LISTING CIRCULAR

WMG Acquisition Corp.

$727,000,000
(in a combination of U.S. dollars and euro)
$500 million 6.000% Senior Secured Notes due 2021
€175 million 6.250% Senior Secured Notes due 2021

WMG Acquisition Corp. (the "Issuer"), a direct wholly-owned subsidiary of WMG Holdings Corp. ("Holdings") and an indirect wholly-owned subsidiary of Warner Music Group Corp. ("Parent") is offering $500 million aggregate principal amount of its 6.000% Senior Secured Notes due 2021 (the "dollar notes") and €175 million aggregate principal amount its 6.250% Senior Secured Notes due 2021 (the "euro notes" and, together with the dollar notes, the "Senior Secured Notes" or the "notes"). The notes will mature on January 15, 2021. Interest accrues on the notes from November 1, 2012. The Issuer will pay interest on the notes on January 15 and July 15 of each year commencing July 15, 2013.

The notes will be redeemable on or after January 15, 2016 at the redemption prices specified in this listing circular. At any time prior to January 15, 2016, the Issuer is entitled to redeem the dollar notes and/or the euro notes, in whole or in part, at a redemption price equal to 100% of their 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 January 15, 2016, the Issuer may redeem up to 10% of the dollar notes and/or the euro notes at a redemption price equal to 103.000% of their principal amount, together with accrued and unpaid interest and special interest, if any, to the redemption date. The Issuer may also redeem up to 40% of the dollar notes and/or the euro notes before January 15, 2016, 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 listing circular.

The notes are guaranteed, on a senior secured basis, by all of the Issuer's existing wholly-owned domestic restricted subsidiaries that guarantee obligations under the Senior Credit Facilities (as defined in this listing circular), subject to customary exceptions. In addition, Parent has guaranteed the notes on a senior unsecured basis. The subsidiary guarantors of the notes are set forth in Schedule I hereto. The notes and related subsidiary guarantees are secured by first-priority liens, subject to permitted liens, on substantially all of the Issuer's assets, the assets of Holdings and the assets of the subsidiary guarantors as described in this listing circular (the "Collateral"). The notes are, to the extent of the value of the Collateral, effectively (i) senior to the Issuer's existing and future unsecured indebtedness, including the Issuer's outstanding 11.50% Senior Notes due 2018 (the "Existing Unsecured Notes"), (ii) senior to the Issuer's future indebtedness secured by liens on the Collateral that are junior to the liens on the Collateral securing the notes and (iii) equal with the Issuer'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 indebtedness under the Senior Credit Facilities. The notes are also effectively senior to the 13.75% Senior Notes due 2019 of Holdings (the "Holdings Notes") to the extent of the value of Holdings' assets subject to liens securing the notes.

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

The Issuer does not intend to file an exchange offer registration statement with respect to the notes; however, the Issuer intends to remove the restrictive legends on the notes and provide unrestricted CUSIP numbers in accordance with Rule 144 under the Securities Act of 1933, as amended (the "Securities Act") in lieu of filing a registration statement. See "Listing Circular Summary—The Offering—Restrictive Legend Removal."

The Issuer has applied the net proceeds of the offering of the notes, together with cash from other available sources and borrowings under the Senior Credit Facilities, to repurchase, redeem or discharge all of its 9.50% Senior Secured Notes due 2016 (the "Existing Secured Notes") currently outstanding pursuant to two separate indentures.

Investing in the notes involves risks. See "Risk Factors" on page 15.

Dollar Notes	**Price: 100.000%**
Euro Notes	**Price: 100.000%**

plus accrued interest, if any, from November 1, 2012

The dollar notes will not be listed on any securities exchange or automated quotation system. The Issuer has applied to list the euro notes on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF market. This listing circular constitutes a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities as amended.

Delivery of the dollar notes was made in book-entry form through The Depository Trust Company ("DTC") and that delivery of the euro notes was 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 November 1, 2012.

The notes and the related guarantees have not been 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 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 listing circular is February 4, 2013.

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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 purchaser 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 listing circular may only be accurate as of the date of this listing circular.

In this listing circular, the term "Holdings" refers to WMG Holdings Corp., the direct parent of the Issuer, and the term "Parent" refers to Warner Music Group Corp., the direct parent of Holdings and the ultimate parent of the Issuer. Except as otherwise indicated, the words "Warner Music Group" refer collectively to Parent, Holdings and the Issuer and its consolidated subsidiaries, or either to Parent or the Issuer alone as the context may require. The terms "we," "us," "our," "ours," and "WMG" refer collectively to the Issuer 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 terms "Senior Secured Notes" and "notes" refer to the Senior Secured Notes. Parent is a holding company that conducts substantially all of its operations through the Issuer and its subsidiaries.

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."

We have prepared this listing circular solely for use in connection with the listing of the euro notes. You must comply with all laws applicable in any jurisdiction in which you may offer or sell the notes and you must obtain all applicable consents and approvals. Neither we nor the initial purchasers shall have any responsibility for any of the foregoing legal requirements.

Upon receiving this listing 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 listing circular. The offering is being made on the basis of this listing 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 listing 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 listing circular, and you should not rely on anything contained in this listing circular as a promise or representation, whether as to the past or the future. This listing circular may only be used for the purposes for which it has been published. This listing 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."

This listing 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 listing 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 (the "SEC") 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 listing circular. Any representation to the contrary is a criminal offense.

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

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1995, AS AMENDED, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This listing 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, including, without limitation, statements regarding Warner Music Group's future financial position, business strategy, budgets, projected costs, 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, statements regarding our ability to develop talent and attract future talent, our ability to reduce future capital expenditures, our ability to monetize music 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 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, our success in limiting piracy, our ability to compete in the highly competitive markets in which we operate, 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 our outstanding 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 listing 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 continued decline in the global recorded music industry and the rate of overall decline in the 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 and local economic conditions in the countries in which we operate;
- threats to our business associated with home copying and Internet downloading;
- 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 online music stores, in particular Apple's iTunes Music Store, 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 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;

- further consolidation of our industry and its impact on the competitive landscape of the music industry, specifically the acquisition of EMI's recorded music business by Universal Music Group and the acquisition of EMI's music publishing business by a consortium led by Sony Corporation of America;
- trends, developments or other events in some foreign countries in which we operate;
- our failure to attract and retain our executive officers and other key personnel;
- the impact of rate regulations on our Recorded Music and Music Publishing businesses;
- 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;
- risks inherent in acquisitions or business combinations;
- risks inherent to the outsourcing of information technology infrastructure and certain finance and accounting functions;
- 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;
- risks relating to Access, which 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;
- our reliance on one company as the primary supplier for the manufacturing, packaging and physical distribution of our products in the U.S. and Canada and part of Europe;
- 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 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;
- our reliance on one company as the primary supplier for the manufacturing, packaging and physical distribution of our products in the U.S. and Canada and part of Europe;
- 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 listing circular.

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 listing 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 listing 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 the Issuer, which is 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. Under applicable disclosure requirements of the SEC, because Parent has agreed to guarantee the notes on a senior unsecured basis, we are permitted to report consolidated financial statements of Parent, together with certain consolidating financial information, in lieu of those of the Issuer. Accordingly, the Issuer does not prepare stand-alone financial statements, but detailed information with respect to the Issuer can be found in the tables included in "Supplementary Information—Consolidating Financial Statements—18. Subsequent Events" on page 133 of Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012, incorporated by reference herein.

As a reporting company under the Exchange Act, Parent reports on both an annual and quarterly basis and files these financial statements with the SEC. The annual consolidated financial statements of Parent, which include the business operations of the Issuer, are audited by Ernst & Young LLP and the quarterly consolidated financial statements are unaudited, in each case in accordance with applicable disclosure requirements of the SEC.

The financial information of Parent is substantially identical to that of the Issuer except as reflected in the "Supplementary Information—Consolidating Financial Statements" included in Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012, incorporated by reference herein. The principal difference between the financial statements of the Issuer and those of Parent is that the balance sheet and income statement of Parent reflect certain currently outstanding debt securities issued by Holdings and related interest expense. For details concerning the corporate structure and the Holdings notes, see "Listing Circular Summary— Corporate Structure."

In accordance with United States Generally Accepted Accounting Principles ("GAAP") and as a result of the acquisition of Parent by Access Industries, Inc. in July 2011, Parent's historical consolidated financial results for fiscal 2011 are presented in two periods: the period from July 20, 2011 to September 30, 2011 ("Successor") and from October 1, 2010 to July 19, 2011 ("Predecessor"). The Successor period and the Predecessor period are presented on different bases and are, therefore, not comparable. We have, however, presented in this listing circular the financial results for the Successor and Predecessor periods on a combined basis for the fiscal year ended September 30, 2011. These combined presentations have not been prepared in accordance with GAAP.

In addition, this listing circular includes or incorporates certain consolidated financial information of the Issuer. See "Non-GAAP Financial Measures."

MARKET AND INDUSTRY DATA AND FORECASTS

This listing 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. ABI Research, NPD Group ("NPD"), the International Federation of the Phonographic Industry ("IFPI"), Recording Industry Association of America, Nielsen SoundScan, Informa Media Research, Music & Copyright Report and National Music Publishers' Association 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. To the best of the Issuer's knowledge, the data and forecasts contained or incorporated by reference in this listing circular have been prepared in accordance with available facts and contain no omissions likely to affect the import of the listing circular. The Issuer takes the responsibility for the correct reproduction and extraction of the information within this listing circular. However, 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 listing circular includes certain non-GAAP financial measures and ratios of Parent, including OIBDA, Free Cash Flow and Unlevered After-Tax Free Cash Flow with the meaning and as calculated as set forth in "Listing 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 Parent's consolidated 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 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 liquidity 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 liquidity to other companies in our industry. 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.

Free Cash Flow includes cash paid for interest. We also review our cash flow adjusted for cash paid for interest, a measure we call Unlevered After-Tax Cash Flow. We believe this measure provides investors with an additional important perspective on our cash generation ability. We consider Unlevered After-Tax Cash Flow to be an important indicator of the liquidity of our businesses and believe the presentation is relevant and useful for investors because it allows investors to view liquidity in a manner similar to the method used by management. A limitation of the use of this measure is that it does not reflect the charges for cash interest and, therefore, does not necessarily represent funds available for discretionary use, and is not necessarily a measure of our ability to fund our cash needs. Accordingly, this measure should be considered in addition to, not as a substitute for, net cash flow provided by operating activities and other measures of liquidity reported in accordance with GAAP.

This listing circular also includes a measure entitled "Covenant EBITDA" of the Issuer, with the meaning and as calculated as set forth in "Listing 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 Unsecured Notes and that we expect will be used in the indenture governing the notes. 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 the Issuer 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, Unlevered After-Tax 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 the Issuer prepared in accordance with GAAP included or incorporated by reference herein.

CURRENCY PRESENTATION

References in this listing circular to "dollars" or "$" are to the lawful currency of the United States of America. References in this listing 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 €0.7708 = $1.00, which was the daily exchange rate as of October 24, 2012 according to Bloomberg Composite Rate (New York).

CERTAIN TRADEMARKS

This listing circular includes certain trademarks which are protected under applicable intellectual property laws and are our property or the property of our subsidiaries. This listing 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 listing circular may appear without the ® or TM 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 listing 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 listing circular, and any information contained in this listing circular or in any document incorporated or deemed to be incorporated by reference in this listing circular will be deemed to have been modified or superseded to the extent that a statement contained in this listing 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 listing circular, or in any listing circular supplement we may provide to you in connection with an offering of securities pursuant to this listing 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 listing 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 listing circular and the termination of the offering of securities described in this listing 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, 2012 filed with the SEC on December 13, 2012.
- Parent's Current Report on Form 8-K filed with the SEC on December 28, 2012.

These documents will be available for viewing on the website of the Luxembourg Stock Exchange. You may also obtain documents incorporated by reference into this listing circular, as well as the articles of incorporation and bylaws of the Issuer, at no cost by writing or telephoning us at the following addresses:

WMG Acquisition Corp.
75 Rockefeller Plaza
New York, NY 10019
Tel: +1 (212) 275-2000

Société Générale Bank & Trust
11 avenue Emile Reuter
L-2420 Luxembourg
Tel : +352 47 93 11 55 77
Attention : SBO/CSS/BOC/LUX

LISTING CIRCULAR SUMMARY

This summary highlights information contained elsewhere in, or incorporated by reference into, this listing circular. This summary may not contain all of the information that is important to you. The Issuer urges you to read this entire listing 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 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 U.S. Parent generated consolidated revenue of $2.78 billion, and the Issuer generated Covenant EBITDA of $464 million for the fiscal year 2012.

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, subscription and streaming) formats. We have one of the world's largest and most diverse recorded music catalogs, including 27 of the top 100 best-selling albums in the U.S. of all time. Our Recorded Music business also benefits from additional revenue streams associated with artists, including merchandising, sponsorships, touring and artist management. We often refer to these rights as "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 revenue of $2.275 billion for the fiscal year 2012.

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 revenue of $524 million for the fiscal year 2012.

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. 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, 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. 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. We have contractual flexibility with regard to the timing and amounts of advances paid to existing recording artists and songwriters as well as discretion regarding future investment in new recording artists and songwriters, which further 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 requirements are predictable. We had an increased level of capital expenditures in fiscal years 2010 and 2011 as a result of several information technology infrastructure projects, including the delivery of an SAP enterprise resource planning application in the U.S. for fiscal year 2011 and improvements to our royalty systems for fiscal year 2012. In order to improve operating efficiency, we have begun to develop a long-term capital expenditure plan to upgrade our IT systems, which led to increased levels of capital expenditures in fiscal year 2012. We continue to seek sensible opportunities to convert fixed costs to variable costs and to enhance our effectiveness, flexibility, structure and performance by reducing and realigning long-term costs. We also continue 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. In addition, we continue to look for opportunities to outsource additional back-office functions where it can make us more efficient, increase our capabilities and lower our costs.

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, digital streaming and subscription services, video streaming and downloads, mobile music, in the form of ringtones, ringback tones and full-track downloads, and digital radio services. We have established ourselves as a leader in the music industry's transition to the digital era by expanding our distribution channels, including through internet cloud-based services, establishing a strong partnership portfolio and developing innovative products and initiatives to further leverage our content and rights. For the fiscal year 2012, digital revenue represented approximately 38% of our Recorded Music revenue.

We believe that product innovation is crucial to digital growth. We have integrated the development of innovative digital products and strategies throughout our business and established a culture of product innovation across the company. Through our digital initiatives we have established strong relationships with our customers, developed new products and 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, Growing and Higher-Margin 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. These opportunities have allowed us, and we believe will continue to allow us, to further diversify our revenue base and offset declines in revenue from physical record sales over time. As of September 30, 2012, we had expanded-rights deals in place with 75% of our active global Recorded Music roster. 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.

We have strategically realigned business unit leadership to manage the business on a global basis. In addition, we have successfully implemented an A&R strategy that focuses on ROI for each artist and songwriter. Our management team has also delivered strong results in our digital business, which, along with our efforts to diversify our revenue mix, are helping us transform our company. At the same time, management has remained vigilant in managing costs and maintaining financial flexibility. In addition, since our acquisition by Access Industries in July 2011, we have benefited from our partnership with Access through which it has provided us with strategic direction and planning support which has helped us manage the ongoing transition in the recorded music industry.

Our Strategy

We intend 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 intend 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 with little additional marketing expenditure. We also work to identify promising songwriters who will write musical compositions that will augment the lasting value and stability of our music publishing catalog. We intend to evaluate our recording artist and songwriter rosters continually to ensure that we remain focused on developing the most promising and profitable talent and 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 content. We believe that the ability to monetize our music content should improve over time as new distribution channels and the number of formats increase. We will seek to exploit the potential of previously unmonetized content in new channels, formats and product offerings. For example, we have a large catalog of music videos that we have yet to fully monetize, as well as unexploited album art, lyrics and B-side tracks that have never been released. We will also continue to work with our partners to explore creative approaches and constantly experiment with new deal structures and product offerings to take advantage of new distribution channels. We also intend to capitalize on our recently commenced global catalog initiative geared towards improving our market share in key international territories.

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 content and increasing access to digital music services present significant promise and opportunity for the music industry, through downloads, streaming and subscription services, and digital radio services, among other formats. Digital tracks and albums and streaming and subscription services are reasonably priced for the consumer, but also offer a superior customer experience relative to illegal alternatives. Legitimate digital music is easy to use, fosters discovery, presents gift options, offers uncorrupted, high-quality song files and integrates seamlessly with popular portable music players such as Apple's iPod/iPhone/iPad devices and smartphones which run on operating systems such as Google's Android, RIM's Blackberry and Microsoft's Windows. Research conducted by NPD in December 2011 shows that legitimate digital music offerings are driving additional uptake from consumers. More than a quarter of U.S. Internet consumers age 13+ who started buying or bought more digital albums in the year covered by the survey did so in order to get content for their portable devices. Approximately 15-20% of these consumers did so because it was easy to find music through digital music stores and services, because they had established a level of comfort with purchasing music through such services, and because they discovered more music through them; 20-25% received a digital gift card, or more digital gift cards than in the past, which encouraged such purchasing. We believe digital distribution will drive incremental Recorded Music catalog sales given the ability to offer enhanced presentation and searchability of our catalog. 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 United States, our Recorded Music digital revenue exceeded physical revenue as of the end of fiscal 2011, and on a global basis, we currently expect our consolidated digital revenue to exceed our physical revenue by 2013. Research conducted by NPD in December 2011 shows that more than two out of every five U.S. Internet consumers age 13+ watched music videos or listened to music via an online video site such as YouTube, or listen to radio via an online radio service such as Pandora, in the period covered by the 2011 survey. In addition, with worldwide smartphone shipments expected to reach nearly 1.7 billion by 2017, we expect that the mobile platform will represent an area of significant opportunity for music content. Figures from comScore's June 2012 MobiLens data release show that the uptake of music among users of such phones is significant: three-month averages through June 2012 reflect that half of existing smartphone users in the U.S. and 44% of their counterparts across five major European territories (the U.K., Germany, France, Spain and Italy) listened to music downloaded and stored or streamed on their handsets from services such as iTunes, Pandora, iHeartRadio, Deezer and Spotify, among other sources, in the periods covered by monthly surveys. We believe that demand for music-related products, services and applications that are optimized for smartphones as well as devices like Apple's iPad will continue to grow with the continued 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 successfully 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. Through these services, we can diversify our Recorded Music revenue streams and capitalize on ancillary revenues, from merchandising, fan clubs, sponsorship and touring, among other areas. We have significant in-house resources to provide additional services to our recording artists and third-party recording artists. We believe this strategy will contribute to Recorded Music revenue growth over time.

