Suspension Period, upon the merger or consolidation of any Guarantor with and into another Subsidiary that is not a Guarantor with such other Subsidiary being the surviving Person in such merger or consolidation, or upon liquidation of such Guarantor following the transfer of all of its assets to the Issuer or a Subsidiary that is not a Guarantor.

Collateral and Intercreditor Arrangements

Collateral

The Security Documents provide that the Notes and the Guarantees have the benefit of the Collateral, which generally consists of the Capital Stock of the Issuer and substantially all of the tangible and intangible assets of the Issuer and the Guarantors, including pledges of all Capital Stock of the Issuer's Restricted Subsidiaries directly owned by the Issuer and the Guarantors (but limited to 65% of each series of Capital Stock of each direct Foreign Subsidiary owned by the Issuer or any Guarantor), subject to certain thresholds and exceptions, and excluding any Excluded Assets and Excluded Subsidiary Securities. The Security Documents provide that the Collateral of the Issuer and Holdings secures the Obligations of the Issuer under the Notes, and Collateral of each Guarantor secures the Obligations of such Guarantor under its Guarantee.

Not all assets of Holdings, the Issuer and the Issuer's subsidiaries constitutes Collateral. See "Risk Factors—Risk Factors Related to the Collateral—The security agreement in respect of the collateral securing the Senior Secured Notes will limit the ability of the trustee for the Senior Secured Notes to take or direct enforcement actions with respect to such collateral." The Security Documents provide that the Collateral that secures the Notes excludes the Excluded Assets.

"Excluded Assets" is defined in the Security Documents, and includes among other things (i) certain property that is subject to a Lien in respect of purchase money obligations or Capitalized Lease Obligations, (ii) any fee interest in real property owned as of the Issue Date, and any fee interest in after-acquired owned real property if, in each case, the fair market value of such fee interest is less than $5.0 million individually, (iii) motor vehicles and any other assets subject to certificate of title, (iv) property that has been sold or otherwise transferred in connection with a Qualified Securitization Financing, (v) any interest in leased real property, (vi) certain assets being held for pending divestiture in connection with an acquisition that (in the good faith determination of the Issuer) would not be material to the business or operations of the Issuer and its Subsidiaries and (vii) foreign intellectual property. The Security Documents provide that the Collateral also excludes any Excluded Subsidiary Securities. In addition, the Security Documents do not require the Issuer and the Guarantors to (x) take any action in any jurisdiction other than the United States of America, or required by the laws of any such jurisdiction, in order to create any security interests (or other Liens) in assets located or titled outside of the United States of America or to perfect any security interests (or other Liens) in any Collateral, (y) deliver control agreements with respect to, or confer perfection by "control" over, any deposit accounts, bank or securities account or other Collateral, except, in the case of Collateral that constitutes Capital Stock or intercompany notes in certificated form, delivering such Capital Stock or intercompany notes (in the case of intercompany notes, limited to any such note with a principal amount in excess of $5.0 million) to the Collateral Agent (or another Person as required under the Security Agreement) or (z) deliver landlord lien waivers, estoppels or collateral access letters.

The Issuer and the Guarantors will be able to incur additional Indebtedness in the future that could be secured by Liens sharing in all or part of the Collateral, which security interests may rank equally with or junior to the security interest of the Holders of the Notes. The amount of all such additional Indebtedness will be limited by the covenants described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and "—Certain Covenants—Liens." Under certain circumstances the amount of such additional secured Indebtedness could be significant.

The Security Agreement provides that Holders of the Notes have a security interest ranking equal with the security interest of the holders of Term Loan Obligations, Revolving Obligations and certain Additional Pari Passu Obligations (each as defined under "Intercreditor Provisions" below). Except as provided therein, the Security Agreement does not permit Holders of the Notes to take any enforcement action with respect to the Collateral without the written consent of the Applicable Authorized Representative (as defined under "Intercreditor Provisions" below). See "Intercreditor Provisions."

After Acquired Property

Promptly, but in no event later than 180 days, following the acquisition by the Issuer or any Guarantor of any After Acquired Property, the Issuer or such Guarantor shall execute and deliver such mortgages, Security Document supplements, security instruments and financing statements as shall be reasonably necessary to cause such After Acquired Property to be made subject to a perfected Lien (subject to Permitted Liens) in favor of the Collateral Agent for the benefit of the Trustee and the Holders of the Notes (as well as for the benefit of the holders of Term Loan Obligations, Revolving Obligations and certain Additional Obligations), and thereupon all provisions of the Indenture and the Security Documents relating to the Collateral shall be deemed to relate to such After Acquired Property to the same extent and with the same force and effect, *provided* that (a) the Collateral in any event will exclude Excluded Assets and Excluded Subsidiary Securities and (b) in any event the Issuer or such Guarantor will not be required to (x) take any action in any jurisdiction other than the United States of America, or required by the laws of any such jurisdiction, in order to create any security interests (or other Liens) in assets located or titled outside of the United States of America or to perfect any security interests (or other Liens) in any Collateral, (y) deliver control agreements with respect to, or confer perfection by "control" over, any deposit accounts, bank or securities account or other Collateral, except, in the case of Collateral that constitutes Capital Stock or intercompany notes in certificated form, delivering such Capital Stock or intercompany notes (in the case of intercompany notes, limited to any such note with a principal amount in excess of $5.0 million) to the Collateral Agent (or another Person as required under the Security Agreement) or (z) deliver landlord lien waivers, estoppels or collateral access letters.

Security Documents

The Issuer, Holdings, the Guarantors, the Collateral Agent, the Authorized Representative for the Term Loan Obligations, the Authorized Representative for the Revolving Obligations and the Indenture Authorized Representative (each as defined below) are parties to the Security Agreement which, together with any other Security Documents, create and establish the terms of the Liens that secure the Notes and the Guarantees. These Liens secure the payment when due of all of the Notes Obligations, as provided in the Security Documents. Credit Suisse AG has been appointed, pursuant to the Indenture, as the Indenture Authorized Representative.

Although the Holders of the Offered Notes will not be party to the Security Agreement, by their acceptance of the Offered Notes they will agree to be bound thereby.

lntercreditor Provisions

The Security Agreement sets forth certain intercreditor arrangements (the "*Intercreditor Provisions*") among the holders of the Notes, the holders of certain obligations under the Senior Term Loan Agreement, certain designated hedging obligations and certain designated cash management arrangements (collectively, as more particularly defined in the Security Agreement, the "*Term Loan Obligations*"), the holders of certain obligations under the Senior Revolving Credit Agreement, certain designated hedging obligations and certain designated cash management arrangements (collectively, as more particularly defined in the Security Agreement, the "*Revolving Obligations*") and the holders of certain additional pari passu obligations (the "*Additional Pari Passu Obligations*" and collectively with the Notes Obligations, the Term Loan Obligations and Revolving Obligations, the "*First Lien Obligations*"). Term Loan Obligations and Revolving Obligations are defined in the Security Agreement and include successor credit agreements, loan agreements or other agreements or instruments evidencing or governing the terms of any indebtedness incurred to refund, refinance, restructure, replace, renew, repay, increase or extend (whether in whole or in part and whether with the original agent and creditors or other agents and creditors or otherwise) the indebtedness and other obligations outstanding under the Senior Term Loan Agreement or the Senior Revolving Credit Agreement, as the case may be, to the extent designated by Holdings pursuant to the terms of the Security Agreement. Each series of First Lien Obligations under the Security Agreement is represented by the Trustee, administrative agent, collateral agent or other debt representative for such series of First Lien Obligations (each, an "*Authorized Representative*") and Credit Suisse

AG acts as initial Authorized Representative for the Term Loan Obligations and as initial Authorized Representative for the Revolving Obligations. The Intercreditor Provisions set forth certain rights, priorities and interests of the holders of the Notes Obligations, Term Loan Obligations, Revolving Obligations and Additional Pari Passu Obligations. The Intercreditor Provisions provide for the priorities and other relative rights among the holders of First Lien Obligations, including, among other things, that:

(1) notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens on the Collateral securing the Notes Obligations, Term Loan Obligations, Revolving Obligations and Additional Pari Passu Obligations, the Liens securing all such series of First Lien Obligations shall be of equal priority;

(2) each series of First Lien Obligations may be increased, extended, renewed, replaced, restated, supplemented, restructured, refunded, refinanced or otherwise amended from time to time as permitted by the Indenture and the other agreements governing the other First Lien Obligations without affecting the Lien priority or relative rights of the holders of First Lien Obligations under the Security Documents; and

(3) so long as permitted by the Indenture and the agreements governing the Term Loan Obligations, the Revolving Obligations and any permitted Additional Pari Passu Obligations, the Issuer may incur additional Additional Pari Passu Obligations, which may be secured equally and ratably with each other series of First Lien Obligations on the terms and conditions set forth in the Security Agreement.

The Intercreditor Provisions also provide that, subject to limited exceptions, only the "*Applicable Authorized Representative*" has the right to exercise remedies (including to direct foreclosures and take other actions with respect to the Collateral), and the Authorized Representatives of other series of First Lien Obligations have no right to take actions with respect to the Collateral. As of the Closing Date, the Applicable Authorized Representative will be Credit Suisse AG as Authorized Representative for the Revolving Obligations and Credit Suisse AG, as Authorized Representative on behalf of the holders of the Notes, will have no rights to take any action under the Intercreditor Provisions. The "Applicable Authorized Representative" as of any date is:

(a) to the extent one or more revolving credit facilities with commitments equal to, or in excess of, $75.0 million (each, a "*Major Revolving Facility*") are outstanding on such date, until the Non-Controlling Authorized Representative Enforcement Date with respect to the applicable Major Revolving Facility (a "*Revolver Replacement Event*"), the Authorized Representative with respect to the Major Revolving Facility (or, if more than one Major Revolving Facility is outstanding on such date, the Authorized Representative with respect to the Major Revolving Facility with the greatest outstanding principal amount of commitments thereunder); *provided* that upon the occurrence of a Revolver Replacement Event with respect to the Major Revolving Facility whose Authorized Representative is the Applicable Authorized Representative, the Applicable Authorized Representative shall be the Authorized Representative with respect to the Major Revolving Facility with the next greatest outstanding principal amount of commitments;

(b) to the extent (x) no Major Revolving Facility is outstanding on such date or a Revolver Replacement Event has occurred and is continuing on such date with respect to each then outstanding Major Revolving Facility and (y) one or more term loan facilities with Indebtedness outstanding, equal to, in excess of, $75.0 million (each, a "*Major Term Loan Facility*") are outstanding on such date, until the Non-Controlling Authorized Representative Enforcement Date with respect to the applicable Major Term Loan Facility (a "*Term Loan Replacement Event*"), the Authorized Representative with respect to the Major Term Loan Facility (or, if more than one Major Term Loan Facility is outstanding on such date, the Authorized Representative with respect to the Major Term Loan Facility with the greatest outstanding principal amount of Indebtedness); *provided* that upon the occurrence of a Term Loan Replacement Event with respect to the Major Term Loan Facility whose Authorized Representative is the Applicable Authorized Representative, the Applicable Authorized Representative shall be the Authorized Representative with respect to the Major Term Loan Facility with the next greatest outstanding principal amount of Indebtedness; and

(c) to the extent (x) no Major Revolving Facility is outstanding on such date or a Revolver Replacement Event has occurred and is continuing on such date with respect to each then outstanding Major Revolving Facility and (y) no Major Term Loan Facility is outstanding on such date or a Term Loan Replacement Event has occurred and is continuing on such date with respect to each then outstanding Major Term Loan Facility, until the Non-Controlling Authorized Representative Enforcement Date with respect to the applicable series of First Lien Obligations (a "*First Lien Facility Replacement Event*"), the Authorized Representative with respect to the series of First Lien Obligations with the greatest outstanding principal amount of commitments and/or Indebtedness; *provided* that upon the occurrence of a First Lien Facility Replacement Event with respect to the series of First Lien Obligations whose Authorized Representative is the Applicable Authorized Representative, the Applicable Authorized Representative shall be the Authorized Representative with respect to the series of First Lien Obligations with the next greatest outstanding principal amount of commitments and/or Indebtedness.

The "*Non-Controlling Authorized Representative Enforcement Date*," with respect to the then Applicable Authorized Representative and with respect to any series of First Lien Obligation that is not represented by the then Applicable Authorized Representative, is the date that is 120 days (throughout which 120-day period the Authorized Representative of such series of First Lien Obligation was a Major Non-Controlling Authorized Representative) after the occurrence of both (a) an event of default, as defined in the agreements governing the series of First Lien Obligations under which such Major Non-Controlling Authorized Representative is the Authorized Representative, and (b) the Collateral Agent's and each other Authorized Representative's receipt of written notice from that Authorized Representative certifying that (i) such Authorized Representative is a Major Non-Controlling Authorized Representative and that an event of default, as defined in the agreements governing that series of First Lien Obligations, has occurred and is continuing and (ii) the First Lien Obligations of that Series are currently due and payable in full (whether as a result of acceleration thereof or otherwise), in accordance with the agreements governing that series of First Lien Obligations; *provided* that the Non-Controlling Authorized Representative Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any Collateral (1) at any time the Applicable Authorized Representative or the Collateral Agent has commenced and is pursuing any enforcement action with respect to such Collateral with reasonable diligence in light of the then existing circumstances or (2) at any time the Issuer or the Guarantor that has granted a security interest in such Collateral is then a debtor under or with respect to (or otherwise subject to) any bankruptcy, insolvency or liquidation proceeding.

"*Major Non-Controlling Authorized Representative*" means the Authorized Representative of any series of First Lien Obligations with principal amount of Indebtedness or commitments thereunder equal to, or in excess of, $75 million, that is not represented by the then Applicable Authorized Representative.

The Applicable Authorized Representative has the sole right to instruct the Collateral Agent to act or refrain from acting with respect to the Collateral, and the Collateral Agent shall not follow any instructions with respect to such Collateral from any other Person. No Authorized Representative of any series of First Lien Obligations (other than the Applicable Authorized Representative) will instruct the Collateral Agent to commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interests in or realize upon, or take any other action available to it in respect of, the Collateral.

Notwithstanding the equal priority of the Liens, the Collateral Agent, acting on the instructions of the Applicable Authorized Representative, may deal with the Collateral as if such Applicable Authorized Representative had a senior Lien on such Collateral. No Authorized Representative of any series of First Lien Obligations (other than the Applicable Authorized Representative) may contest, protest, or object to any foreclosure proceeding or action brought by the Collateral Agent or Applicable Authorized Representative. Each Authorized Representative agrees that it will not accept any Lien on any Collateral for the benefit of the holders

of the Notes or the applicable series of First Lien Obligations (other than funds deposited for the discharge or defeasance of the Notes or the applicable First Lien Obligations) other than pursuant to the Security Documents. Each holder of the First Lien Obligations, including the holders of the Offered Notes by acceptance thereof, is deemed to have agreed that it will not contest or support any other person in contesting, in any Proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any other holder of First Lien Obligations in all or any part of the Collateral, or any of the Intercreditor Provisions.

If an event of default has occurred and is continuing under the agreements governing a series of First Lien Obligations, and the Collateral Agent is taking action to enforce rights in respect of any Collateral, or any distribution is made with respect to any Collateral in any bankruptcy case of the Issuer or any Guarantor, the proceeds of any sale, collection or other liquidation of any such Collateral by the Collateral Agent or any other holder of First Lien Obligations, as applicable, is required to be applied among the First Lien Obligations to the payment in full of the First Lien Obligations on a ratable basis, after payment of all amounts owing to the Collateral Agent.

Holders of First Lien Obligations agree not to institute any suit or assert in any suit, bankruptcy, insolvency or other proceeding any claim against the Collateral Agent or any other holder of First Lien Obligations seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Collateral. In addition, holders of First Lien Obligations agree not to seek to have any Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Collateral. If any holder of First Lien Obligations obtains possession of any Collateral or realizes any proceeds or payment in respect thereof, at any time prior to the discharge of each of the First Lien Obligations, then it must hold such Collateral, proceeds or payment in trust for the other holders of First Lien Obligations and promptly transfer such Collateral, proceeds or payment to the Collateral Agent to be distributed in accordance with the Security Agreement.

By agreeing to purchase Offered Notes, each noteholder authorizes the Trustee and the Indenture Authorized Representative (1) (in the case of the Trustee) to appoint the Indenture Authorized Representative to act on its behalf as the Indenture Authorized Representative under the Security Agreement, (2) to appoint the Collateral Agent to act on its behalf as the Collateral Agent under the Security Agreement and under each of the other Security Documents and (3) to authorize the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms of the Security Agreement and the other Security Documents, including for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any grantor thereunder to secure any of the First Lien Obligations, together with such powers and discretion as are reasonably incidental thereto.

The Security Agreement provides that the Collateral Agent shall not have any duties or obligations except those expressly set forth therein and in the other Security Documents. Without limiting the generality of the foregoing, the Collateral Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Security Agreement or by the other Security Documents that the Collateral Agent is required to exercise as directed in writing by the Applicable Authorized Representative; *provided*, *however*, that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Security Document or applicable law;

(iii) shall not, except as expressly set forth in Security Agreement and in the other Security Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to a grantor or any of its Affiliates that is communicated to or obtained by the Collateral Agent or any of its Affiliates in any capacity;

(iv) shall not be liable for any action taken or not taken by it (1) with the consent or at the request of the Applicable Authorized Representative or (2) in the absence of its own gross negligence or willful misconduct or (3) in reliance on a certificate of an authorized officer of the Issuer stating that such action is permitted by the terms of the Security Agreement; and

(v) shall be deemed not to have knowledge of any Event of Default under, and as defined in, any series of First Lien Obligations unless and until written notice describing such Event of Default is given to the Collateral Agent by the Authorized Representative of such First Lien Obligations or the Issuer.

In addition, among other things, the Collateral Agent will not be responsible for or have any duty to ascertain or inquire into (1) any statement, warranty or representation made in or in connection with the Security Agreement or any other Security Document, (2) the contents of any certificate, report or other document delivered under the Security Agreement or any other Security Document, (3) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in the Security Agreement or any other Security Document, or the occurrence of any Default or Event of Default, (4) the validity, enforceability, effectiveness or genuineness of the Security Agreement, any other Security Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (5) the value or the sufficiency of any Collateral for any series of First Lien Obligations or (6) the satisfaction of any condition set forth in any agreement relating to the First Lien Obligations, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

Additional Intercreditor Arrangements

By their acceptance of the Offered Notes, the Holders of the Offered Notes will authorize the Collateral Agent, the Indenture Authorized Representative and the Trustee, as applicable, to enter into any intercreditor agreement on behalf of, and binding with respect to, the Holders of the Offered Notes and their interest in designated assets, in connection with the incurrence of any Additional Indebtedness, including to clarify the respective rights of all parties in and to designated assets. The Collateral Agent or the Indenture Authorized Representative, as applicable, will enter into any such intercreditor agreement at the request of the Issuer, *provided* that the Issuer will have delivered to the Collateral Agent or the Indenture Authorized Representative, as the case may be, an Officer's Certificate to the effect that such other intercreditor agreement complies with the provisions of the Indenture and the Security Documents.

The Issuer will have the right to determine whether Obligations with respect to Additional Indebtedness ("*Additional Obligations*") will, as between such Additional Obligations and the Note Obligations, rank *pari passu* or junior with respect to the Collateral, and as between or among such Additional Obligations and any other First Lien Obligations, rank *pari passu*, senior or junior with respect to the Collateral, to the extent permitted under the applicable Security Documents. The terms on which any Additional Obligations will rank junior in priority to the Note Obligations and other First Lien Obligations with respect to the Collateral will be set forth in one or more other intercreditor agreements having terms no less favorable to the Holders with respect to such Collateral than the terms of the Intercreditor Agreement, as determined in good faith by the Issuer.

Release of Collateral

The Issuer and the Guarantors will be entitled to the releases of property and other assets included in the Collateral from the Liens securing the Notes under any one or more of the following circumstances:

- to enable the disposition of such property or assets to any Person (other than the Issuer or a Guarantor) to the extent not prohibited under the covenant described under "—Repurchase at the Option of Holders—Asset Sales";
- in the case of a Guarantor that is released from its Guarantee (including upon (A) satisfaction and discharge of the Indenture as set forth below under "—Satisfaction and Discharge" or (B) a legal

defeasance or covenant defeasance as set forth below under "—Legal Defeasance and Covenant Defeasance"), the release of the property and assets of such Guarantor;

- with respect to Collateral that is Equity Interests, upon the dissolution or liquidation of the issuer of that Equity Interest that is not prohibited by the Indenture;
- if the Notes have Investment Grade Ratings from both Rating Agencies and the Issuer has delivered a notice of such Investment Grade Ratings to the Trustee and the Collateral Agent and no Default has occurred and is continuing under the Indenture;
- the release of Collateral by the Collateral Agent, acting on the instructions of the Applicable Authorized Representative in accordance with the terms of the Security Agreement (other than releases of all or substantially all of the Collateral);
- in accordance with the applicable provisions of the Security Documents; or
- as described under "—Amendment, Supplement and Waiver" below.

The Offered Notes and Guarantees will cease to have a security interest in the Collateral upon (i) payment in full of the principal of, together with accrued and unpaid interest on, the Offered Notes and all other Obligations under the Indenture, the Guarantees and the Security Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest, is paid or (ii) a legal defeasance or covenant defeasance under the Indenture as described below under "—Legal Defeasance and Covenant Defeasance" or a discharge of the Indenture as described under "—Satisfaction and Discharge."

Mandatory Redemption

The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, unless the Issuer has exercised its right to redeem all the Notes as described under "—Optional Redemption" (and has not rescinded such exercise), each Holder of Notes will have the right to require the Issuer to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof in the case of Dollar Notes and the Existing Notes other than the Initial Euro Notes and €100,000 and integral multiples of €1,000 in excess thereof in the case of Euro Notes and the Initial Euro Notes) of that Holder's Notes pursuant to an offer (a "Change of Control Offer") on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a payment (a "Change of Control Payment") in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased, to the date of purchase. On or prior to the date that is 30 days following any Change of Control, the Issuer will mail or deliver by electronic transmission a notice to each Holder stating that a Change of Control has occurred or may occur and offering to repurchase Offered Notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indenture and described in such notice. The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The paying agents will promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof, in the case of the Dollar Notes and the Existing Notes other than the Initial Euro Notes and each new Note will be in a principal amount of €100,000 or an integral multiple of €1,000 in excess thereof, in the case of the Euro Notes and the Initial Euro Notes.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

If Holders of not less than 90% in aggregate principal amount of the outstanding Offered Notes validly tender and do not withdraw such Offered Notes in a Change of Control Offer and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Offered Notes validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to such Change of Control Offer, to redeem all Offered Notes that remain outstanding following such purchase at a price in cash equal to 101.0% of the principal amount thereof *plus* accrued and unpaid interest to but excluding the date of such redemption (subject to the rights of Holders of Offered Notes on the relevant record date to receive interest on the relevant interest payment date).

Agreements governing Indebtedness of the Issuer may contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased or repaid upon a Change of Control. Agreements governing Indebtedness of the Issuer may prohibit the Issuer from repurchasing the Notes upon a Change of Control unless such Indebtedness has been repurchased or repaid (or an offer made to effect such repurchase or repayment has been made and the Indebtedness of those creditors accepting such offer has been repurchased or repaid) and/or other specified requirements have been met. Moreover, the exercise by the Holders of Notes of their right to require the Issuer to repurchase the Notes could cause a default under such agreements, even if the Change of Control itself does not, due to the financial effect of such repurchase on the

Issuer and its Subsidiaries. Finally, the Issuer's ability to pay cash to the Holders of Notes upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. The provisions under the Indenture relating to the Issuer's obligation to make an offer to purchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes. As described above under "—Optional Redemption," the Issuer also has the right to redeem the Offered Notes at specified prices, in whole or in part, upon a Change of Control or otherwise. See "Risk Factors—Risks Related to the Notes—We may not be able to repurchase the notes upon a change of control."

The definition of Change of Control includes a phrase relating to the sale, lease, transfer or other conveyance of "all or substantially all" of the properties or assets of the Issuer and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its Restricted Subsidiaries and therefore it may be unclear as to whether a Change of Control has occurred and whether the Holders of the Notes have the right to require the Issuer to repurchase such Notes.