Focus on Continued Management of Our Cost Structure.

We will 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 will also 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 will 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. We are constantly monitoring our costs and seeking additional cost savings. Through September 30, 2012, we had achieved a majority of the targeted cost savings that we identified at the time of the Merger (as defined below), and have since identified further cost-saving opportunities.

Contain Digital Piracy.

Containing piracy is a major focus of the music industry and we, along with the rest of the industry, are taking 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 international efforts to preserve the value of music copyrights. We also believe technologies geared towards degrading the illegal filesharing process and tracking the source of pirated music offer a means to reduce piracy. 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.

The Refinancing Transactions

New Senior Financing

On the closing date, the Issuer offered $500 million aggregate principal amount of the dollar notes and €175 million aggregate principal amount of the euro notes. Concurrently with the offering, the Issuer and certain subsidiaries entered into new senior secured credit facilities (the "Senior Credit Facilities") that consist of a $600 million term loan facility (the "Term Loan Facility") and a $150 million revolving credit facility (the "Revolving Credit Facility"), which had approximately $119 million of undrawn capacity following the completion of the Transactions (not giving effect to approximately $1 million of letters of credit outstanding under our existing revolving credit facilities (the "Existing Revolving Credit Facility") as of September 30, 2012 that were rolled into the Revolving Credit Facility in connection with the Transactions).

Tender Offers and Consent Solicitations

On October 17, 2012, the Issuer initiated tender offers and consent solicitations (the "Tender Offer") for any and all of the outstanding $1,250 million in aggregate principal amount of its 9.50% Senior Secured Notes due 2016 (the "Existing Secured Notes"). Upon receipt of the requisite consents in the Tender Offer, the Issuer entered into supplemental indentures with the trustee for each of the indentures pursuant to which the Existing Secured Notes are outstanding to eliminate certain restrictive covenants contained in those indentures. Each such supplemental indenture became effective on October 29, 2012, but did not become operative until November 1, 2012, when the Existing Secured Notes were first accepted for purchase following the satisfaction or waiver of all conditions precedent to the Tender Offer, including the receipt of net proceeds from the offering of the notes and/or borrowings under the Senior Credit Facilities, which, together with other available sources of cash, were sufficient to pay the total consideration due in connection with the Tender Offers as well as associated fees and expenses. The Issuer then issued a notice of redemption relating to all Existing Secured Notes not accepted for payment on November 1, 2012 (such notes the "Remaining Notes"). Following payment for the Existing Secured Notes validly tendered, the Issuer deposited with the trustee for the Existing Secured Notes funds sufficient to satisfy all obligations remaining under the indentures with respect to the Existing Secured Notes not accepted for payment on November 1, 2012. The trustee then entered into Satisfaction and Discharge of indentures, each dated as of November 1, 2012, with respect to each indenture governing the Existing Secured Notes, discharging our obligations under the Existing Secured Notes. The Remaining Notes were redeemed on December 3, 2012. See "Use of Proceeds."

We refer to (i) the offering of the notes, (ii) the entry into the Senior Credit Facilities and incurrence of the new borrowings thereunder, (iii) the application of the net proceeds of the offering, together with available cash and the borrowings under the Senior Credit Facilities, to repay, redeem or discharge the Existing Secured Notes, (iv) the Tender Offer and (v) the payment of related premiums, penalties, fees and expenses as described above as the "Transactions."

In addition, on October 22, 2012, the Issuer and Holdings initiated consent solicitations (the "Consent Solicitation") relating to the outstanding Existing Unsecured Notes, in the case of the Issuer, and the Holdings Notes, in the case of Holdings. Upon receipt of the requisite consents in the Consent Solicitation, the Issuer and Holdings, as applicable, have entered into supplemental indentures with the trustee for each of the indentures pursuant to which the Existing Unsecured Notes and Holdings Notes, as applicable, were issued to amend such indentures to increase our capacity to incur senior secured indebtedness (the "Unsecured Indenture Amendments"). Each such supplemental indenture became effective and operative upon the date of execution thereof and following the satisfaction or waiver of all conditions precedent to the Consent Solicitation.

Additional Information

About Access Industries

All of Parent and the Issuer's common stock is indirectly owned by Access Industries, Inc. ("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 three key business sectors: natural resources and chemicals; media and telecommunications; and real estate.

Access' holdings in the digital media sector currently include significant stakes in Perform Group (the online sports broadcaster), Acision (the leading mobile broadband and value added services provider), Net1 (mobile broadband services provider in Scandinavia), FanBridge (fan sites), Songkick (the second largest live music website after LiveNation) and Deezer (a French web-based music streaming service).

The Issuer's History and Corporate Information

The Issuer is a Delaware corporation, incorporated on November 20, 2003 in accordance with Delaware law, and is an indirect wholly-owned subsidiary of Parent, which was incorporated on November 21, 2003 in accordance with Delaware law. 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 exploiting 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 merged in 2004 to form The Atlantic Records Group. The Issuer is today home to a collection of record labels, including Asylum, Atlantic, Cordless, East West, Elektra, Nonesuch, Reprise, Rhino, Roadrunner, Rykodisc, Sire, Warner Bros. and Word.

Since 1970, we have operated our Recorded Music business internationally through Warner Music International ("WMI"). WMI is 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 the acquisition of a majority interest in Word Entertainment in 2002, 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), the acquisition of music publishing catalogs and businesses, such as the Non-Stop Music production music catalog and our acquisition of Southside Independent Music Publishing in 2011.

The Merger

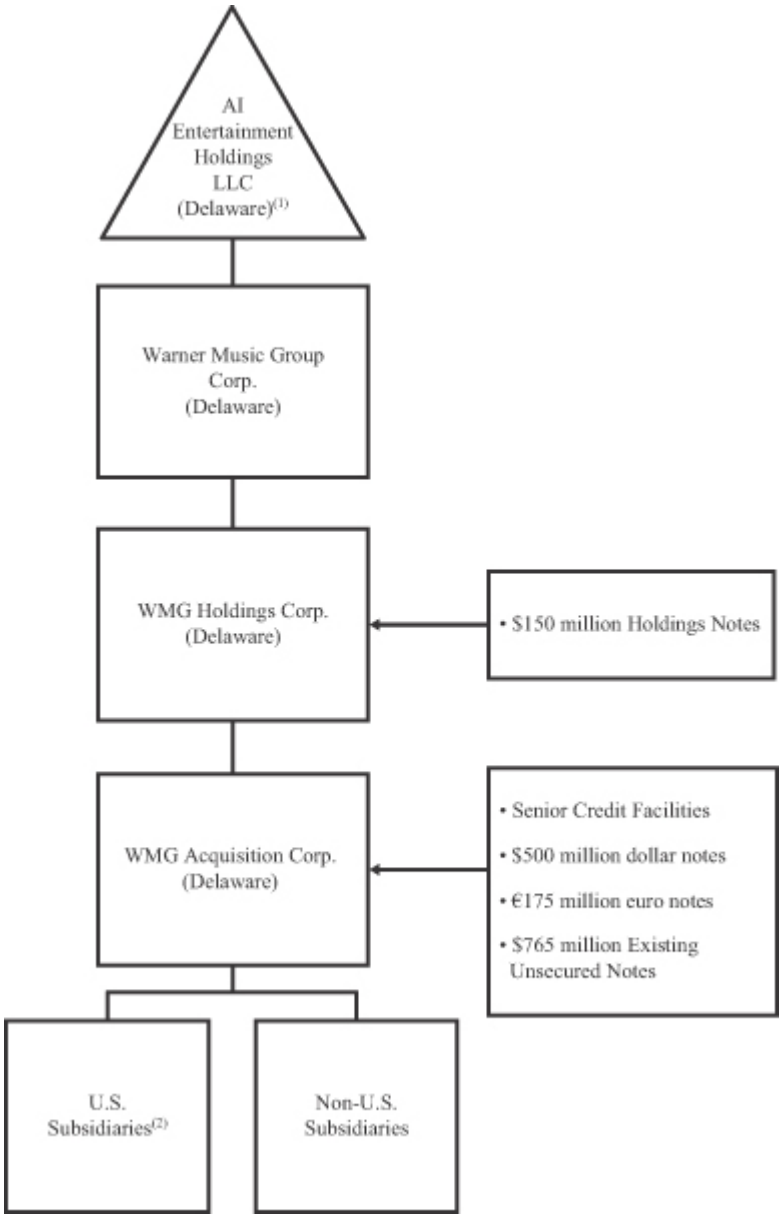
On July 20, 2011 (the "Closing Date"), Parent completed a merger with an affiliate of Access (the "Merger") pursuant to which Access became the owner of 100% of Parent's equity and our controlling shareholder. Upon the consummation of the acquisition by Access and the Merger, WM Finance Corp. was merged with and into the Issuer, with the Issuer continuing as the surviving entity.

Contact Information

The registered office of the Issuer and Parent is located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 and the principal executive office of the Issuer and Parent is located at 75 Rockefeller Plaza, New York, New York 10019. 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 listing circular.**

Corporate Structure

The following diagram sets forth a summary of our corporate structure and the obligors under our indebtedness on a pro forma basis immediately following the completion of the Transactions. For a summary of the debt obligations referenced in this diagram, see "Description of Certain Other Indebtedness" and "Description of Notes."



(1) Controlled by Access Industries, Inc. After giving effect to issuances under the Warner Music Group Corp. Senior Management Cash Flow Plan, AI Entertainment Holdings LLC controls 99.58% of the common stock of Parent, and Altep 2012 L.P. controls the remainder. Each of AI Entertainment Holdings LLC and Altep 2012 L.P. are affiliates of Access. For further information concerning the Warner Music Group Corp. Senior Management Cash Flow Plan, see Item 11 of Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012, incorporated by reference herein.

(2) Substantially all wholly-owned domestic subsidiaries (subject to customary exceptions) are guarantors under the Existing Unsecured Notes, and guarantee the Senior Credit Facilities and the notes.

Recent Developments

For information concerning recent trends in our business and prospects for the current financial year, see "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 42 and "Supplementary Information—Consolidating Financial Statements—18. Subsequent Events" on page 133 of Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012 filed with the SEC on December 13, 2012, incorporated by reference herein.

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 listing circular. For a more detailed description of the notes, see "Description of Notes."

Issuer	WMG Acquisition Corp.
Dollar notes	$500 million aggregate principal amount of 6.000% Senior Secured Notes due 2021.
Euro notes	€175 million aggregate principal amount of 6.250% Senior Secured Notes due 2021.
Issue date	November 1, 2012
Maturity	The dollar notes will mature on January 15, 2021. The euro notes will mature on January 15, 2021.
Interest	Interest on the dollar notes will accrue at the rate of 6.000% per annum, payable semi-annually in cash in arrears. Interest on the euro notes will accrue at the rate of 6.250% per annum, payable semi-annually in cash in arrears. Interest on the dollar and euro notes will be payable in cash on January 15 and July 15 of each year, beginning July 15, 2013.
Ranking	The Senior Secured Notes will be senior secured indebtedness of the Issuer and: • will be secured on an equal and ratable basis with all existing and future indebtedness secured with the same security arrangements as the 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 the Issuer's existing and future subordinated indebtedness; • will be equal in right of payment with all of the Issuer's existing and future senior indebtedness, including the Existing Unsecured Notes and indebtedness under the Senior Credit Facilities; • will be effectively senior to the Existing Unsecured Notes and the Holdings Notes to the extent of the value of the assets securing the Senior Secured 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 September 30, 2012, our non-guarantor subsidiaries had approximately $954 million of liabilities.
Subsidiary Guarantees	The Senior Secured Notes will be guaranteed on a senior secured basis by substantially all of the Issuer's existing wholly-owned domestic restricted subsidiaries that guarantee obligations under the Senior Credit Facilities, subject to customary exceptions. Such guarantees are full and unconditional. In addition, 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 future obligations of such subsidiary guarantor that are secured with the same security arrangements as

	the guarantee of the Senior Secured Notes (which will include the subsidiary guarantor's guarantee of indebtedness under the Senior Credit Facilities) by first-priority liens, subject to permitted liens, on the collateral owned by such subsidiary guarantor; • 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 Unsecured 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 the Issuer, Holdings and the subsidiary guarantors, which consist of the shares of the Issuer, 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."
Parent Guarantee	The Senior Secured Notes are guaranteed on a senior unsecured basis by Parent.
Optional Redemption	Prior to January 15, 2016 the Issuer 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 Notes—Optional Redemption." Additionally, the Issuer may redeem the dollar notes and/or the euro notes, in whole or in part, at any time on or after January 15, 2016 at the redemption prices set forth under "Description of Notes—Optional Redemption." During any twelve month period prior to January 15, 2016, the Issuer may also redeem up to 10% of the original aggregate principal amount of the dollar notes and/or the euro notes at a redemption price equal to 103.000% of the principal amount of the notes, plus accrued interest thereon, if any as set forth under "Description Notes—Optional Redemption."
Optional Redemption After Certain Equity Offerings	At any time (which may be more than once) before January 15, 2016, the Issuer may choose to redeem up to 40% of the dollar notes and/or the euro notes with proceeds that we or one of our parent companies raises in one or more equity offerings, as long as: • the Issuer pays 106.000% of the face amount of the dollar notes and 106.250% of the face amount of the euro notes, plus, in each case, accrued and unpaid interest and special interest, if any;

- the Issuer redeems the notes within 90 days of completing the equity offering; and
- at least 60% of the aggregate principal amount of the dollar notes and/or the euro notes, as applicable, originally issued remains outstanding afterwards.

Change of Control

Upon a change of control (as defined under "Description of Notes"), the Issuer 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 and special 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 Senior Secured Notes). See "Risk Factors—Risk Factors 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."

Restrictive Legend Removal

The Issuer does not intend to file an exchange offer registration statement with respect to the Senior Secured Notes; however, the Issuer 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.

Use of Proceeds

We have applied the net proceeds of the offering, together with available cash and borrowings under our Senior Credit Facilities, to repurchase, redeem or discharge the Existing Secured Notes and pay certain other related fees and expenses. See "Use of Proceeds."

Security Identifiers

Dollar Notes (CUSIP)	Dollar Notes (ISIN)
144A: 92933B AE4 Regulation S: U97128 AB5	144A: US92933BAE 48 Regulation S: USU97128 AB52
Euro Notes (Common Codes)	**Euro Notes (ISIN)**
144A: 084990736 Regulation S: 084990752	144A: XS0849907364 Regulation S: XS0849907521

Transfer Restrictions

The notes are subject to certain restrictions on transfer. See "Transfer Restrictions."

Form and Denominations

The dollar notes have been issued in minimum denominations of $2,000 and higher

	integral multiples of $1,000 in excess thereof and the euro notes have been 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 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. The Issuer has applied to list the euro notes on the Official List of the Luxembourg Stock Exchange.
Governing Law	The notes and the indenture governing the notes are governed by the laws of the State of New York.
Trustee, Paying Agent, Transfer Agent and Registrar	Wells Fargo Bank, National Association (the "Trustee").
European Paying Agent, Co-registrar, 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 listing 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 is summary historical consolidated financial and other data of Parent and certain financial data of the Issuer as of the dates and for the periods indicated. The summary historical consolidated financial data for fiscal years September 30, 2010 and September 30, 2011 and September 30, 2012 and for the period from October 1, 2011 to July 19, 2011 (Predecessor period) and from July 20, 2011 to September 30, 2011 (Successor period) were derived from audited consolidated financial statements which are incorporated by reference into this listing circular from Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012.

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 listing 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 listing circular from Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012. The financial data set forth below reflects the historical results of Parent and certain financial data of the Issuer. For a discussion of the material differences between the financial information and historical results of operations of Parent and the Issuer, see "Basis of Presentation."

	Predecessor	Predecessor	Successor		Successor
	Fiscal Year Ended September 30,	For the periods from		Combined	Fiscal Year Ended September 30,
(in millions)	2010	October 1, 2010 to July 19, 2011	July 20, 2011 to September 30, 2011	2011	2012
	(audited)				(audited)
Statement of Operations Data:					
Revenues	$ 2,988	$ 2,311	$ 556	$ 2,867	$ 2,780
Interest expenses, net	(190)	(151)	(62)	(213)	(225)
Net (Loss) income	(145)	(175)	(31)	(206)	(109)
Net loss attributable to Parent	(143)	(174)	(31)	(205)	(112)
Balance Sheet Data (at period end):					
Cash and equivalents	$ 439		$ 154		$ 302
Total assets	3,811		5,380		5,278[1]
Total debt (including current portion of long-term debt)	1,945		2,217[2]		2,206[2]
Total equity (deficit)	(211)		1,082		944

	Predecessor	Predecessor	Successor		Successor
	Fiscal Year Ended September 30,	For the periods from		Combined	Fiscal Year Ended September 30,
(in millions)	2010	October 1, 2010 to July 19, 2011	July 20, 2011 to September 30, 2011	2011	2012
			(unaudited)		
Cash Flow Data:					
Net cash (used in) provided by:					
Operating activities	$ 150	$ 12	$ (64)	$ (52)	$ 209
Investing activities	(85)	(155)	(1,292)	(1,447)	(58)
Financing activities	(3)	5	1,199	1,204	(3)
Other Financial Data (unaudited):					
OIBDA[3]	$ 348	$ 209	$ 81	$ 290	$ 353
Depreciation & amortization	258	211	47	258	244
Capital expenditures	(51)	(37)	(11)	(48)	(32)
Free Cash Flow[4]	65	(143)	(78)	(221)	151
Unlevered After-Tax Free Cash Flow[5]	234	33	(44)	(11)	344

	Fiscal Year Ended September 30, 2012 (audited)
Financial Data of the Issuer	
Covenant EBITDA[6]	$ 464
Ratio of Net Senior Secured Debt to Covenant EBITDA[7]	2.06
Ratio of Net Debt to Covenant EBITDA[8]	3.71
Ratio of Covenant EBITDA to Interest expense, net	2.29

(1) Total assets of the non-guarantor subsidiaries were $1,869 million for the fiscal year ended September 30, 2012, which represents 35.53% of the total assets of the Issuer.

(2) Includes $150 million in aggregate principal amount of Holdings Notes.

(3) 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, 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 from continuing operations and further provides the components from operating income from continuing operations to net income (loss) (in millions):

(in millions)	Predecessor Fiscal Year Ended September 30, 2010	Predecessor For the periods from October 1, 2010 to July 19, 2011	Successor For the periods from July 20, 2011 to September 30, 2011	Combined 2011	Successor Fiscal Year Ended September 30, 2012
			(unaudited)		
OIBDA:	$ 348	$ 209	$ 81	$ 290	$ 353
Depreciation expense	(39)	(33)	(9)	(42)	(51)
Amortization expense	(219)	(178)	(38)	(216)	(193)
Operating income (loss)	90	(2)	34	32	109
Interest expense, net	(190)	(151)	(62)	(213)	(225)
Impairment of cost-method investments	(1)	—	—	—	—
Other income (expense), net	(3)	5	—	5	8
Income (loss) before income taxes	(104)	(148)	(28)	(176)	(108)
Income tax (expense) benefit	(41)	(27)	(3)	(30)	(1)
Net income (loss)	(145)	(175)	(31)	(206)	(109)
Loss attributable to noncontrolling interest	2	1	—	1	(3)
Net income (loss) attributable to Parent	$ (143)	$(174)	$ (31)	$ (205)	$ (112)

(4) 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 flow provided by operating activities to Free Cash Flow (in millions):

(in millions)	Predecessor Fiscal Year Ended September 30, 2010	Predecessor For the periods from October 1, 2010 to July 19, 2011	Successor For the periods from July 20, 2011 to September 30, 2011	Combined 2011	Successor Fiscal Year Ended September 30, 2012
			(unaudited)		
Free Cash Flow	$ 65	$ (143)	$ (78)	$ (221)	$ 151
Capital expenditures	(51)	(37)	(11)	(48)	(32)
Net cash paid for investments	(34)	(118)	(3)	(121)	(26)
Net cash (used in) provided by operating activities	$ 150	$ 12	$ (64)	$ (52)	$ 209

(5) We also review our cash flow adjusted for cash paid for interest, a measure we call Unlevered After-Tax Cash Flow. We believe this measure provides investors with an additional important perspective on our cash generation ability. We consider Unlevered After-Tax Cash Flow to be an important indicator of the performance of our businesses and believe the presentation is relevant and useful for investors because it allows investors to view performance in a manner similar to the method used by management. The following is a reconciliation of Unlevered After-Tax Free Cash Flow to Free Cash Flow:

(in millions)	Predecessor Fiscal Year Ended September 30, 2010	Predecessor For the periods from October 1, 2010 to July 19, 2011	Successor For the periods from July 20, 2011 to September 30, 2011	Combined 2011	Successor Fiscal Year Ended September 30, 2012
			(unaudited)		
Unlevered After-Tax Free Cash Flow	$ 234	$ 33	$ (44)	$ (11)	$ 344
Cash paid for interest[(a)]	169	176	34	210	193
Free Cash Flow	$ 65	$ (143)	$ (78)	$ (221)	$ 151

(a) For the Successor period from July 20, 2011 to September 30, 2011 includes $19 of charges/expenses associated with the Merger.

(6) Covenant EBITDA as presented herein is a financial measure defined in the indenture governing the Existing Unsecured Notes as "EBITDA" and that we expect will be used in the indenture governing the notes. The indenture governing the notes 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 Unsecured 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 the Issuer to Covenant EBITDA. For a discussion of the difference between financial information of Parent included herein and financial information of the Issuer, see "Basis of Presentation":

	Fiscal Year Ended September 30, 2012
	(audited)
Net Loss	**$ (90)**
Income tax expense	1
Interest expense, net	203
Depreciation and amortization	244
Restructuring costs(a)	45
Net hedging losses(b)	1
Management fees(c)	8
Transaction costs(d)	16
Business optimization expenses(e)	6
Pro forma savings(f)	30
Covenant EBITDA	**$ 464**

(a) Reflects severance costs and other restructuring related expenses.
(b) Reflects net losses from hedging activities.
(c) Reflects management fees paid to Access, including an annual fee and related expenses (excludes $2 of expenses reimbursed related to certain consultants with full-time roles at Parent).
(d) Reflects costs mainly related to Parent's participation in the EMI sales process, including the subsequent regulatory review.
(e) Reflects primarily costs associated with IT systems updates.
(f) Reflects net cost savings and synergies projected to result from actions taken or expected to be taken no later than twelve (12) 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 Covenant EBITDA is being determined), net of the amount of actual benefits realized during such period from such actions during the twelve months ended September 30, 2012. Pro forma savings reflected in the table above reflect a portion of the previously announced additional targeted savings of $50-$65 million following the Merger as well as other cost savings and synergies.

(7) Net senior secured debt reflects $1,250 million aggregate principal amount of our Existing Secured Notes outstanding as of September 30, 2012 less cash and short-term investments.
(8) Net Debt is total debt of the Issuer and its subsidiaries less cash and equivalents and short-term investments of the Issuer and its subsidiaries. Net Debt is a non-GAAP financial measure.

(in millions)	Predecessor Fiscal Year Ended September 30, 2010	Predecessor For the periods from October 1, 2010 to July 19, 2011	Successor For the periods from July 20, 2011 to September 30, 2011	Combined 2011	Successor Fiscal Year Ended September 30, 2012
			(unaudited)		
Business Segment Data:					
Recorded Music					
Revenues	$ 2,459	$ 1,886	$ 456	$ 2,342	$ 2,275
OIBDA	279	234	48	282	283
Depreciation and amortization expense	(177)	(141)	(31)	(172)	(163)
Operating income (from continuing operations)	$102	$93	$17	$110	$120
Music Publishing					
Revenues	$556	$440	$104	$544	$524
OIBDA	157	96	51	147	152
Depreciation and amortization expense	(71)	(62)	(12)	(74)	(67)
Operating income (from continuing operations)	$86	$34	$39	$73	$85
Corporate expenses and eliminations					
Revenues	$(27)	$(15)	$(4)	$(19)	$(19)
OIBDA	$(88)	$(121)	$(18)	$(139)	$(82)
Depreciation and amortization expense	(10)	(8)	(4)	(12)	(14)
Operating (loss) (from continuing operations)	$(98)	$(129)	$(22)	$(151)	$(96)
Total					
Revenues	$2,988	$2,311	$556	$2,867	$2,780
OIBDA	348	209	81	290	353
Depreciation and amortization expense	(258)	(211)	(47)	(258)	(244)
Operating income (from continuing operations)	$90	$(2)	$34	$32	$109

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 listing 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

The recorded music industry has been declining and may continue to decline, which may adversely affect our prospects and our results of operations.

The industry began experiencing negative growth rates in 1999 on a global basis and the worldwide recorded music market has contracted considerably. Illegal downloading of music, CD-R piracy, industrial piracy, economic recession, bankruptcies of record wholesalers and retailers, and growing competition for consumer discretionary spending and retail shelf space may all be contributing to a declining recorded music industry. Additionally, the period of growth in recorded music sales driven by the introduction and penetration of the CD format has ended. While CD sales still generate a significant portion of the recorded music revenues, CD sales continue to decline industry-wide and we expect that trend to continue. However, new formats for selling recorded music product have been created, including the legal downloading of digital music and the distribution of music on mobile devices and revenue streams from these new channels have emerged. These new digital revenue streams are important as they are beginning to offset declines in physical sales and represent a growing area of our Recorded Music business. In addition, we are also taking steps to broaden our revenue mix into growing areas of the music business, including sponsorship, fan clubs, artist websites, merchandising, touring, ticketing and artist management. As our expansion into these new areas is recent, we cannot determine how our expansion into these new areas will impact our business. Despite the increase in digital sales, artist services revenues and expanded-rights revenues, revenues from these sources have yet to fully offset declining physical sales on a worldwide industry basis and it is too soon to determine the impact that sales of music through new channels might have on the industry or when the decline in physical sales might be offset by the increase in digital sales, artist services revenues and expanded-rights revenues. While U.S. industry-wide track-equivalent album sales rose in 2011 for the first time since 2004, album sales continued to fall in other countries, such as the U.K., as a result of ongoing digital piracy and the transition from physical to digital sales in the recorded music business. Accordingly, the recorded music industry performance may continue to negatively impact our operating results. While it is believed within the recorded music industry that growth in digital sales will re-establish a growth pattern for recorded music sales, the timing of the recovery cannot be established with accuracy nor can it be determined how these changes will affect individual markets. 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 mechanical royalties attributable to the sale of music in CD and other physical recorded music formats.

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 in Blu-Ray/DVD-Video format and videogames, 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 associated with new digital formats. In addition, we are currently dependent on a small number of leading online music stores, 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 mass-market retailers such as Wal-Mart and Target and online music stores such as Apple's iTunes will continue to grow as a result of the decline of specialty music retailers, which could further increase their negotiating leverage. During the past several years, many specialty music retailers have gone out of business. The declining number of specialty music retailers may not only put pressure on profit margins, but could also impact catalog sales as mass-market retailers generally sell top chart albums only, with a limited range of back catalog. See "—We are substantially dependent on a limited number of online music stores, in particular Apple's iTunes Music Store, 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 records is also intense and the marketing expenditures necessary to compete have increased as well. 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 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 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.

We may have difficulty addressing the threats to our business associated with home copying and Internet downloading.

The combined effect of the decreasing cost of electronic and computer equipment and related technology such as CD burners and 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, "burned" CDs and 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 the International Federation of the Phonographic Industry ("IFPI") 2009 Digital Music Report. Separately, research reported by IFPI/Nielsen in IFPI's Digital Music Report 2012 indicates that more than a quarter of Internet users globally (28%) access unauthorized digital services on a monthly 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 certain risks from behaviors such as "sideloading" of unauthorized content and illegitimate user-created ringtones. A substantial portion of our revenue comes from the sale of audio products 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 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 further 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 establishing 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 study by Frontier Economics cited by IFPI, estimates that digitally pirated music, movies and software is valued at $30 billion to $75 billion. In addition, an 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 and put pressure on the price 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 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 in the future. Digital revenue streams of all kinds are important to offset continued declining revenue from physical CD sales industry-wide over time. However, legitimate channels for digital distribution are a recent development and we cannot predict their 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, market 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. 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 transition to greater sales through digital channels introduces uncertainty regarding the potential impact of the

"unbundling" of the album on our business. It remains unclear how consumer behavior will continue to change when customers are faced with more opportunities to purchase only favorite tracks from a given album rather than the entire album. In addition, if piracy continues unabated and legitimate digital distribution channels fail 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 online music stores, in particular Apple's iTunes Music Store, for the online sale of our music recordings 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 online music stores that sell consumers digital music. Currently, the largest U.S. online music store, iTunes, typically charges U.S. consumers prices ranging from $0.69 to $1.29 per single-track download. We have limited ability to increase our wholesale prices to digital service providers for digital downloads as Apple's iTunes controls roughly 65-75% of the legitimate digital music track download business in the U.S. according to third-party estimates. If Apple's iTunes were to adopt a lower pricing model or if there were structural change to other download pricing models, we may receive substantially less per download for our music, which could cause a material reduction in our revenues, unless it is offset by a corresponding increase in the number of downloads. Additionally, Apple's iTunes and other online music stores at present accept and make available for sale all the recordings that we and other distributors deliver to them. However, if online stores in the future decide to limit the types or amount of music they will accept from music 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 our release schedule 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.

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, are subject to ongoing consolidation among major music companies, are based on consumer preferences and 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 reduce their prices in an effort to expand market share and introduce new services, or improve the quality of their products or services. We may lose business if we are unable to sign successful recording artists or songwriters or to match the prices or the quality of products and services, 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, pre-recorded films on DVD, the Internet and computer and videogames.

Consolidation in our industry may materially and adversely affect our ability to compete.

On September 28, 2012, Universal Music Group ("UMG") announced it had closed its acquisition of EMI's recorded music division following clearance of the deal by the U.S. Federal Trade Commission and the European Commission. Regulatory clearance of the transaction was contingent upon the divestiture of certain labels and assets. Nonetheless, the acquisition combined the first- and fourth-largest record companies to increase the size of UMG, which was already the world's largest record company.

On June 29, 2012 Sony Corporation of America (an affiliate of Sony/ATV), in conjunction with the Estate of Michael Jackson, Mubadala Development Company PJSC, Jynwel Capital Limited, the Blackstone Group's GSO Capital Partners LP and David Geffen announced that it had closed its acquisition of EMI Music Publishing following clearance of the deal by the U.S. Federal Trade Commission in June and the European Commission in April. Regulatory clearance of the transaction was contingent upon the divestiture of certain publishing rights. Nonetheless, the acquisition combined the second- and fourth-largest music publishing companies to create the world's largest music publishing company.

In the future, there may be additional mergers and acquisitions and changes in our industry, including those in which we may participate and those that may be undertaken by others. The UMG/EMI merger and Sony/EMI merger as well as any further industry consolidation, could substantially alter the competitive landscape, materially and adversely affecting our ability to compete and resulting in changes to our corporate or business strategy. We regularly assess and explore our strategic position and ways to enhance our competitiveness, including the possibilities for our participation in merger activity or acquisition of strategic assets sold by competitors in our industry. Consolidation involving other participants in our industry could materially and adversely affect our competitive position and our business and results of operations.

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. 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 intend 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. Although we have employment agreements with our executive officers, there is no guarantee that they will not leave. 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 Music Publishing revenues is 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 arbitration 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 U.S., mechanical rates are set pursuant to an arbitration process under the U.S. Copyright Act unless rates are determined through voluntary industry negotiations and performance rates are set by performing rights societies and subject to challenge by performing rights licensees. Outside the U.S., mechanical and performance rates are typically negotiated on an industry-wide basis. The mechanical and performance 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 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 U.S. for, among other sources of income and potential income, webcasting and satellite radio are set by an arbitration 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. If the rates for Recorded Music income sources that are established through legally prescribed rate-setting processes are set too low, it could have a material adverse impact on our Recorded Music business or 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 September 30, 2012, Parent had $1.380 billion of goodwill and $102 million of indefinite-lived intangible assets on a consolidated basis. 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 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 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, the market capitalization of our stock, and trends in the music industry. As noted, the Merger was completed during the fourth quarter of fiscal year ended September 30, 2011 and resulted in all assets and liabilities being recognized at fair value as of July 20, 2011. No indicators of impairment were identified during the Predecessor period that required us to perform an interim assessment or recoverability test, nor were any identified during the Successor period. 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.

Parent also had $2.499 billion of definite-lived intangible assets on a consolidated basis as of September 30, 2012. 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. 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, approximately 60% of our revenues related to operations in foreign territories for the fiscal year ended September 30, 2012. From time to time, we enter into foreign exchange contracts to hedge the risk of unfavorable foreign currency exchange rate movements. As of September 30, 2012, 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 through the end of the current fiscal year.

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 may 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, potentially affecting the duration of artist contracts. There is no assurance that California will not introduce legislation in the future seeking to repeal Subsection (b). The repeal of Subsection (b) of Section 2855 and/or the passage of legislation similar to Section 2855 by other states could materially affect our results of operations and financial position.

We face 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.

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) can terminate our U.S. rights in musical compositions. However, we believe the effect of those terminations 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, 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 signed a contract during fiscal year 2009 with a third-party service provider to outsource a significant portion of our IT infrastructure functions. This outsourcing initiative was 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 signed a contract during fiscal year 2009 with a third-party service provider to 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 system. 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 system. 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 "—The recorded music industry has been declining and may continue to decline, which may adversely affect our prospects and our results of operations." 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. We continue 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 connection with the Merger we targeted $50 million to $65 million in cost savings and as of September 30, 2012 we had achieved a majority of these targeted cost savings and have since identified further cost savings opportunities. While a portion of these initiatives and opportunities have been implemented as of the date of this listing circular, there can be no assurances that additional cost savings will be achieved in full or at all.

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 Parent's 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 Parent's 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 Parent's voting shares and those of all of its 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. 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, including the acquisition of certain assets that are currently or will soon be 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 prior to, or in connection with, the Merger, 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 the Issuer nor Parent 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.

Our reliance on one company as the primary supplier for the manufacturing, packaging and physical distribution of our products in the U.S. and Canada and part of Europe could have an adverse impact on our ability to meet our manufacturing, packaging and physical distribution requirements.

Cinram International Inc. and its affiliates (collectively, "Cinram") have been our primary supplier for the manufacturing, packaging and physical distribution of our products in the U.S. and Canada and Central Europe. In April 2012, in connection with its earnings report, Cinram described certain events and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Cinram's ability to continue as a going concern, including the breach of certain of the financial covenants in its senior credit agreements. In connection with a previously announced strategic process, in June 2012, Cinram announced that it would sell its core business in North America and Europe to the Najafi Companies. The sale of Cinram's North American assets closed in August 2012 and the sale of Cinram's European operations is expected to close later in the year.

As a result of the June 2012 sale announcement, we provided notice of termination on June 22, 2012, effective immediately, of our agreements with Cinram. As a result of this termination, we entered into certain transition agreements with Cinram which allowed us to continue operating with Cinram in a non-exclusive capacity for the six months following termination under previously negotiated pricing terms. In August 2012, upon the closing of the above mentioned sale of Cinram's North American businesses to the Najafi Companies, we entered into a letter agreement to rescind the earlier termination of our agreements with Cinram and reinstate such agreements effective as of June 22, 2012. Upon the reinstatement of our prior agreements with Cinram, such agreements were restored to their original terms and the transition agreements were no longer operative. Any future inability of Cinram to continue to provide

services due to financial distress, refinancing issues or otherwise could also require us to switch to substitute suppliers of these services for more services than currently planned.