Asset Sales

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration at the time of the Asset Sale at least equal to the fair market value (as determined, as of the time of contractually agreeing to such Asset Sale, in good faith by senior management or the Board of Directors of the Issuer, whose determination shall be conclusive, *provided* that in the case of any Asset Sale involving consideration in excess of $50.0 million, such determination shall be made by the Board of Directors of the Issuer) of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) except for any Permitted Asset Swap, at least 75% of the consideration received in the Asset Sale by the Issuer or such Restricted Subsidiary is in the form of cash or Cash Equivalents.

For purposes of clause (2) above, the amount of (i) any liabilities (as shown on the Issuer's or such Restricted Subsidiary's most recent balance sheet or in the notes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been shown on such balance sheet or in the notes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by the Issuer) of the Issuer or any Restricted Subsidiary (other than liabilities that are by their terms subordinated in right of payment to the Notes) that are assumed by the transferee of any such assets (or are otherwise extinguished in connection with the transactions relating to such Asset Sale), if such liabilities are not Indebtedness, or the Issuer or such Restricted Subsidiary has been released from all liability on payment of the principal amount of such liabilities in connection with such Asset Sale, (ii) any securities, notes or other obligations received by the Issuer or such Restricted Subsidiary from such transferee that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days following the closing of such Asset Sale and (iii) any Designated Noncash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale having an aggregate fair market value (as determined in good faith by the Board of Directors of the Issuer), taken together with all other Designated Noncash Consideration received pursuant to this clause (iii) that is at that time outstanding, not to exceed the greater of (x) $100.0 million and (y) 9.0% of Consolidated Tangible Assets at the time of the receipt of such Designated Noncash Consideration (with the fair market value of each item of Designated Noncash Consideration being measured at the time received without giving effect to subsequent changes in value), shall be deemed to be cash for purposes of this paragraph and for no other purpose.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer or such Restricted Subsidiary may apply an amount equal to those Net Proceeds at its option:

(1) to permanently reduce

(A) Obligations having Pari Passu Lien Priority and, if applicable, to correspondingly reduce commitments with respect thereto; *provided* that if the Issuer shall so reduce such Obligations, it will, on a ratable basis, make an offer (in accordance with the procedures set forth below for an Asset Sale Offer (as defined below)) to all Holders of Notes to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, the pro rata principal amount of Notes; or

(B) Indebtedness of a Restricted Subsidiary that is not a Guarantor, other than Indebtedness owed to the Issuer or an Affiliate of the Issuer;

(2) to make an investment in (A) any one or more businesses (*provided* that such investment in any business is in the form of the acquisition of Capital Stock and results in the Issuer or a Restricted Subsidiary owning an amount of the Capital Stock of such business such that it constitutes a Restricted Subsidiary), (B) capital expenditures or (C) other assets that, in the case of each of the foregoing clauses (A), (B) and (C), are used or useful in a Permitted Business; and/or

(3) to make an investment in (A) any one or more businesses; (*provided* that such investment in any business is in the form of the acquisition of Capital Stock and it results in the Issuer or a Restricted Subsidiary owning an amount of the Capital Stock of such business such that it constitutes a Restricted Subsidiary), (B) properties or (C) other assets that, in the case of each of the foregoing clauses (A), (B) and (C), replace the businesses, properties and/or assets that are the subject of such Asset Sale;

provided that the Issuer or such Restricted Subsidiary will be deemed to have complied with clause (2) or (3) above if and to the extent that, within 365 days after the Asset Sale that generated the Net Proceeds, the Issuer or such Restricted Subsidiary has entered into and not abandoned or rejected a binding agreement to consummate any such investment described in clause (2) or (3) above, and such investment is thereafter completed within 180 days after the end of such 365-day period.

When the aggregate amount of Net Proceeds or equivalent amount not applied or invested in accordance with the preceding paragraph ("*Excess Proceeds*") exceeds $75.0 million, the Issuer will make an offer (an "*Asset Sale Offer*") to all Holders of Notes and, if required under the terms of any Indebtedness that ranks *pari passu* with the Notes ("*Pari Passu Indebtedness*"), to the holders of such Pari Passu Indebtedness, on a *pro rata* basis, to purchase the maximum aggregate principal amount of Notes and such Pari Passu Indebtedness that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof, or, in the case of Pari Passu Indebtedness that is issued or sold at a discount, the amount of the accreted value thereof at such time, plus accrued and unpaid interest, if any, to the date of purchase (or such lesser price, if any, as may be provided under the terms of such Pari Passu Indebtedness).

Pending the final application of any Net Proceeds or equivalent amount, the Issuer may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds allotted to purchase Notes in such Asset Sale Offer, the Trustee will select the Notes to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection

with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue of such conflict.

Certain Covenants

Changes in Covenants When Notes Rated Investment Grade

Set forth below are summaries of certain covenants contained in the Indenture. If on any date following the Issue Date, (i) the Notes have Investment Grade Ratings from both Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "*Covenant Suspension Event*" and the date thereof being referred to as the "*Suspension Date*") then, the covenants listed under the following captions in this "Description of Notes" section of this offering circular will not be applicable to the Notes (collectively, the "*Suspended Covenants*"):

(1) "Repurchase at the Option of Holders—Asset Sales";

(2) "—Restricted Payments";

(3) "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(4) clauses (4) and (5) of the first paragraph of "—Merger, Consolidation or Sale of Assets";

(5) "—Transactions with Affiliates";

(6) "—Dividend and Other Payment Restrictions Affecting Subsidiaries"; and

(7) "—Additional Subsidiary Guarantees."

Additionally, upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from Net Proceeds shall be reset to zero. During any period that the Suspended Covenants have been suspended, the Board of Directors of the Issuer may not designate any of its Subsidiaries as Unrestricted Subsidiaries unless such designation would have complied with the covenant described under "—Restricted Payments" as if such covenant would have been in effect during such period.

In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "*Reversion Date*") one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this "Description of Notes" as the "Suspension Period."

In the event of any reinstatement of the Suspended Covenants on a Reversion Date, (i) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant described below under "—Restricted Payments" had been in effect prior to, but not during, the Suspension Period; (ii) all Indebtedness incurred, or Preferred Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (3) of the definition of "Permitted Debt"; (iii) any Affiliate Transaction entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (8) of the second paragraph of the covenant described under "—Transactions with Affiliates;" and (iv) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under "—Dividend and Other Payment Restrictions Affecting Subsidiaries" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1) of the second paragraph of the covenant described under "—Dividend and Other Payment Restrictions Affecting Subsidiaries."

During the Suspension Period, any reference in the definitions of "Permitted Liens" and "Unrestricted Subsidiary" to the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock," or any provision thereof shall be construed as if such covenant were in effect during the Suspension Period.

Notwithstanding that the Suspended Covenants may be reinstated, (1) no Default, Event of Default or breach of any kind will be deemed to exist or have occurred as a result of any failure by the Issuer or any Subsidiary to comply with the Suspended Covenants during any Suspension Period (or upon termination of the Suspension Period or after that time arising out of actions taken or events that occurred during the Suspension Period), and (2) following a Reversion Date the Issuer and any Subsidiary will be permitted, without causing a Default, Event of Default or breach of any kind, to honor, comply with or otherwise perform any contractual commitments or obligations arising prior to such Reversion Date and to consummate the transactions contemplated thereby, and shall have no liability for any actions taken or events that occurred during the Suspension Period, or for any actions taken or events occurring at any time pursuant to any such commitment or obligation.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Ratings.

Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(a) declare or pay any dividend or make any other payment or distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests, including any dividend or distribution payable in connection with any merger or consolidation (other than (A) dividends or distributions by the Issuer payable in Equity Interests (other than Disqualified Stock) of the Issuer or in options, warrants or other rights to purchase such Equity Interests (other than Disqualified Stock) or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Subsidiary, the Issuer or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities);

(b) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent company of the Issuer, including in connection with any merger or consolidation involving the Issuer;

(c) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness (other than (x) Subordinated Indebtedness permitted under clauses (7) and (8) of the definition of "Permitted Debt" or (y) the purchase, repurchase or other acquisition of Subordinated Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition); or

(d) make any Restricted Investment (all such payments and other actions set forth in these clauses (a) through (d) being collectively referred to as "*Restricted Payments*"),

unless, at the time of and immediately after giving effect to such Restricted Payment:

(1) no Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(2) if such Restricted Payment is made in reliance on clause (a) of paragraph (3) below, the Issuer would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and the Restricted Subsidiaries after the Issue Date (including Restricted Payments permitted by clauses (1), (9) and (18) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph), is less than the sum, without duplication, of

(a) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from the beginning of the fiscal quarter during which the Issue Date occurs to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit), plus

(b) 100% of the aggregate net cash proceeds and the fair market value, as determined in good faith by the Board of Directors of the Issuer, of property and marketable securities received by the Issuer after the Issue Date from the issue or sale of (x) Equity Interests of the Issuer (including Retired Capital Stock (as defined below) but excluding (i) cash proceeds and marketable securities received from the sale of Equity Interests to members of management, directors or consultants of the Issuer, any direct or indirect parent company of the Issuer and the Subsidiaries after the Issue Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph and, to the extent actually contributed to the Issuer, Equity Interests of the Issuer's direct or indirect parent companies, (ii) Designated Preferred Stock and (iii) Disqualified Stock) or (y) debt securities of the Issuer that have been converted into or exchanged for such Equity Interests of the Issuer (other than Refunding Capital Stock (as defined below) or Equity Interests or convertible debt securities of the Issuer sold to a Restricted Subsidiary or the Issuer, as the case may be, and other than Disqualified Stock or Designated Preferred Stock or debt securities that have been converted into or exchanged for Disqualified Stock or Designated Preferred Stock), plus

(c) 100% of the aggregate amount of cash and the fair market value, as determined in good faith by the Board of Directors of the Issuer, of property and marketable securities contributed to the capital of the Issuer after the Issue Date (other than (i) by a Restricted Subsidiary, (ii) any Excluded Contributions, (iii) any Disqualified Stock, (iv) any Designated Preferred Stock and (v) the Cash Contribution Amount), plus

(d) 100% of the aggregate amount received in cash after the Issue Date and the fair market value, as determined in good faith by the Board of Directors of the Issuer, of property and marketable securities received by means of (A) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of Restricted Investments made by the Issuer or its Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Issuer or its Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments by the Issuer or its Restricted Subsidiaries or (B) the sale (other than to the Issuer or a Restricted Subsidiary) of the Capital Stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than in each case to the extent the Investment in such Unrestricted Subsidiary was made by a Restricted Subsidiary pursuant to clause (7) or (11) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment) or a dividend from an Unrestricted Subsidiary, plus

(e) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary, the fair market value of the Investment in such Unrestricted Subsidiary, as determined by the Board of Directors of the Issuer in good faith at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, consolidation or transfer of assets (other than an Unrestricted Subsidiary to the extent the Investment in such Unrestricted Subsidiary was made by a Restricted Subsidiary pursuant to clause (7) or (11) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment), plus

(f) an amount equal to the amount available as of the Issue Date (or, if later, the date on which internal financial statements are available for the Issuer's fiscal quarter most recently ended prior to the Issue Date) for making Restricted Payments pursuant to clause (a)(3) of Section 4.11 of the Existing Unsecured Indenture.

The preceding provisions will not prohibit:

(1) the payment of any dividend or other distribution or the consummation of any redemption within 60 days after the date of declaration of the dividend or other distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or other distribution or redemption would have complied with the provisions of the Indenture;

(2) (A) the redemption, repurchase, retirement or other acquisition of any Equity Interests of the Issuer or any direct or indirect parent company ("*Retired Capital Stock*") or Subordinated Indebtedness in exchange for or out of the proceeds of the sale or issuance (other than to a Restricted Subsidiary or the Issuer) of Equity Interests of the Issuer or any direct or indirect parent company thereof to the extent contributed to the equity capital of the Issuer (in each case, other than Disqualified Stock) ("*Refunding Capital Stock*") or any contributions to the equity capital of the Issuer, (B) the declaration and payment of dividends on the Retired Capital Stock out of the proceeds of the sale or issuance (other than to a Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any of its Subsidiaries) of Refunding Capital Stock and (C) if, immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clauses (6) (a) or (b) of this paragraph, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any direct or indirect parent company of the Issuer) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(3) the redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the incurrence of, new Indebtedness which is incurred in compliance with the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock," so long as (A) the principal amount (or, if issued with original issue discount, the issue price) of such new Indebtedness does not exceed the principal amount of, and premium, if any, and accrued interest on, the Indebtedness being so redeemed, repurchased, defeased or otherwise acquired or retired for value plus any fees, premiums, underwriting discounts, costs and expenses related to such redemption, repurchase, defeasance or other acquisition or retirement for value, (B) such new Indebtedness is subordinated to such Notes and any Guarantees thereof at least to the same extent as such Indebtedness being so redeemed, repurchased or otherwise acquired or retired for value, (C) such new Indebtedness does not have a Stated Maturity date prior to the Stated Maturity of the Indebtedness being so redeemed, repurchased, defeased or otherwise acquired or retired for value and (D) such new Indebtedness has a Weighted Average Life to Maturity which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness being so redeemed, repurchased, defeased or otherwise acquired or retired for value;

(4) any Restricted Payment to pay for the repurchase, retirement, redemption or other acquisition or retirement for value of Equity Interests of the Issuer or any of its direct or indirect parent companies or employee investment vehicles held by any future, present or former employee, director or consultant of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies and their respective estates, spouses and former spouses pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Issuer or any direct or indirect parent company of the Issuer in connection with any such repurchase, retirement or other acquisition), or any stock subscription or shareholder, equity holder, partnership or limited liability company agreement, including any Equity Interest rolled over by management of the Issuer or any direct or indirect parent company of the Issuer in connection with the 2011 Transactions; *provided*, *however*, that the aggregate amount of Restricted Payments made

under this clause (4) does not exceed in any calendar year $50.0 million (with unused amounts in any calendar year being carried over to any succeeding calendar year, it being understood that the Issuer may elect to apply all or any portion of the amounts so carried over in any calendar year); and *provided*, *further*, that such amount in any calendar year may be increased by an amount not to exceed (A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Issuer and, to the extent contributed to the Issuer, Equity Interests of any of its direct or indirect parent companies or employee investment vehicles, in each case to any future, present or former employee, director or consultant of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies that occurs after the Issue Date plus (B) the amount of any cash bonuses otherwise payable to any future, present or former employee, director or consultant of the Issuer or any of its Subsidiaries or any of its direct or indirect parent companies that are foregone in return for the receipt of Equity Interests or the Issuer or any direct or indirect parent company of the Issuer or any employee investment vehicle pursuant to deferred compensation plan of such corporation plus (C) the cash proceeds of key man life insurance policies received by the Issuer or its Restricted Subsidiaries after the Issue Date *(provided* that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (A), (B) and (C) above in any calendar year) less (D) the amount of any Restricted Payments previously made pursuant to clauses (A), (B) and (C) of this clause (4); and *provided*, *further*, that cancellation of Indebtedness owing to the Issuer from any future, present or former employee, director or consultant of the Issuer or any of its Subsidiaries or any of its direct or indirect parent companies and their respective estates, spouses and former spouses in connection with a repurchase of Equity Interests of the Issuer or any of its direct or indirect parent companies will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(5) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Issuer or any Restricted Subsidiary issued or incurred in accordance with the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock" to the extent such dividends are included in the definition of Fixed Charges for such entity;

(6) (a) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after the Issue Date, (b) the declaration and payment of dividends to any direct or indirect parent company of the Issuer, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of any direct or indirect parent company of the Issuer issued after the Issue Date, *provided* that the aggregate amount of dividends declared and paid pursuant to this clause (b) shall not exceed the aggregate amount of cash actually contributed to the Issuer from the sale of such Designated Preferred Stock, and (c) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this paragraph; *provided*, *however*, that for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a pro forma basis, the Issuer would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00;

(7) Investments in Unrestricted Subsidiaries having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (7) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash and/or marketable securities, not to exceed the greater of $75.0 million and 6.5% of Consolidated Tangible Assets at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholding or similar taxes payable upon exercise of Equity Interests by any future, present or former employee, director or consultant of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies and their respective estates, spouses and former spouses and repurchases or withholding of Equity Interests deemed to occur upon exercise of stock options or warrants or the vesting of equity awards

(including restricted stock and restricted stock units) if such Equity Interests represent a portion of the exercise price of, or withholding obligation with respect to, such options, warrants or equity awards and any related payment in respect of such obligation;

(9) the declaration and payment of dividends on the Issuer's common stock (or the payment of dividends to any direct or indirect parent company of the Issuer to fund a payment of dividends on such company's common stock), following the first public offering of the Issuer's common stock or the common stock of any direct or indirect parent company of the Issuer after the Issue Date, of up to 6.0% per annum of the net cash proceeds received by or contributed to the Issuer in or from any such public offering;

(10) Restricted Payments in an aggregate amount at any time outstanding equal to the amount of Excluded Contributions;

(11) any other Restricted Payment in an aggregate amount, taken together with all other Restricted Payments made pursuant to this clause (11), at any one time outstanding not to exceed the greater of $100.0 million and 10.0% of Consolidated Tangible Assets at the time of such Restricted Payment;

(12) the declaration and payment of dividends to, or the making of loans or any other payments to, any direct or indirect parent company of the Issuer in amounts intended to enable any such parent company to pay or cause to be paid:

(A) franchise and excise taxes and other fees, taxes and expenses required to maintain its corporate or other legal existence;

(B) federal, foreign, state and local income or franchise taxes with respect to any period for which the Issuer or any of its Subsidiaries is a member of a consolidated, combined or unitary group of which such direct or indirect parent company is a member; *provided* that the amount of such payments shall not exceed the tax liability that the Issuer and its Subsidiaries would have incurred were such taxes determined as if such entities were a stand-alone group; and *provided* that Restricted Payments under this clause in respect of any taxes attributable to the income of any Unrestricted Subsidiaries may be made only to the extent that such Unrestricted Subsidiaries have made cash payments to the Issuer or its Restricted Subsidiaries;

(C) customary salary, bonus and other benefits payable to officers, directors and employees of any direct or indirect parent company of the Issuer to the extent such salaries, bonuses and other benefits are attributable to the ownership or operation of the Issuer and its Restricted Subsidiaries;

(D) general corporate overhead costs and expenses (including professional expenses) for any direct or indirect parent company of the Issuer to the extent such costs and expenses are attributable to the ownership or operation of the Issuer and its Restricted Subsidiaries, and amounts to fund any charitable foundation of any direct or indirect parent company of the Issuer;

(E) fees and expenses other than to Affiliates related to any unsuccessful equity or debt offering not prohibited by the Indenture and fees and expenses related to any disposition or acquisition or investment transaction by the Issuer or any of its Restricted Subsidiaries (or any acquisition of or investment in any business, assets or property that will be contributed to the Issuer or any of its Restricted Subsidiaries as part of the same or a related transaction) not prohibited by the Indenture;

(F) taxes arising by virtue of (i) having capital stock outstanding or being a direct or indirect holding company parent of the Issuer, any Subsidiary of the Issuer or any direct or indirect parent of the Issuer, (ii) having guaranteed any obligations of the Issuer or any Subsidiary of the Issuer, (iii) having made a payment in respect of any of the payments permitted to be made to it under this section "—Restricted Payments," (iv) any actions taken with respect to

any intellectual property and associated rights relating to the business of the Issuer or any Subsidiary of the Issuer and (v) the receipt of, or entitlement to, any payment permitted to be made under this section "—Restricted Payments" or any payment in connection with the Transactions or the 2011 Transactions, including any payment received after the Issue Date pursuant to any agreement related to the Transactions or the 2011 Transactions;

(G) payments made or expected to be made to cover social security, medicare, withholding and other taxes payable in connection with any management equity plan or stock option plan or any other management or employee benefit plan or agreement of any direct or indirect parent company of the Issuer or to make any other payment that would, if made by the Issuer or any Restricted Subsidiary, be permitted pursuant to clause (8) above; and

(H) annual management, consulting, monitoring and advisory fees to any of the Sponsor and its Affiliates in an aggregate amount in any fiscal year not to exceed the Maximum Management Fee Amount, and related expenses and indemnities, pursuant to the Management Agreement or otherwise;

(13) any Restricted Payment made in connection with the Transactions or the 2011 Transactions and the fees and expenses related thereto or owed to Affiliates, in each case with respect to any Restricted Payment made or owed to an Affiliate, to the extent permitted by the covenant described under "—Transactions with Affiliates";

(14) distributions or payments of Securitization Fees and purchases of Securitization Assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing;

(15) the repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Indebtedness pursuant to provisions similar to those described under the captions "—Repurchase at the Option of Holders—Change of Control" and "—Repurchase at the Option of Holders—Asset Sales"; *provided* that a Change of Control Offer or Asset Sale Offer, as applicable, has been made and all Notes tendered by Holders of the Notes in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed, defeased or acquired or retired for value;

(16) the declaration and payment of dividends to, or the making of loans to, Holdings in an amount not exceeding the amount of Excess Proceeds remaining after the consummation of any Asset Sale Offer, the proceeds of which are applied solely to the repurchase, redemption, defeasance or other acquisition or retirement for value of any Holdings Notes;

(17) the declaration and payment of dividends to, or the making of loans to, Holdings the proceeds of which are applied solely to pay interest and principal when due on the Holdings Notes;

(18) the repurchase, redemption or other acquisition or retirement for value of Equity Interests of the Issuer deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Issuer, in each case, permitted under the Indenture;

(19) the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Issuer or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, the primary assets of which are cash and/or Cash Equivalents); and

(20) the declaration and payment of dividends to, or the making of loans to, Holdings funded directly or indirectly with proceeds of Indebtedness incurred by the Issuer or any of its Subsidiaries, the proceeds of which are applied solely to the repurchase, redemption, defeasance or other acquisition or retirement for value of any Holdings Notes, including, for the avoidance of doubt, amounts in respect of the principal amount of, and premium, if any, and accrued interest on, the Holdings Notes being so repurchased, redeemed, defeased or otherwise acquired or retired for value plus any fees, premiums, underwriting discounts, costs and expenses related to such repurchase, redemption, defeasance or other acquisition or retirement for value, provided that the maturity of such Indebtedness shall be no earlier, and the Weighted

Average Life to Maturity of such Indebtedness shall be no shorter, than the maturity or Weighted Average Life to Maturity, as applicable, of the Holdings Notes;

provided that at the time of, and immediately after giving effect to, any Restricted Payment permitted under clauses (7), (11) and (16) above, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant will be determined in good faith by the Board of Directors of the Issuer.

As of the Issue Date, all of the Issuer's Subsidiaries will be Restricted Subsidiaries except WMG Kensington Ltd and its Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the second to last sentence of the definition of Unrestricted Subsidiary. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments or Permitted Investments in an amount determined as set forth in the second paragraph of the definition of Investments. Such designation will be permitted only if a Restricted Payment or a Permitted Investment in such amount would be permitted at such time under this covenant or the definition of Permitted Investments and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants described in this offering circular.

Incurrence of Indebtedness and Issuance of Preferred Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, enter into any guarantee of, or otherwise become directly or indirectly liable, contingently or otherwise, for (collectively, "*incur*") any Indebtedness (including Acquired Debt), and the Issuer will not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock; *provided*, *however*, that the Issuer and any Restricted Subsidiary may incur Indebtedness (including Acquired Debt) and any Restricted Subsidiary may issue Preferred Stock if the Fixed Charge Coverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Preferred Stock is issued would have been at least 2.00 to 1.00, determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; *provided further* that the aggregate principal amount of Indebtedness that may be incurred and the liquidation preference of Preferred Stock that may be issued pursuant to the foregoing by Restricted Subsidiaries that are not Guarantors shall not exceed $100.0 million at any one time outstanding.