As Cinram continues to be our primary supplier of manufacturing and distribution services in the U.S., Canada and part of Europe, our continued ability to meet our manufacturing, packaging and physical distribution requirements in those territories depends largely on Cinram's continued successful operation in accordance with the service level requirements mandated by us in our service agreements. If, for any reason, Cinram were to fail to meet contractually required service levels, or were unable to otherwise continue to provide services, we may have difficulty satisfying our commitments to our wholesale and retail customers in the short term until we more fully transitioned to an alternate provider, which could have an adverse impact on our revenues.

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, the European Union is in the process of proposing reforms to its existing data protection legal framework, which is likely to result in a greater compliance burden for companies with consumers in Europe. Globally, many government and consumer agencies have also called for new regulation and changes in industry practices.

In October 2012, one of our subsidiaries entered into a proposed settlement 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' consent. While our subsidiary neither admitted nor denied the agency's allegations, the proposed settlement will impose a $1 million civil penalty, bar future violations of COPPA, and require that our subsidiary delete information collected in violation of the COPPA, among other requirements.

The Federal Trade Commission has also proposed revisions to the COPPA, that could, if adopted, create greater compliance burdens on us. COPPA imposes a number of obligations, such as obtaining parental permission, on website operators to the extent they collect certain information from children who are under 13 years of age. The proposed changes would broaden the applicability of COPPA, including the types of information that would be subject to these regulations, and could apply to information that we or our clients intend to collect through mobile devices or apps that is not currently subject to COPPA.

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, security information breaches through cybersecurity attacks or otherwise could damage our reputation with customers, employees and vendors, and we could incur substantial additional costs and become subject to litigation. 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 penalties. 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 September 30, 2012, after giving pro forma effect to the Transactions, Parent's total consolidated indebtedness would have been $2.249 billion, and we would have been able to borrow up to $119 million under our Revolving Credit Facility (not giving effect to approximately $1 million of letters of credit outstanding under our existing revolving credit facility as of September 30, 2012 that were rolled into the Revolving Credit Facility in connection with the Transactions).

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;
- 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 Unsecured Notes (the "Existing Unsecured Notes Indenture"), the Holdings Notes and the notes 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 governing the notes (the "Secured Indenture") and the credit agreement governing 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."

The Issuer 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.

The Issuer'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. The Issuer 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.

The Issuer will rely on its subsidiaries to make payments on its borrowings. If those subsidiaries do not dividend funds to the Issuer in an amount sufficient to make such payments, if necessary in the future, the Issuer may default under the Existing Unsecured Notes Indenture, or the indenture governing the notes, which would result in all such notes becoming due and payable. In addition, Holdings, which is the Issuer's direct parent, depends on dividends or distributions from its subsidiaries (including the Issuer) to make

payments on the Holdings Notes. If those subsidiaries do not dividend funds to Holdings in an amount sufficient to make such payments, if necessary in the future, Holdings may default under the Holdings Indenture, 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 indentures governing the Existing Unsecured Notes, the Holdings Notes and the notes and the credit agreement governing the Senior Credit Facilities 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 agreement governing the Senior Credit Facilities will 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 will depend upon satisfaction of these covenants. Events beyond our control can affect our ability to meet these covenants.

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.

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 indentures governing the Existing Unsecured Notes and the Holdings Notes do not, and the Secured Indenture does not fully prohibit the Issuer, Holdings or our subsidiaries from doing so. If the Issuer, Holdings or our subsidiaries are in compliance with certain incurrence ratios set forth in such indentures, the Issuer, Holdings or our subsidiaries may be able to incur substantial additional indebtedness, which may increase the risks created by our current substantial indebtedness. See "Description of Certain Other Indebtedness—Senior Credit Facilities," "Description of Certain Other Indebtedness—Existing Unsecured Notes," "Description of Certain Other Indebtedness—Senior Holdings Notes" and "Description of Notes—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock."

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, to make funding available to Holdings to service its obligations under the Holdings 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.

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 the Issuer or Holdings (in the case of the Holdings Notes) 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 to provide funds to Holdings sufficient to enable it to meet required payments on its indebtedness or if we otherwise fail to comply with the various covenants in the instruments governing our indebtedness (including covenants in the credit agreement governing the Senior Credit Facilities or the indentures governing our indebtedness, including the Secured Indenture), 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 Unsecured Notes Indentures , the indenture governing the notes or, in the case of Holdings, the Holdings Indenture, we or Holdings, as applicable, 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 and special interest, if any, to the date of repurchase. It is possible, however, that we or Holdings, as applicable, would not have sufficient funds available at the time of the change of control to make the required repurchase of such indebtedness. We or Holdings 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 and the Existing Unsecured Notes and Holdings' failure to repurchase the Holdings 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 Unsecured Indenture and the Holdings Indenture permit and the Secured Indenture 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 or 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 Unsecured Indenture contains, and the indenture governing the notes 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.

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 Unsecured Indenture, the Holdings Indenture and the Secured Indenture 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 the 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 have applied 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 your 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 the 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. 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 Senior Secured 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 Senior Secured 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 Secured Indenture under the Securities Act. Because we intend to remove the restrictive legends on the Senior Secured Notes, and provide an unrestricted CUSIP number for the Senior Secured Notes, it is likely that we do not file a registration statement relating to the Senior Secured Notes and thus likely that we do not so qualify the Secured Indenture. 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 Senior Secured Notes.

No appraisal of the value of the collateral has been made in connection with the offering of the Senior Secured 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 Senior Secured 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 Senior Secured Notes. In addition, in the event of any such proceeding, the ability of the holders of the Senior Secured Notes to realize upon any of the collateral may be subject to bankruptcy and insolvency law limitations.

The Senior Secured 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 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes, may not have the ability to foreclose upon those assets and the value of the collateral securing the Senior Secured Notes may significantly decrease.

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

Under various circumstances, collateral securing the Senior Secured Notes will be released automatically, including:

- a sale, transfer or other disposal of such collateral in a transaction not prohibited under the Secured Indenture or the credit agreement 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 Secured Indenture.

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 Secured Indenture.

The Secured Indenture will also permit us to designate one or more of our restricted subsidiaries that is a guarantor of the Senior Secured Notes as an unrestricted subsidiary. If we designate a subsidiary guarantor as an unrestricted subsidiary for purposes of the Secured Indenture, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the Senior Secured Notes by such subsidiary or any of its subsidiaries will be released under the Secured Indenture. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the Senior Secured 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 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 agreement in respect of the collateral securing the Senior Secured Notes will provide 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 Senior Secured 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 Senior Secured Notes are accelerated, the Senior Secured 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 Senior Secured 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 Senior Secured Notes will 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes against third-parties.

Delivery of security interests in collateral after the issue date of the Senior Secured 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 real property and after-acquired property, is expected to be made after the issue date of the Senior Secured 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 Senior Secured 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 Senior Secured 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 Senior Secured Notes and the related guarantees.

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

The Senior Secured 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 Senior Secured 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 Senior Secured Notes and the trustee, as collateral agent for the Senior Secured 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 Secured Indenture 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 Senior Secured Notes to realize upon the collateral will be subject to certain bankruptcy law and other limitations.

The ability of holders of the Senior Secured 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 Senior Secured Notes could foreclose upon or sell the collateral or whether or to what extent holders of Senior Secured 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 Senior Secured Notes.

USE OF PROCEEDS

The net proceeds from the sale of the notes were approximately $719 million based on an exchange rate of €0.7726 = $1.00 with respect to the euro notes, which was the daily exchange rate as of the closing date according to Bloomberg Composite Rate (New York). Of this amount, the net proceeds from the sale of the euro notes represented approximately $224 million, based on the same exchange rate.

We used these proceeds, together with other available sources of cash, to pay the total consideration due in connection with the tender offer for all of our previously outstanding $1,250 million of Existing Secured Notes as well as associated fees and expenses and to redeem all of the remaining Existing Secured Notes not tendered in the tender offers.

CAPITALIZATION

The following table sets forth consolidated cash and cash equivalents and capitalization of:

- the Issuer as of September 30, 2012, on an actual basis; and
- the Issuer as adjusted to give effect to the Transactions as if they had been completed on September 30, 2012.

As of the date of this listing circular, aside from ordinary course changes in cash, the capitalization of the Issuer as adjusted for the Transactions has not changed since September 30, 2012, the date of the latest audited consolidated financial statements incorporated by reference in this listing circular.

The total capitalization of the Issuer is substantially similar to that of Parent. The primary difference between the two is the $150 million in aggregate principal amount of Holdings Notes that are reflected in Parent's total debt. Debt amounts presented in the table below reflect the aggregate outstanding principal amounts.

Parent's authorized share capital consists of 10,000 shares of common stock, par value $0.001, and Parent's outstanding share capital consists of 1,054.796 shares of common stock, all of which are fully paid and non-assessable. AI Entertainment Holdings LLC controls 99.58% of the outstanding common stock of Parent, and Altep 2012 L.P. controls the remainder. Each of AI Entertainment Holdings LLC and Altep 2012 L.P. are affiliates of Access.

After giving effect to the transactions described above, actual amounts may vary from the estimated amounts as adjusted depending on several factors, including differences from our estimate of fees and expenses. We have applied the net proceeds of the offering, together with available cash and borrowings under our Senior Credit Facilities, to repurchase, redeem or discharge the Existing Secured Notes and pay certain other related fees and expenses.

This table should be read in conjunction with "Use of Proceeds," "Risk Factors," and "The Transactions" sections in this listing circular and the audited financial statements of Parent as of September 30, 2012, incorporated by reference into this listing circular. See "Supplementary Information—Consolidating Financial Statements" included in Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012, incorporated by reference herein.

	As of September 30, 2012	
	Actual	As Adjusted for the Transactions
	($ in millions)	
Cash and cash equivalents(1)	**$ 292**	**$ 191**
Debt		
Existing Revolving Credit Facility(2)	—	—
Term Loan Facility(3)	—	600
Revolving Credit Facility(4)	—	31
Notes(5)	—	725
9.50% Senior Secured Notes due 2016	1,250	— (6)
11.50% Senior Notes due 2018	765	765
Total debt	2,015	2,121
Total equity(7)	1,087	1,087
Total capitalization	$ 3,102	$ 3,208

(1) Reflects the use of $101 million of available cash to fund a portion of the repayment, redemption or discharge of the Existing Secured Notes in connection with the Transactions.

(2) Does not reflect the approximately $1 million of letters of credit outstanding under our Existing Revolving Credit Facility as of September 30, 2012 that were rolled into the Revolving Credit Facility in connection with the Transactions.

(3) Reflects the borrowings under the Term Loan Facility portion of the Senior Credit Facilities incurred in connection with the closing of the offering.

(4) We would have had an additional $119 million of undrawn capacity under the Revolving Credit Facility on a pro forma basis. The $31 million of borrowings incurred under the Revolving Credit Facility were repaid in connection with the Transactions on December 3, 2012

(5) Reflects the $500 million of dollar notes and the equivalent in U.S. dollars of the €175 million of euro notes.

(6) Reflects the repayment, redemption or discharge of the Existing Secured Notes in connection with the Transactions.

(7) The Issuer's authorized and outstanding share capital consists of 1,001 shares of common stock, par value $0.001. All outstanding shares of common stock of the Issuer are fully paid and non-assessable, and owned 100% by Holdings.

BUSINESS

The information in this "Business" section is presented as relating to the Issuer, but is equally applicable to Parent as Parent is a holding company that conducts substantially all of its operations through the Issuer and its subsidiaries. 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.

Our Company

We are one of the world's major music 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 U.S. Parent generated consolidated revenue of $2.78 billion, and the Issuer generated Covenant EBITDA of $464 million for the fiscal year 2012.

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, streaming and ringtones) formats. We have one of the world's largest and most diverse recorded music catalogs, including 27 of the top 100 best-selling albums in the U.S. of all time. Our Recorded Music business also benefits from additional revenue streams associated with artists, including merchandising, sponsorships, touring and artist management. We often refer to these rights as "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 revenue of $2.275 billion for the fiscal year 2012.

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 revenue of $524 million for the fiscal year 2012.

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 each of fiscal 2012, 2011 and 2010, our Recorded Music business generated 81%, 81% and 82%, respectively, of consolidated revenues, before intersegment eliminations. Recorded Music had an OIBDA margin of 12% for the fiscal year 2012.

In the U.S., our Recorded Music operations are conducted principally through our major record labels— Warner Bros. Records and The Atlantic Records Group. Our Recorded Music operations also includes Rhino Entertainment, a division that specializes in marketing its music catalog through compilations and re-issuances of previously released music and video titles, as well as in the licensing of recordings to and from third parties for various uses, including film and television soundtracks. Rhino has also become our primary licensing division focused on acquiring broader licensing rights from certain catalog recording artists. For example, we own a 50% interest in Frank Sinatra Enterprises, an entity that administers licenses for use of Frank Sinatra's name and likeness and manages all aspects of his music, film and stage content.

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 online digital retailers like Apple's iTunes, online subscription services like Spotify, Rhapsody and Deezer, and Internet radio services like Pandora and iHeart Radio.

We have integrated the sale of digital content into all aspects of our Recorded Music business including A&R, marketing, promotion and distribution. Our new media executives work closely with A&R departments to make sure that while a record is being made, digital assets are also created with all of our distribution channels in mind, including subscription services, social networking sites, online portals and music-centered destinations. We also work side by side with our mobile and online partners to test new concepts. We believe existing and new digital businesses will be a significant source of growth for the next several years and will provide new opportunities to monetize our assets and create new revenue streams. As a music-based content company, we have assets that go beyond our Recorded Music and Music Publishing catalogs, such as our music video library, which we have begun to monetize through digital channels. The proportion of digital revenues attributed to each distribution channel varies by region and since digital music is still in the relatively early stages of growth, proportions may change as the rollout of new technologies continues. As an owner of musical 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 are diversifying our revenues beyond our traditional businesses by entering into expanded-rights deals with recording artists in order to partner with artists in other areas of their careers. Under these agreements, we provide services to and participate in artists' activities outside the traditional Recorded Music business. We have built artist services capabilities and platforms for exploiting this broader set of music-related rights and participating more broadly in the monetization of the artist brands we help create.

We believe that entering into expanded-rights deals and enhancing our artist services capabilities will permit us to diversify revenue streams and capitalize on revenue opportunities in merchandising, fan clubs, sponsorship and touring. This will provide for improved long-term relationships with artists and allow us to more effectively connect artists and fans.

Recorded Music Results and Trends:

- After substantial declines continuing from 2000 to 2010, the industry is largely stabilizing in the U.S., with a 3% increase in unit sales in 2011 and an approximately 1% decline in the first eight months of 2012. Digital revenues have consistently increased and have become a significant portion of our Recorded Music revenues. For the first time, digital revenue represented more than half of our Recorded Music revenue in the U.S., as of the second quarter of fiscal 2012.
- The decline in physical sales has partially been offset by increases from growth in digital revenues as well as revenues from Artist Services and Expanded Rights businesses
- For the nine months ended September 30, 2012, our Recorded Music business is performing ahead of the industry in the U.S., with flat total equivalent album sales, compared to a 1% decline industry-wide, according to SoundScan
- Worldwide rollout of our catalog management business is expected to result in long-term revenue opportunities

Music Publishing Operations

Music Publishing is an intellectual property business focused on the exploitation of the song 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 song.

Our global Music Publishing company is 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, 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, Disney Music Publishing and Turner Music Publishing. In 2012 we acquired the masters and publishing rights for all film music owned by Miramax, including music from Chicago, Gangs of New York and several hundred other Miramax films. This library will help WMG take advantage of strong assets and synchronization and performance income in the categories of television and film.

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.

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, WMG promotes the use of those compositions by others. Examples of music uses that generate publishing revenues include:

Mechanical:	Sale of recorded music in various physical formats
Performance:	Performance of the song to the general public • Broadcast of music on television, radio, cable and satellite • 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
Synchronization:	Use of the song in combination with visual images • Films or television programs • Television commercials • Videogames • Merchandising, toys or novelty items
Digital:	• Digital downloads

- Subscription services
- Online and mobile streaming

Other:

- Licensing of copyrights for use in printed sheet music

Music Publishing results and trends:

- Digital revenues grew at a 14% compound annual growth rate from the fiscal year ended September 30, 2009 through the fiscal year ended September 30, 2012
- Performance revenues have declined over the same period, but at a more modest pace than mechanical revenues
- Recorded Music assets have experienced strong chart performance and improved market share resulting from reorganized U.S. creative team
- We have renewed our focus on film & TV rights through key strategic acquisitions, including Miramax Studio Library

Significant recent trends and prospects of Parent and the Issuer

For additional information concerning recent trends in our business and prospects for the current financial year, see "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 42 of Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012 filed with the SEC on December 13, 2012, incorporated by reference herein.

Properties

We own studio and office facilities and also lease certain facilities in the ordinary course of business. Our executive offices are located at 75 Rockefeller Plaza, New York, NY 10019. We have a ten-year lease ending on July 31, 2014 for our headquarters at 75 Rockefeller Plaza, New York, New York 10019. We also have a long-term lease ending on December 31, 2019, for office space in a building located at 3400 West Olive Avenue, Burbank, California 91505, used primarily by our Recorded Music business, and another lease ending on June 30, 2017 for office space at 1290 Avenue of the Americas, New York, New York 10104, used primarily by our Recorded Music business. We also have a five-year lease ending on September 30, 2017 for office space at 10585 Santa Monica Boulevard, Los Angeles, California 90025, used primarily by our Music Publishing business. We consider our properties adequate for our current needs.