The first paragraph of this covenant will not prohibit the incurrence of any of the following (collectively, "*Permitted Debt*")*:*

(1) (I) Indebtedness under the Notes and one or more Credit Agreements together with the incurrence of the guarantees thereunder and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof) and other Indebtedness, up to an aggregate principal amount, together with amounts outstanding under a Qualified Securitization Financing incurred pursuant to clause (17) below, not to exceed at any one time outstanding the greater of (A) $2,275 million and (B) the maximum aggregate principal amount (as of the date of incurrence of any such Indebtedness and after giving *pro forma* effect to the incurrence thereof and the application of the net proceeds therefrom (or as of the date of the initial

borrowing of such Indebtedness after giving *pro forma* effect to the incurrence of the entire committed amount of such Indebtedness)) that can be incurred without exceeding a Senior Secured Indebtedness to EBITDA Ratio for the Issuer of 4.00 to 1.00 (it being understood that for purposes of determining compliance under this clause (1), any Indebtedness incurred under this clause (1) (whether or not secured), other than Revolving Credit Agreement Indebtedness, will be included in the amount of Senior Secured Indebtedness for purposes of calculating the Senior Secured Indebtedness to EBITDA Ratio) and (II) Revolving Credit Agreement Indebtedness not to exceed at any time outstanding $180.0 million;

(2) [reserved];

(3) the Existing Unsecured Notes and other Existing Indebtedness (other than Indebtedness described in clauses (1), (2) and (7));

(4) Indebtedness (including Capitalized Lease Obligations) incurred by the Issuer or any Restricted Subsidiary and Preferred Stock issued by a Restricted Subsidiary to finance the purchase, lease or improvement of property (real or personal) or equipment that is used or useful in a Permitted Business (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) provided that the aggregate principal amount of Indebtedness incurred pursuant to this clause to finance the acquisition of Capital Stock of any Person at any time outstanding shall not exceed the greater of (x) $50.0 million and (y) 5.0% of Consolidated Tangible Assets;

(5) Indebtedness incurred by the Issuer or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including without limitation letters of credit in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance; *provided* that upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(6) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnouts or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; *provided* that such Indebtedness is not reflected on the balance sheet of the Issuer or any Restricted Subsidiary (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for purposes of this clause);

(7) Indebtedness of the Issuer owed to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owed to and held by the Issuer or any Restricted Subsidiary; *provided*, *however*, that (A) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Indebtedness (except to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to constitute the incurrence of such Indebtedness by the issuer thereof and (B) if the Issuer is the obligor on such Indebtedness (other than any Existing Indebtedness) owing to a Restricted Subsidiary that is not a Guarantor, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations of the Issuer with respect to the Notes;

(8) shares of Preferred Stock of a Restricted Subsidiary issued to the Issuer or a Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or a Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares of Preferred Stock;

(9) Hedging Obligations of the Issuer or any Restricted Subsidiary (excluding Hedging Obligations entered into for speculative purposes) for the purpose of limiting (A) interest rate risk with respect to any

Indebtedness that is permitted to be incurred by the terms of the Indenture, (B) exchange rate risk with respect to any currency exchange or (C) commodity price risk;

(10) obligations in respect of self-insurance, performance, bid, appeal and surety bonds and performance and completion guarantees and similar obligations provided by the Issuer or any Restricted Subsidiary or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business or consistent with past practice;

(11) Indebtedness of the Issuer or any Restricted Subsidiary or Preferred Stock of any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference which, when aggregated with the principal amount and liquidation preference of all other Indebtedness and Preferred Stock then outstanding and incurred pursuant to this clause (11), does not at any one time outstanding exceed the greater of $250.0 million and 17.5% of Consolidated Tangible Assets (it being understood that any Indebtedness or Preferred Stock incurred pursuant to this clause (11) shall cease to be deemed incurred or outstanding for purposes of this clause (11) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred such Indebtedness or Preferred Stock under the first paragraph of this covenant without reliance on this clause (11));

(12) (a) any guarantee by the Issuer or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as (in the case of any such Indebtedness) the incurrence of such Indebtedness by such Restricted Subsidiary is permitted under the terms of the Indenture, or (b) any guarantee by a Restricted Subsidiary of Indebtedness or other obligations of the Issuer; *provided* that (in the case of any such guarantee of Indebtedness) such guarantee is incurred in accordance with the covenant described below under "—Additional Subsidiary Guarantees";

(13) Indebtedness or Preferred Stock of the Issuer or any Restricted Subsidiary that serves to extend, replace, refund, refinance, renew or defease any Indebtedness incurred as permitted under the first paragraph of this covenant and clauses (2), (3) and (4) above, this clause (13) and clause (14) below or any Indebtedness issued to so extend, replace, refund, refinance, renew or defease such Indebtedness including additional Indebtedness incurred to pay premiums and fees in connection therewith (the "*Refinancing Indebtedness*"); *provided* that such Refinancing Indebtedness (A) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased, (B) to the extent such Refinancing Indebtedness refinances Indebtedness that is subordinated to the Notes, such Refinancing Indebtedness is subordinated to the Notes at least to the same extent as the Indebtedness being refinanced or refunded, (C) shall not include (x) Indebtedness or Preferred Stock of a Subsidiary that is not a Guarantor that refinances Indebtedness or Preferred Stock of the Issuer or (y) Indebtedness or Preferred Stock of the Issuer or a Restricted Subsidiary that refinances Indebtedness or Preferred Stock of an Unrestricted Subsidiary, (D) shall not be in a principal amount (or, if issued with original issue discount, an aggregate issue price) in excess of the principal amount of, premium, if any, and accrued interest on, the Indebtedness being replaced, refunded, refinanced, renewed or defeased plus any fees, premiums, underwriting discounts, costs and expenses relating to such extension, replacement, refunding, refinancing, renewal or defeasance, and (E) shall not have a Stated Maturity date prior to the Stated Maturity of the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased and *provided*, *further*, that subclauses (A), (B) and (E) of this clause (13) will not apply to any refunding or refinancing of any Indebtedness under any Credit Agreement;

(14) Indebtedness or Preferred Stock of (A) the Issuer or a Restricted Subsidiary incurred to finance an acquisition of any assets (including Capital Stock), business or Person or (B) Persons that are acquired by the Issuer or any Restricted Subsidiary or merged or consolidated with or into the Issuer or a Restricted Subsidiary in accordance with the terms of the Indenture; *provided* that after giving effect to such acquisition, merger or consolidation (including the incurrence of such Indebtedness) either (x) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of this

covenant or (y) the Fixed Charge Coverage Ratio would be equal to or greater than immediately prior to such acquisition, merger or consolidation;

(15) Indebtedness arising from the honoring by a bank or financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five business days of its incurrence;

(16) Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer supported by a letter of credit issued pursuant to any Credit Agreement in a principal amount not in excess of the stated amount of such letter of credit;

(17) Indebtedness incurred by a Securitization Subsidiary in a Qualified Securitization Financing that is not recourse to the Issuer or any Restricted Subsidiary of the Issuer other than a Securitization Subsidiary (except for Standard Securitization Undertakings);

(18) (A) Non-Recourse Acquisition Financing Indebtedness and (B) Non-Recourse Product Financing Indebtedness;

(19) Contribution Indebtedness;

(20) Indebtedness of Foreign Subsidiaries of the Issuer, provided, however, that the aggregate principal amount of Indebtedness incurred under this clause (20), when aggregated with the principal amount of all other Indebtedness then outstanding and incurred pursuant to this clause (20), does not exceed the greater of (x) $100.0 million and (y) 9.0% of the Consolidated Tangible Assets;

(21) Indebtedness consisting of promissory notes issued by the Issuer or any of its Restricted Subsidiaries to future, current or former employees, directors and consultants, and their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests permitted by the covenant described under the caption "—Restricted Payments";

(22) Indebtedness of the Issuer or any of its Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements, in each case incurred in the ordinary course of business; and

(23) Indebtedness of the Issuer or any of its Restricted Subsidiaries undertaken in connection with cash management and related activities with respect to any Subsidiary or joint venture in the ordinary course of business.

For purposes of determining compliance with this covenant:

(a) in the event that an item of Indebtedness or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of Permitted Debt or Preferred Stock described in clauses (1) through (23) above or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, will be permitted to classify or reclassify such item of Indebtedness or Preferred Stock (or any portion thereof) in any manner that complies with this covenant and will only be required to include the amount and type of such Indebtedness or Preferred Stock (or portion thereof) in one of the above clauses or paragraphs; *provided* that Indebtedness outstanding on the Issue Date under the Senior Term Loan Agreement, Senior Revolving Credit Agreement and the Existing Unsecured Notes shall be classified as incurred under the second paragraph of this covenant, and not under the first paragraph of this covenant;

(b) at the time of incurrence, the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above; and

(c) the principal amount of Indebtedness outstanding under any clause of this covenant shall be determined after giving effect to the application of proceeds of any such Indebtedness to refinance any such other Indebtedness.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness or Preferred Stock will not be deemed to be an incurrence of Indebtedness or Preferred Stock for purposes of this covenant.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to extend, replace refund, refinance, renew or defease other Indebtedness denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasance would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of, premium, if any, and accrued interest on, the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased plus any fees, premiums, underwriting discounts, costs and expenses relating to such extension, replacement, refunding, refinancing, renewal or defeasance.

The principal amount of any Indebtedness incurred to extend, replace, refund, refinance, renew or defease other Indebtedness, if incurred in a different currency from the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance.

Liens

The Issuer will not, and will not permit any Guarantor to, directly or indirectly, create, incur, assume or suffer to exist any Lien (except Permitted Liens) that secures obligations under any Indebtedness of the Issuer or of a Guarantor, on any asset or property of the Issuer or any Guarantor, or any income or profits therefrom, or on any right to receive income therefrom (the "*Initial Lien*"), unless (a) in the case of an Initial Lien on any Collateral, such Initial Lien has Junior Lien Priority on such Collateral in relation to the Notes and the Guarantees, as applicable or (b) in the case of an Initial Lien on any other asset or property, the Notes (or a Guarantee in the case of Liens of a Guarantor) are equally and ratably secured with (or, in the event the Lien relates to Subordinated Indebtedness, are secured on a senior basis to) the obligations so secured until such time as such obligations are no longer secured by a Lien.

Any Lien created for the benefit of the Holders of the Notes pursuant to the preceding paragraph shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien that gave rise to the obligation to secure the Notes.

Dividend and Other Payment Restrictions Affecting Subsidiaries

The Issuer will not, and will not permit any of its Restricted Subsidiaries that are not Guarantors to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries that are Guarantors, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries that are Guarantors;

(2) make loans or advances to the Issuer or any of its Restricted Subsidiaries that are Guarantors; or

(3) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries that are Guarantors;

provided that dividend or liquidation priority between classes of Capital Stock, or subordination of any obligation (including the application of any remedy bars thereto) to any other obligation, will not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions consisting of, or existing under or by reason of:

(1) contractual encumbrances or restrictions in effect (x) pursuant to any Credit Agreement, the Existing Unsecured Notes, any Hedging Obligations, or any related documents or (y) on the Issue Date, including, without limitation, pursuant to Existing Indebtedness and related documentation;

(2) the Indenture, the Notes and the Guarantees;

(3) purchase money obligations that impose encumbrances or restrictions on the property so acquired;

(4) applicable law or any applicable rule, regulation or order;

(5) any agreement or other instrument of a Person, or relating to Indebtedness or Capital Stock of a Person, which Person is acquired by or merged or consolidated with or into the Issuer or any Restricted Subsidiary, or which agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition from such Person, or any other transaction entered into in connection with any such acquisition, merger or consolidation, as in effect at the time of such acquisition, merger, consolidation or transaction (except to the extent that such Indebtedness was incurred to finance, or otherwise in connection with, such acquisition, merger, consolidation or transaction); *provided* that, for purposes of this clause (5), if a Person other than the Issuer is the Successor Company with respect thereto, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed, as the case may be, by the Issuer or a Restricted Subsidiary, as the case may be, when such Person becomes such Successor Company;

(6) any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Issuer or any Restricted Subsidiary not otherwise prohibited by the Indenture, including without limitation, customary restrictions with respect to a Subsidiary pursuant to an agreement that has been entered into for the sale or other disposition of the Capital Stock or assets of such Subsidiary;

(7) Secured Indebtedness otherwise permitted to be incurred pursuant to the covenants described under the captions "—Incurrence of Indebtedness and Issuance of Preferred Stock" and "—Liens" that limits the right of the debtor to dispose of the assets securing such Indebtedness;

(8) restrictions on cash or other deposits or net worth imposed by customers or suppliers under contracts entered into in the ordinary course of business;

(9) other Indebtedness or Preferred Stock (i) of the Issuer or any Restricted Subsidiary that is a Guarantor that is incurred subsequent to the Issue Date pursuant to the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock" or (ii) that is incurred by a Foreign Subsidiary of the Issuer subsequent to the Issue Date pursuant to the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock";

(10) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business;

(11) customary provisions contained in leases, subleases, licenses or asset sale agreements and other agreements;

(12) any encumbrances or restrictions pursuant to any agreement, instrument or obligation (a "*Refinancing Agreement*") effecting an extension, renewal, increase, refunding, replacement or refinancing of any contract, instrument or obligation referred to in clauses (1) through (11) above (an "*Initial Agreement*") or that is, or is contained in, any amendment, supplement, restatement or other modification to an Initial Agreement or Refinancing Agreement (an "*Amendment*")*; provided* that the encumbrances and restrictions contained in any such Refinancing Agreement or Amendment taken as a whole are not materially less favorable to the Holders of the Notes than encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such Refinancing Agreement or Amendment relates (as determined in good faith by the Issuer);

(13) any encumbrance or restriction of a Securitization Subsidiary effected in connection with a Qualified Securitization Financing; *provided*, *however*, that such restrictions apply only to any Securitization Subsidiary;

(14) any encumbrance or restriction in connection with Non-Recourse Product Financing Indebtedness or Non-Recourse Acquisition Financing Indebtedness;

(15) any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(16) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of any Restricted Subsidiary;

(17) customary provisions restricting assignment of any agreement entered into in the ordinary course of business;

(18) any encumbrances or restrictions arising in connection with cash or other deposits permitted under the covenant described under "—Liens";

(19) any encumbrance or restriction that arises or is agreed to in the ordinary course of business and does not detract from the value of property or assets of the Issuer or any Restricted Subsidiary in any manner material to the Issuer or such Restricted Subsidiary;

(20) customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary; or

(21) an agreement or instrument relating to any Indebtedness incurred subsequent to the Issue Date (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Notes than the encumbrances and restrictions contained in agreements in effect on the Issue Date (as determined in good faith by the Issuer) or (ii) if such encumbrance or restriction is not materially more disadvantageous to the Holders of the Notes than is customary in comparable financings (as determined in good faith by the Issuer) and either (x) the Issuer determines in good faith that such encumbrance or restriction will not materially affect the Issuer's ability to make principal or interest payments on the Notes or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness.

Merger, Consolidation or Sale of Assets

The Issuer may not (1) consolidate or merge with or into another Person (whether or not the Issuer is the surviving Person); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole, in one or more related transactions to another Person; unless:

(1) either: (a) the Issuer is the surviving Person; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a Person organized or existing under the laws of the United States, any state of the United States, the District of Columbia or any territory thereof (the Issuer or such Person, as the case may be, being herein called the "*Successor Company*");

(2) the Successor Company (if other than the Issuer) assumes all the obligations of the Issuer under the Notes and the Indenture pursuant to agreements in form reasonably satisfactory to the Trustee;

(3) immediately after such transaction no Default or Event of Default exists;

(4) immediately after giving *pro forma* effect to such transaction and any related financing transactions, as if the same had occurred at the beginning of the applicable four-quarter period, either

(a) the Successor Company would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—Incurrence of Indebtedness and Issuance of Preferred Stock"; or

(b) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be equal to or greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction; and

(5) each Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under the Indenture and the Notes;

provided that, for the purposes of this covenant only, neither a Music Publishing Sale nor a Recorded Music Sale will be deemed to be a sale, assignment, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole. For the avoidance of doubt, (1) the Issuer may therefore consummate a Music Publishing Sale in accordance with "—Repurchase at the Option of Holders—Asset Sales" without complying with this "Merger, Consolidation or Sale of Assets" covenant notwithstanding anything to the contrary in this "Merger, Consolidation or Sale of Assets" covenant, (2) the Issuer may therefore consummate a Recorded Music Sale in accordance with "—Repurchase at the Option of Holders—Asset Sales" without complying with this "Merger, Consolidation or Sale of Assets" covenant notwithstanding anything to the contrary in this "Merger, Consolidation or Sale of Assets" covenant and (3) the determination in the preceding proviso shall not affect the determination of what constitutes all or substantially all the assets of the Issuer under any other contract to which the Issuer is a party.

For the purpose of this covenant, with respect to any sale, lease, transfer, conveyance or other disposition of properties or assets in connection with any acquisition (including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary), the determination of whether such sale, lease, transfer, conveyance or disposition constitutes a sale of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole shall be made on a *pro forma* basis giving effect to such acquisition.

This "Merger, Consolidation or Sale of Assets" covenant will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Issuer and its Restricted Subsidiaries. Notwithstanding the foregoing clauses (3) and (4), (a) any Restricted Subsidiary may consolidate with, merge into or transfer all or part of its properties and assets to the Issuer or to another Restricted Subsidiary and (b) the Issuer may merge with an Affiliate incorporated solely for the purpose of reincorporating the Issuer in another state of the United States so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby.

Transactions with Affiliates

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an "*Affiliate Transaction*") involving aggregate consideration in excess of $15.0 million, unless:

(1) the Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person; and

(2) the Issuer delivers to the Trustee, with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $30.0 million, a resolution adopted by

the Board of Directors of the Issuer approving such Affiliate Transaction and an Officer's Certificate certifying that such Affiliate Transaction complies with clause (1) above.

The foregoing provisions will not apply to the following:

(1) transactions between or among the Issuer and/or any Restricted Subsidiary and/or any entity that becomes a Restricted Subsidiary as a result of such transaction;

(2) Restricted Payments and Permitted Investments permitted by the Indenture;

(3) the payment to any of the Sponsor and its Affiliates of annual management, consulting, monitoring and advisory fees in an aggregate amount in any fiscal year not to exceed the Maximum Management Fee Amount, and related expenses and indemnities, pursuant to the Management Agreement or otherwise;

(4) the payment of reasonable and customary fees and compensation paid to, and indemnities and reimbursements provided on behalf of, officers, directors, employees or consultants of the Issuer, any of its direct or indirect parent companies or any Restricted Subsidiary;

(5) the payments by the Issuer or any Restricted Subsidiary to the Sponsor and any of its Affiliates made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures, which payments are approved by a majority of the members of the Board of Directors of the Issuer in good faith;

(6) transactions in which the Issuer or any Restricted Subsidiary delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to the Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person;

(7) payments or loans (or cancellations of loans) to employees or consultants of the Issuer or any of its direct or indirect parent companies or any Restricted Subsidiary which are approved by a majority of the Board of Directors of the Issuer in good faith and which are otherwise permitted under the Indenture;

(8) payments made or performance under any agreement as in effect on the Issue Date (including, without limitation, each of the agreements entered into in connection with the Transactions or the 2011 Transactions) or any amendment thereto (so long as any such amendment taken as a whole is not materially less advantageous to the Holders of the Notes in the good faith judgment of the Board of Directors of the Issuer than the applicable agreement as in effect on the Issue Date);

(9) payments made or performance under any agreement to which Warner Music Group Corp. and/or Holdings is a party as of the Issue Date (including, without limitation, each of the agreements entered into in connection with the Transactions or the 2011 Transactions, but excluding the indenture governing the Holdings Notes) and to or by which the Issuer becomes a party or otherwise bound after the Issue Date, any amendment thereto by which the Issuer becomes a party thereto or otherwise bound thereby, and any other amendment thereto (so long as any such other amendment (other than an amendment to effect the Issuer becoming a party to or otherwise bound by such agreement) taken as a whole is not materially less advantageous to the Holders of the Notes in the good faith judgment of the Board of Directors of the Issuer than such agreement as in effect on the Issue Date);

(10) transactions with customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Issuer and its Restricted Subsidiaries, in the reasonable determination of the Board of Directors of the Issuer or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(11) the Transactions, the 2011 Transactions and the payment of all fees and expenses related to the Transactions or the 2011 Transactions, including, for the avoidance of doubt, any reimbursement on or after the Issue Date of fees and expenses related to the Transactions or the 2011 Transactions paid by the Sponsor and its Affiliates;

(12) the issuance of Equity Interests (other than Disqualified Stock) of the Issuer to any Parent, any Permitted Holder or any director, officer, employee or consultant of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies;

(13) any transaction with a Securitization Subsidiary effected as part of a Qualified Securitization Financing;

(14) investments by any of the Permitted Holders in securities of the Issuer or any of its Restricted Subsidiaries (and payment of reasonable out-of-pocket expenses incurred by such Permitted Holders in connection therewith) so long as (a) the investment is being offered generally to other investors on the same or more favorable terms and (b) the investment constitutes less than 5.0% of the proposed or outstanding issue amount of such class of securities;

(15) payments to or from, and transactions with, any joint venture in the ordinary course of business (including, without limitation, any cash management activities related thereto);

(16) entering into, and performing the obligations under, any tax sharing agreement, consistent with the limitations imposed on Restricted Payments under the covenant described under "—Restricted Payments"; and

(17) intellectual property licenses in the ordinary course of business.

Payments for Consent

The Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Additional Subsidiary Guarantees

The Indenture provides that the Issuer will cause each Wholly Owned Restricted Subsidiary that is a Domestic Subsidiary (unless such Subsidiary is a Securitization Subsidiary) that guarantees any Indebtedness of the Issuer or any Guarantor under the Senior Term Loan Agreement or Senior Revolving Credit Agreement to execute and deliver to the Trustee a supplemental indenture pursuant to which such Subsidiary will guarantee payment of the Notes. Each Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by that Restricted Subsidiary without rendering the Guarantee, as it relates to such Restricted Subsidiary, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Each Guarantee shall be released in accordance with the provisions of the Indenture described under "—Guarantees."

Reports

The Issuer will furnish to the Trustee and the Holders of Notes, as their names and addresses appear in the note register, or make available on the Issuer's website:

(1) within 90 days after the end of each fiscal year, annual audited consolidated financial statements for such fiscal year prepared in accordance with GAAP, together with a report on the annual financial statements by the Issuer's certified independent accountants and a "Management's Discussion and Analysis

of Financial Condition and Results of Operations" substantially similar to that which would be included in an Annual Report on Form 10-K (as in effect on the Issue Date) filed with the SEC by the Issuer (if the Issuer were required to prepare and file such form); it being understood that the Issuer shall not be required to include any separate consolidating financial information with respect to the Issuer, any Subsidiary Guarantor or any other affiliate of the Company, or any separate financial statements or information for the Issuer, any Subsidiary Guarantor or any other affiliate of the Company;

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, unaudited consolidated financial statements for such fiscal quarter prepared in accordance with GAAP, together with a "Management's Discussion and Analysis of Financial Condition and Results of Operations" substantially similar to that which would be included in a Quarterly Report on Form 10-Q (as in effect on the Issue Date) filed with the SEC by the Issuer (if the Issuer were required to prepare and file such form); it being understood that the Issuer shall not be required to include any separate consolidating financial information with respect to the Issuer, any Subsidiary Guarantor or any other affiliate of the Company, or any separate financial statements or information for the Issuer, any Subsidiary Guarantor or any other affiliate of the Company; and

(3) information substantially similar to the information that would be required to be included in a Current Report on Form 8-K (as in effect on the Issue Date) filed with the SEC by the Issuer (if the Issuer were required to prepare and file such form) pursuant to Item 1.01 (Entry into a Material Definitive Agreement) (with respect to acquisitions and dispositions only), 1.03 (Bankruptcy or Receivership), 2.01 (Completion of Acquisition or Disposition of Assets), 4.01 (Changes in Registrant's Certifying Accountants) or 5.01 (Changes in Control of Registrant) of such form (and in any event excluding, for the avoidance of doubt, the financial statements, pro forma financial information and exhibits, if any, that would be required by Item 9.01 (Financial Statements and Exhibits) of such form), within 15 days after the date of filing that would have been required for a current report on Form 8-K; provided that no such information shall be required to be furnished if the Issuer determines in its good faith judgment that such information is not material to the Holders of the Notes or the business, assets, operations or financial position of the Issuer and its Restricted Subsidiaries, taken as a whole.