Legal proceedings

Litigation

Pricing of Digital Music Downloads

On December 20, 2005 and February 3, 2006, the Attorney General of the State of New York served Parent with requests for information in connection with an industry-wide investigation as to the pricing of digital music downloads. On February 28, 2006, the Antitrust Division of the U.S. Department of Justice served Parent with a Civil Investigative Demand, also seeking information relating to the pricing of digitally downloaded music. Both investigations were ultimately closed, but subsequent to the announcements of the investigations, more than thirty putative class action lawsuits were filed concerning the pricing of digital music downloads. The lawsuits were consolidated in the Southern District of New York. The consolidated amended complaint, filed on April 13, 2007, alleges conspiracy among record companies to delay the release of their content for digital distribution, inflate their pricing of CDs and fix prices for digital downloads. The complaint seeks unspecified compensatory, statutory and treble damages. On October 9, 2008, the District Court issued an order dismissing the case as to all defendants, including Parent. However, on January 12, 2010, the Second Circuit vacated the judgment of the District Court and remanded the case for further proceedings and on January 10, 2011, the Supreme Court denied the defendants' petition for Certiorari.

Upon remand to the District Court, all defendants, including Parent, filed a renewed motion to dismiss challenging, among other things, plaintiffs' state law claims and standing to bring certain claims. The renewed motion was based mainly on arguments made in defendants' original motion to dismiss, but not addressed by the District Court. On July 18, 2011, the District Court granted defendants' motion in part, and denied it in part. Notably, all claims on behalf of the CD-purchaser class were dismissed with prejudice. However, a wide variety of state and federal claims remain, for the class of Internet Music purchasers. The parties have filed amended pleadings complying with the court's order, and the case is currently in discovery. Parent intends to defend against these lawsuits vigorously, but is unable to predict the outcome of these suits. Regardless of the merits of the claims, this and any related litigation could continue to be costly, and divert the time and resources of management.

Music Download Putative Class Action Suits

Five putative class action lawsuits have been filed against Parent in Federal Court in the Northern District of California between February 2, 2012 and March 10, 2012. The lawsuits, which were brought by various recording artists, all allege that Parent has

improperly calculated the royalties due to them for certain digital music sales under the terms of their recording contracts. The named plaintiffs purport to raise these claims on their own behalf and, as a putative class action, on behalf of other similarly situated artists. Plaintiffs base their claims on a previous ruling that held another recorded music company had breached the specific recording contracts at issue in that case through its payment of royalties for music downloads and ringtones. In the wake of that ruling, a number of recording artists have initiated suits seeking similar relief against all of the major record companies. Here too, plaintiffs seek to have the interpretation of the contracts in that prior case applied to their different and separate contracts.

On April 10, 2012, Parent filed a motion to dismiss various claims in one of the lawsuits, with the intention of filing similar motions in the remaining suits, on the various applicable response dates. Meanwhile, certain plaintiffs' counsel moved to be appointed as interim lead counsel, and other plaintiffs' counsel moved to consolidate the various actions. In a June 1, 2012 Order, the Court consolidated the cases and appointed interim co-lead class counsel. Plaintiffs filed a consolidated, master complaint on August 21, 2012. All deadlines have been stayed until February 28, 2013 to allow for mediation of this dispute. If a settlement has not been reached by that date and if the parties agree that further settlement discussions would be fruitful, the parties can file a joint statement/stipulation seeking additional time for further settlement negotiations. In the alternative, the parties would file a joint statement/stipulation with the Court alerting the Court to the fact that settlement could not be reached and resetting a litigation schedule. Parent intends to defend against these lawsuits vigorously, but is unable to predict the outcome of these suits. Regardless of the merits of the claims, this and any related litigation could continue to be costly, and divert the time and resources of management.

Final Settlement of Class Actions Related to the Merger

On August 23, 2012, Parent received formal approval from the Supreme Court for the State of New York of the previously disclosed settlement of the claims filed against, inter alia, Parent and its directors in 2011 on behalf of a class of Parent's shareholders in the action entitled Cournoyer v. Warner Music Group Corp. et al., Index No. 651367/2011 (the "Cournoyer Action"). The Cournoyer Action, as well as two related actions, Barbara A. Varipapa v. Warner Music Group Corp., et al. (the "Varipapa Action") and Vikas Dahivadkar v. Warner Music Group Corp., et al. (the "Dahivadkar Action"), were brought in connection with the Merger.

The settlement did not involve any monetary payment to the class of shareholders. Instead, Parent agreed to publicly disclose additional information about the Merger in a filing that it made with the SEC on June 13, 2011 and pay $500,000 for plaintiffs' counsel fees, which Parent paid on September 5, 2012, and Parent received dismissals of all actions. The final judgment in New York disposed of both the Cournoyer and Dahivadkar cases, and the Delaware court separately dismissed the Varipapa Action.

Other Matters

In addition to the matters discussed above, we are involved in various litigation and regulatory proceedings arising in the normal course of business. Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter, we establish an accrual. In none of the currently pending proceedings is the amount of accrual material. An estimate of the reasonably possible loss or range of loss in excess of the amounts already accrued cannot be made at this time due to various factors typical in contested proceedings, including (1) uncertain damage theories and demands; (2) a less than complete factual record; (3) uncertainty concerning legal theories and their resolution by courts or regulators; and (4) the unpredictable nature of the opposing party and its demands. However, we cannot predict with certainty the outcome of any litigation or the potential for future litigation. As such, we continuously monitor these proceedings as they develop and adjust any accrual or disclosure as needed. Regardless of the outcome, litigation could have an adverse impact on us, including our brand value, because of defense costs, diversion of management resources and other factors and it could have a material effect on our results of operations for a given reporting period.

MANAGEMENT

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

Name	Age	Position
Stephen Cooper	66	Chief Executive Officer and Director*
Mark Ansorge	49	Executive Vice President, Human Resources and Chief Compliance Officer
Brian Roberts	49	Executive Vice President and Chief Financial Officer
Paul M. Robinson	54	Executive Vice President and General Counsel and Secretary
Cameron Strang	46	Chairman and CEO, Warner/Chappell Music
Will Tanous	43	Executive Vice President, Communications and Marketing
Stephen Bryan	42	Executive Vice President, Digital Strategy and Business Development
Len Blavatnik	55	Director
Lincoln Benet	49	Director*
Alex Blavatnik	48	Director*
Edgar Bronfman, Jr.	57	Director
Thomas H. Lee	68	Director
Jôrg Mohaupt	46	Director
Donald A. Wagner	49	Director*

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

Each executive officer holds the same position in each of Parent and the Issuer. The following information provides a brief description of the business experience of each of our executive officers and directors.

Stephen Cooper, 66, 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 a 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. Mr. Cooper is an advisor at Zolfo Cooper, a leading financial advisory and interim management firm, of which he was a co-founder and former Chairman. 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 supervisory board as Vice Chairman and served as the Chairman of the Restructuring Committee of LyondellBasell Industries AF S.C.A.

Cameron Strang, 46, has served as our director since July 20, 2011 and as our CEO, Warner/Chappell Music since January 4, 2011. Mr. Strang assumed the additional role of Warner/Chappell's Chairman on July 1, 2011. 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.

Mark Ansorge, 49, has served as our Executive Vice President, Human Resources and Chief Compliance Officer since August 2008. He was previously Warner Music Group's Senior Vice President and Deputy General Counsel and Chief Compliance Officer and has held various other positions within the legal department since joining the company in 1992. Since Parent's initial public offering in 2005, Mr. Ansorge has also served as Warner Music Group's Chief Compliance Officer. Prior to joining Warner Music Group he practiced law as an associate at Winthrop, Stimson, Putnam & Roberts (now known as Pillsbury Winthrop Shaw Pittman LLP). Mr. Ansorge holds a bachelor of science degree from Cornell University's School of Industrial and Labor Relations and a J.D. from Boston University School of Law.

Brian Roberts, 49, has served as our Executive Vice President and Chief Financial Officer since December 2011. Prior to taking his current role, Mr. Roberts served as Senior Vice President and CFO of Warner/Chappell Music, a position he held since 2007. Prior to joining Warner/Chappell, Mr. Roberts served for five years as BMG Music Publishing's Senior Vice President, Finance & Administration of North and South America. Mr. Roberts holds a B.S. degree in Accounting from Manhattan College and is a Certified Public Accountant in New York.

Paul M. Robinson, 54, 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.

Will Tanous, 43, has served as our Executive Vice President, Communications and Marketing, since May 2008. He was previously Warner Music Group's Senior Vice President, Corporate Communications and has held various positions at Warner Music Group since joining the company in 1993. Prior to joining Warner Music Group, Mr. Tanous held positions at Warner Music International and Geffen Records. He also served as president of two independent record labels. Mr. Tanous holds a B.A. from Georgetown University.

Stephen Bryan, 42, has served as our Executive Vice President, Digital Strategy and Business Development since October 2011. He was previously Warner Music Group's Senior Vice President, Strategy and Business Development and has held various positions at Warner Music Group since joining the company in 1997. Prior to joining Warner Music Group, Mr. Bryan held positions at Reader's Digest Association and The New York Times Company. Mr. Bryan holds a MBA degree from The Wharton School.

Board of Directors

Len Blavatnik, 55, 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 TNK-BP and UC RUSAL. He previously served as a member of the board of directors of Parent from March 2004 to January 2008. Mr. Blavatnik provides financial support to and remains engaged in many educational pursuits, recently committing £75 million to establish the Blavatnik School of Government at the University of Oxford. He is a member of academic boards at Cambridge University and Tel Aviv University, and is a member of Harvard University's Committee on University Resources. 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 White Nights Foundation of America 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 U.S. in 1978 and became a U.S. citizen in 1984. He received his Master's degree from Columbia University in 1981 and his MBA from Harvard Business School in 1989. Mr. Blavatnik is the brother of Alex Blavatnik.

Lincoln Benet, 49, 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 boards of Acision, Boomerang Tube and 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, 48, 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 Vice Chairman of Access. A 1993 graduate of Columbia Business School, 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.

Edgar Bronfman, Jr., 57, has served as a director of Parent since March 1, 2004. Previously, Mr. Bronfman served as Parent's Chairman of the Board from August 18, 2012 to January 31, 2012, CEO and President from July 20, 2011 to August 18, 2011 and Chairman of the Board and CEO from March 1, 2004 to July 20, 2011. Before joining Warner Music Group, Mr. Bronfman served as Chairman and CEO of Lexa Partners LLC, a management venture capital firm which he founded in April 2002. Prior to Lexa Partners, Mr. Bronfman was appointed Executive Vice Chairman of Vivendi Universal in December 2000. He resigned from his position as an executive officer of Vivendi Universal on December 6, 2001, resigned as an employee of Vivendi Universal on March 31, 2002, and resigned as Vice Chairman of Vivendi Universal's Board of Directors on December 2, 2003. Prior to the December 2000 formation of Vivendi Universal, Mr. Bronfman was President and CEO of The Seagram Company Ltd., a post he held since June 1994. During his tenure as the CEO of Seagram, he consummated $85 billion in transactions and transformed the company into one of the world's leading media and communications companies. From 1989 until June 1994, Mr. Bronfman served as President and COO of Seagram. Between 1982 and 1989, he held series of senior executive positions for The Seagram Company Ltd. in the U.S. and in Europe. Mr. Bronfman serves on the Boards of InterActiveCorp, Accretive Health, Inc. and the New York University Langone Medical Center. He is also the Chairman of the Board of Endeavor Global, Inc. and is a Member of the Council on Foreign Relations. Mr. Bronfman has also served as general partner at Accretive, LLC, a management company for several funds, since February 1, 2012 and is Vice President of the Board of Trustees, The Collegiate School.

Thomas H. Lee, 68, 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 Miller Export Corporation, The Smith & Wollensky Restaurant Group, Inc., Metris Companies, Inc., MidCap Financial LLC, Refco Inc., Vertis Holdings, Inc. and Wyndham International, Inc. Mr. Lee is currently a Trustee of Lincoln Center for the Performing Arts, The Museum of Modern Art, NYU Medical Center and Whitney Museum of American Art 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.

Jôrg Mohaupt, 46, 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. Mr. Mohaupt was a managing director of Providence Equity Partners and a member of the London-based team responsible for Providence's European investment activities. Before joining Providence, in 2004, 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 the boards of Perform Group Plc, AINMT, Rebate Networks, Mendeley Research Networks, Icon Entertainment International, RGE Group and Acision. Mr. Mohaupt graduated with a degree in history from Rijksuniversiteit Leiden (Netherlands) and a degree in Communications Science from Universiteit van Amsterdam.

Donald A. Wagner, 49, 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 of Boomerang Tube 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

Except as otherwise indicated below, the Issuer is the obligor with respect to the debt obligations outlined in this "Description of Certain Other Indebtedness." 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. Under applicable disclosure requirements of the SEC, because Parent has agreed to guarantee the notes on a senior unsecured basis, we are permitted to report consolidated financial statements of Parent, together with certain consolidating financial information, in lieu of those of the Issuer. Accordingly, the Issuer does not prepare stand-alone financial statements, but detailed information with respect to the Issuer can be found in the tables included in "Supplementary Information—Consolidating Financial Statements—18. Subsequent Events" on page 133 of Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012, incorporated by reference herein.

As of September 30, 2012, after adjusting for the Transactions, the Issuer would have had outstanding $500,000,000 principal amount of the dollar notes, €175,000,000 principal amount of the euro notes and $765,000,000 principal amount of Existing Unsecured Notes, which are guaranteed by the subsidiary guarantors and Parent. In addition, as of September 30, 2012, after adjusting for the Transactions, the Issuer would have had a $150,000,000 Revolving Credit Facility and a $600,000,000 Senior Term Loan Facility, both of which are guaranteed by the subsidiary guarantors. This indebtedness is described in further detail below in this "Description of Certain Other Indebtedness." The Issuer had no other material borrowings or indebtedness as of September 30, 2012 on a pro forma basis. Please see "Supplementary Information—Consolidating Financial Statements—13. Commitments and Contingencies" on page 125 of Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012 filed with the SEC on December 13, 2012, incorporated by reference herein, for a detailed discussion of the Issuer's and Parent's contingent liabilities.

Senior Term Loan Facility

In connection with the Transactions, we entered into a new senior secured term loan facility, 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 "Senior Term Loan Borrower"). The Senior Term Loan Facility provides for a senior secured term loan credit facility in the amount of up to $600.0 million.

The Senior Term Loan Facility will mature on November 1, 2018. The term loans under the Senior Term Loan Facility will amortize in equal quarterly installments in aggregate annual amounts equal to 5.00% of the original principal amount of the Senior Term Loan Facility with the balance payable on the maturity date of the term loans; provided, further, that the individual applicable lenders may agree to extend the maturity of their term loans upon the Senior Term Loan Borrower's request and without the consent of any other applicable lender.

Subject to certain conditions, the Senior Term Loan Facility also permits the Issuer to add one or more incremental term loan facilities of up to $300,000,000 plus a certain amount depending on a senior secured indebtedness to EBITDA ratio included in the Senior Term Loan Facility.

Interest Rates and Fees

The loans under the Senior Term Loan Credit Agreement bear interest at Senior Term Loan Borrower's election 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 Rate"), plus 4.00% 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 0.50% and (z) the one-month Term Loan LIBOR Rate plus 1.0% per annum, plus, in each case, 3.00% per annum. The Term Loan LIBOR Rate shall be deemed to be not less than 1.25%. If there is a payment default at any time, then the interest rate applicable to overdue principal and interest will be the rate otherwise applicable to such loan plus 2.0% per annum. Default interest will also be payable on other overdue amounts at a rate of 2.0% per annum above the amount that would apply to an alternative base rate loan. Customary fees will be payable in respect of the Senior Term Loan Facility.

Prepayments

The term loans may be prepaid without premium or penalty, except that, if prepaid on or prior to the first anniversary of the closing date pursuant to a Repricing Transaction (as defined in the Senior Term Loan Credit Agreement), a 1.00% prepayment premium will apply. Subject to certain exceptions, the Senior Term Loan Facility will be subject to mandatory prepayment in an amount equal to: (i) 100% of the net proceeds (other than those that are used to purchase certain assets or to repay certain other indebtedness) of certain asset sales and certain insurance recovery events; (ii) 100% of the net proceeds (other than those that are used to repay certain other indebtedness) of indebtedness for borrowed money (other than indebtedness incurred in compliance with the

debt covenant of the Senior Term Loan Facility); and (iii) 50% of the annual excess cash flow for any fiscal year (as reduced by the repayment of certain indebtedness), such percentage to decrease to 25% and 0% depending on the attainment of certain senior secured debt to EBITDA ratio targets. In addition, in the event of certain events that constitute a Change of Control (as defined in the Senior Term Loan Credit Agreement), the Senior Term Loan Borrower may offer to prepay the term loans at a price equal to 100% of their principal amount, plus accrued and unpaid interest, if any, to the repayment date.

Guarantee; Security

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

All obligations of the Senior Term Loan Borrower and each guarantor are expected to be secured on an equal basis with the Notes by a perfected security interest in the capital stock of the Senior Term Loan Borrower and substantially all tangible and intangible assets of the Senior Term Loan Borrower and each guarantor, including the capital stock of each direct material U.S. subsidiary of the Senior Term Loan Borrower and each guarantor, and 65% of each series of capital stock of any non-U.S. subsidiary held directly by the Senior Term Loan Borrower or any guarantor, subject to exceptions for fee owned real property with a value of less than an amount to be agreed (with all required mortgages permitted to be delivered post-closing), 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 Senior 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 the Existing Unsecured Notes and 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, 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 security documents and a change of control (subject to the Senior Term Loan Borrower's ability to make an offer to prepay the term loans), in each case subject to customary notice and grace period provisions.

Existing Unsecured Notes

On July 20, 2011, WM Finance Corp. (the "Initial OpCo Issuer"), which was merged with and into the Issuer, issued $765 million aggregate principal amount of 11.50% Senior Notes due 2018 (the "Existing Unsecured Notes") pursuant to the Existing Unsecured Notes Indenture, between the Initial OpCo Issuer, the guarantors party thereto and Wells Fargo Bank, National Association ("Wells Fargo") as trustee. Following the completion of the Merger on July 20, 2011, the Issuer and certain of its domestic subsidiaries (the "Guarantors") entered into a Supplemental Indenture, dated as of July 20, 2011 (the "Existing Unsecured Notes First Supplemental Indenture"), with Wells Fargo, as trustee, pursuant to which (i) the Issuer became a party to the Existing Unsecured Notes Indenture and assumed the obligations of the Initial OpCo Issuer under the Existing Unsecured Notes and (ii) each Guarantor became a party to

the Existing Unsecured Notes Indenture and provided an unconditional guarantee of the obligations of Warner Music Group under the Existing Unsecured Notes.

The Existing Unsecured Notes were issued at 97.673% of their face value for total net proceeds of $747 million, with an effective interest rate of 12%. The original issue discount (OID) was $17 million. The OID is the difference between the stated principal amount and the issue price. The OID is being amortized over the term of the Existing Unsecured Notes using the effective interest rate method and reported as non-cash interest expense. The Existing Unsecured Notes mature on October 1, 2018 and bear interest payable semi-annually on April 1 and October 1 of each year at fixed rate of 11.5% per annum.

Ranking

The Existing Unsecured Notes are the Issuer's general unsecured senior obligations. The Existing Unsecured 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 and indebtedness under the Senior Credit Facilities; are effectively subordinated to all of the Issuer's existing and future secured indebtedness, including the notes, indebtedness under Senior Credit Facilities, to the extent of the assets securing such indebtedness; 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 Existing Unsecured Notes are fully and unconditionally guaranteed on a senior unsecured 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 and indebtedness under the Senior Credit Facility; is effectively subordinated to all of such subsidiary guarantor's existing and future secured indebtedness, including such subsidiary guarantor's guarantee of the notes and indebtedness under the Senior Credit Facilities, to the extent of the assets securing such indebtedness; 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 Unsecured Notes may be released in certain circumstances. The Existing Unsecured Notes are not guaranteed by Holdings.

On December 8, 2011, Parent issued a guarantee whereby it fully and unconditionally guaranteed on a senior unsecured basis, the payments of the Issuer on the Existing Unsecured Notes.

Optional Redemption

The Issuer may redeem the Existing Unsecured Notes, in whole or in part, at any time prior to October 1, 2014, at a price equal to 100% of the principal amount thereof, plus the applicable make-whole premium and accrued and unpaid interest and special interest, if any, on the 2011 Secured WMG Notes to be redeemed to the applicable redemption date. On or after October 1, 2014, the Issuer may redeem all or a part of the Existing Unsecured Notes, at its option, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and special interest, if any, on the Existing Unsecured Notes to be redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on October 1 of the years indicated below:

Year	Percentage
2014	108.625%
2015	105.750%
2016	102.875%
2017 and thereafter	100.000%

In addition, at any time (which may be more than once) before October 1, 2014, the Issuer may redeem up to 35% of the aggregate principal amount of the Existing Unsecured Notes with the net cash proceeds of certain equity offerings at a redemption price of 111.50%, plus accrued and unpaid interest and special interest, if any, to the applicable redemption date; provided that: (1) at least 50% of the aggregate principal amount of Existing Unsecured Notes originally issued under the Existing Unsecured Notes Indenture 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.

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 Unsecured Notes (unless otherwise redeemed) at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest and special interest, if any to the repurchase date.

Covenants

The Existing Unsecured Notes Indenture contains 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 Unsecured Notes Indenture are limited to: the nonpayment of principal or interest when due, violation of covenants and other agreements contained in the Existing Unsecured Notes Indenture, cross payment default after final maturity and cross acceleration of certain material debt; certain bankruptcy and insolvency events, material judgment defaults, and actual or asserted invalidity of a guarantee of a significant subsidiary 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 Unsecured Notes to become or to be declared due and payable.

Exchange Offer

In connection with the issuance of the Existing Unsecured Notes, the Issuer entered into a registration rights agreement relating to the Existing Unsecured Notes, pursuant to which the Issuer agreed to use its commercially reasonable efforts to file, and did initially file on January 25, 2012, a registration statement with the SEC (as amended, the "WMG Exchange Offer Registration Statement"), to permit holders to exchange the Existing Unsecured Notes (the "Old Unsecured WMG Notes") for registered notes with terms substantially identical to the Old Unsecured WMG Notes, except the exchange notes would not contain certain terms with respect to the payment of additional interest or transfer restrictions. On March 16, 2012, the WMG Exchange Offer Registration Statement was declared effective by the SEC, and the Issuer completed the exchange offer on April 25, 2012. On the settlement date, the Issuer accepted for exchange $708 million aggregate principal amount of Old Unsecured WMG Notes.

Consent Solicitation

On October 22, 2012, we commenced consent solicitations (the "Consent Solicitation") relating to the outstanding Existing Unsecured Notes and the Holdings Notes. We entered into supplemental indentures to the indentures governing the Existing Unsecured Notes and the Holdings Notes, as applicable, after the requisite consents with respect to the applicable consent solicitations were received. The supplemental indentures amended the applicable indentures to permit us to incur additional secured indebtedness under certain circumstances. See "Summary—The Refinancing Transactions—Tender Offers and Consent Solicitation."

Senior Holdings Notes

On July 20, 2011, WM Holdings Finance Corp. (the "Initial Holdings Issuer"), which was merged with and into Holdings, issued $150 million aggregate principal amount of 13.75% Senior Notes due 2019 (the "Holdings Notes") pursuant to the indenture, dated as of the July 20, 2011 (as amended and supplemented, the "Holdings Notes Indenture"), between the Initial Holdings Issuer and Wells Fargo Bank, as Trustee. Following the completion of the Holdings Merger on the July 20, 2011, Holdings entered into a Supplemental Indenture, dated as of July 20, 2011 (the "Holdings Notes First Supplemental Indenture"), with Wells Fargo, as trustee, pursuant to which Holdings became a party to the Indenture and assumed the obligations of the Initial Holdings Issuer under the Holdings Notes.

The Holdings Notes were issued at 100% of their face value. The Holdings Notes mature on October 1, 2019 and bear interest payable semi-annually on April 1 and October 1 of each year at fixed rate of 13.75% per annum.

Ranking

The Holdings Notes are Holdings' general unsecured senior obligations. The Holdings Notes rank senior in right of payment to Holdings' existing and future subordinated indebtedness; rank equally in right of payment with all of Holdings' existing and future senior indebtedness; are effectively subordinated to the notes and the indebtedness under the Senior Credit Facilities, to the extent of assets of Holdings securing such indebtedness; are effectively subordinated to all of Holdings' existing and future secured indebtedness, to the extent of the assets securing such indebtedness; and are structurally subordinated to all existing and future indebtedness and other liabilities of any of Holdings' non-guarantor subsidiaries (other than indebtedness and liabilities owed to the

Issuer or one of its subsidiary guarantors (as such term is defined below)), the notes, the indebtedness under the Senior Credit Facilities, and the Existing Unsecured Notes, to the extent of the assets of such subsidiaries.

Guarantee

The Holdings Notes are not guaranteed by any of Holdings' subsidiaries. On August 2, 2011, Parent issued a guarantee whereby it agreed to fully and unconditionally guarantee, on a senior unsecured basis, the payments of Holdings related to the Holdings Notes.

Optional Redemption

Holdings may redeem the Holdings Notes, in whole or in part, at any time prior to October 1, 2015, at a price equal to 100% of the principal amount thereof, plus the applicable make-whole premium and accrued and unpaid interest and special interest, if any, on the Holdings Notes to be redeemed to the applicable redemption date.

On or after October 1, 2015, Holdings may redeem all or a part of the Holdings Notes, at its option, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and special interest, if any, on the Holdings Notes to be redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on October 1 of the years indicated below:

Year	Percentage
2015	106.875%
2016	103.438%
2017 and thereafter	100.000%

In addition, at any time (which may be more than once) before October 1, 2015, Holdings may redeem up to 35% of the aggregate principal amount of the Holdings Notes with the net cash proceeds of certain equity offerings at a redemption price of 113.75%, plus accrued and unpaid interest and special interest, if any, to the applicable redemption date; provided that: (1) at least 50% of the aggregate principal amount of Holdings Notes originally issued under the Holdings Notes Indenture 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.

Change of Control

Upon the occurrence of certain events constituting a change of control, Holdings is required to make an offer to repurchase all of the Holdings 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 Holdings Notes Indenture contains covenants that, among other things, limit Holdings' ability and the ability of most of its subsidiaries to: incur additional debt or issue certain preferred shares; create liens securing certain debt; 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 Holdings or make certain other intercompany transfers; sell certain assets; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets; and enter into certain transactions with affiliates.

Events of Default

Events of default under the Holdings Notes Indenture are limited to: the nonpayment of principal or interest when due; violation of covenants and other agreements contained in the Holdings Notes Indenture; cross payment default after final maturity and cross acceleration of certain material debt; certain bankruptcy and insolvency events; and material judgment defaults. The occurrence of an event of default would permit or require the principal of and accrued interest on the Holdings Notes to become or to be declared due and payable.

Exchange Offer

In connection with the issuance of the Holdings Notes, Holdings entered into a registration rights agreement relating to the Holdings Notes, pursuant to which Holdings agreed to use its commercially reasonable efforts to file, and did initially file on January 25, 2012, a registration statement with the SEC (as amended, the "Holdings Exchange Offer Registration Statement"), to permit holders to exchange the Holdings Notes (the "Old Holdings Notes") for registered notes with terms substantially identical to the Old Holdings Notes, except the exchange notes would not contain certain terms with respect to the payment of additional interest or transfer restrictions. On March 16, 2012, the Holdings Exchange Offer Registration Statement was declared effective by the SEC, and Holdings completed the exchange offer on April 25, 2012. On the settlement date, Holdings accepted for exchange $81.475 million aggregate principal amount of Old Holdings Notes.

Consent Solicitation

On October 22, 2012, Holdings commenced a Consent Solicitation. Holdings entered into supplemental indentures to the indentures governing the Existing Unsecured Notes and the Holdings Notes, as applicable, after the requisite consents with respect to the applicable consent solicitations were received. The supplemental indentures amended the applicable indentures to permit us to incur additional secured indebtedness under certain circumstances. See "Summary—The Refinancing Transactions—Tender Offers and Consent Solicitation."

Existing Revolving Credit Facility

In connection with the Merger, the Issuer entered into a credit agreement dated July 20, 2011 (the "Existing 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 "Existing Revolving Credit Facility").

The Issuer retired the Existing Revolving Credit Facility in connection with the Transactions and replaced it with the Revolving Credit Facility as described further below.

Existing Secured Notes

The Issuer issued $1.1 billion aggregate principal amount of its 9.50% Senior Secured Notes due 2016 (the "2009 Secured Notes") in 2009 pursuant to the Indenture, dated as of May 28, 2009 (as amended and supplemented, the "2009 Secured Notes Indenture"), among the the Issuer, the guarantors party thereto, and Wells Fargo Bank, National Association as trustee. The 2009 Secured Notes mature on June 15, 2016 and bear interest payable semi-annually on June 15 and December 15 of each year at a fixed rate of 9.50% per annum.

In addition, in connection with the Merger, the Initial OpCo Issuer issued $150 million aggregate principal amount of 9.50% Senior Secured Notes due 2016 (the "2011 Secured WMG Notes" and together with the 2009 Secured Notes, the "Existing Secured Notes") pursuant to the Indenture, dated as of July 20, 2011 (as amended and supplemented, the "2011 Secured WMG Notes Indenture"), between the Initial OpCo Issuer and Wells Fargo, as trustee. The 2011 Secured WMG Notes mature on June 15, 2016 and bear interest payable semi-annually on June 15 and December 15 of each year at fixed rate of 9.50% per annum. Following the completion of the Merger on July 20, 2011, the Issuer and certain of its domestic subsidiaries (the "Guarantors") entered into a Supplemental Indenture, dated as of July 20, 2011 (the "2011 Secured WMG Notes First Supplemental Indenture"), with Wells Fargo Bank, National Association, as trustee, pursuant to which (i) the Issuer became a party to the 2011 Secured WMG Notes Indenture and assumed the obligations of the Initial OpCo Issuer under the 2011 Secured WMG Notes and (ii) each Guarantor became a party to the 2011 Secured WMG Notes Indenture and provided an unconditional guarantee of the obligations of the Issuer under the 2011 Secured WMG Notes.

In connection with the Transactions, we refinanced all of the Existing Secured Notes. On October 17, 2012, we commenced tender offers and consent solicitations for any and all of the Existing Secured Notes. On October 29, 2012, we received consents from holders of at least a majority of the outstanding aggregate principal amount of the Existing Secured Notes and entered into supplemental indentures with the trustee for each of the indentures pursuant to which the Existing Secured Notes were outstanding to eliminate certain restrictive covenants contained in those indentures. On November 1, 2012, we accepted for purchase in connection with the tender offers and related consent solicitations such notes as had been tendered at or prior to 5:00 p.m., New York City time, on October 31, 2012 (the "Consent Time"). We then issued a notice of redemption relating to all Existing Secured Notes not accepted for payment on November 1, 2012 (such notes the "Remaining Notes"). Following payment for the Existing Secured Notes tendered at or prior to the Consent Time, we deposited with the Trustee for the Existing Secured Notes funds sufficient to satisfy all obligations remaining under the indentures with respect to the Existing Secured Notes not accepted for payment on November 1, 2012. The trustee then entered into Satisfaction and Discharge of indentures, each dated as of November 1, 2012, with respect to each indenture governing the Old Secured Notes, discharging our obligations under the Existing Secured Notes. The Remaining Notes were redeemed on December 3, 2012. See "Use of Proceeds."

Revolving Credit Facility

In connection with the Transactions, we entered into a credit agreement (the "Senior 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").

General

The Issuer is the borrower (the "Revolving Borrower") under the Revolving Credit Facility. The Revolving Credit Facility provides for a revolving credit facility in the amount of up to $150,000,000 (the "Commitments") and includes a $50,000,000 letter of credit sub-facility. Amounts are available under the Revolving Credit Facility in U.S. dollars, euros or pounds Sterling. The Revolving

Credit Facility permits loans for general corporate purposes. The Revolving Credit Facility may also be utilized to issue letters of credit on or after November 1, 2012.

The final maturity of the Revolving Credit Facility will be five years from November 1, 2012.

Interest Rates and Fees

The loans under the Revolving Credit Agreement bear interest at Revolving Borrower's election at a rate equal to (i) the rate for deposits in the currency in which the applicable borrowing is denominated in the London interbank market (adjusted for maximum reserves) for the applicable interest period ("Revolving LIBOR Rate"), plus 3.50% 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 0.50% and (z) the one-month Revolving LIBOR Rate plus 1.0% per annum, plus, in each case, 2.50% per annum.

If there is a payment default at any time, then the interest rate applicable to overdue principal will be the rate otherwise applicable to such loan plus 2.0% per annum. Default interest will also be payable on other overdue amounts at a rate of 2.0% per annum above the amount that would apply to an alternative base rate loan.

The Revolving Credit Facility bears a facility fee equal to 0.50%, payable quarterly in arrears, based on the daily commitments during the preceding quarter. The Revolving Credit Facility bears customary letter of credit fees. The Issuer is also required to pay certain upfront fees to lenders and agency fees to the agent under the Revolving Credit Facility, in the amounts and at the times agreed between the relevant parties.

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 and prepayments of borrowings under the Revolving Credit Facility are permitted at any time, in minimum principal amounts as set forth in the Revolving Credit Facility, without premium or penalty, subject to reimbursement of the lenders' redeployment costs actually incurred in the case of a prepayment of 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. 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 Term Loan Credit Agreement (as defined below), the Senior Secured Notes and any future senior secured credit facility; is effectively senior to the Revolving Borrower's unsecured senior indebtedness, including its existing unsecured 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)).

Guarantee

Certain of the domestic subsidiaries of the Issuer entered into a Subsidiary Guaranty, dated as of November 1, 2012 (the "Revolving Subsidiary Guaranty"), pursuant to which all obligations under the Revolving Credit Facility are guaranteed by the Issuer's existing subsidiaries that guarantee the Senior Secured Notes and each other direct and indirect wholly-owned U.S. subsidiary, other than certain excluded subsidiaries (collectively, the "Subsidiary Guarantors").

Covenants, Representations and Warranties

The New 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 leverage ratio, which will be tested only 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.

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 issued its U.S. dollar-denominated 6.000% Senior Secured Notes due 2021 (the "*Dollar Notes*") and its euro-denominated 6.250% Senior Secured Notes due 2021 (the "*Euro Notes*" and together with the Dollar Notes, the "*Notes*") under an indenture dated as of November 1, 2012 (the "*Indenture*") among itself, the Guarantors and Wells Fargo Bank, National Association, as trustee (the "*Trustee*"), in a private transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." The Dollar Notes and the Euro Notes were each issued as a separate series under the Indenture but vote as a single class (except as otherwise provided herein). The terms of the Notes include those stated in the Indenture and, in the event that the Issuer qualifies the Indenture under the Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*"), will include those made part of the Indenture by reference to the Trust Indenture Act.

The following description is a summary of the material provisions of the Indenture, the 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 Notes. Copies of the Indenture, the 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 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 have rights under the Indenture.

Brief Description of the Notes and the Guarantees

The Notes:

- are general obligations of the Issuer;
- are secured on an equal basis with all existing and future Obligations of the Issuer having Pari Passu Lien Priority, including the Senior Credit Facilities, by first-priority Liens (subject to Permitted Liens) on the Collateral from time to time owned by the Issuer;
- rank senior in right of payment to all existing and future subordinated Indebtedness of the Issuer;
- are *pari passu* in right of payment with all existing and future senior Indebtedness of the Issuer, including the Existing Unsecured Notes and the Senior Credit Facilities;
- are structurally subordinated to all existing and future Indebtedness and other liabilities (other than certain intercompany obligations) of any non-Guarantor subsidiary; and
- are not 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:

- are general obligations of such Guarantor;
- are 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, by first-priority Liens (subject to Permitted Liens) on the Collateral from time to time owned by such Guarantor;
- rank senior in right of payment to all existing and future subordinated Indebtedness of such Guarantor;
- are *pari passu* in right of payment with all existing and future senior Indebtedness of such Guarantor, including its guarantee of the Existing Unsecured Notes and the Senior Credit Facilities; and
- are 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 Notes.