In addition, the Issuer will make such information available to securities analysts and prospective investors upon request. In addition, the Issuer has agreed that, for so long as any Notes remain outstanding, it will furnish to the Holder of the Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Notwithstanding the foregoing provisions of this covenant, the Issuer will be deemed to have furnished the information referred to in clauses (1), (2) and (3) above to the Trustee and the Holders of the Notes if the Issuer (or any parent company of the Issuer) has filed reports containing such information with the Commission via the EDGAR filing system and such reports are publicly available.

In addition, if at any time any parent company of the Issuer incurs a guarantee of the Notes (there being no obligation of any parent company of the Issuer to do so) and complies with the requirements of Rule 3-10 of Regulation S-X promulgated by the Commission (or any successor provision), the reports, information and other documents required to be furnished to Holders of the Notes pursuant to this covenant may, at the option of the Issuer, be those of such parent company rather than the Issuer.

Events of Default and Remedies

Under the Indenture, an Event of Default is defined as any of the following:

(1) the Issuer defaults in payment when due and payable, upon redemption, acceleration or otherwise, of principal of, or premium, if any, on the Notes;

(2) the Issuer defaults in the payment when due of interest on or with respect to the Notes and such default continues for a period of 30 days;

(3) the Issuer defaults in the performance of, or breaches any covenant, warranty or other agreement contained in, the Indenture (other than a default in the performance or breach of a covenant, warranty or agreement which is specifically dealt with in clauses (1) or (2) above) and such default or breach continues for a period of (i) 180 days with regard to "—Reports" or (ii) 60 days with regard to other covenants, warranties or agreements contained in the Indenture, in each case after receipt of written notice given by the Trustee or the Holders of not less than 25% in principal amount of outstanding Notes under the Indenture;

(4) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any Restricted Subsidiary or the payment of which is guaranteed by the Issuer or any Restricted Subsidiary (other than Indebtedness owed to the Issuer or a Restricted Subsidiary), whether such Indebtedness or guarantee exists on or is created after the Issue Date, if (A) such default either (1) results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or (2) relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its Stated Maturity and (B) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregate $50.0 million (or its foreign currency equivalent) or more at any one time outstanding;

(5) certain events of bankruptcy affecting the Issuer or any Significant Subsidiary;

(6) the failure by the Issuer or any Significant Subsidiary to pay final judgments (net of amounts covered by insurance policies issued by reputable and creditworthy insurance companies) aggregating in excess of $50.0 million, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final, and, with respect to any judgments covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(7) the Guarantee of a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms thereof) or any Guarantor denies or disaffirms its obligations under the Indenture or any Guarantee, other than by reason of the discharge of the Indenture or the release of any such Guarantee in accordance with the Indenture, and such Default continues for 10 days; or

(8) with respect to any Collateral, individually, having a fair market value in excess of $50.0 million, any of the Security Documents ceases to be in full force and effect, or any of the Security Documents ceases to give the Holders of the Notes the Liens purported to be created thereby, or any of the Security Documents is declared null and void or the Issuer or any Guarantor denies in writing that it has any further liability under any Security Document (in each case other than in accordance with the terms of the Indenture or any of the Security Documents), except to the extent that any loss of perfection or priority results from the failure of the Collateral Agent (or any other collateral agent for any Secured Indebtedness) to maintain possession of certificates actually delivered to it representing securities, promissory notes or other instruments pledged under the Security Documents, or otherwise results from the gross negligence or willful misconduct of the Trustee or the Collateral Agent (or any other collateral agent for any Secured Indebtedness) and except, as to Collateral consisting of real property, to the extent that such failure is covered by a lender's title insurance policy and the Collateral Agent is reasonably satisfied with the credit of such insurer; *provided*, that if a failure of the sort described in this clause (8) is susceptible of cure (including with respect to any loss of Lien priority on material portions of the Collateral), no Event of Default shall arise under this clause (8) with respect thereto until 30 days after an Officer becomes aware of such failure.

If an Event of Default (other than an Event of Default specified in clause (5) above with respect to the Issuer) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of outstanding Notes under the Indenture may declare the principal of and accrued interest on such Notes to be due

and payable by notice in writing to the Issuer and the Trustee specifying the respective Event of Default and that it is a "notice of acceleration" (the "*Acceleration Notice*"), and the same shall become immediately due and payable.

If an Event of Default specified in clause (5) above with respect to the Issuer occurs and is continuing, then all unpaid principal of, and premium, if any, and accrued and unpaid interest on all of the outstanding Notes shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of each Trustee or any Holder of the Notes.

The Indenture provides that, at any time after a declaration of acceleration with respect to the Notes as described in the two preceding paragraphs, the Holders of a majority in principal amount of the Notes may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of the acceleration; and

(3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid.

No such rescission shall affect any subsequent Default or impair any right consequent thereto.

The Holders of a majority in principal amount of the Notes issued and then outstanding under the Indenture may waive any existing Default or Event of Default under the Indenture, and its consequences, except a default in the payment of the principal of or interest on such Notes.

In the event of any Event of Default specified in clause (4) of the first paragraph above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) will be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders of the Notes, if within 20 days after such Event of Default arose the Issuer delivers an Officer's Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and under the Trust Indenture Act, if provisions from the Trust Indenture Act are incorporated into the Indenture. Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the Holders of the Notes, unless such Holders have offered to the Trustee indemnity or security reasonably satisfactory to the Trustee against any loss, liability or expense. Subject to all provisions of the Indenture and applicable law, the Holders of a majority in aggregate principal amount of the then outstanding Notes issued under such Indenture have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. The Issuer is required, within ten business days, upon becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

Financial Calculations for Limited Condition Acquisitions

The Indenture will provide that, in connection with any Limited Condition Acquisition and any related transactions (including any financing thereof), at the Issuer's election, (a) compliance with any requirement

relating to the absence of a Default or Event of Default may be determined as of the date a definitive agreement for such Limited Condition Acquisition is entered into (the "effective date") and not as of any later date as would otherwise be required under the Indenture, and (b) any calculation of the Fixed Charge Coverage Ratio, Senior Secured Indebtedness to EBITDA Ratio, or any amount based on a percentage of Consolidated Tangible Assets, may be made as of such effective date and, to the extent so made, will not be required to be made at any later date as would otherwise be required under the Indenture, giving pro forma effect to such Limited Condition Acquisition and any related transactions (including any incurrence of Indebtedness and the use of proceeds thereof). The Indenture will also provide that, if the Company makes such an election, any subsequent calculation of any such ratio and/or percentage (unless the definitive agreement for such Limited Condition Acquisition expires or is terminated without its consummation) shall be calculated on an equivalent pro forma basis assuming such acquisition and other related pro forma events (including any incurrence of Indebtedness) have been consummated. As used herein, the term "Limited Condition Acquisition" means any acquisition by one or more of the Issuer and its Restricted Subsidiaries of any assets, business or Person or any other Investment permitted by the Indenture whose consummation is not conditioned on the availability of, or on obtaining, third party financing.

No Personal Liability of Directors, Officers, Employees and Stockholders

No past, present or future director, officer, employee, incorporator or stockholder of the Issuer or any direct or indirect parent company or Subsidiary of the Issuer, as such, will have any liability for any obligations of the Issuer or any Guarantor under the Notes, the Guarantees, the Indenture or the Security Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Legal Defeasance and Covenant Defeasance

The obligations with respect to the Notes of the Issuer and the Guarantors under the Indenture will terminate (other than certain obligations) and will be released upon payment in full of all of the Notes issued under the Indenture. The Issuer may, at its option and at any time, elect to have all of its obligations and the obligations of the Guarantors discharged with respect to the outstanding Notes issued under the Indenture ("*Legal Defeasance*") and cure all then existing Events of Default except for:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium, if any, on such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and each Guarantor released with respect to certain covenants that are described in the Indenture ("*Covenant Defeasance*") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including nonpayment, bankruptcy, receivership, rehabilitation and insolvency events of the Issuer but not its Restricted Subsidiaries) described under "—Events of Default and Remedies" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance under the Indenture:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, (i) in the case of Dollar Notes and the Existing Notes other than the Initial Euro Notes, cash in U.S.

dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and noncallable Government Securities and (ii) in the case of Euro Notes and the Initial Euro Notes, cash in euros, non-callable European Government Securities, or a combination of cash in euros and non-callable European Government Securities, in amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, or interest and premium, if any, on the outstanding Notes on the stated maturity or on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to maturity or to a particular redemption date; provided that upon any redemption that requires the payment of the Applicable Premium (as defined in the applicable supplemental indenture with respect to each series of Notes), the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium (as defined in the applicable supplemental indenture with respect to each series of Notes) calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the "Applicable Premium Deficit") only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(2) in the case of Legal Defeasance, the Issuer has delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that, subject to customary assumptions and exclusions, (a) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of the Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the respective outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer has delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that, subject to customary assumptions and exclusions, the holders of the respective outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and any simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith);

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Issuer or any of its Restricted Subsidiaries is a party or by which the Issuer or any of its Restricted Subsidiaries is bound (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and any simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith);

(6) the Issuer must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or others; and

(7) the Issuer must deliver to the Trustee an Officer's Certificate and an opinion of counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

If the Issuer exercises its legal defeasance option or its covenant defeasance option, all Liens on the Collateral securing the Indebtedness evidenced by the Notes will be released and the Security Documents shall cease to be of further effect.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes, any Guarantee, any Security Document or the Intercreditor Agreement may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture, the Notes or any Guarantee may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided* that (x) if any such amendment or waiver will only affect one series of Notes (or less than all series of Notes) then outstanding under the Indenture, then only the consent of the Holders of a majority in principal amount of the Notes of such series then outstanding (including, in each case, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) shall be required and (y) if any such amendment or waiver by its terms will affect a series of Notes in a manner different and materially adverse relative to the manner such amendment or waiver affects other series of Notes, then the consent of the Holders of a majority in principal amount of the Notes of such series then outstanding (including, in each case, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) shall be required.

Without the consent of each Holder affected, an amendment or waiver of the Indenture may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed final maturity of any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption "—Repurchase at the Option of Holders");

(3) reduce the rate of or change the time for payment of interest on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest, premium, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

(5) impair the legal right of any Holder of the Notes to receive payment of principal of, or premium, if any, or interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;

(6) modify the Guarantees of Significant Subsidiaries in any manner materially adverse to the Holders of the Notes; or

(7) make any change in the preceding amendment and waiver provisions.

In addition, without the consent of the Holders of at least 66-2/3% in principal amount of Notes then outstanding, no amendment, supplement or waiver may make any change to any Security Document or the Intercreditor Agreement or the specified provisions in the Indenture dealing with the Collateral or the Security Documents, that would release all or substantially all of the Collateral from the Liens of the Security Documents (except as permitted by the terms of the Indenture, the Security Documents and the Intercreditor Agreement).

Notwithstanding the preceding, without the consent of any Holder of Notes, the Issuer, the Guarantors, the Trustee, the Indenture Authorized Representative, and the Collateral Agent (if applicable) may amend or supplement the Indenture, the Notes, any Guarantee, any Security Document, the Intercreditor Agreement or any other applicable intercreditor agreement:

(1) to cure any ambiguity, omission, mistake, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Issuer's obligations to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the Issuer's assets;

(4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not materially adversely affect the legal rights under the Indenture of any such Holder;

(5) to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act; or

(6) to conform the text of the Indenture (including any supplemental indenture or other instrument pursuant to which Notes are issued), the Guarantees, the Notes, any Security Document, the Intercreditor Agreement or any other applicable intercreditor agreement to any provision of this "Description of Notes" of this offering circular, the Description of Notes in the offering circular relating to the offering of the Existing Notes or, with respect to subsequent issuances, the description of notes in the relevant subsequent offering circular;

(7) to add a Guarantee of the Notes, including, without limitation, by any parent company of the Issuer;

(8) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date, or to provide for the issuance of Exchange Notes;

(9) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation, to facilitate the issuance, administration and book-entry transfer of the Notes; *provided*, *however*, that (i) compliance with the Indenture as so amended would not result in the Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of Holders to transfer the Notes;

(10) to evidence and provide for the acceptance of appointment by a successor trustee or collateral agent so long as the successor trustee or collateral agent is otherwise qualified and eligible to act as such under the terms of the Indenture;

(11) to secure the Notes or to add to the Collateral (including to mortgage, pledge, hypothecate or grant any other Lien in favor of the Collateral Agent for the benefit of the Trustee and the Holders of the Notes, as additional security for the payment and performance of all or any portion of the Obligations with respect to the Notes, in any property or assets, including any that are required to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted, to or for the benefit of the Collateral Agent pursuant to the Indenture, any of the Security Documents or otherwise);

(12) to provide for Additional Obligations pursuant to the Security Agreement, the Intercreditor Agreement or any other intercreditor agreement; or

(13) to confirm and evidence the release, termination or discharge of any Guarantee or Lien with respect to or securing the Notes when such release, termination or discharge is provided for under the Indenture or any of the Security Documents.

The intercreditor provisions of the Security Agreement, the Intercreditor Agreement and any other applicable intercreditor agreement may be amended from time to time with the consent of the parties thereto. In addition, the Issuer may, without the consent of any other party thereto, amend the Security Agreement, the Intercreditor Agreement and any other applicable intercreditor agreement to designate indebtedness as "Additional Pari Passu Obligations," or as any other indebtedness subject to terms and provisions of such agreement.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing or delivery of a notice of redemption or otherwise or will become due and payable by reason of the mailing or delivery of a notice of redemption or otherwise within one year and the Issuer has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, (i) in the case of Dollar Notes and the Existing Notes other than the Initial Euro Notes, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities and (ii) in the case of Euro Notes and the Initial Euro Notes, cash in euros, non-callable European Government Securities, or a combination of cash in euros and non-callable European Government Securities, in amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation of principal, premium, if any, and accrued interest to the date of maturity or redemption; provided that upon any redemption that requires the payment of the Applicable Premium (as defined in the applicable supplemental indenture with respect to each series of Notes), the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium (as defined in the applicable supplemental indenture with respect to each series of Notes) calculated as of the date of the notice of redemption, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee simultaneously with the deposit of such Applicable Premium Deficit that confirms that such Applicable Premium Deficit shall be applied toward such redemption;

(2) the Issuer has paid or caused to be paid all sums payable by it under the Indenture; and

(3) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an Officer's Certificate and an opinion of counsel (which opinion of counsel may be subject to customary assumptions and exclusions) to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Concerning the Trustee

If the Trustee becomes a creditor of the Issuer or any Guarantor, the Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, (if the Indenture is qualified under the Trust Indenture Act) apply to the Commission for permission to continue or resign.

The Holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that, in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes, unless such Holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

Notices to Holders of Euro Notes

If and for so long as any of the Euro Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, the Issuer will publish such notices as are required by the rules and regulations of the Luxembourg Stock Exchange applicable to the Issuer, in the manner described below.

All notices to holders of Euro Notes will be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar. In addition, if and for so long as any of the Euro Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market, and to the extent that the rules and regulations of the Luxembourg Stock Exchange so require, any such notice to the holders of the Euro Notes shall also be published in a newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort)* or, to the extent and in the manner permitted by the rules and regulations of the Luxembourg Stock Exchange, posted on the official website of the Luxembourg Stock Exchange (www.bourse.lu) or otherwise made available. For Euro Notes which are represented by global certificates held on behalf of Euroclear, notices may be given by delivery of the relevant notices to Euroclear for communication to entitled account holders in substitution for the aforesaid mailing.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made, provided that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a holder shall be mailed to such Person by first class mail or other equivalent means and shall be sufficiently given to him if so mailed within the time prescribed. Failure to mail a notice or communication to a holder or any defect in it shall not affect its sufficiency with respect to other holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Governing Law

The Indenture provides that it and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

The Issuer has not qualified and does not expect to qualify the Indenture under the Trust Indenture Act. The Indenture will accordingly not be subject to the Trust Indenture Act, and will not contain any provision corresponding or similar to certain provisions of the Trust Indenture Act that would otherwise apply if the Indenture were so qualified, including Trust Indenture Act §316(b).

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"*2011 Transactions*" means the "*Transactions*" as defined under the Existing Unsecured Indenture.

"*Access Investors*" means, collectively: (i) Mr. Len Blavatnik; (ii) immediate family members (including spouses and direct descendants) of the Person described in clause (i); (iii) any trusts created for the benefit of the Persons described in clause (i) or (ii) or any trust for the benefit of any such trust; (iv) in the event of the incompetence or death of any Person described in clauses (i) and (ii), such Person's estate, executor, administrator, committee or other personal representative or beneficiaries, in each case who at any particular date shall beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer or any direct

or indirect parent company of the Issuer; (v) any of his or their Affiliates (each of the Persons described in clauses (i) through (v), an "*Access Party*"); and (vi) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) of which any of the Access Parties is a member; *provided* that in the case of clause (vi) and without giving effect to the existence of such group or any other group, Access Parties, collectively, have beneficial ownership, directly or indirectly, of a majority of the total voting power of the Voting Stock of the Issuer or any direct or indirect parent of the Issuer held by such group.

"*Acquired Debt*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary of, such specified Person; and

(2) Indebtedness secured by an existing Lien encumbering any asset acquired by such specified Person.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"*After Acquired Property*" means any and all assets or property (other than Excluded Assets and Excluded Subsidiary Securities) acquired by the Issuer or any Guarantor after the Issue Date that constitutes Collateral.

"*Applicable Premium*" means:

(i) with respect to any Dollar Note on any applicable redemption date, the greater of:

(1) 1.0% of the then outstanding principal amount of such Dollar Note; and

(2) the excess, if any, of:

(a) the present value at such redemption date of (i) the redemption price of the Dollar Note at , 2019 (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption") plus (ii) all required remaining scheduled interest payments due on the Dollar Note through , 2019 (excluding accrued but unpaid interest to such redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 75.0 basis points; over

(b) the then outstanding principal amount of the Dollar Note; and

(ii) with respect to any Euro Note on any applicable redemption date, the greater of:

(1) 1.0% of the then outstanding principal amount of such Euro Note; and

(2) the excess, if any, of:

(a) the present value at such redemption date of (i) the redemption price of the Euro Note at , 2019 (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption") plus (ii) all required remaining scheduled interest payments due on the Euro Note through , 2019 (excluding accrued but unpaid interest to such redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 75.0 basis points; over

(b) the then outstanding principal amount of the Euro Note.

Calculation of the Applicable Premium will be made by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate; provided that such calculation or the correctness thereof shall not be a duty or obligation of the Trustee.

"*Asset Sale*" means (i) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a sale and lease-back) of the Issuer or any Restricted Subsidiary (each referred to in this definition as a "disposition") or (ii) the issuance or sale of Equity Interests of any Restricted Subsidiary, other than Preferred Stock of a Restricted Subsidiary issued in compliance with the covenant under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" (whether in a single transaction or a series of related transactions), in each case, other than:

(1) a disposition of Cash Equivalents or Investment Grade Securities or obsolete or worn out property or equipment in the ordinary course of business or inventory (or other assets) held for sale in the ordinary course of business, dispositions of property or assets no longer used or useful in the conduct of the business of the Issuer and its Restricted Subsidiaries and dispositions of Equity Interests received as consideration under contracts entered into in the ordinary course of business with digital service providers and other service providers;

(2) (a) the disposition of all or substantially all of the assets of the Issuer and its Subsidiaries in a manner permitted pursuant to, and as defined in, the covenant contained under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets" or (b) any disposition that constitutes a Change of Control pursuant to the Indenture;

(3) the making of any Restricted Payment or Permitted Investment that is permitted to be made, and is made, pursuant to the covenant contained under the caption "—Certain Covenants—Restricted Payments" or the granting of a Lien permitted by the covenant contained under the caption "—Certain Covenants—Liens";

(4) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions with an aggregate fair market value of less than $50.0 million;

(5) any disposition of property or assets or issuance or sale of securities by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to another Restricted Subsidiary;

(6) the lease, assignment, sublease, license or sublicense of any real or personal property in the ordinary course of business;

(7) any issuance or sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary (with the exception of Investments in Unrestricted Subsidiaries acquired pursuant to clause (11) of the definition of "Permitted Investments");

(8) foreclosures, condemnations or any similar actions with respect to assets;

(9) disposition of an account receivable in connection with the collection or compromise thereof;

(10) sales of Securitization Assets and related assets of the type specified in the definition of "Securitization Financing" to a Securitization Subsidiary in connection with any Qualified Securitization Financing;

(11) a transfer of Securitization Assets and related assets of the type specified in the definition of "Securitization Financing" (or a fractional undivided interest therein) by a Securitization Subsidiary in a Qualified Securitization Financing;

(12) to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a Permitted Business;

(13) any financing transaction with respect to property of the Issuer or any Restricted Subsidiary, including sale and lease-back transactions and asset securitizations permitted by the Indenture;

(14) the sale or discount of inventory, accounts receivable or notes receivable in the ordinary course of business or the conversion of accounts receivable to notes receivable;

(15) the licensing or sublicensing of intellectual property or other general intangibles in the ordinary course of business;

(16) any surrender or waiver of contract rights or the settlement, release or surrender of contract rights or other litigation claims in the ordinary course of business;

(17) the unwinding or termination of any Hedging Obligations;

(18) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(19) the abandonment of intellectual property rights in the ordinary course of business, which in the reasonable good faith determination of the Issuer are not material to the conduct of the business of the Issuer and its Restricted Subsidiaries taken as a whole; and

(20) any sale, transfer or other disposition necessary or advisable in the good faith determination of the Issuer in order to consummate any acquisition (including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary).

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation;

(2) with respect to a partnership, the board of directors of the general partner of the partnership; and

(3) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Bund Rate*" means, as of the applicable redemption date, the yield to maturity as of such redemption date of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that have become publicly available at least two business days (but not more than five business days) prior to such redemption date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from such redemption date to , 2019; *provided*, *however*, that if the period from such redemption date to , 2019 is not equal to the constant maturity of the direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such redemption date to , 2019 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used; *provided* that if the Bund Rate determined in accordance with the foregoing shall be less than zero, the Bund Rate shall be deemed to be zero for all purposes of the Indenture.

"*Capital Stock*" means:

(1) in the case of a corporation, capital stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation (including, without limitation, options, warrants or other equivalents) that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Capitalized Lease Obligation*" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

"*Cash Contribution Amount*" means the aggregate amount of cash contributions made to the capital of the Issuer or any Guarantor described in (and applied pursuant to) the definition of "Contribution Indebtedness."

"*Cash Equivalents*" means:

(1) U.S. dollars, pounds sterling, euros, or, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the ordinary course of business;

(2) securities issued or directly and fully and unconditionally guaranteed or insured by the government or any agency or instrumentality of the United States or any member nation of the European Union having maturities of not more than 12 months from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of 12 months or less from the date of acquisition, bankers' acceptances with maturities not exceeding 12 months and overnight bank deposits, in each case, with any lender party to any Credit Agreement or with any commercial bank having capital and surplus in excess of $500,000,000;

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper maturing within 12 months after the date of acquisition and having a rating of at least P-1 from Moody's or A-1 from S&P;

(6) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 12 months after the date of creation thereof;

(7) investment funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition; and

(8) readily marketable direct obligations issued by any state of the United States or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 12 months or less from the date of acquisition.

"*Change of Control*" means the occurrence of any of the following:

(1) the sale, lease, transfer or other conveyance, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to any Person other than a Permitted Holder;

(2) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of 50% or more of the total voting power of the Voting Stock of the Issuer; *provided* that (x) so

long as the Issuer is a Subsidiary of any Parent, no Person or group shall be deemed to be or become a "beneficial owner" of 50% or more of the total voting power of the Voting Stock of the Issuer unless such Person or group shall be or become a "beneficial owner" of 50% or more of the total voting power of the Voting Stock of such Parent and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" shall not in any case be included in any Voting Stock of which any such Person is the "beneficial owner"; or

(3) the first day on which the Board of Directors of the Issuer shall cease to consist of a majority of directors who (i) were members of the Board of Directors of the Issuer on the Issue Date or (ii) were either (x) nominated for election by the Board of Directors of the Issuer, a majority of whom were directors on the Issue Date or whose election or nomination for election was previously approved by a majority of such directors, or (y) designated or appointed by a Permitted Holder.