As of September 30, 2012, on a *pro forma* basis after giving effect to the Transactions:

- the Notes and related Guarantees would have been secured on an equal basis with approximately $631.0 million of indebtedness of the Issuer and the Guarantors represented by indebtedness under the Senior Credit Facilities (not taking into

account repayment of the $31 million of borrowings incurred under the Senior Credit Facilities in connection with the Transactions on December 3, 2012);

- the Notes and related Guarantees would have been structurally subordinated to approximately $950.0 million of liabilities of our non-Guarantor subsidiaries; and
- we would have had $119.0 million in unutilized revolving capacity under the Senior Credit Facilities, which would be *pari passu* in right of payment with the Notes and would be secured on an equal basis with the Notes (not taking into account repayment of the $31 million of borrowings incurred under the Senior Credit Facilities in connection with the Transactions on December 3, 2012).

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

Principal, Maturity and Interest

The Dollar Notes were issued initially in an aggregate principal amount of $500.0 million and the Euro Notes were issued initially in an aggregate principal amount of €175.0 million. Additional securities may be issued under the Indenture in one or more series (the "*Additional Notes*") from time to time after the offering. 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." Any Additional Notes issued under the Indenture will vote as a single class with the Dollar Notes and the Euro Notes (except as otherwise provided herein) and 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 Dollar Notes or Euro Notes issued on the Issue Date. Additional Notes that differ with respect to currency, maturity date, interest rate or optional redemption provisions from the Dollar Notes or Euro Notes issued on the Issue Date will constitute a different series of Notes from such initial Dollar Notes or Euro Notes, as applicable. Additional Notes that have the same currency, maturity date, interest rate and optional redemption provisions as the Dollar Notes or Euro Notes issued on the Issue Date will be treated as the same series as such initial Dollar Notes or Euro 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 Common Code, as applicable, or ISIN would be issued for any Additional Notes, unless the initial Notes and such Additional Notes are treated as part of the "same issue" for U.S. federal income tax purposes, or both the initial Notes 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 issued 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 January 15, 2021 and the Euro Notes will mature on January 15, 2021.

Interest on the Dollar Notes accrues at the rate of 6.000% *per annum* and is payable semi-annually in arrears on January 15 and July 15, commencing on July 15, 2013. The Issuer will make each interest payment to the Holders of record of the Dollar Notes on the immediately preceding January 1 and July 1, whether or not a business day.

Interest on the Euro Notes accrues at the rate of 6.250% *per annum* and is payable semi-annually in arrears on January 15 and July 15, commencing on July 15, 2013. The Issuer will make each interest payment to the Holders of record of the Euro Notes on the immediately preceding January 1 and July 1, whether or not a business day.

Interest on the Notes accrues 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 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.

As long as the Euro Notes remain outstanding, the Issuer has also agreed that it will, to the extent reasonably practicable and permitted as a matter of law, ensure that there is a paying agent for the Euro Notes in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to the European Union Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments which was adopted by the ECOFIN Council on June 3, 2003, and amended by Council Decision on July 19, 2004, or any law implementing or complying with, or introduced to conform to, such Directive.

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.

The Issuer may change the Paying Agents, the Registrars or the transfer agents without prior notice to the holders of Notes.

Paying Agent and Registrar for the Notes

The Trustee is acting initially as paying agent and registrar and Société Générale Bank & Trust is acting initially as the European paying agent, transfer agent and co-registrar. 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 January 15, 2016, 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 constituting Dollar Notes) issued under the Indenture, at its option, at a redemption price equal to 106.000% 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 constituting Dollar 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 Dollar Notes may be redeemed, in whole or in part, at any time prior to January 15, 2016, 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 January 15, 2016, 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 January 15 of the years indicated below:

Year	Percentage
2016	104.500%
2017	103.000%
2018	101.500%
2019 and thereafter	100.000%

In addition, during any 12-month period prior to January 15, 2016, 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 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).

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. Notice of any redemption in respect of an Equity Offering may be given prior to the completion thereof.

Euro Notes

At any time prior to January 15, 2016, 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 constituting Euro Notes) issued under the Indenture, at its option, at a redemption price equal to 106.250% 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 constituting Euro 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 Euro Notes may be redeemed, in whole or in part, at any time prior to January 15, 2016, 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 January 15, 2016, 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 January 15 of the years indicated below:

Year	Percentage
2016	104.688%
2017	103.125%
2018	101.563%
2019 and thereafter	100.000%

In addition, during any 12-month period prior to January 15, 2016, 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 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).

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.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Euro Note is registered at the close of business on such record date, and no additional interest will be payable to holders whose Euro Notes will be subject to redemption by the Issuer.

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. Notice of any redemption in respect of an Equity Offering may be given prior to the completion thereof.

Payment at Maturity Date

The Notes will become due at their specified maturity date, January 15, 2021, and the Issuer will be required to pay the holders 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, payable with respect thereto.

Selection and Notice

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

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

(2) if the 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 Notes on a *pro rata* basis or on as nearly a *pro rata* basis as is practicable (subject to Euroclear, Clearstream or DTC 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 30 but not more than 60 days before the redemption date to each Holder of 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 Notes or a satisfaction and discharge of the Indenture.

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

Guarantees

The Guarantors jointly and severally guarantee the Issuer's obligations under the Indenture and the Notes on a senior secured basis. 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 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 (which in turn consist primarily of (i) cash, accounts receivable and inventory of approximately $800 million, (ii) contractual rights pursuant to our agreements with various recording artists, (iii) numerous proprietary copyrights covering recorded music performances and musical compositions and (iv) certain owned real property) 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. Collateral of the Issuer and Holdings secures the Obligations of the Issuer under the Notes, and Collateral of each Guarantor will secure the Obligations of such Guarantor under its Guarantee.

Not all assets of Holdings, the Issuer and the Issuer's subsidiaries constitute 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 Collateral that secures the Notes excludes the Excluded Assets. "Excluded Assets" are defined in the Security Documents, and include 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 Securitization Financing, (v) any interest in leased real property, (vi) certain assets being held for pending divestiture in connection with an acquisition (in the good faith determination of the Issuer) and (vii) other collateral exceptions and exclusions in effect from time to time under the documents governing the Senior Term Loan Obligations and the Senior Revolving Obligations. The Collateral also excludes any Excluded Subsidiary Securities. In addition, the Issuer and the Guarantors are not 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.

The Issuer and the Guarantors are 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 is 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 Holders of the Notes have a security interest ranking equal with the security interest of the holders of Senior Term Loan Obligations, Senior Revolving Credit Obligations and certain Additional Pari Passu Obligations (each as defined under "Intercreditor Provisions" below). Except as provided in the Security Agreement, Holders of the Notes will not be able 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 Senior Term Loan Obligations, Senior Revolving Credit 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

On the Issue Date, the Issuer, Holdings, the Guarantors, the Collateral Agent, the Authorized Representative for the Senior Term Loan Obligations, the Authorized Representative for the Senior Revolving Credit Obligations and the Notes Authorized Representative (each as defined below) entered into the Security Agreement and other Security Documents creating and establishing 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. With respect to certain filings and delivery of certain pledged instruments and other similar actions required in connection with the perfection of such security interests that the Issuer and the Guarantors were unable to complete on or prior to the Issue Date, the Issuer and the Guarantors will use their commercially reasonable efforts to complete such actions as soon as reasonably practicable (but not later than 180 days) after the Issue Date. Credit Suisse AG was appointed, pursuant to the Indenture, as the Notes Authorized Representative.

Although the Holders of the Notes are not party to the Security Agreement, by their acceptance of the Notes they 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 "*Senior Term Loan Obligations*"), the holders of certain obligations under Senior Revolving Credit Agreement, certain designated hedging obligations and certain designated cash management arrangements (collectively, as more particularly defined in the Security Agreement, the "*Senior Revolving Credit Obligations*") and the holders of certain additional pari passu obligations (the "*Additional Pari Passu Obligations*" and collectively with the Notes Obligations, the Senior Term Loan Obligations and Senior Revolving Credit Obligations, the "*First Lien Obligations*"). Senior Term Loan Obligations and Senior Revolving Credit 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. 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 Senior Term Loan Obligations and as initial Authorized Representative for the Senior Revolving Credit Obligations. The Intercreditor Provisions set forth certain rights, priorities and interests of the holders of the Notes Obligations, Senior Term Loan Obligations, Senior Revolving Credit Obligations and Additional Pari Passu Obligations. The 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, Senior Term Loan Obligations, Senior Revolving Credit 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 Senior Term Loan Obligations, the Senior Revolving Credit 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 Issue Date, the Applicable Authorized Representative is Credit Suisse AG as Authorized Representative for the Senior Revolving Credit Obligations and Credit Suisse AG, as Authorized Representative on behalf of the holders of the Notes, have no rights to take any action under the Intercreditor Provisions. We expect the "Applicable Authorized Representative" as of any date to be:

(a) to the extent a revolving credit facility with commitments in excess of $75.0 million (a "*Major Revolving Facility*") is outstanding on such date, until the Non-Controlling Authorized Representative Enforcement Date with respect to the Major Revolving Facility (a "*Revolver Replacement Event*"), the Authorized Representative with respect to the Major Revolving Facility;

(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 and (y) one or more term loan facility with Indebtedness outstanding in excess of $75.0 million (a "*Major Term Loan Facility*") is 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); 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 and (y) no Major Term Loan Facility is outstanding on such date or a Term Loan Replacement Event with respect to each then outstanding Major Term Loan Facility has occurred and is continuing on such date, 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 excluding each Series of First Lien Obligations with respect to which the Non-Controlling Authorized Representative Enforcement Date has occured; *provided* that upon the occurrence of a First Lien Facility Replacement Event with respect to the Series of First Lien Obligations that 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*" is the date that is 120 days (throughout which 120-day period the Applicable Authorized Representative was a Major Non-Controlling Authorized Representative) after the occurrence of both (a) an event of default, as defined in the agreements governing that Series of First Lien Obligations, 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.

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 has agreed 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 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, we expect 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, 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 have agreed 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 have agreed 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 Notes, each noteholder authorizes the Trustee and the Notes Authorized Representative (1) (in the case of the Trustee) to appoint the Notes Authorized Representative to act on its behalf as the Notes 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 Obligations unless and until written notice describing such Event of Default is given to the Collateral Agent by the Authorized Representative of such Obligations or the Issuer.

In addition, among other things, the Collateral Agent is not responsible for or has no 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, (4) the validity, enforceability, effectiveness or genuineness of the Security Agreement, any other 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 Notes, the Holders of the Notes authorize the Collateral Agent, the Notes 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 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 Notes 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 Notes 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 has 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 (as applicable) in the Security Agreement, the Intercreditor Agreement or 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. The terms of the Intercreditor Agreement were determined prior to the Issue Date in connection with the documentation relating to the Senior Credit Facilities.

Release of Collateral

The Issuer and the Guarantors are 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 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 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 €100,000 and integral multiples of €1,000 in excess thereof in the case of 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 Notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 30 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 agents 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 Dollar Note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof and each new Euro Note will be in a principal amount of €100,000 or an integral multiple of €1,000 in excess thereof.

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.

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 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 on or 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 the 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 Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(2) 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), (6)(c), (9), (15) 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 do 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; and

(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);

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 are 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 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 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 the 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 does not prohibit the incurrence of any of the following (collectively, "*Permitted Debt*"):

(1) 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) $1,550.0 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 3.50 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);

(2) [reserved];

(3) the Existing Unsecured Notes and other Existing Indebtedness (other than Indebtedness described in clauses (1) 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) in an aggregate principal amount that, when aggregated with the principal amount of all other Indebtedness and/or Preferred Stock then outstanding and incurred or issued pursuant to this clause (4), does 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 (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 expressly 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 do 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 does 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 do 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 is 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

Whether or not required by the Commission, so long as any Notes are outstanding, 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, within the time periods specified in the Commission's rules and regulations:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Issuer were required to file such Forms including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Issuer's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Issuer were required to file such reports, *provided*, *however*, that the Trustee shall have no responsibility whatsoever to determine if such filing or posting has occurred.

In addition, whether or not required by the Commission, the Issuer will file a copy of all of the information and reports referred to in clauses (1) and (2) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations (unless the Commission will not accept such a filing) and make such information available to securities and 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 reports referred to in clauses (1) and (2) above to the Trustee and the Holders of the Notes if the Issuer has filed such reports 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 filed and furnished to Holders of the Notes pursuant to this covenant may, at the option of the Issuer, be filed by and 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 60 days 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 now exists 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 reasonable indemnity. 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.

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, 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, 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, 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 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 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 Notes 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 the offering circular 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, 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, 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, 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 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 is 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 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 is 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 is 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 relevant 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 are governed by, and construed in accordance with, the laws of the State of New York.

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 January 15, 2016 (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 January 15, 2016 (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 January 15, 2016 (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 January 15, 2016 (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 built or acquired by the Issuer or any Restricted Subsidiary after the Issue Date, 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 January 15, 2016; *provided, however*, that if the period from such redemption date to January 15, 2016 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 January 15, 2016 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.

"*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 twelve (12) 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 in connection with the Specified Financings (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.

"*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.

"*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, 2011, 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 Authorized Representative*" means the representative for the Notes Obligations.

"*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 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 security 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 to secure public or statutory obligations, or deposits as security for contested taxes or import or customs duties or for the payment of rent, or deposits or other security 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 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) $1,550.0 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 3.50 to 1.00;

(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.

"*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 now known or hereafter developed, 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 $150.0 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 $150.0 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 now existing 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 the 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 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 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). In addition, to the extent that any Indebtedness is incurred pursuant to clause (1)(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 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 Financings*" means the financings included in the Transactions and the 2011 Transactions and the offering of the Notes, and the Existing Unsecured Notes.

"*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 does 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 the 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 January 15, 2016; *provided, however*, that if the period from such redemption date to January 15, 2016 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 were 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 in reliance on Rule 144A under the Securities Act are represented by one or more "Dollar Rule 144A Global Notes";

Euro notes sold to qualified institutional buyers under Rule 144A are 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 are initially 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 are initially 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.")

Each of the Global Notes representing dollar notes (the "Dollar Global Notes") has been 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") has been 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 the offering and the date the notes were originally issued (the "Restri[ct]ed 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.

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 Secured Indenture. 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 our option of the Issuer, 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 Secured Indenture, 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 Secured Indenture 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 Secured Indenture) 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 Secured Indenture) 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/Withdraw 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 Secured Indenture, 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 Secured Indenture 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 Secured Indenture and only after the transferor first delivers to the Trustee a written certification (in the form provided in the Secured Indenture) 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 Secured Indenture 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 Ior 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 the Issuer. 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 U.S. 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 listing 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 U.S. to a person whom the seller reasonably believes to be a QIB in compliance with Rule 144A, (iv) outside the U.S. 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 the Issuer 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 agreed 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)	
	Dollar notes	Euro notes
Initial Purchasers		
Credit Suisse Securities (USA) LLC	$ 140.0	€ 49.0
Barclays Capital Inc.	110.0	38.5
UBS Securities LLC	110.0	38.5
Macquarie Capital (USA) Inc.	70.0	24.5
Nomura Securities International, Inc.	70.0	24.5
Total	$ 500.0	€ 175.0

The addresses of the initial purchasers are as follows: Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, New York 10010-3629, Attention: High Yield Debt Capital Markets; Barclays Capital Inc., Broadridge Financial Solutions, Inc., 1155 Long Island Avenue, Edgewood, NY 11717; 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; and Nomura Securities International, Inc., 2 World Financial Center, Building B, 20th Floor, New York, NY 10281, Attention: Radhika Chopra.

The purchase agreement provides that the initial purchasers are obligated to purchase all of the notes if any of such notes are purchased. The purchase agreement also provides 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 offered the notes in the United States and Canada initially at the offering prices on the cover page of this listing circular. After the initial offering, the offering price may be changed.

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 have agreed 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.

We delivered the notes against payment therefor on November 1, 2012.

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. A portion of the proceeds of the offering may be used to finance the Tender Offer and the Consent Solicitation. One of the initial purchasers is the dealer manager and consent solicitation agent for the Tender Offer and the Consent Solicitation. In addition, certain of the initial purchasers and/or affiliates of certain of the initial purchasers may hold positions in the Existing Secured Notes and, accordingly, may receive a portion of the net proceeds from the offering. Furthermore, banking affiliates of certain of the initial purchasers and are lenders and agents under our Existing Revolving Credit Facility and are lenders and agents under our Senior Credit Facilities and will receive customary fees for performing those services. 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 the offering or the terms of the offering. See "Listing Circular Summary—The Refinancing Transactions."

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (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 listing 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 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

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.

CERTAIN 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. and Non-U.S. Holders (each as defined below) that purchased 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 the initial note offering and hold such notes as capital assets. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (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 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 participated in the 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 United States 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 United States 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.

PERSONS CONSIDERING AN INVESTMENT IN THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS 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 THEIR PARTICULAR CIRCUMSTANCES.

EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS LISTING CIRCULAR IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER U.S. FEDERAL TAX LAW; (B) ANY SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Certain Additional Payments

In certain circumstances, the Issuer is required to make payments on the notes in addition to stated principal and interest. For example, the Issuer is required to pay 101% of the face amount of any note purchased by the Issuer at the Holder's election after a change of control, as described above under the heading "Description of Notes—Repurchase at the Option of Holders—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. The Issuer intends to treat the possibility of its making any of the above payments as not causing the notes to be contingent payment debt instruments. The Issuer's 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, the Issuer's treatment is not binding on the U.S. Internal Revenue Service (the "IRS"). If the IRS were to challenge the Issuer's 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 the Issuer actually makes any such additional

payment, the timing, amount and character of a Holder's income, gain or loss with respect to the notes may be affected. The remainder of this discussion assumes that the notes will not be treated as contingent payment debt instruments.

U.S. Holders

Interest

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 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 translated at the spot rate of exchange on the date such payment is received by such U.S. Holder. In the case of interest on a euro note held by a U.S. Holder that uses the accrual method of accounting, such U.S. Holder is required to include 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 (and in the case of a partial accrual period, the spot rate on the last day of the taxable year). If the last day of an accrual period is within five business days of the date 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 any foreign currency 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 exchange rate used to determine such interest income and the exchange rate on the date such payment is received. Such foreign currency gain or loss generally will be treated as ordinary income or loss from sources within the United States.

A U.S. Holder generally will have a basis in euro received as 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 subsequent conversion or other disposition of such euro by such U.S. Holder generally will be treated as ordinary income or loss from sources within the United States.

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 generally will be capital gain or loss and 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 is generally subject to preferential rates of tax. The deductibility of capital losses is subject to limitations.

A U.S. Holder 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 generally will realize foreign currency gain or loss upon such sale, exchange, retirement or other disposition as ordinary income or loss from sources within the United States if there is any difference between (i) the spot rate of exchange on the date such U.S. Holder acquired such euro note 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 gain or loss, together with any foreign currency 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 such disposition. Any such total gain or loss not treated as foreign currency gain or loss generally will be capital gain or loss from sources within the United States. Net long-term capital gain of certain non-corporate U.S. Holders is generally subject to preferential rates of tax. The deductibility of capital losses is subject to limitations.

A U.S. Holder 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 generally will have a basis in 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 subsequent conversion or other disposition of such euro by such U.S. Holder generally will be treated as ordinary income or loss from sources within the United States.

Information Reporting and Backup Withholding

Information reporting generally will apply to a U.S. Holder with respect to payments 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 payments or proceeds to a U.S. Holder that are 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 (which for an individual would be such individual's Social Security 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.

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 should consult their own tax advisors as to the possible obligation to file IRS Form 8886 reporting foreign currency loss arising from the euro notes or any amounts received with respect to the euro notes.

Non-U.S. Holders

General

Subject to the discussion below concerning backup 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 the Issuer's 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 the Issuer 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 or (ii) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of such sale, exchange, retirement or other disposition and certain other conditions are met (in each case, subject to the provisions of 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, signed under penalties of perjury, stating, among other things, that such Non-U.S. Holder is not a United States 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) 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 as 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 amounts; *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 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 a corporation 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 tax withheld from such payments generally must be reported annually to the IRS and to such Non-U.S. Holder.

The information reporting and backup withholding rules that apply to payments of interest to a U.S. Holder 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 United States person (generally by providing an IRS Form W-8BEN) 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 non-U.S. office of a U.S. broker or of a non-U.S. broker with certain specified U.S. connections generally will be subject to information reporting, but not backup withholding, unless such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) 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 information reporting and backup withholding, unless such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) 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.

U.S. Federal Estate Tax

An individual Non-U.S. Holder who, for U.S. federal estate tax purposes, is not a resident of the United States at the time of such Non-U.S. Holder's death generally will not be subject to U.S. federal estate tax on any part of the value of a note; *provided* that, at the time of such Non-U.S. Holder's death, (i) such Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of the Issuer's stock entitled to vote and (ii) amounts treated as interest earned on such note are not effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder.

EUROPEAN UNION SAVINGS TAX DIRECTIVE

On June 3, 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the "Savings Directive"). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States of the European Union (the "EU Member States") are required, since July 1, 2005, to provide to the tax authorities of another EU Member State, inter alia, details of payments of interest within the meaning of the Savings Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, individual residents or certain limited types of entities established in that other EU Member State (the "Disclosure of Information Method").

For these purposes, the term "paying agent" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interest payments unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method or for a tax certificate procedure. The rate of such withholding is currently 35%. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on April 18, 2002 (the "OECD Model Agreement"), with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate of 35%, and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since July 1, 2005.

On November 13, 2008, the European Commission published a detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on April 24, 2009. If implemented, the proposed amendments would, inter alia, (i) extend the scope of the Savings Directive to payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of EU resident individuals and (ii) provide for a wider definition of interest subject to the Savings Directive.

CERTAIN ERISA CONSIDERATIONS

EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS LISTING CIRCULAR IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER U.S. FEDERAL TAX LAW; (B) ANY SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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 passed upon the validity of the notes. Certain legal matters in connection with the offering of the notes were passed upon for the initial purchasers by Davis Polk & Wardwell LLP, New York, New York.

LISTING AND GENERAL INFORMATION

The security identifiers for the notes are as follows:

Dollar Notes

CUSIP:	ISIN:
144A: 92933B AE4 Regulation S: U97128 AB5	144A: US92933BAE 48 Regulation S: USU97128 AB52

Euro Notes

Common Codes:	ISIN:
144A: 084990736 Regulation S: 084990752	144A: XS0849907364 Regulation S: XS0849907521

The Dollar Global Notes have been 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 have been registered in the name of Société Générale Bank & Trust on behalf of Euroclear Bank S.A./N.V. and Clearstream Banking N.A and accepted for clearing and settlement by Euroclear Bank S.A./N.V. and Clearstream Banking N.A.

We advise holders of the notes that any U.S. federal or state or non-U.S. court in which a claim is brought with respect to the notes would make its own determination concerning the extent of its jurisdiction over, and its competency to hear, the claim in question based on the rules and procedures applicable to such court. The Issuer, its officers and directors and the majority of its assets are located within the United States. Under New York law, which governs the indenture governing the notes, the statute of limitations for bringing an action for breach of contract is six years from discovery of the breach.

Except as disclosed in this listing circular, there has been no material adverse change in our financial position since September 30, 2012, the date of the latest audited consolidated financial statements incorporated by reference in this listing circular.

Except as disclosed in this listing circular, we are not involved in any litigation or arbitration proceedings relating to claims or amounts that are material to the offering, nor so far as we are aware is any such litigation or arbitration pending or threatened.

The Issuer has applied 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. In accordance with the rules and regulations of the Luxembourg Stock Exchange, the following documents related to the euro notes will be made available at the office of the listing agent in Luxembourg, Société Générale Bank & Trust: the indenture governing the notes to which each subsidiary guarantor is a party (and by virtue of which, each subsidiary guarantor is obligated to guarantee the notes), the Certificates of Incorporation, bylaws and resolutions authorizing the notes and, where applicable, the guarantees of the notes, of the Issuer, Parent and the subsidiary guarantors, Parent's Annual Report on Form 10-K for the fiscal year ended September 30, 2012 and Parent's Current Report on Form 8-K filed with the SEC on December 28, 2012. As a reporting company under the Exchange Act, Parent reports on both an annual and quarterly basis and files its consolidated financial statements with the SEC. The annual consolidated financial statements of Parent, which include the business operations of the Issuer, are audited by Ernst & Young LLP and the quarterly consolidated financial statements are unaudited, in each case in accordance with applicable disclosure requirements of the SEC.

So long as the euro notes are listed on the Luxembourg Stock Exchange and the rules of this exchange so require, the Issuer 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.

The issuance of the notes was authorized by a special resolution of the board of directors of the Issuer, passed on October 16, 2012 and a resolution of the board of directors of the Issuer, passed on October 24, 2012.

We are responsible for this listing circular for the correct reproduction and extraction of the information within it. To the best of our knowledge, the information contained or incorporated by reference in this listing circular has been prepared in accordance with available facts and contains no omissions likely to affect the import of the listing circular.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements, supplementary information and schedule of Warner Music Group Corp. as of September 30, 2012 (Successor) and 2012 (Successor) and for the period from July 20, 2011 to September 30, 2011 (Successor), the period from October 1, 2010 to July 19, 2011 (Predecessor), and the fiscal year ended September 30, 2010 (Predecessor), incorporated by reference in this listing circular have been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their reports incorporated by reference herein.

SCHEDULE I

LIST OF SUBSIDIARY GUARANTORS

The subsidiary guarantors are all in the business of production, publication, promotion and recording of music content or businesses incidental, directly related or similar thereto. For additional detail on the nature of this business, see "Listing Circular Summary—Our Company."

Subsidiary Guarantor	Principal Office
A. P. Schmidt Co.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Arms Up Inc.	3300 Warner Blvd., Burbank, CA 91505
Atlantic/MR Ventures Inc.	1290 Avenue of the Americas, New York, NY 10104
Atlantic Recording Corporation	1290 Avenue of the Americas, New York, NY 10104
Berna Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Big Beat Records Inc.	1290 Avenue of the Americas, New York, NY 10104
Cafe Americana Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Chappell Music Company, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Cota Music, Inc.	1290 Avenue of the Americas, New York, NY 10104
Cotillion Music, Inc.	75 Rockefeller Plaza, New York, NY 10019
CRK Music Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
E/A Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Eleksylum Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Elektra/Chameleon Ventures Inc.	75 Rockefeller Plaza, New York, NY 10019
Elektra Entertainment Group Inc.	75 Rockefeller Plaza, New York, NY 10019
Elektra Group Ventures Inc.	75 Rockefeller Plaza, New York, NY 10019
EN Acquisition Corp.	1290 Avenue of the Americas, New York, NY 10104
FHK, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Fiddleback Music Publishing Company, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Foster Frees Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Inside Job, Inc.	1290 Avenue of the Americas, New York, NY 10104
Insound Acquisition Inc.	1290 Avenue of the Americas, New York, NY 10104
Intersong U.S.A., Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Jadar Music Corp.	10585 Santa Monica Blvd., Los Angeles, CA 90025
J. Ruby Productions, Inc.	3400 West Olive Avenue, Burbank, CA 91505
LEM America, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
London-Sire Records Inc.	75 Rockefeller Plaza, New York, NY 10019
Maverick Partner Inc.	75 Rockefeller Plaza, New York, NY 10019
McGuffin Music Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Mixed Bag Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
MM Investment Inc.	75 Rockefeller Plaza, New York, NY 10019
Nonesuch Records Inc.	3300 Warner Blvd., Burbank, CA 91505
Non-Stop Music Holdings, Inc.	75 Rockefeller Plaza, New York, NY 10019
NVC International Inc.	75 Rockefeller Plaza, New York, NY 10019
Octa Music, Inc.	1290 Avenue of the Americas, New York, NY 10104
Pepamar Music Corp.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Rep Sales, Inc.	1290 Avenue of the Americas, New York, NY 10104
Restless Acquisition Corp.	1290 Avenue of the Americas, New York, NY 10104
Revelation Music Publishing Corporation	10585 Santa Monica Blvd., Los Angeles, CA 90025
Rhino Entertainment Company	3400 West Olive Avenue, Burbank, CA 91505
Rick's Music Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Rightsong Music Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Roadrunner Records Inc.	902 Broadway, New York, NY 10010
Rodra Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Ryko Corporation	1290 Avenue of the Americas, New York, NY 10104
Rykodisc, Inc.	1290 Avenue of the Americas, New York, NY 10104
Rykomusic, Inc.	1290 Avenue of the Americas, New York, NY 10104
Sea Chime Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Six-Fifteen Music Productions, Inc.	1030 16th Avenue South, Nashville, TN 37212

Subsidiary Guarantor	Principal Office
SR/MDM Venture Inc.	3300 Warner Blvd., Burbank, CA 91505
Summy-Birchard, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Super Hype Publishing, Inc.	75 Rockefeller Plaza, New York, NY 10019
The All Blacks U.S.A., Inc.	902 Broadway, New York, NY 10010
The Rhythm Method Inc.	75 Rockefeller Plaza, New York, NY 10019
Tommy Boy Music, Inc.	75 Rockefeller Plaza, New York, NY 10019
Tommy Valando Publishing Group, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
T.Y.S., Inc.	902 Broadway, New York, NY 10010
Unichappell Music Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Walden Music Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Warner Alliance Music Inc.	20 Music Square East, Nashville TN 37203
Warner Brethren Inc.	20 Music Square East, Nashville TN 37203
Warner Bros. Music International Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Warner Bros. Records Inc.	3300 Warner Blvd., Burbank, CA 91505
Warner/Chappell Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Warner/Chappell Music (Services), Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Warner/Chappell Production Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Warner Custom Music Corp.	75 Rockefeller Plaza, New York, NY 10019
Warner Domain Music Inc.	20 Music Square East, Nashville TN 37203
Warner-Elektra-Atlantic Corporation	75 Rockefeller Plaza, New York, NY 10019
Warner Music Discovery Inc.	3400 West Olive Avenue, Burbank, CA 91505
Warner Music Inc.	75 Rockefeller Plaza, New York, NY 10019
Warner Music Latina Inc.	555 Washington Avenue, Miami Beach, FL 33139
Warner Music SP Inc.	75 Rockefeller Plaza, New York, NY 10019
Warner Sojourner Music Inc.	20 Music Square East, Nashville TN 37203
WarnerSongs, Inc.	20 Music Square East, Nashville TN 37203
Warner Special Products Inc.	3400 West Olive Avenue, Burbank, CA 91505
Warner Strategic Marketing Inc.	75 Rockefeller Plaza, New York, NY 10019
Warner-Tamerlane Publishing Corp.	10585 Santa Monica Blvd., Los Angeles, CA 90025
Warprise Music Inc.	20 Music Square East, Nashville TN 37203
WB Gold Music Corp.	10585 Santa Monica Blvd., Los Angeles, CA 90025
WB Music Corp.	10585 Santa Monica Blvd., Los Angeles, CA 90025
WBM/House of Gold Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
W.B.M. Music Corp.	10585 Santa Monica Blvd., Los Angeles, CA 90025
WBR Management Services Inc.	3300 Warner Blvd., Burbank, CA 91505
WBR/QRI Venture, Inc.	3300 Warner Blvd., Burbank, CA 91505
WBR/Ruffnation Ventures, Inc.	3300 Warner Blvd., Burbank, CA 91505
WBR/SIRE Ventures Inc.	3300 Warner Blvd., Burbank, CA 91505
WEA Europe Inc.	75 Rockefeller Plaza, New York, NY 10019
WEA Inc.	75 Rockefeller Plaza, New York, NY 10019
WEA International Inc.	75 Rockefeller Plaza, New York, NY 10019
WEA Management Services Inc.	75 Rockefeller Plaza, New York, NY 10019
Wide Music, Inc.	10585 Santa Monica Blvd., Los Angeles, CA 90025
WMG Management Services Inc.	75 Rockefeller Plaza, New York, NY 10019
615 Music Library, LLC	1030 16th Avenue South, Nashville, TN 37212
Artist Arena International, LLC	853 Broadway, New York, NY 10003
Artist Arena LLC	853 Broadway, New York, NY 10003
Asylum Records LLC	1290 Avenue of the Americas, New York, NY 10104
Atlantic/143 L.L.C.	1290 Avenue of the Americas, New York, NY 10104
Atlantic Mobile LLC	1290 Avenue of the Americas, New York, NY 10104
Atlantic Pix LLC	1290 Avenue of the Americas, New York, NY 10104
Atlantic Productions LLC	1290 Avenue of the Americas, New York, NY 10104
Atlantic Scream LLC	1290 Avenue of the Americas, New York, NY 10104
BB Investments LLC	75 Rockefeller Plaza, New York, NY 10019
Bulldog Entertainment Group LLC	75 Rockefeller Plaza, New York, NY 10019

Subsidiary Guarantor	Principal Office
Bulldog Island Events LLC	75 Rockefeller Plaza, New York, NY 10019
Bute Sound LLC	10585 Santa Monica Blvd., Los Angeles, CA 90025
Choruss LLC	75 Rockefeller Plaza, New York, NY 10019
Cordless Recordings LLC	1290 Avenue of the Americas, New York, NY 10104
East West Records LLC	75 Rockefeller Plaza, New York, NY 10019
FBR Investments LLC	75 Rockefeller Plaza, New York, NY 10019
Ferret Music Holdings LLC	1290 Avenue of the Americas, New York, NY 10104
Ferret Music LLC	1290 Avenue of the Americas, New York, NY 10104
Ferret Music Management LLC	1290 Avenue of the Americas, New York, NY 10104
Ferret Music Touring LLC	1290 Avenue of the Americas, New York, NY 10104
Foz Man Music LLC	10585 Santa Monica Blvd., Los Angeles, CA 90025
Fueled By Ramen LLC	1290 Avenue of the Americas, New York, NY 10104
Lava Records LLC	1290 Avenue of the Americas, New York, NY 10104
Lava Trademark Holding Company LLC	1290 Avenue of the Americas, New York, NY 10104
Made of Stone LLC	75 Rockefeller Plaza, New York, NY 10019
Non-Stop Cataclysmic Music, LLC	75 Rockefeller Plaza, New York, NY 10019
Non-Stop International Publishing, LLC	75 Rockefeller Plaza, New York, NY 10019
Non-Stop Music Library, L.C.	75 Rockefeller Plaza, New York, NY 10019
Non-Stop Music Publishing, LLC	75 Rockefeller Plaza, New York, NY 10019
Non-Stop Outrageous Publishing, LLC	75 Rockefeller Plaza, New York, NY 10019
Non-Stop Productions, LLC	75 Rockefeller Plaza, New York, NY 10019
P & C Publishing LLC	1290 Avenue of the Americas, New York, NY 10104
Penalty Records, L.L.C.	75 Rockefeller Plaza, New York, NY 10019
Perfect Game Recording Company LLC	1290 Avenue of the Americas, New York, NY 10104
Rhino/FSE Holdings, LLC	3400 West Olive Avenue, Burbank, CA 91505
Rhino Name & Likeness Holdings, LLC	3400 West Olive Avenue, Burbank, CA 91505
T-Boy Music, L.L.C.	10585 Santa Monica Blvd., Los Angeles, CA 90025
T-Girl Music, L.L.C.	10585 Santa Monica Blvd., Los Angeles, CA 90025
The Biz LLC	75 Rockefeller Plaza, New York, NY 10019
Upped.com LLC	75 Rockefeller Plaza, New York, NY 10019
Warner Music Distribution LLC	75 Rockefeller Plaza, New York, NY 10019
Warner Music Nashville LLC	20 Music Square East, Nashville TN 37203
WMG Artist Brand LLC	75 Rockefeller Plaza, New York, NY 10019
WMG Trademark Holding Company LLC	75 Rockefeller Plaza, New York, NY 10019
Alternative Distribution Alliance	1290 Avenue of the Americas, New York, NY 10104
Maverick Recording Company	3300 Warner Blvd., Burbank, CA 91505

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and

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warner | music | group