For the purpose of this definition, with respect to any sale, lease, transfer, conveyance or other disposition of properties or assets in connection with any acquisition (including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary), the determination of whether such sale, lease, transfer, conveyance or disposition constitutes a sale of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole shall be made on a *pro forma* basis giving effect to such acquisition.

"*Clearstream* " means Clearstream Banking, société anonyme or any successor securities clearing agency.

"*Code*" means the United States Internal Revenue Code of 1986, as amended from time to time.

"*Collateral*" means all the assets and properties subject to the Liens created by the Security Documents.

"*Collateral Agent*" means Credit Suisse AG, or its successors or assigns, as collateral agent for the Holders, the Trustee and other secured parties under the Indenture and the Security Documents.

"*Commission*" means the Securities and Exchange Commission.

"*Consolidated Depreciation and Amortization Expense*" means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees and other non-cash charges (excluding any non-cash item that represents an accrual or reserve for a cash expenditure for a future period) of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"*Consolidated Interest Expense*" means, with respect to any Person for any period, the sum, without duplication, of: (a) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income for such period (including (x) amortization of original issue discount, non-cash interest payments (other than imputed interest as a result of purchase accounting and any non-cash interest expense attributable to the movement in the mark-to-market valuation of Hedging Obligations or other derivative instruments pursuant to GAAP), the interest component of Capitalized Lease Obligations, and net payments (if any) pursuant to interest rate Hedging Obligations, but excluding (y) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, expensing of any bridge, commitment or other financing fees, penalties and interest relating to taxes and any "special interest" or "additional interest" with respect to other securities, and any accretion of accrued interest on discounted liabilities) and (b) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, less (c) interest income of such Person for such period; *provided*, *however*, that Securitization Fees shall not be deemed to constitute Consolidated Interest Expense.

"*Consolidated Net Income*" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; *provided*, *however*, that

(1) any net after-tax extraordinary, unusual or nonrecurring gains, losses or charges (including, without limitation, severance, relocation, transition and other restructuring costs, and any fees, expenses or charges associated with the Transactions or the 2011 Transactions and any acquisition, merger or consolidation after the Issue Date) shall be excluded;

(2) the Net Income for such period shall not include the cumulative effect of a change in accounting principle(s) during such period;

(3) any net after-tax income (loss) from disposed or discontinued operations and any net after-tax gains or losses on disposal of disposed or discontinued operations shall be excluded;

(4) any net after-tax gains or losses attributable to asset dispositions other than in the ordinary course of business (as determined in good faith by the Board of Directors of such Person) shall be excluded;

(5) the Net Income for such period of any Person that is not the referent Person or a Subsidiary thereof, or that is an Unrestricted Subsidiary of the referent Person, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that, to the extent not already included, Consolidated Net Income of the referent Person shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such period;

(6) solely for the purpose of determining the amount available for Restricted Payments under clause (3) of the first paragraph of "—Certain Covenants—Restricted Payments," the Net Income for such period of any Restricted Subsidiary (other than a Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not permitted at the date of determination without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restriction with respect to the payment of dividends or similar distributions has been legally waived; *provided* that Consolidated Net Income of such Person shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to such Person or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein;

(7) solely for purposes of determining the amount available for Restricted Payments under clause (3) of the first paragraph of the covenant described under the caption "—Certain Covenants—Restricted Payments," the amount equal to any reduction in current taxes recognized during the applicable period by the Issuer and its Restricted Subsidiaries as a direct result of deductions arising from (A) the amortization allowed under Section 167 or 197 of the Code for the goodwill and other intangibles arising from the Transactions or the 2011 Transactions and (B) employee termination and related restructuring reserves established pursuant to purchase accounting for the two-year period commencing with the Issue Date, in each case, will be included in the calculation of "Consolidated Net Income" so long as such addition will not result in double-counting;

(8) any non-cash impairment charges resulting from the application of ASC 350 and ASC 360 (formerly Financial Accounting Standards Board Statement Nos. 142 and 144, respectively) and the amortization of intangibles arising from the application of ASC 805 (formerly Financial Accounting Standards Board Statement No. 141), shall be excluded;

(9) non-cash compensation charges, including any such charges arising from stock options, restricted stock grants or other equity-incentive programs shall be excluded;

(10) any net after-tax gains or losses attributable to the early extinguishment of Indebtedness, Hedging Obligations or other derivative instruments shall be excluded;

(11) any fees, expenses or charges incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, Asset Sale, incurrence or repayment of Indebtedness, issuance of Equity Interests, refinancing transaction or amendment or modification of any debt instrument and including, in each case, any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed, and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, in each case whether or not successful, shall be excluded;

(12) accruals and reserves that are established within twelve months after the Issue Date that are so required to be established as a result of the Transactions or the 2011 Transactions (or within twelve months after the closing of any acquisition that are so required to be established as a result of such acquisition) in accordance with GAAP shall be excluded;

(13) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (a) not denied by the applicable carrier in writing within 180 days and (b) in fact reimbursed within 365 days of the date of the insurable event (with a deduction for any amount so added back to the extent not so reimbursed within such 365-day period), expenses with respect to liability or casualty events or business interruption shall be excluded;

(14) any non-cash gain or loss resulting from mark-to-market accounting relating to Hedging Obligations or other derivative instruments shall be excluded; and

(15) any unrealized currency translation gains or losses including those related to currency remeasurements of Indebtedness (including any loss or gain resulting from Hedging Obligations for currency exchange risk) shall be excluded.

Notwithstanding the foregoing, for the purpose of clause (3)(a) of the first paragraph of the covenant contained under the caption "—Certain Covenants—Restricted Payments" only, there shall be excluded from Consolidated Net Income any income from any sale or other disposition of Restricted Investments made by the Issuer and the Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments by the Issuer and the Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by the Issuer and any Restricted Subsidiary, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under clause (3)(d) of the first paragraph of the covenant contained under the caption "—Certain Covenants—Restricted Payments."

"*Consolidated Tangible Assets*" means, with respect to any Person, the consolidated total assets of such Person and its Restricted Subsidiaries determined in accordance with GAAP, less all goodwill, trade names, trademarks, patents, organization expense and other similar intangibles properly classified as intangibles in accordance with GAAP, in each case reflected on the consolidated balance sheet of such Person as at the end of the most recently ended fiscal quarter of such Person for which such a balance sheet is available (and, in the case of any determination relating to any incurrence of Indebtedness or any Investment, on a pro forma basis including any property or assets being acquired in connection therewith. Unless the context otherwise requires, "Consolidated Tangible Assets" shall mean the Consolidated Tangible Assets of the Issuer.

"*Contingent Obligations*" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("*primary obligations*") of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or (iii) to purchase property,

securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"*Contribution Indebtedness*" means Indebtedness of the Issuer or any Guarantor in an aggregate principal amount not greater than twice the aggregate amount of cash contributions (other than Excluded Contributions) made to the capital of the Issuer or such Guarantor after the Issue Date.

"*Credit Agreement*" means (a) the Senior Term Loan Facility, (b) the Senior Revolving Credit Facility and (c) if so designated by the Issuer, and so long as Indebtedness incurred thereunder does not constitute Subordinated Indebtedness, one or more debt facilities, commercial paper facilities or series of notes documented in one or more agreements or indentures, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as each may be amended, restated, supplemented, modified, renewed, refunded, replaced or refinanced (in whole or in part) from time to time in one or more agreements or indentures (in each case with the same or new lenders or institutional investors or otherwise, and except for any such agreement or indenture that expressly provides that it is not a Credit Agreement), including any agreement or indenture extending the maturity thereof or otherwise restructuring all or any portion of the Indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Designated Noncash Consideration*" means the fair market value of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Noncash Consideration pursuant to an Officer's Certificate setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale, redemption or repurchase of, or collection or payment on, such Designated Noncash Consideration.

"*Designated Preferred Stock*" means Preferred Stock of the Issuer or any direct or indirect parent company of the Issuer (other than Disqualified Stock), that is issued for cash (other than to the Issuer or any of its Subsidiaries or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (3) of the first paragraph of the covenant described under "—Certain Covenants—Restricted Payments."

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is putable or exchangeable), or upon the happening of any event, matures or is mandatorily redeemable (other than as a result of a change of control or asset sale), pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than as a result of a change of control or asset sale), in whole or in part, in each case prior to the date 91 days after the earlier of the final maturity date of the Notes or the date the Notes are no longer outstanding; *provided*, *however*, that if such Capital Stock is issued to any plan for the benefit of employees of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies in order to satisfy applicable statutory or regulatory obligations; *provided*, *further*, that any Capital Stock held by any future, current or former employee, director, officer, manager or consultant of the Issuer, any of its Subsidiaries or any of its direct or indirect parent companies, or their respective estates, spouses and former spouses, in each case pursuant to any stock subscription or shareholders' agreement, management equity plan or stock option plan or any other management or employee benefit plan or agreement, shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any of its Subsidiaries or any of its direct or indirect parent companies or employee investment vehicles.

"*Domestic Subsidiary*" means any Subsidiary of the Issuer that is not a Foreign Subsidiary.

"*EBITDA*" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period

(x) increased (without duplication) by the following, in each case to the extent deducted (and not added back) in calculating Consolidated Net Income for such period:

(1) provision for taxes based on income, profits or capital, plus franchise or similar taxes of such Person,

(2) Consolidated Interest Expense of such Person, plus amounts excluded from the calculation of Consolidated Interest Expense as set forth in subclause (y) of clause (a) in the definition thereof,

(3) Consolidated Depreciation and Amortization Expense of such Person for such period,

(4) the amount of any restructuring charges or reserves (which, for the avoidance of doubt, shall include retention, severance, systems establishment cost, excess pension charges, contract termination costs, including future lease commitments, and costs to consolidate facilities and relocate employees),

(5) without duplication, any other non-cash charges (including any impairment charges and the impact of purchase accounting, including, but not limited to, the amortization of inventory step-up) (*provided* that, in the case of any such charge that represents an accrual or reserve for a cash expenditure for a future period, the cash payment in respect thereof in such future period shall be subtracted from EBITDA),

(6) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-Wholly Owned Subsidiary,

(7) any net loss resulting from Hedging Obligations,

(8) the amount of management, monitoring, consulting and advisory fees and related expenses paid to the Sponsor and its Affiliates (or any accruals relating to such fees and related expenses), and any Restricted Payment made to any direct or indirect parent company of such Person intended to enable any such parent company to pay or cause to be paid such amount, during such period,

(9) Securitization Fees,

(10) without duplication, pension curtailment expenses, transaction costs and executive contract expenses incurred by affiliated entities of such Person (other than such Person and its Subsidiaries) on behalf of such Person or any of its Subsidiaries and reflected in the combined financial statements of such Person as capital contributions,

(11) business optimization expenses (including consolidation initiatives, severance costs and other costs relating to initiatives aimed at profitability improvement), and

(12) any costs or expenses incurred by such Person or a Restricted Subsidiary thereof pursuant to any management equity plan or stock option plan or any other management or employee benefit plan, agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of such Person or net cash proceeds of an issuance of Equity Interest of such Person (other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (3) of the first paragraph under "Certain Covenants—Restricted Payments";

(y) increased by the amount of net cost savings and synergies projected by such Person in good faith to result from actions taken or expected to be taken no later than eighteen (18) months after the end of such period (calculated on a pro forma basis as though such cost savings and synergies had been realized on the first day of the period for which EBITDA is being determined), net of the amount of actual benefits realized during such period from such actions; provided that (A) such cost savings and synergies are reasonably identifiable and

factually supportable, (B) for any period that includes one or more of the first three fiscal quarters of such Person ended after July 20, 2011 (the latest such period, the "*Initial Period*"), the aggregate amount of such cost savings and synergies added pursuant to this clause (y) shall not exceed $65.0 million plus any applicable Historical Adjustments, and (C) for any other period ended after the end of the Initial Period, the aggregate amount of such cost savings and synergies added pursuant to this clause (y) shall not exceed the greater of (1) $40.0 million and (2) 10.0% of EBITDA for such period (calculated prior to giving effect to any adjustment pursuant to this clause (y)); and

(z) decreased (without duplication) by the following, in each case to the extent included in calculating Consolidated Net Income for such period:

(1) non-cash gains increasing Consolidated Net Income of such Person for such period (excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges or asset valuation adjustments made in any prior period), and

(2) any net gain resulting from Hedging Obligations.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public or private sale of common stock or Preferred Stock of the Issuer or any of its direct or indirect parent companies (excluding Disqualified Stock of the Issuer), other than (i) public offerings with respect to common stock of the Issuer or of any direct or indirect parent company of the Issuer registered on Form S-8, (ii) any such public or private sale that constitutes an Excluded Contribution or (iii) an issuance to any Subsidiary.

"*Euroclear"* means Euroclear Bank S.A./N.V., as operator of the Euroclear System as currently in effect or any successor securities clearing agency.

"*European Government Securities*" means any security that is (a) a direct obligation of Belgium, the Netherlands, France, Germany, Ireland or any other country that is a member of the European Monetary Union, for the payment of which the full faith and credit of such country is pledged or (b) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (a) or (b), is not callable or redeemable at the option of the issuer thereof.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"*Excluded Contribution*" means (i) net cash proceeds, marketable securities or Qualified Proceeds, in each case received by the Issuer and its Restricted Subsidiaries from:

(1) contributions to its common equity capital; and

(2) the sale (other than to a Subsidiary or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Issuer or any Subsidiary) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock),

in each case designated as Excluded Contributions pursuant to an Officer's Certificate on the date such capital contributions are made or the date such Equity Interests are sold, as the case may be, which are excluded from the calculation set forth in clause (3) of the first paragraph of the covenant contained under the caption "—Certain Covenants—Restricted Payments" and (ii) any Excluded Contribution (as defined under the Existing Unsecured Indenture) made and not utilized prior to the Issue Date under the Existing Unsecured Indenture.

"*Excluded Subsidiary Securities*" means any Capital Stock and other securities of a Subsidiary to the extent that the pledge of or grant of any other Lien on such Capital Stock and other securities results in the Issuer being required to file separate financial statements of such Subsidiary with the Commission (or any other governmental authority) pursuant to either Rule 3-10 or 3-16 of Regulation S-X under the Securities Act, or any other law, rule or regulation as in effect from time to time, but only to the extent necessary to not be subject to such requirement.

"*Existing Indebtedness*" means Indebtedness of the Issuer and its Subsidiaries (other than Indebtedness under the Senior Credit Facilities) in existence on the Issue Date, including the Existing Unsecured Notes.

"*Existing Unsecured Notes*" means WMG Acquisition Corp.'s 11.5% Senior Notes due 2018, issued pursuant to an indenture dated as of July 20, 2011 (as amended, amended and restated, supplemented, waived or modified from time to time, the "*Existing Unsecured Indenture*"), outstanding on the Issue Date or subsequently issued in exchange for or in respect of any such notes.

"*Fixed Charge Coverage Ratio*" means, with respect to any Person for any period consisting of such Person's most recently ended four fiscal quarters for which internal financial statements are available, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that such Person or any Restricted Subsidiary thereof incurs, issues, assumes, enters into any guarantee of, redeems, repays, retires or extinguishes any Indebtedness or issues or repays Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or concurrently with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the date of such event, the "*Calculation Date*"), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness, or such issuance or repayment of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above with respect to any specified Person, if any Specified Transaction has been made by such specified Person or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, the Fixed Charge Coverage Ratio shall be calculated on a *pro forma* basis assuming that all such Specified Transactions (and the change in any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If, since the beginning of such period, any other Person became a Restricted Subsidiary of such specified Person or was merged with or into such specified Person or any of its Restricted Subsidiaries and, since the beginning of such period, such other Person shall have made any Specified Transaction that would have required adjustment pursuant to the immediately preceding sentence if made by such specified Person or a Restricted Subsidiary thereof since the beginning of such period, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Specified Transaction had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition with respect to any specified Person, whenever *pro forma* effect is to be given to any Specified Transaction (including the Transactions and the 2011 Transactions), the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of such specified Person and may include, for the avoidance of doubt, cost savings and synergies resulting from or related to any such Specified Transaction (including the Transactions and the 2011 Transactions) which is being given *pro forma* effect that have been or are expected to be realized and for which the actions necessary to realize such cost savings and synergies are taken or expected to be taken no later than 12 months after the date of any such Specified Transaction (in each case as though such cost savings and synergies had been realized on the first day of the applicable period). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably

determined by a responsible financial or accounting officer of such specified Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as such specified Person may designate.

"*Fixed Charges*" means, with respect to any Person for any period, the sum of, without duplication, (a) Consolidated Interest Expense (excluding all non-cash interest expense and amortization/accretion of original issue discount (including any original issue discount created by fair value adjustments to existing Indebtedness as a result of purchase accounting)) of such Person for such period, (b) all cash dividends paid during such period (excluding items eliminated in consolidation) on any series of Preferred Stock of such Person and (c) all cash dividends paid during such period (excluding items eliminated in consolidation) on any series of Disqualified Stock.

"*Fixed GAAP Date*" means the Issue Date, *provided* that at any time after the Issue Date, the Issuer may, by prior written notice to the Trustee, elect to change the Fixed GAAP Date to be the date specified in such notice, and upon the date of such notice, the Fixed GAAP Date shall be such date for all periods beginning on and after the date specified in such notice.

"*Fixed GAAP Terms*" means (a) the definitions of the terms "Capitalized Lease Obligation," "Consolidated Depreciation and Amortization Expense," "Consolidated Interest Expense," "Consolidated Net Income," "Consolidated Tangible Assets," "EBITDA," "Fixed Charge Coverage Ratio," "Fixed Charges," "Indebtedness," "Investments," "Net Income," "Senior Secured Indebtedness" and "Senior Secured Indebtedness to EBITDA Ratio," (b) all defined terms in the Indenture to the extent used in or relating to any of the foregoing definitions, and all ratios and computations based on any of the foregoing definitions, and (c) any other term or provision of the Indenture or the Notes that, at the Issuer's election, may be specified by the Issuer by written notice to the Trustee from time to time.

"*Foreign Subsidiary*" means (i) any Subsidiary of the Issuer not organized under the laws of the United States, any state thereof or the District of Columbia; (ii) any Subsidiary of the Issuer organized under the laws of the United States, any state thereof or the District of Columbia if all or substantially all of the assets of such Subsidiary consist of equity or debt of one or more Subsidiaries described in clause (i) or this clause (ii); or (iii) any Subsidiary of a Subsidiary described in clause (i) or (ii).

"*GAAP*" means generally accepted accounting principles in the United States of America as in effect on the Fixed GAAP Date (for purposes of the Fixed GAAP Terms) and as in effect from time to time (for all other purposes of the Indenture), including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession, and subject to the following sentence. If at any time the Commission permits or requires U.S.-domiciled companies subject to the reporting requirements of the Exchange Act to use IFRS in lieu of GAAP for financial reporting purposes, the Issuer may elect, by written notice to the Trustee, to use IFRS in lieu of GAAP and, upon any such notice, references herein to GAAP shall thereafter be construed to mean (a) for all periods beginning on and after the date specified in such notice, IFRS as in effect on the date specified in such notice (for purposes of the Fixed GAAP Terms) and as in effect from time to time (for all other purposes of the Indenture) and (b) for prior periods, GAAP as defined in the first sentence of this definition. All ratios and computations based on GAAP contained in the Indenture shall be computed in conformity with GAAP.

"*Government Securities*" means securities that are

(a) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or

(b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in either case, are not callable or redeemable at the option of the issuers thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt.

"*guarantee*" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner including, without limitation, through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness or other obligations.

"*Guarantee*" means any guarantee of the obligations of the Issuer under the Indenture and the Notes by a Guarantor in accordance with the provisions of the Indenture. When used as a verb, "Guarantee" shall have a corresponding meaning.

"*Guarantor*" means any Subsidiary of the Issuer that incurs a Guarantee of the Notes; *provided* that upon the release and discharge of such Subsidiary from its Guarantee in accordance with the Indenture, such Subsidiary shall cease to be a Guarantor.

"*Hedging Obligations*" means, with respect to any Person, the obligations of such Person under:

(1) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

"*Historical Adjustments*" means, for any period, the aggregate amount of all adjustments of the nature used in connection with the calculation of "Pro Forma Adjusted EBITDA" with respect to actions described in notes (a) and (b) to footnote 5 of "Summary Historical Consolidated Financial and Other Data" contained in the offering circular relating to the Existing Unsecured Notes to the extent such adjustments continue to be applicable for such period.

"*Holder*" or "*Noteholder*" means the Person in whose name a Note is registered on the registrar's books.

"*Holdings*" means WMG Holdings Corp., a Delaware corporation and the direct parent of the Issuer, and any successor in interest thereto.

"*Holdings Notes*" means Holdings' 13.75% Senior Notes due 2019 issued on July 20, 2011, or subsequently issued in exchange for or in respect of any such notes (the "*Initial Holdings Notes*"), and any Indebtedness that serves to extend, replace, refund, refinance, renew or defease any Initial Holdings Notes, *provided* that such Indebtedness extending, replacing, refunding, refinancing, renewing or defeasing such Initial Holdings Notes shall not be in a principal amount (or, if issued with original issue discount, an aggregate issue price) in excess of

the principal amount of, and premium, if any, and accrued interest on, the Initial Holdings Notes plus any fees, premiums, underwriting discounts, costs and expenses relating to such extension, replacement, refunding, refinancing, renewal or defeasance.

"*IFRS*" means International Financial Reporting Standards and applicable accounting requirements set by the International Accounting Standards Board or any successor thereto (or the Financial Accounting Standards Board, the Accounting Principles Board of the American Institute of Certified Public Accountants, or any successor to either such Board, or the Commission, as the case may be), as in effect from time to time.

"*Indebtedness*" means, with respect to any Person,

(a) any indebtedness (including principal and premium) of such Person, whether or not contingent,

(i) in respect of borrowed money,

(ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or, without double counting, reimbursement agreements in respect thereof),

(iii) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations) due more than twelve months after such property is acquired, except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case, accrued in the ordinary course of business, and (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP, and if not paid, after becoming due and payable; or

(iv) representing the net obligations under any Hedging Obligations,

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP,

(b) Disqualified Stock of such Person,

(c) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, the Indebtedness of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business) and

(d) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); *provided* that the amount of Indebtedness of such Person shall be the lesser of (A) the fair market value of such asset at such date of determination (as determined in good faith by such Person) and (B) the amount of such Indebtedness of such other Persons;

provided, *however*, that Contingent Obligations incurred in the ordinary course of business and not in respect of borrowed money shall be deemed not to constitute Indebtedness.

"*Indenture Authorized Representative*" means the representative for the Notes Obligations.

"*Independent Financial Advisor*" means an accounting, appraisal or investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Issuer, qualified to perform the task for which it has been engaged.

"*Intercreditor Agreement*" means an intercreditor agreement to be entered into with the representative of Indebtedness secured by a Lien having Junior Lien Priority substantially in the form attached to the Security Agreement or in such other form reasonably satisfactory to the Applicable Authorized Representative (as such term is defined in the Security Agreement).

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

"*Investment Grade Securities*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2), which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers, employees, directors and consultants, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of such Person in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property.

For purposes of the definition of "Unrestricted Subsidiary" and the covenant described above under the caption "—Certain Covenants—Restricted Payments," (i) "Investments" shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (x) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Issuer; and (iii) any transfer of Capital Stock that results in an entity which became a Restricted Subsidiary after the Issue Date ceasing to be a Restricted Subsidiary shall be deemed to be an Investment in an amount equal to the fair market value (as determined by the Board of Directors of the Issuer in good faith as of the date of initial acquisition) of the Capital Stock of such entity owned by the Issuer and the Restricted Subsidiaries immediately after such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash by the Issuer or a Restricted Subsidiary in respect of such Investment.

"*Issue Date*" means November 1, 2012.

"*Junior Lien Priority*" means with respect to specified Indebtedness, secured by a Lien on specified Collateral ranking junior to the Lien on such Collateral securing the Notes or any Guarantee, as applicable, either pursuant to the Intercreditor Agreement or one or more other intercreditor agreements having terms no less favorable to the Holders in relation to the holders of such specified Indebtedness with respect to such Collateral than the terms of the Intercreditor Agreement, as determined in good faith by the Issuer.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"*Management Agreement*" means the Management Agreement, dated as of July 20, 2012, by and among Warner Music Group Corp., Holdings and the Sponsor and/or its Affiliates, as the same may be amended, supplemented, waived or otherwise modified from time to time, *provided* that the Management Agreement as so amended, supplemented, waived or otherwise modified (other than in the case of an amendment to effect the Issuer becoming a party to or otherwise bound by the Management Agreement) is not materially less advantageous to the Holders of the Notes in the good faith judgment of the Board of Directors of the Issuer than the Management Agreement as in effect on the Issue Date.

"*Maximum Management Fee Amount*" means the greater of (x) $6.0 million *plus*, in the event that the Issuer acquires (including by consolidation or merger), directly or indirectly, any business, entity or operations following the Issue Date, an amount equal to 1.5% of the positive EBITDA of such acquired business, entity or operations (as determined by the Sponsor in its sole discretion) for the most recent four fiscal quarters prior to such acquisition for which internal financial statements are available as at the date of such acquisition and (y) 1.5% of EBITDA of the Issuer for the most recently completed fiscal year.

"*Moody's*" means Moody's Investors Service, Inc. and its successors.

"*Music Publishing Business*" means the subsidiaries and assets constituting the music publishing segment, as defined in the financial statements of the Issuer. At any point in time in which music publishing is not a reported segment of the Issuer, "Music Publishing Business" shall refer to the business that was previously included in this segment.

"*Music Publishing Sale*" means the sale of all or substantially all of the Music Publishing Business, which, for the avoidance of doubt, may include assets constituting a portion of the Recorded Music Business not to exceed 10.0% of the total assets constituting the Recorded Music Business.

"*Net Income*" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends or accretion of any Preferred Stock.

"*Net Proceeds*" means the aggregate cash proceeds received by the Issuer or any Restricted Subsidiary in respect of any Asset Sale, net of the costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, payments made in order to obtain a necessary consent or required by applicable law, and brokerage and sales commissions, any relocation expenses incurred as a result thereof, other fees and expenses, including title and recordation expenses, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), amounts applied or required to be applied to the repayment of Indebtedness that is secured by the property or assets that are the subject of such Asset Sale (including in respect of principal, premium, if any, and interest) or that is required to be paid as a result of such transaction, and any deduction of appropriate amounts to be provided by the Issuer or any Restricted Subsidiary as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer or any Restricted Subsidiary after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

"*Non-Recourse Acquisition Financing Indebtedness*" means any Indebtedness incurred by the Issuer or any Restricted Subsidiary to finance the acquisition, exploitation or development of assets (including directly or through the acquisition of entities holding such assets) not owned by the Issuer or any of its Restricted Subsidiaries prior to such acquisition, exploitation or development, which assets are used for the creation or development of Product for the benefit of the Issuer, and in respect of which the Person to whom such Indebtedness is owed has no recourse whatsoever to the Issuer or any of its Restricted Subsidiaries for the repayment of or payment of such Indebtedness other than recourse to the acquired assets or assets that are the subject of such exploitation or development for the purpose of enforcing any Lien given by the Issuer or such Restricted Subsidiary over such assets, including the receivables, inventory, intangibles and other rights associated with such assets and the proceeds thereof.

"*Non-Recourse Product Financing Indebtedness*" means any Indebtedness incurred by the Issuer or any Restricted Subsidiary solely for the purpose of financing (whether directly or through a partially-owned joint venture) the production, acquisition, exploitation, creation or development of items of Product produced, acquired, exploited, created or developed after the Issue Date (including any Indebtedness assumed in connection with the production, acquisition, creation or development of any such items of Product or secured by a Lien on any such items of Product prior to the production, acquisition, creation or development thereof) where the recourse of the creditor in respect of that Indebtedness is limited to Product revenues generated by such items of Product or any rights pertaining thereto and where the Indebtedness is unsecured save for Liens over such items of Product or revenues and such rights and any extension, renewal, replacement or refinancing of such Indebtedness. "Non-Recourse Product Financing Indebtedness" excludes, for the avoidance of doubt, any Indebtedness raised or secured against Product where the proceeds are used for any other purposes.

"*Notes Obligations*" means Obligations of the Issuer and the Guarantors under the Notes, the Indenture and the Guarantees.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

"*Officer*" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer, the Assistant Treasurer, the Secretary or the Assistant Secretary of the Issuer or of a Guarantor, as applicable.

"*Officer's Certificate*" means a certificate signed on behalf of the Issuer by an Officer of the Issuer or on behalf of a Guarantor by an Officer of such Guarantor, who is the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Issuer or such Guarantor, as applicable, that meets the requirements set forth in the Indenture.

"*Parent*" means any of Holdings, Warner Music Group Corp. (and any successor in interest thereto), Airplanes Music LLC (and any successor in interest thereto), any Other Parent, and any other Person that is a Subsidiary of Holdings, Warner Music Group Corp. (and any successor in interest thereto), Airplanes Music LLC (and any successor in interest thereto) or any Other Parent and of which the Issuer is a Subsidiary. As used herein, "*Other Parent*" means a Person of which the Issuer becomes a Subsidiary after the Issue Date, *provided* that either *(x)* immediately after the Issuer first becomes a Subsidiary of such Person, more than 50.0% of the Voting Stock of such Person shall be held by one or more Persons that held more than 50.0% of the Voting Stock of a Parent of the Issuer immediately prior to the Issuer first becoming such Subsidiary or (y) such Person shall be deemed not to be an Other Parent for the purpose of determining whether a Change of Control shall have occurred by reason of the Issuer first becoming a Subsidiary of such Person.

"*Pari Passu Lien Priority*" means, with respect to specified Indebtedness, secured by a Lien on specified Collateral ranking equal with the Lien on such Collateral securing the Notes or any Guarantee, as applicable,

either pursuant to the Security Agreement or one or more other intercreditor agreements having terms no less favorable to the Holders in relation to the holders of such specified Indebtedness with respect to such Collateral than the terms of the Security Agreement, as determined in good faith by the Issuer.

"*Permitted Asset Swap*" means the substantially concurrent purchase and sale or exchange of Permitted Business Assets or a combination of Permitted Business Assets and cash or Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received must be applied in accordance with the covenant under the caption "—Repurchase at the Option of Holders—Asset Sales."

"*Permitted Business*" means the media and entertainment business and any services, activities or businesses incidental or directly related or similar thereto, any line of business engaged in by the Issuer or any of its Restricted Subsidiaries on the Issue Date or any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

"*Permitted Business Assets*" means assets (other than Cash Equivalents) used or useful in a Permitted Business, *provided* that any assets received by the Issuer or a Restricted Subsidiary in exchange for assets transferred by the Issuer or a Restricted Subsidiary shall not be deemed to be Permitted Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

"*Permitted Debt*" is defined under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock."

"*Permitted Holders*" means (i) the Access Investors; (ii) Edgar Bronfman Jr.; (iii) any officer, director, employee or other member of the management of any Parent, the Issuer or any of their respective Subsidiaries; (iv) immediate family members (including spouses and direct descendants) of a Person described in clause (ii) or (iii); (v) any trusts created for the benefit of a Person or Persons described in clause (ii), (iii) or (iv) or any trust for the benefit of any such trust; (vi) in the event of the incompetence or death of any Person described in clause (ii), (iii) or (iv), such Person's estate, executor, administrator, committee or other personal representative or beneficiaries, in each case, who, at any particular date, shall beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Issuer or any direct or indirect parent company of the Issuer; or (vii) any Person acting in the capacity of an underwriter in connection with a public or private offering of Capital Stock of any of the Issuer, Holdings or any of their respective direct or indirect parents. In addition, any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) whose status as a "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture, together with its Affiliates, shall thereafter constitute Permitted Holders.

"*Permitted Investments*" means

(1) any Investment by the Issuer in any Restricted Subsidiary or by a Restricted Subsidiary in the Issuer or another Restricted Subsidiary;

(2) any Investment in cash and Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person that is engaged in a Permitted Business if, as a result of such Investment, (A) such Person becomes a Restricted Subsidiary or (B) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary, and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such Person becoming a Restricted Subsidiary or such merger, consolidation, amalgamation, transfer, conveyance or liquidation;

(4) any Investment in securities or other assets not constituting cash or Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to the provisions described above under the caption "—Repurchase at the Option of Holders—Asset Sales" or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any modification, replacement, renewal or extension of any Investment or binding commitment existing on the Issue Date; *provided* that the amount of any such Investment or binding commitment may be increased (x) as required by the terms of such Investment or binding commitment as in existence on the Issue Date or (y) as otherwise permitted under the Indenture;

(6) loans and advances to, or guarantees of Indebtedness of, employees not in excess of $25.0 million in the aggregate outstanding at any one time;

(7) any investment acquired by the Issuer or any Restricted Subsidiary (A) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout reorganization or recapitalization of the issuer of such other Investment or accounts receivable, (B) in satisfaction of judgments against other Persons or (C) as a result of a foreclosure by the Issuer or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Hedging Obligations permitted under clause (9) of the definition of "Permitted Debt";

(9) (1) loans and advances to officers, directors and employees (x) for business-related travel expenses, moving expenses and other similar expenses, in each case incurred in the ordinary course of business or consistent with past practice or (y) to fund such Person's purchases of Equity Interests of the Issuer or any of its direct or indirect parent companies in an aggregate principal amount (net of any proceeds of such loans and advances used to purchase Equity Interests of the Issuer or contributed to the equity capital thereof) not to exceed, in the case of this clause (y), $25.0 million outstanding at any time and (2) promissory notes of any officer, director, employee or other member of the management of any Parent, the Issuer or any of their respective Subsidiaries acquired (other than for cash) in connection with the issuance of Capital Stock of the Issuer or any Parent (including any options, warrants or other rights in respect thereof) to such Person;

(10) any advance directly or indirectly related to royalties or future profits (whether or not recouped), directly or indirectly (including through capital contributions or loans to an entity or joint venture relating to such artist(s) or writer(s)), to one or more artists or writers pursuant to label and license agreements, agreements with artists/writers and related ventures, pressing and distribution agreements, publishing agreements and any similar contract or agreement entered into from time to time in the ordinary course of business;

(11) any Investment by the Issuer or a Restricted Subsidiary in a Permitted Business in an aggregate amount, taken together with all other Investments made pursuant to this clause (11) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash and/or marketable securities), not to exceed the greater of $150.0 million and 13.0% of Consolidated Tangible Assets;

(12) Investments the payment for which consists of Equity Interests of the Issuer or any of its direct or indirect parent companies or employee investment vehicles (exclusive of Disqualified Stock);

(13) guarantees (including Guarantees) of Indebtedness permitted under the covenant contained under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and performance guarantees consistent with past practice or in the ordinary course of business and the creation of Liens on the assets of the Issuer or any restricted subsidiary in compliance with the covenant described under "—Certain Covenants—Liens";

(14) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of the covenant described under the caption "—Certain Covenants—Transactions with Affiliates" (except transactions described in clauses (2), (6) and (7) of the second paragraph thereof);

(15) Investments by the Issuer or a Restricted Subsidiary in joint ventures engaged in a Permitted Business in an aggregate amount, taken together with all other Investments made pursuant to this clause (15) that are at that time outstanding, not to exceed the greater of $100.0 million and 9.0% of Consolidated Tangible Assets;

(16) Investments consisting of licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(17) any Investment in a Securitization Subsidiary or any Investment by a Securitization Subsidiary in any other Person in connection with a Qualified Securitization Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Securitization Financing or any related Indebtedness; *provided*, *however*, that any Investment in a Securitization Subsidiary is in the form of a Purchase Money Note, contribution of additional Securitization Assets or an equity interest;

(18) additional Investments in an aggregate amount, taken together with all other Investments made pursuant to this clause (18) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities), not to exceed the greater of (a) $100.0 million and (b) 9.0% of Consolidated Tangible Assets;

(19) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business;

(20) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and similar deposits entered into in the ordinary course of business; and

(21) repurchases of the Notes or the Existing Unsecured Notes.

"*Permitted Liens*" means the following types of Liens:

(1) deposits of cash or government bonds made in the ordinary course of business to secure surety or appeal bonds to which such Person is a party;

(2) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements or letters of credit or bankers' acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past practice;

(3) Liens on property or shares of stock of a Person at the time such Person becomes a Subsidiary; *provided*, *however*, that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*, *further*, *however*, that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary;

(4) Liens existing on property of a Person at the time such Person becomes a Subsidiary of the Issuer (or at the time the Issuer or a Restricted Subsidiary acquires such property, including any acquisition by means of a merger or consolidation with or into the Issuer or any Restricted Subsidiary); *provided*, *however*, that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition; *provided*, *further*, *however*, that such Liens are limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate; *provided*, *further*, that for purposes of this clause (4), if a Person other than the Issuer is the Successor Company with respect thereto, any Subsidiary thereof shall be deemed to become a Subsidiary of the Issuer, and any property or assets of such Person or any such Subsidiary shall be deemed acquired by the Issuer or a Restricted Subsidiary, as the case may be, when such Person becomes such Successor Company;

(5) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary permitted to be incurred in accordance with the covenant described under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock";

(6) Liens on cash deposits or property constituting Cash Equivalents securing Hedging Obligations not prohibited by the Indenture;

(7) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(8) Liens in favor of the Issuer or any Restricted Subsidiary;

(9) Liens existing on the Issue Date (other than Liens securing Indebtedness under the Senior Term Loan Agreement, the Senior Revolving Credit Agreement and the Notes) and Liens to secure any Indebtedness that is incurred to refinance any Indebtedness that has been secured by a Lien (A) existing on the Issue Date (other than the Senior Term Loan Agreement, the Senior Revolving Credit Agreement or the Notes) or (B) referred to in clauses (3), (4) and (19)(B) of this definition; *provided*, *however*, that in each case, such Liens (x) are no less favorable to the Holders of the Notes and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being refinanced; and (y) do not extend to or cover any property or assets of the Issuer or any of its Restricted Subsidiaries not securing the Indebtedness so refinanced;

(10) Liens on Securitization Assets and related assets of the type specified in the definition of "Securitization Financing" incurred in connection with any Qualified Securitization Financing;

(11) Liens for taxes, assessments or other governmental charges or levies not yet delinquent for a period of more than 30 days, or which are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, or for property taxes on property that the Issuer or one of its Subsidiaries has determined to abandon if the sole recourse for such tax, assessment, charge, levy or claim is to such property;

(12) judgment Liens in respect of judgments that do not constitute an Event of Default so long as such Liens are adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(13) pledges, deposits or other Liens under workers' compensation, unemployment insurance and other social security laws or regulations, or deposits to secure the performance of tenders, contracts (other than for the payment of Indebtedness) or leases, or deposits or other Liens to secure public or statutory obligations, or deposits or other Liens as security for contested taxes or import or customs duties or for the payment of rent, or deposits or other Liens securing liabilities to insurance carriers under insurance or self-insurance arrangements, in each case incurred in the ordinary course of business or consistent with past practice;

(14) Liens imposed by law, including carriers', warehousemen's, materialmen's, repairmen's and mechanics' Liens, in each case for sums not overdue by more than 30 days or, if more than 30 days overdue, are unfiled and no other action has been taken to enforce such Lien, or which are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted;

(15) survey exceptions, encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of business or to the ownership of properties that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business;

(16) any lease, license, sublease or sublicense granted to or from any Person in the ordinary course of business that is not granted for the purpose of securing any Indebtedness of the Issuer or any Restricted Subsidiary owing to such lessee, licensee, sublessee or sublicensee;

(17) banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution, *provided* that (a) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Issuer in excess of those set forth by regulations promulgated by the Federal Reserve Board or other applicable law and (b) such deposit account is not intended by the Issuer or any Restricted Subsidiary to provide collateral to the depositary institution;

(18) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases or consignments entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(19) (A) other Liens securing Indebtedness for borrowed money with respect to property or assets with an aggregate fair market value (valued at the time of creation thereof) of not more than $25.0 million at any time and (B) Liens securing Indebtedness incurred to finance the construction, purchase or lease of, or repairs, improvements or additions to, property of such Person; *provided*, *however*, that (x) the Lien may not extend to any other property (except for accessions to such property) owned by such Person or any of its Restricted Subsidiaries at the time the Lien is incurred, (y) such Liens attach concurrently with or within 270 days after the acquisition, repair, replacement, construction or improvement (as applicable) of the property subject to such Liens and (z) with respect to Capitalized Lease Obligations, such Liens do not at any time extend to or cover any assets (except for accessions to such assets) other than the assets subject to such Capitalized Lease Obligations; *provided* that individual financings of equipment provided by one lender may be cross-collateralized to other financings of equipment provided by such lender;

(20) Liens to secure Non-Recourse Product Financing Indebtedness permitted to be incurred pursuant to clause (18) of the definition of "Permitted Debt," which Liens may not secure Indebtedness other than Non-Recourse Product Financing Indebtedness and which Liens may not attach to assets other than the items of Product acquired, exploited, created or developed with the proceeds of such Indebtedness and Liens to secure Non-Recourse Acquisition Financing Indebtedness permitted to be incurred pursuant to clause (18) of the definition of "Permitted Debt," which Liens may not secure Indebtedness other than Non-Recourse Acquisition Financing Indebtedness and which Liens may not attach to assets other than the assets acquired, exploited, created or developed with the proceeds of such Indebtedness;

(21) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(22) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(23) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Issuer or any Restricted Subsidiary that permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Issuer or any Restricted Subsidiary in the ordinary course of business;

(24) Liens solely on any cash earnest money deposits made by the Issuer or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under the Indenture;

(25) Liens incurred to secure Obligations in respect of any Indebtedness permitted to be incurred pursuant to clauses (4) and (20) of the definition of "Permitted Debt";

(26) Liens securing (i) Indebtedness in an aggregate principal amount (as of the date of incurrence of any such Indebtedness and after giving *pro forma* effect to the incurrence thereof and the application of the net proceeds therefrom (or as of the date of the initial borrowing of such Indebtedness after giving *pro forma* effect to the incurrence of the entire committed amount of such Indebtedness)), not exceeding the greater of (A) $2,275 million and (B) the maximum aggregate principal amount of Senior Secured Indebtedness that could be incurred without exceeding a Senior Secured Indebtedness to EBITDA Ratio for the Issuer of 4.00 to 1.00 and (ii) Revolving Credit Agreement Indebtedness not to exceed at any time outstanding $180.0 million;

(27) Liens securing (A) interest rate or currency swaps, caps or collars or other Hedging Obligations entered into to hedge the Issuer's or any Guarantor's exposure with respect to activities not prohibited under the Indenture and (B) obligations in respect of any overdraft and related liabilities arising from treasury, depositary and cash management services or any automated clearing house transfers of funds;

(28) any encumbrance or restriction (including put and call arrangements) with respect to capital stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(29) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(30) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(31) Liens on the assets of a non-guarantor Subsidiary securing Indebtedness or other obligations of a non-Guarantor Subsidiary;

(32) Liens on cash advances in favor of the seller of any property to be acquired in an Investment permitted under the Indenture to be applied against the purchase price for such Investment; and

(33) other Liens securing obligations incurred in the ordinary course of business which obligations (at the time of incurrence thereof) do not exceed the greater of $50.0 million and 5.0% of Consolidated Tangible Assets at any one time outstanding.

For purposes of determining compliance with any U.S. dollar-denominated restriction in this definition, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to extend, replace refund, refinance, renew or defease other Indebtedness denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasance would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of, premium, if any, and accrued interest on, the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased plus any fees, premiums, underwriting discounts, costs and expenses relating to such extension, replacement, refunding, refinancing, renewal or defeasance.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Preferred Stock*" means any Equity Interest with preferential rights of payment of dividends upon liquidation, dissolution or winding up.

"*Product*" means any music (including musical and audio visual recordings, musical performance, songs and compositions and also includes mail order music and activities relating or incidental to music such as

touring, merchandising and artist management), music copyright, motion picture, television programming, film, videotape, digital file, video clubs, DVD manufactured or distributed or any other product produced for theatrical, non-theatrical or television release or for release in any other medium, in each case whether recorded on film, videotape, cassette, cartridge, disc or on or by any other means, method, process or device, whether known on or developed after the Issue Date, with respect to which the Issuer or any Restricted Subsidiary:

(1) is an initial copyright owner; or

(2) acquires (or will acquire upon delivery) an equity interest, license, sublicense or administration or distribution right.

"*Purchase Money Note*" means a promissory note of a Securitization Subsidiary evidencing a line of credit, which may be irrevocable, from Holdings or any Subsidiary of Holdings to a Securitization Subsidiary in connection with a Qualified Securitization Financing, which note is intended to finance that portion of the purchase price that is not paid in cash or a contribution of equity and which (a) shall be repaid from cash available to the Securitization Subsidiary, other than (i) amounts required to be established as reserves, (ii) amounts paid to investors in respect of interest, (iii) principal and other amounts owing to such investors and (iv) amounts paid in connection with the purchase of newly generated receivables and (b) may be subordinated to the payments described in clause (a).

"*Qualified Proceeds*" means assets that are used or useful in, or Capital Stock of any Person engaged in, a Permitted Business; *provided* that the fair market value of any such assets or Capital Stock shall be determined by the Board of Directors of the Issuer in good faith.

"*Qualified Securitization Financing*" means any Securitization Financing of a Securitization Subsidiary that meets the following conditions: (i) the Board of Directors of the Issuer shall have determined in good faith that such Qualified Securitization Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Securitization Subsidiary, (ii) all sales of Securitization Assets and related assets to the Securitization Subsidiary are made at fair market value (as determined in good faith by the Issuer) and (iii) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings. The grant of a security interest in any Securitization Assets of the Issuer or any of its Restricted Subsidiaries (other than a Securitization Subsidiary) to secure Indebtedness under a Credit Agreement or any permitted additional Indebtedness with Pari Passu Lien Priority and any Refinancing Indebtedness with respect thereto shall not be deemed a Qualified Securitization Financing.

"*Rating Agencies*" means Moody's and S&P, or if Moody's or S&P or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer which shall be substituted for Moody's or S&P or both, as the case may be.

"*Recorded Music Business*" means the subsidiaries and assets constituting the recorded music segment, as defined in the financial statements of the Issuer. At any point in time in which recorded music is not a reported segment of the Issuer, Recorded Music Business shall refer to the business that was previously included in this segment.

"*Recorded Music Sale*" means the sale of all or substantially all of the Recorded Music Business, which, for the avoidance of doubt, may include assets constituting a portion of the Music Publishing Business not to exceed 10.0% of the total assets constituting the Music Publishing Business.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means, at any time, any direct or indirect Subsidiary of the Issuer (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided*, *however*, that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary".

"*Revolving Credit Agreement Indebtedness*" means Indebtedness in an aggregate principal amount not exceeding $180.0 million outstanding under the Senior Revolving Credit Agreement, including any guarantees, collateral documents and other instruments, agreements and documents executed or delivered pursuant to or in connection therewith, as the same may be refunded, refinanced, restructured, replaced, renewed, repaid or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior Revolving Credit Agreement, any other revolving credit agreement, or one or more other credit or financing agreements with a revolving financing component (to the extent of such component)), and in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, and including any agreement changing maturity or increasing the Indebtedness incurred or available to be borrowed *(provided* that any such increase shall not be deemed to increase the $180.0 million maximum principal amount of Revolving Credit Agreement Indebtedness provided for in this definition), or otherwise altering the terms and conditions thereof.

"*S&P*" means Standard & Poor's Ratings Services and its successors. "*Secured Indebtedness*" means any Indebtedness secured by a Lien.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"*Securitization Assets*" means any accounts receivable or catalog, royalty or other revenue streams from Product subject to a Qualified Securitization Financing.

"*Securitization Fees*" means reasonable distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Securitization Subsidiary in connection with, any Qualified Securitization Financing.

"*Securitization Financing*" means any transaction or series of transactions that may be entered into by Holdings or any of its Subsidiaries pursuant to which Holdings or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Securitization Subsidiary (in the case of a transfer by Holdings or any of its Subsidiaries) or (b) any other Person (in the case of a transfer by a Securitization Subsidiary), or may grant a security interest in, any Securitization Assets (whether existing on the Issue Date or arising in the future) of Holdings or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such Securitization Assets, all contracts and all guarantees or other obligations in respect of such Securitization Assets, proceeds of such Securitization Assets and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving Securitization Assets and any Hedging Obligations entered into by Holdings or any such Subsidiary in connection with such Securitization Assets.

"*Securitization Repurchase Obligation*" means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Securitization Subsidiary*" means a Wholly Owned Subsidiary of Holdings (or another Person formed for the purposes of engaging in a Qualified Securitization Financing in which Holdings or any Subsidiary of Holdings makes an Investment and to which Holdings or any Subsidiary of Holdings transfers Securitization Assets and related assets) which engages in no activities other than in connection with the financing of Securitization Assets of Holdings or its Subsidiaries, all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of Holdings or such other Person (as provided below) as a Securitization Subsidiary and (a) no portion of the Indebtedness or any other obligations (contingent or

otherwise) of which (i) is guaranteed by Holdings or any other Subsidiary of Holdings (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates Holdings or any other Subsidiary of Holdings in any way other than pursuant to Standard Securitization Undertakings or (iii) subjects any property or asset of Holdings or any other Subsidiary of Holdings, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (b) with which neither Holdings nor any other Subsidiary of Holdings has any material contract, agreement, arrangement or understanding other than on terms which Holdings reasonably believes to be no less favorable to Holdings or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of Holdings and (c) to which neither Holdings nor any other Subsidiary of Holdings has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results. Any such designation by the Board of Directors of Holdings or such other Person shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of Holdings or such other Person giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"*Security Agreement*" means the security agreement, dated as of the Issue Date, among the Collateral Agent, the representatives of each series of First Lien Obligations outstanding on the Issue Date, the Issuer, Holdings and the Guarantors party thereto from time to the time, as amended, amended and restated, supplemented, waived, modified, renewed or replaced from time to time.

"*Security Documents*" means the Security Agreement and any mortgages, security agreements, pledge agreements or other instruments evidencing or creating Liens on the assets of the Issuer and the Guarantors to secure the obligations under the Notes and this Indenture, as amended, restated, supplemented, waived or otherwise modified from time to time.

"*Senior Credit Facilities*" means the Senior Revolving Credit Facility and the Senior Term Loan Facility.

"*Senior Indebtedness*" means any Indebtedness of the Issuer or any Restricted Subsidiary other than Subordinated Indebtedness.

"*Senior Revolving Credit Agreement*" means that certain credit agreement, dated as of the Issue Date, by and among the Issuer, Credit Suisse AG, as the administrative agent, and the lenders party thereto, as the same may be amended, supplemented, waived or otherwise modified from time to time.

"*Senior Revolving Credit Facility*" means the revolving credit facility under the Senior Revolving Credit Agreement, including any guarantees, collateral documents, instruments and agreements executed in connection therewith.

"*Senior Secured Indebtedness*" means, with respect to any Person, the aggregate amount, without duplication, of Indebtedness for borrowed money of such Person as of the end of the most recently ended fiscal quarter for which internal financial statements are available plus the amount of any Indebtedness for borrowed money of such Person incurred subsequent to the end of such fiscal quarter and minus the amount of any Indebtedness for borrowed money of such Person redeemed, repaid, retired or extinguished subsequent to the end of such fiscal quarter, as determined in accordance with GAAP, secured by Liens other than Permitted Liens (excluding Permitted Liens incurred pursuant to clause (26) of the definition thereof, *provided* that Revolving Credit Agreement Indebtedness so secured shall be excluded from the calculation of Senior Secured Indebtedness) and other than Liens that have Junior Lien Priority on the Collateral in relation to the Notes and the Guarantees.

In addition, to the extent that any Indebtedness is incurred pursuant to clause (1)(I)(B) of the second paragraph of the covenant under the caption "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock", or is secured by any Lien pursuant to clause (26)(B) of the definition of "Permitted Liens,"

such Indebtedness may be refinanced from time to time with other Indebtedness (including by Indebtedness refinancing any such refinancing Indebtedness) in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) not exceeding the principal amount of, and premium (if any) and accrued interest on, the Indebtedness being refinanced plus any fees, premiums, underwriting discounts, costs and expenses relating to such refinancing, and such refinancing Indebtedness may be secured by any Lien, without further compliance with the Senior Secured Indebtedness to EBITDA Ratio thereunder.

"*Senior Secured Indebtedness to EBITDA Ratio*" means, with respect to the Issuer, the ratio of (x) the Issuer's Senior Secured Indebtedness, minus an amount of cash and Cash Equivalents held by the Issuer and its Restricted Subsidiaries as of the date of determination not exceeding $150.0 million, to (y) the Issuer's EBITDA for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such event for which such calculation is being made shall occur (the "*Measurement Period*"). For purposes of making the computation referred to above, if any Specified Transaction has been made by the Issuer or any of its Restricted Subsidiaries during the Measurement Period or subsequent to the Measurement Period and on or prior to the date of determination of the Senior Secured Indebtedness to EBITDA Ratio, the Senior Secured Indebtedness to EBITDA Ratio shall be calculated on a *pro forma* basis assuming that all such Specified Transactions (and the change in EBITDA resulting therefrom) had occurred on the first day of the Measurement Period. If, since the beginning of such Measurement Period, any Person became a Restricted Subsidiary or was merged with or into the Issuer or any of its Restricted Subsidiaries and, since the beginning of such Measurement Period, such Person shall have made any Specified Transaction that would have required adjustment pursuant to the immediately preceding sentence if made by the Issuer or a Restricted Subsidiary since the beginning of such Measurement Period, then the Senior Secured Indebtedness to EBITDA Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Specified Transaction had occurred at the beginning of such Measurement Period.

For purposes of this definition, whenever *pro forma* effect is to be given to any Specified Transaction (including the Transactions and the 2011 Transactions), the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer and may include, for the avoidance of doubt, cost savings and synergies resulting from or related to any such Specified Transaction (including the Transactions and the 2011 Transactions) which is being given *pro forma* effect that have been or are expected to be realized and for which the actions necessary to realize such cost savings and synergies are taken or expected to be taken no later than 12 months after the date of any such Specified Transaction (in each case as though such cost savings and synergies had been realized on the first day of the applicable Measurement Period).

In the event that any calculation of the Senior Secured Indebtedness to EBITDA Ratio shall be made as of the date of the initial borrowing of any applicable Indebtedness after giving pro forma effect to the entire committed amount of such Indebtedness (as contemplated by clause (1) of the second paragraph of the covenant described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and by clause (26) of the definition of "Permitted Liens"), such committed amount may thereafter be borrowed and reborrowed, in whole or in part, from time to time, without further compliance with such ratio, *provided* that such committed amount shall be included as outstanding Indebtedness in any subsequent calculation of the Senior Secured Indebtedness to EBITDA Ratio, to the extent the commitment therefor then remains outstanding.

"*Senior Term Loan Agreement*" means that certain credit agreement, dated as of the Issue Date, by and among the Issuer, Credit Suisse AG, as the administrative agent, and the lenders party thereto, as the same may be amended, supplemented, waived or otherwise modified from time to time.

"*Senior Term Loan Facility*" means the term loan facility under the Senior Term Loan Agreement, including any guarantees, collateral documents, instruments and agreements executed in connection therewith.

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date hereof.

"*Specified Transaction*" means (v) any designation of operations or assets of the Issuer or a Restricted Subsidiary as discontinued operations (as defined under GAAP), (w) any Investment that results in a Person becoming a Restricted Subsidiary, (x) any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary in compliance with the Indenture, (y) any purchase or other acquisition of a business of any Person, of assets constituting a business unit, line of business or division of any Person or (z) any Asset Sale or other disposition (i) that results in a Restricted Subsidiary ceasing to be a Subsidiary of the Issuer or (ii) of a business, business unit, line of business or division of the Issuer or a Restricted Subsidiary, in each case whether by merger, consolidation or otherwise.

"*Sponsor*" means Access Industries, Inc. and any successor in interest thereto.

"*Standard Securitization Undertakings*" means representations, warranties, covenants and indemnities entered into by Holdings or any Subsidiary of Holdings which Holdings has determined in good faith to be customary in a Securitization Financing, including, without limitation, those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Indebtedness*" means (a) with respect to the Issuer, indebtedness of the Issuer that is by its terms subordinated in right of payment to the Notes and (b) with respect to any Guarantor of the Notes, any Indebtedness of such Guarantor that is by its terms subordinated in right of payment to its Guarantee of the Notes.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity, of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership, joint venture, limited liability company or similar entity of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise and (y) such Person or any Wholly Owned Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*Transactions*" means, collectively, any or all of the following: (i) the entry into the Indenture and the offer and issuance of the Notes, (ii) the entry into the Senior Term Loan Agreement and incurrence of Indebtedness thereunder, (iii) the entry into the Senior Revolving Credit Agreement and the incurrence of Indebtedness thereunder, (iv) the repayment of certain existing Indebtedness of the Issuer, (v) the solicitation of certain consents and related amendments with respect to the Existing Unsecured Notes and Holdings Notes and (vi) all other transactions relating to any of the foregoing (including payment of fees and expenses related to any of the foregoing).

"*Treasury Rate*" means, as of the applicable redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of

similar market data)) most nearly equal to the period from such redemption date to , 2019; *provided*, *however*, that if the period from such redemption date to , 2019 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Unrestricted Subsidiary*" means (i) WMG Kensington, Ltd., and its Subsidiaries, (ii) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer, as provided below) and (iii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Issuer or any Subsidiary of the Issuer (other than any Subsidiary of the Subsidiary to be so designated); *provided* that (a) any Unrestricted Subsidiary must be an entity of which shares of the Capital Stock or other equity interests (including partnership interests) entitled to cast at least a majority of the votes that may be cast by all shares or equity interests having ordinary voting power for the election of directors or other governing body are owned, directly or indirectly, by the Issuer, (b) such designation complies with the covenant contained under the caption "—Certain Covenants—Restricted Payments" and (c) each of (I) the Subsidiary to be so designated and (II) its Subsidiaries does not at the time of designation, and does not thereafter,

(1) create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any Restricted Subsidiary; or

(2) own assets constituting part of the Music Publishing Business in excess of 10.0% of the total assets constituting the Music Publishing Business.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, no Default or Event of Default shall have occurred and be continuing and (1) the Issuer could incur $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described under the first paragraph of "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock," or (2) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would be greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such designation, in each case on a *pro forma* basis taking into account such designation. Any such designation by such Board of Directors shall be notified by the Issuer to the Trustee by promptly filing with the Trustee a copy of the board resolution giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

"*Wholly Owned Restricted Subsidiary*" is any Wholly Owned Subsidiary that is a Restricted Subsidiary.

"*Wholly Owned Subsidiary*" of any Person means a Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares and shares of Capital Stock of Foreign Subsidiaries issued to foreign nationals as required under applicable law) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

BOOK-ENTRY, DELIVERY AND FORM

General

The notes will be issued in the form of several registered notes in global form, without interest coupons (the "*Global Notes*"), as follows:

Dollar Notes sold to qualified institutional buyers under Rule 144A under the Securities Act will be represented by one or more "*Dollar Rule 144A Global Notes*";

Euro Notes sold to qualified institutional buyers under Rule 144A will be represented by one or more "*Euro Rule 144A Global Notes*";

Dollar Notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will initially be represented by one or more "*Temporary Dollar Regulation S Global Notes*" and, following the expiration of the Restricted Period described below, by one or more "*Permanent Dollar Regulation S Global Notes*" (the Permanent Dollar Regulation S Global Notes and the Temporary Dollar Regulation S Global Notes, collectively, the "*Dollar Regulation S Global Notes*");

Euro Notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will initially be represented by one or more "*Temporary Euro Regulation S Global Notes*" and, following the expiration of the Restricted Period described below, by one or more "*Permanent Euro Regulation S Global Notes*" (the Permanent Euro Regulation S Global Notes and the Temporary Euro Regulation S Global Notes, collectively, the "*Euro Regulation S Global Notes*.")

Upon issuance, each of the Global Notes representing dollar notes (the "Dollar Global Notes") will be deposited with the Trustee, as custodian for The Depository Trust Company ("*DTC*"), 55 Water Street, New York, N.Y. 10041-0099, U.S.A., and registered in the name of Cede & Co., as nominee of DTC. Each of the Global Notes representing euro notes (the "*Euro Global Notes*") will be deposited with, or on behalf of, a common depositary (the "*Common Depositary*") for the accounts of Euroclear Bank S.A./N.V. ("*Euroclear*"), Boulevard due Roi Albert II, 1210 Brussels, Belgium and Clearstream Banking S.A., Luxembourg ("*Clearstream*"), 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg, and registered in the name of Société Générale Bank & Trust on behalf of Euroclear Bank S.A./N.V. and Clearstream Banking S.A.

Ownership of interests in the Dollar Rule 144A Global Notes and the Euro Rule 144A Global Notes ("*Restricted Book-Entry Interests*") and in the Dollar Regulation S Global Notes and the Euro Regulation S Global Notes (the "*Unrestricted Book-Entry Interests*" and, together with the Restricted Book-Entry Interests, the "*Book-Entry Interests*") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream, as applicable, or persons that hold interests through such participants. Prior to the 40th day after the later of the commencement of this offering and the date the notes were originally issued (the "*Restricted Period*"), interests in the Dollar Regulation S Global Notes and the Euro Regulation S Global Notes may only be held through Euroclear or Clearstream. DTC, Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of certificated notes.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream and their participants. The laws of some jurisdictions, including some states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the notes are in global form, holders of Book- Entry Interests will not be considered the owners or "holders" of notes for any purpose (other than for certain tax purposes).

So long as the notes are held in global form, DTC, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the indenture governing the notes offered hereby. In addition, participants in DTC, Euroclear, or Clearstream must rely on the procedures of DTC, Euroclear and Clearstream, as the case may be, and indirect participants must rely on the procedures of the participants through

We, the Trustee, the registrar, any co-registrar and any paying agents for the notes and our or their respective agents will not have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event any Global Note (or any portion thereof) is redeemed, DTC, Euroclear and/or Clearstream, as applicable, (or their respective nominees) will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by DTC, Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of DTC, Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, DTC, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; provided, however, that no Book-Entry Interest of less than $2,000 or €100,000 may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and Special Interest (as defined in "Description of Notes"), if any) will be made by us to DTC or its nominee, with respect to dollar notes, and to the common depositary for Euroclear and Clearstream or its nominee, with respect to euro notes, which will distribute such payments to their respective participants in accordance with their respective procedures, *provided,* that at the option of Warner Music Group, payment of interest on the notes may be made by check mailed to the holders of such notes as such addresses appear in the note register. Payments of all such amounts will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. We expect that payments by participants to owners of Book-Entry Interests held through those participants will be governed by standing customer instructions and customary practices.

Under the terms of the indenture governing the Existing Senior Secured Notes and the notes offered hereby, we, the Trustee, the registrar, any co-registrar and any paying agents for the notes and our or their respective agents will treat the registered holders of the Global Notes (e.g., DTC, Euroclear or Clearstream (or their respective nominees)) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, the Trustee, the registrar, any co-registrar and any paying agents for the notes and our or their respective agents will have no responsibility or liability for:

(1) any aspect of the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to payments made on account of a Book-Entry Interest for any such payments made by DTC, Euroclear or Clearstream or any participant or indirect participant or for maintaining, supervising or reviewing the records of DTC, Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;

(2) DTC, Euroclear, Clearstream or any participant or indirect participant; or

(3) the records of the common depositary for the Euro Global Notes.

Currency of Payment for the Global Notes

Except as may otherwise be agreed between DTC and any holder, the principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Dollar Global Notes will be paid to holders of interests in such dollar-denominated notes through DTC in U.S. dollars. Except as may otherwise be agreed between Euroclear and/or Clearstream and any holder, the principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Euro Global Notes will be paid to holders of interests in such notes through Euroclear or Clearstream in euro.

Action by Owners of Book-Entry Interests

DTC, Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant or participants has or have given such direction. DTC, Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the indenture governing the notes offered hereby or the notes, each of DTC, Euroclear and Clearstream reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to its participants.

Transfers

Subject to compliance with the transfer restrictions applicable to the notes described herein, transfers between participants in DTC, Euroclear and Clearstream will be effected in accordance with DTC's, Euroclear's and Clearstream's rules, as applicable, and will be settled in immediately available funds. The Global Notes will bear a legend to the effect set forth in "Transfer Restrictions." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements as discussed in "Transfer Restrictions."

Prior to the expiration of the Restricted Period, Unrestricted Book-Entry Interests may be exchanged for Restricted Book-Entry Interests only if:

(1) such exchange occurs in connection with a transfer of the notes pursuant to Rule 144A; and

(2) the transferor first delivers to the Trustee a written certificate (in the form provided in the indenture governing the notes offered hereby) to the effect that the notes are being transferred to a person:

(A) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;

(B) purchasing for its own account or the account a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

(C) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Restricted Book-Entry Interests may be transferred to a person who takes delivery in the form of an Unrestricted Book-Entry Interest, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the indenture governing the notes offered hereby) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests between the Dollar Regulation S Global Notes and the Dollar Rule 144A Global Notes will be effected by DTC by means of an instruction originated by the Trustee

through the DTC Deposit/Withdrawal at Custodian system. Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global Note will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

The policies and practices of DTC may prohibit transfers of beneficial interests in the Temporary Dollar Regulation S Global Note prior to the expiration of the Restricted Period.

Certificated Notes

Under the terms of the indenture governing the notes offered hereby, owners of the Book-Entry Interests will receive notes in certificated form only:

(1) in the case of a Dollar Global Note, if DTC notifies us that it is unwilling or unable to continue as depositary for the Dollar Global Note, or DTC ceases to be a clearing agency registered under the Exchange Act and, in either case, a qualified successor depositary is not appointed;

(2) in the case of a Euro Global Note, if either Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act as a depositary for the Euro Global Note and a successor is not appointed;

(3) there has occurred and is continuing a Default or Event of Default under the terms of the indenture governing the notes offered hereby with respect to the notes and the Trustee has received a written request from DTC, Euroclear or Clearstream, as applicable, to issue such notes in certificated form; or

(4) at any time if we, in our sole discretion, determine that all the Dollar Global Notes or all Euro Global Notes, as the case may be, should be exchanged for notes in certificated form.

In all cases, notes issued in certificated form delivered in exchange for any Global Note or beneficial interest in a Global Note will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC, Euroclear or Clearstream, as applicable, in respect with their customary procedures, and will bear the applicable restrictive legend referred to in "Transfer Restrictions," unless such legend is not required by applicable law.

Notes in certificated form may be transferred and exchanged for Book-Entry Interests in a Global Note only in accordance with the indenture governing the notes offered hereby and only after the transferor first delivers to the Trustee a written certification (in the form provided in the indenture governing the notes offered hereby) to the effect that such transfer will comply with the transfer restrictions applicable to such notes, and we may require a holder to pay any taxes and fees required by law or permitted by the indenture governing the notes offered hereby and the notes.

Information Concerning DTC, Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of DTC or of Euroclear and Clearstream, as applicable. The following summaries of those operations and procedures are provided solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that respective settlement system and may be changed at any time. Neither we nor the initial purchasers are responsible for those operations or procedures.

We understand as follows with respect to DTC, Euroclear and Clearstream:

DTC

DTC is a limited purpose trust company organized under the New York Banking Law; a "banking organization" under New York Banking Law; a member of the Federal Reserve System; a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and a "clearing agency" registered under Section 17A of the U.S. Securities Exchange Act of 1934, as amended.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

Euroclear and Clearstream

Like DTC, Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Because DTC, Euroclear and Clearstream can act only on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the DTC, Euroclear or Clearstream systems, as the case may be, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC system will receive distributions attributable to the Dollar Global Notes only through DTC participants, and owners of beneficial interests through Euroclear or Clearstream systems will receive distributions attributable to the Euro Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the dollar notes (including principal and interest), is to credit the accounts of its relevant participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by participants and indirect participants in DTC to the beneficial owners of the dollar notes will be governed by standing instructions and customary practices and will be the responsibility of such participants and indirect participants and will not be the responsibility of DTC, the Trustee or Warner Music Group. Neither we nor the Trustee will be liable for any delay by DTC or any of the participants or the indirect participants in identifying the beneficial owners of the dollar notes, and we and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee or all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions set forth under "Transfer Restrictions," cross-market transfers of Book-Entry Interests in the dollar notes between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be done through DTC in accordance with DTC's rules on behalf of each of Euroclear or Clearstream by its common depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream will, if the transaction meets its settlement requirements, deliver instructions to the common depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the Dollar Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the common depositary.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Dollar Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear and Clearstream as a result of a sale of an interest in a Dollar Global Note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as at the business day for Euroclear or Clearstream following DTC's settlement date.

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Dollar Global Notes among participants in DTC, Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. We, the Trustee, the initial purchasers, the registrar, any co-registrar and any paying agents for the notes and our and their respective agents will have no responsibility for the performance by DTC, Euroclear or Clearstream, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

TRANSFER RESTRICTIONS

The notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirement of the Securities Act. Accordingly, the notes are being offered and sold only (1) to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("*QIBs*") in compliance with Rule 144A and (2) outside the United States to persons other than U.S. persons in reliance upon Regulation S under the Securities Act.

Each purchaser of notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) The purchaser (A) (i) is a qualified institutional buyer, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring the notes for its own account or for the account of a QIB over which it exercises sole investment discretion or (B) is not a U.S. person, is outside the United Sates, and is purchasing the notes in an offshore transaction pursuant to Regulation S.

(2) The purchaser understands that the notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the notes have not been and, except as described in this offering circular, will not be registered under the Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the notes, such notes may not be offered, resold, pledged or otherwise transferred prior to (x) the date which is one year, in the case of notes issued pursuant to Rule 144A, or (y) 40 days, in the case of notes issued pursuant to Regulation S, after the later of the date of the original issue date of such Notes and the last date on which we or any of our affiliates were the owner of such Notes (or any predecessor thereto) only (i) to Parent or any subsidiary thereof, (ii) pursuant to an effective registration statement under the Securities Act, (iii) inside the United States to a person whom the seller reasonably believes to be a QIB in compliance with Rule 144A, (iv) outside the United States in compliance with Rule 904 under the Securities Act, (v) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (vi) in accordance with another available exemption from registration under the Securities Act, and that (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the notes from it of the resale restrictions referred to in (A) above.

(3) The purchaser understands that the notes will, until the expiration of the applicable holding period with respect to the notes set forth in Rule 144 or Regulation S of the Securities Act, unless otherwise agreed by Warner Music Group and the holder thereof, bear a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS THAT

(A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, OR

(B) IT IS NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) AND

(2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT WITHIN [ONE YEAR FOR NOTES ISSUED PURSUANT TO RULE 144A] [40 DAYS—FOR NOTES ISSUED IN

OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S] AFTER THE LATER OF THE DATE OF THE ORIGINAL ISSUANCE OF THIS NOTE AND THE DATE ON WHICH THE COMPANY OR ANY OF ITS AFFILIATES OWNED THIS NOTE (OR ANY PREDECESSOR NOTE) OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ONLY

(A) TO WARNER MUSIC GROUP CORP. OR ANY SUBSIDIARY OF WARNER MUSIC GROUP CORP.,

(B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT,

(C) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT,

(D) IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT,

(E) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE),

(F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

(3) REPRESENTS THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A PLAN (WHICH TERM INCLUDES (I) EMPLOYEE BENEFIT PLANS THAT ARE SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("*ERISA*"), (II) PLANS, INDIVIDUAL RETIREMENT ACCOUNTS AND OTHER ARRANGEMENTS THAT ARE SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "*CODE*"), OR TO PROVISIONS UNDER APPLICABLE FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE ("*SIMILAR LAWS*") AND (III) ENTITIES THE UNDERLYING ASSETS OF WHICH ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF SUCH PLANS, ACCOUNTS AND ARRANGEMENTS) AND IT IS NOT PURCHASING THE NOTES ON BEHALF OF, OR WITH "PLAN ASSETS" OF, ANY PLAN; OR (B) ITS PURCHASE AND HOLDING OF SUCH SECURITIES SHALL NOT CONSTITUTE OR RESULT IN A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA, SECTION 4975 OF THE CODE OR ANY PROVISION OF SIMILAR LAW.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(C) ABOVE OR (2)(D) ABOVE, A DULY COMPLETED AND SIGNED CERTIFICATE (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRUSTEE) MUST BE DELIVERED TO THE TRUSTEE. PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(E) OR (2)(F) ABOVE, THE COMPANY RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY RULE 144 EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

(4) The purchaser acknowledges that prior to any proposed transfer of Notes in certificated form or of beneficial interests in a Global Note (in each case other than pursuant to an effective registration statement) the holder of Notes or the holder of beneficial interests in a Global Note, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the applicable Indenture.

(5) Either: (A) the purchaser is not, and is not acting on behalf of, a Plan (which term includes (i) employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "*Code*"), or to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("*Similar Laws*") and (iii) entities the underlying assets of which are considered to include "plan assets" of such plans, accounts and arrangements) and it is not purchasing the notes on behalf of, or with "plan assets" of, any Plan; or (B) its purchase and holding of such securities shall not constitute or result in a nonexempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any provision of Similar Law.

PLAN OF DISTRIBUTION

Under the terms and conditions to be set forth in the purchase agreement with respect to the notes, we will agree to sell to the initial purchasers, for whom Credit Suisse Securities (USA) LLC, Barclays Capital Inc., UBS Securities LLC, Macquarie Capital (USA) Inc. and Nomura Securities International, Inc. are acting as representatives, the following respective principal amounts of notes set forth opposite their names below.

	Principal Amount (in millions)	
Initial Purchasers	**Euro Notes**	**Dollar Notes**
Credit Suisse Securities (USA) LLC	€	$
Barclays Capital Inc.		
UBS Securities LLC		
Macquarie Capital (USA) Inc.		
Nomura Securities International, Inc.		
Total	€	$

The purchase agreement will provide that the initial purchasers are obligated to purchase all of the notes if any of such notes are purchased. The purchase agreement will also provide that if an initial purchaser defaults, the purchase commitments of non-defaulting initial purchasers may be increased or the offering may be terminated.

The initial purchasers propose to offer the notes initially at the offering prices on the cover page of this offering circular. After the initial offering, the offering price may be changed. Certain initial purchasers have informed us that they may resell the notes to or through one or more of their affiliates or selling agents.

The notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons in offshore transactions in reliance on Regulation S under the Securities Act. Each of the initial purchasers has agreed that, except as permitted by the purchase agreement, it will not offer, sell or deliver the notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each broker/dealer to which it sells notes in reliance on Regulation S during such 40-day period, a confirmation or other notice detailing the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Resales of the notes are restricted as described under “Transfer Restrictions.”

In addition, until 40 days after the commencement of the offering, an offer or sale of notes within the United States by a broker/dealer (whether or not it is participating in such offering), may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

We will agree to indemnify the initial purchasers against liabilities or to contribute to payments which they may be required to make in that respect.

The notes are new issues of securities for which there currently is no market. The initial purchasers have advised us that they intend to make a market in the notes as permitted by applicable law. They are not obligated, however, to make a market in the notes and any market-making may be discontinued at any time at their sole discretion. In addition, such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act, and may be limited during any exchange offer for the notes and the pendency of any shelf registration statement relating to the notes. Accordingly, no assurance can be given as to the development or liquidity of any market for the notes.

The initial purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers.
- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions.
- Penalty bids permit the initial purchasers to reclaim a selling concession from a broker/dealer when the notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

In the ordinary course of their respective businesses, the initial purchasers and certain of their respective affiliates have in the past and may in the future engage in investment banking or other transactions of a financial nature with us, Access and our respective affiliates, for which they have received customary compensation. We intend to use the proceeds of the offering of the notes, together with available cash, to finance the Tender Offers. Credit Suisse Securities (USA) LLC is the dealer manager for the Tender Offers. In addition, certain of the initial purchasers and/or affiliates of certain of the initial purchasers may hold positions in the Tender Offer Notes and, accordingly, may receive a portion of the net proceeds from the offering. Furthermore, banking affiliates of certain of the initial purchasers are lenders and agents under our Revolving Credit Facility and are lenders and agents under our Senior Term Loan Credit Agreement. The decision of these initial purchasers to distribute the notes was made independent of the lenders with which they are affiliated, which lenders have no involvement in determining whether or when to distribute the notes under this offering or the terms of the offering.

In relation to each Member State of the European Economic Area (each, a Relevant Member State), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes which are the subject of the offering contemplated by this offering circular to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require us or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC as amended, including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

Each of the initial purchasers has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to us or the guarantors; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements*, *Exemptions and Ongoing Registrant Obligations.* Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (*NI 33-105*), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of the notes by U.S. Holders and Non-U.S. Holders (each as defined below) that purchase the notes at their issue price (generally the first price at which a substantial amount of the notes of the applicable series is sold, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) pursuant to this offering and hold such notes as capital assets. This discussion is based on the Code. U.S. Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect, or to different interpretation. This discussion does not address all of the U.S. federal income tax considerations that may be relevant to specific Holders (as defined below) in light of their particular circumstances (including Holders that are directly or indirectly related to us) or to Holders subject to special treatment under U.S. federal income tax law (such as banks, insurance companies, dealers in securities or other Holders that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, certain former citizens or residents of the United States, Holders that hold a note as part of a straddle, hedge, conversion or other integrated transaction or U.S. Holders that have a "functional currency" other than the U.S. dollar). This discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate (except as discussed below for Non-U.S. Holders), gift or alternative minimum tax considerations. This discussion also does not address the U.S. federal income tax considerations that may be relevant to Holders that participate in a Tender Offer.

As used in this discussion, the term "U.S. Holder" means a beneficial owner of a note that, for U.S. federal income tax purposes, is (i) an individual who is a citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source or (iv) a trust (x) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (y) that has in effect a valid election under applicable U.S. Treasury regulations to be treated as a U.S. person.

As used in this discussion, the term "Non-U.S. Holder" means a beneficial owner of a note that is neither a U.S. Holder nor a partnership for U.S. federal income tax purposes, and the term "Holder" means a U.S. Holder or a Non-U.S. Holder.

If an entity treated as a partnership for U.S. federal income tax purposes invests in a note, the U.S. federal income tax considerations relating to such investment will depend in part upon the status and activities of such entity and the particular partner. Any such entity should consult its own tax advisor regarding the U.S. federal income tax considerations applicable to it and its partners relating to the purchase, ownership and disposition of a note.

EACH PERSON CONSIDERING AN INVESTMENT IN THE NOTES SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. INCOME, ESTATE AND OTHER TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES.

Certain Additional Payments

In certain circumstances, we are required to make payments on the notes other than stated principal and interest. For example, we are required to pay 101% of the principal amount of any note purchased by us at the Holder's election after a change of control, as described above under the heading "Description of Notes—Change of Control".

U.S. Treasury regulations provide special rules for contingent payment debt instruments that, if applicable, could cause the timing, amount and character of a Holder's income, gain or loss with respect to the notes to be different from those described below. We intend to treat the possibility of our making any of the above payments as not causing the notes to be contingent payment debt instruments. Our treatment will be binding on all Holders, except a Holder that discloses its differing treatment in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which such Holder acquired its notes. However, our treatment is not binding on the U.S. Internal Revenue Service (the "IRS"). If the IRS were to challenge our treatment, a Holder might be required to accrue income on the notes in excess of stated interest and to treat as ordinary income, rather than capital gain, gain recognized on the disposition of the notes. In any event, if we actually make any such payment, the timing, amount and character of a Holder's income, gain or loss with respect to the notes may be affected. Each Holder should consult its own tax advisor regarding the tax consequences of the notes being treated as contingent payment debt instruments and any such payment that it actually received. The remainder of this discussion assumes that the notes will not be treated as contingent payment debt instruments.

U.S. Holders

Interest on the Notes

In general, interest payable on a note will be taxable to a U.S. Holder as ordinary interest income when it is received or accrued, in accordance with such U.S. Holder's regular method of accounting for U.S. federal income tax purposes. The notes are not expected to be issued with more than *de minimis* original issue discount ("OID"). However, if the notes of any series are issued with more than *de minimis* OID, each U.S. Holder of a note of such series generally will be required to include OID in income (as interest) as it accrues, regardless of such U.S. Holder's regular method of accounting for U.S. federal income tax purposes, using a constant yield method, before such U.S. Holder receives any payment attributable to such income. The remainder of this discussion assumes that the notes are not issued with more than *de minimis* OID.

The amount of interest paid with respect to a euro note that is includible in income by a U.S. Holder that uses the cash method of accounting for U.S. federal income tax purposes is the U.S. dollar value of the amount paid in euro translated at the spot rate of exchange on the date such payment is received by such U.S. Holder.

The amount of interest on a euro note that is includible in income by a U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes is the U.S. dollar value of such interest income that accrued during the relevant accrual period. The U.S. dollar value of such accrued interest income generally is determined by translating such interest income at the average rate of exchange for such accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year). Alternatively, such U.S. Holder may elect to translate such interest income at the spot rate of exchange on the last day of such accrual period (or, in the case of a partial accrual period, the spot rate of exchange on the last day of the taxable year). If the last day of an accrual period is within five business days of receipt of the payment in respect of the related accrued interest, a U.S. Holder that has made such election may translate such accrued interest using the spot rate of exchange on the date of receipt of such payment. The above election will apply to all debt obligations held by such U.S. Holder and may not be changed without the consent of the IRS. A U.S. Holder generally will recognize foreign currency exchange gain or loss with respect to such accrued interest income on the date the payment in respect of such interest income is received if there is any difference between the rate of exchange used to determine such interest income and the rate of exchange on the date such payment is received. Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

A U.S. Holder generally will have a basis in euro received with respect to payments of interest on a euro note equal to the U.S. dollar value of such euro on the date of receipt. Any gain or loss on a conversion or other disposition of such euro by such U.S. Holder generally will be treated as ordinary income or loss.

Sale, Exchange, Retirement or Other Disposition of the Notes

Upon the sale, exchange, retirement or other disposition of a note, a U.S. Holder generally will recognize gain or loss in an amount equal to the difference between the amount realized on such sale, exchange, retirement

or other disposition (other than any amount attributable to accrued interest, which, if not previously included in such U.S. Holder's income, will be taxable as interest income to such U.S. Holder) and such U.S. Holder's adjusted tax basis in such note. Any gain or loss so recognized on a dollar note generally will be capital gain or loss.

A U.S. Holder of a euro note that receives euro on the sale, exchange, retirement or other disposition of a euro note generally will have an amount realized equal to the U.S. dollar value of such euro translated at the spot rate of exchange on the date of such sale, exchange, retirement or other disposition (or, if such euro note is treated as traded on an established securities market, on the settlement date in the case of a cash basis or electing accrual basis taxpayer). A U.S. Holder of a euro note generally will realize foreign currency exchange gain or loss upon such sale, exchange, retirement or other disposition (as ordinary income or loss) if there is any difference between (i) the spot rate of exchange on the date such U.S. Holder acquired such euro note (or, if applicable, the settlement date for such acquisition) and (ii) the spot rate of exchange on the date the payment in respect of such sale, exchange, retirement or other disposition is received or the date such euro note is disposed of, as applicable. Such foreign currency exchange gain or loss, together with any foreign currency exchange gain or loss realized on such disposition in respect of accrued interest, generally will be realized only to the extent of the total gain or loss realized by such U.S. Holder on the sale, exchange, retirement or other disposition of the euro note. Any gain or loss recognized on the sale, exchange, retirement or other disposition of a euro note that is not treated as foreign currency exchange gain or loss generally will be capital gain or loss.

Any capital gain or loss will be long term capital gain or loss if such U.S. Holder has held such note for more than one year at the time of such sale, exchange, retirement or other disposition. Net long-term capital gain of certain non-corporate U.S. Holders generally is subject to preferential rates of tax. The deductibility of capital losses is subject to limitations.

A U.S. Holder of a euro note that determines its amount realized in connection with the sale, exchange, retirement or other disposition of a euro note by reference to the spot rate of exchange on the date of such sale, exchange, retirement or other disposition (rather than on the settlement date) may recognize additional foreign currency exchange gain or loss upon receipt of euro from such sale, exchange, retirement or other disposition.

A U.S. Holder of a euro note generally will have a basis in the euro received upon a sale, exchange, retirement or other disposition of a euro note equal to the U.S. dollar value of such euro on the date of receipt. Any gain or loss on a conversion or other disposition of such euro by such U.S. Holder generally will be treated as ordinary income or loss.

Medicare Tax

In addition to regular U.S. federal income tax, certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of their interest income on a note and net gain, including foreign currency gain, from the sale, exchange, retirement or other disposition of a note.

Reportable Transactions

A U.S. Holder that participates in any "reportable transaction" (as defined in U.S. Treasury regulations) must attach to its U.S. federal income tax return a disclosure statement on IRS Form 8886. U.S. Holders of euro notes should consult their own tax advisors as to the possible obligation to file IRS Form 8886 reporting foreign currency exchange loss arising from the euro notes or any amounts received with respect to the euro notes.

Information Reporting and Backup Withholding

Information reporting generally will apply to payments to a U.S. Holder of interest on, or proceeds from the sale, exchange, retirement or other disposition of, a note, unless such U.S. Holder is an entity that is exempt from

information reporting and, when required, demonstrates this fact. Any such payment to a U.S. Holder that is subject to information reporting generally will also be subject to backup withholding, unless such U.S. Holder provides the appropriate documentation (generally, IRS Form W-9) to the applicable withholding agent certifying that, among other things, its taxpayer identification number is correct, or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability if the required information is furnished by such U.S. Holder on a timely basis to the IRS.

Non-U.S. Holders

General

Subject to the discussion below under "—Information Reporting and Backup Withholding" and "FATCA Withholding,"

(a) payments of principal, interest and premium with respect to a note owned by a Non-U.S. Holder generally will not be subject to U.S. federal withholding tax, *provided* that, in the case of amounts treated as payments of interest,

  (i) such amounts are not effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder;

  (ii) such Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote;

  (iii) such Non-U.S. Holder is not a controlled foreign corporation described in section 957(a) of the Code that is related to us through stock ownership;

  (iv) such Non-U.S. Holder is not a bank whose receipt of such amounts is described in section 881(c)(3)(A) of the Code; and

  (v) the certification requirements described below are satisfied; and

(b) a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain recognized on the sale, exchange, retirement or other disposition of a note, unless (i) such gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder, in which event such gain generally will be subject to U.S. federal income tax in the manner described below, or (ii) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of such sale, exchange, retirement or other disposition and certain other conditions are met, in which event such gain (net of certain U.S. source losses) generally will be subject to U.S. federal income tax at a rate of 30% (except as provided by an applicable tax treaty).

The certification requirements referred to in clause (a)(v) above generally will be satisfied if the Non-U.S. Holder provides the applicable withholding agent with a statement (generally on IRS Form W-8BEN or W-8BEN-E), signed under penalties of perjury, stating, among other things, that such Non-U.S. Holder is not a U.S. person. U.S. Treasury regulations provide additional rules for a note held through one or more intermediaries or pass-through entities.

If the requirements set forth in clause (a) above are not satisfied with respect to a Non-U.S. Holder, amounts treated as payments of interest generally will be subject to U.S. federal withholding tax at a rate of 30%, unless another exemption is applicable. For example, an applicable tax treaty may reduce or eliminate this withholding tax if such Non-U.S. Holder provides the appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E) to the applicable withholding agent.

If a Non-U.S. Holder is engaged in the conduct of a trade or business in the United States, and if amounts treated as interest on a note or gain recognized on the sale, exchange, retirement or other disposition of a note are

effectively connected with such trade or business, such Non-U.S. Holder generally will not be subject to U.S. federal withholding tax on such interest or gain, *provided* that, in the case of amounts treated as interest, such Non-U.S. Holder provides the appropriate documentation (generally, IRS Form W-8ECI) to the applicable withholding agent. Instead, such Non-U.S. Holder generally will be subject to U.S. federal income tax (but not the Medicare tax described above) on such interest or gain in substantially the same manner as a U.S. Holder (except as provided by an applicable tax treaty). In addition, a Non-U.S. Holder that is treated as a corporation for U.S. federal income tax purposes may be subject to a branch profits tax at a rate of 30% (or a lower rate if provided by an applicable tax treaty) on its effectively connected income for the taxable year, subject to certain adjustments.

Information Reporting and Backup Withholding

Amounts treated as payments of interest on a note to a Non-U.S. Holder and the amount of any U.S. federal tax withheld from such payments generally will be reported annually to the IRS and to such Non-U.S. Holder by the applicable withholding agent.

The information reporting and backup withholding rules that apply to payments of interest to certain U.S. Holders generally will not apply to amounts treated as payments of interest to a Non-U.S. Holder if such Non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person (generally by providing an IRS Form W-8BEN or W-8BEN-E to the applicable withholding agent) or otherwise establishes an exemption.

Proceeds from the sale, exchange, retirement or other disposition of a note by a Non-U.S. Holder effected outside the United States through a non-U.S. office of a non-U.S. broker generally will not be subject to the information reporting and backup withholding rules that apply to payments to certain U.S. Holders, provided that the proceeds are paid to the Non-U.S. Holder outside the United States. However, proceeds from the sale, exchange, retirement or other disposition of a note by a Non-U.S. Holder effected through a non-U.S. office of a non-U.S. broker with certain specified U.S. connections or of a U.S. broker generally will be subject to these information reporting rules (but generally not to these backup withholding rules) even if the proceeds are paid to such Non-U.S. Holder outside the United States, unless such Non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person (generally by providing an IRS Form W-8BEN or W-8BEN-E to the applicable withholding agent) or otherwise establishes an exemption. Proceeds from the sale, exchange, retirement or other disposition of a note by a Non-U.S. Holder effected through a U.S. office of a broker generally will be subject to these information reporting and backup withholding rules, unless such Non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person (generally by providing an IRS Form W-8BEN or W-8BEN-E to the applicable withholding agent) or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability if the required information is furnished by such Non-U.S. Holder on a timely basis to the IRS.

FATCA Withholding

Under the Foreign Account Tax Compliance Act provisions of the Code and related U.S. Treasury guidance ("FATCA"), a withholding tax of 30% will be imposed in certain circumstances on payments of (i) interest on the notes and (ii) on or after January 1, 2019, gross proceeds from the sale or other disposition of the notes. In the case of payments made to a "foreign financial institution" (such as a bank, a broker, an investment fund or, in certain cases, a holding company), as a beneficial owner or as an intermediary, this tax generally will be imposed, subject to certain exceptions, unless such institution (i) has agreed to (and does) comply with the requirements of an agreement with the United States (an "FFI Agreement") or (ii) is required by (and does comply with) applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA") to, among other things, collect and provide to the U.S. tax authorities or other relevant tax authorities certain information regarding U.S. account holders of such institution

and, in either case, such institution provides the withholding agent with a certification as to its FATCA status. In the case of payments made to a foreign entity that is not a financial institution (as a beneficial owner), the tax generally will be imposed, subject to certain exceptions, unless such entity provides the withholding agent with a certification as to its FATCA status and, in certain cases, identifies any "substantial" U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity). If a note is held through a foreign financial institution that has agreed to comply with the requirements of an FFI Agreement or is subject to similar requirements under applicable foreign law enacted in connection with an IGA, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold tax on payments made to (i) a person (including an individual) that fails to provide any required information or documentation or (ii) a foreign financial institution that has not agreed to comply with the requirements of an FFI Agreement and is not subject to similar requirements under applicable foreign law enacted in connection with an IGA. Each Holder should consult its own tax advisor regarding the application of FATCA to the ownership and disposition of the notes.

CERTAIN ERISA CONSIDERATIONS

Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), and Section 4975 of the Code prohibit employee benefit plans that are subject to Title I of ERISA, as well as individual retirement accounts and other plans subject to Section 4975 of the Code or any entity deemed to hold assets of a plan subject to Title I of ERISA or Section 4975 of the Code (each of which we refer to as an "*ERISA Plan*"), from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under Section 4975 of the Code with respect to such ERISA Plans. If we are a party in interest with respect to an ERISA Plan, the purchase and holding of the notes by or on behalf of the ERISA Plan may be a prohibited transaction under Section 406(a)(1) of ERISA and Section 4975(c)(1) of the Code, unless exemptive relief were available under an applicable statutory or administrative exemption or there were some other basis on which the transaction was not prohibited.

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) are not subject to these "prohibited transaction" rules of ERISA or Section 4975 of the Code, but may be subject to similar rules under any federal, state, local, non-U.S or other laws or regulations that are similar to such provisions of ERISA or Section 4975 of the Code (such plans, together with the ERISA Plan, the "*Plans*," each of which we refer to as a "*Plan*").

To address the above concerns, the notes may not be purchased by or transferred to any investor unless such investor makes the representations contained in paragraph 5 under "Transfer Restrictions," which are designed to ensure that the acquisition of the notes will not constitute or result in a nonexempt prohibited transaction under ERISA or the Code.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of the applicable rules, it is particularly important that fiduciaries or other persons considering purchasing the notes on behalf of or with "plan assets" of any Plan consult with their counsel regarding the relevant provisions of ERISA and the Code and any other provision under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code and the availability of exemptive relief applicable to the purchase and holding of the notes.

LEGAL MATTERS

Debevoise & Plimpton LLP, New York, New York will pass upon the validity of the notes. Certain legal matters in connection with the offering of the notes will be passed upon for the initial purchasers by Davis Polk & Wardwell LLP, New York, New York.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements, supplementary information and schedule of Warner Music Group Corp. as of and for the fiscal year ended September 30, 2015, appearing in the Annual Report (Form 10-K) of Warner Music Group Corp. for the year ended September 30, 2015, incorporated by reference in this offering circular, have been audited by KPMG LLP, independent registered public accounting firm, as stated in their report incorporated by reference herein.

The consolidated financial statements, supplementary information and schedule of Warner Music Group Corp. as of and for the fiscal years ended September 30, 2014 and 2013, appearing in the Annual Report (Form 10-K) of Warner Music Group Corp. for the year ended September 30, 2015, incorporated by reference in this offering circular, have been audited by Ernst & Young LLP, independent registered public accounting firm, as stated in their reports incorporated by reference herein.

LISTING AND GENERAL INFORMATION

The CUSIP and ISIN numbers for the notes are as follows:

Dollar Notes

CUSIP:	ISIN:
Rule 144A:	Rule 144A:
Regulation S:	Regulation S:

Euro Notes

CUSIP:	ISIN:
Rule 144A:	Rule 144A:
Regulation S:	Regulation S:

The Dollar Global Notes will be registered in the name of a nominee of DTC and deposited on behalf of the purchasers of the notes represented thereby with the Trustee as custodian for DTC for credit to the respective accounts of direct or indirect participants in DTC, including Euroclear or Clearstream. The Euro Global Notes will be registered in the name of Société Générale Bank & Trust on behalf of Euroclear Bank S.A./N.V. and Clearstream Banking N.A.

We intend to use our commercially reasonable efforts to list the euro notes on the Official List of the Luxembourg Stock Exchange and to admit the euro notes for trading on the Euro MTF Market.

So long as the euro notes are listed on the Luxembourg Stock Exchange and the rules of this exchange so require, Warner Music Group shall appoint and maintain a paying agent in Luxembourg, where the euro notes may be presented or surrendered for payment or redemption, in the event that the Global Euro Notes are exchanged for definitive certificated notes.


WARNER MUSIC GROUP