

EMI Music Publishing Holdings (France) Limited

Directors' report and financial statements

**Registered number 6405630
for the year ended 31 March 2013**

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DIRECTORS' REPORT

The Directors present their Directors' Report and financial statements for the year ended 31 March 2013

Principal Activities and Review of the Business

EMI Music Publishing Holdings (France) Limited (the "Company") was incorporated on 22 October 2007. The Company is a wholly owned subsidiary of BW Publishing Ltd and is part of the DH Publishing LP group (the "Group") DH Publishing L.P is the ultimate parent undertaking.

The principal activity of the Company is that of an investment holding and finance company. There has not been any change to the principal activity of the Company during the year ended 31 March 2013 or subsequently. The Directors do not anticipate any change to the principal activity of the Company during the next year.

During the year the Company operated as part of the DH Publishing L.P and all of its transactions are with fellow Group undertakings. As such its activities are dependent on the activities of the Group as a whole

	2013	2012	Change
	€000	€000	%
Profit/ (loss) before tax	51,117	(14,836)	445
Profit/ (loss) after tax	51,117	(14,836)	445
Shareholders' funds	53,809	2,692	1,899

As stated in the profit and loss account on page 8 the Company made a profit before tax of €51,117,000 in the year to 31 March 2013 compared with the previous year's loss before tax of €14,836,000. This is mainly due to an impairment reversal and a decrease on the principal upon which interest is calculated during prior year.

In the balance sheet shown on page 9, the net assets of the Company have increased by 1,899 per cent mainly due a reversal in the previously held impairment on the Company's investments. Shareholders' funds has increased by 1,899 per cent also as a result of the impairment reversal and the retained profit for the year.

Going concern

The directors of the group have prepared consolidated Group financial projections for a period of more than twelve months from the date of approval of these financial statements. After considering these financial projections, the directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis

DIRECTORS' REPORT (continued)

Change of ownership

On 11 November 2011, Citigroup signed definitive agreements to sell the its Recorded Music business to Universal Music Group and Music Publishing business to an investor Group that comprised primarily of Sony Corporation of America, the Estate of Michael Jackson, Mubadala Development Company PJSC, Jynwel Capital Limited, and the Blackstone Group's GSO Capital Partners LP (the 'Investor Group'). The agreements did not take effect until clearance was received from various Competition authorities and other conditions were met. The Music Publishing business sale completed on 29 June 2012

Principal Risks and Uncertainties

The Company operates as part of the Group and all of its transactions are with fellow group undertakings. As such its activities are dependent on the activities of the Group as a whole.

The risks and uncertainties facing the Company are linked to those of the Group.

Financial risk management

The company's operations expose it to certain financial risks, primarily comprised of cash flow, liquidity and price risk.

The company is part of the Group's administration agreement with Sony/ATV (the "Administrator") whereby the Administrator follows its board approved policy and procedures manual that sets out specific guidelines to managing financial risk

Cash flow risk

The Group maintains large reserves at cash, which it can use to settle its liabilities if required. The Group's cash is managed in accordance with the Administrator's cash management policies and procedures.

Liquidity risk

The company's asset base primarily comprises amounts due to or from fellow Group undertakings. The Company's current assets are sufficiently liquid to enable it to pay its bills and fund its current liabilities

Price risk

The company is a holding company so has a large portfolio of investments. In accordance with FRS 11 'Impairment of Fixed Assets and Goodwill', the carrying values of the investments have been compared to their recoverable amounts, represented by their net realisable value, and impaired where appropriate.

DIRECTORS' REPORT (continued)

Dividends

The Directors do not recommend payment of a dividend (2012 € nil)

Directors' Qualifying Third Party Indemnity Provisions

Certain directors benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of approval of the financial statements.

Donations

Grants and charitable donations made during the year amounted to €nil (2012: € nil). There were no political contributions made during the year (2012: € nil)

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows

L J Corbett	(Resigned 27 June 2012)
R C Faxon	(Resigned 27 June 2012)
K L A Mullins	(Resigned 29 March 2012)
A G Bebawi	(Appointed 9 May 2012, Resigned 29 June 2012)
C S Palmer	(Appointed 9 May 2012, Resigned 29 June 2012)
J C Quillan	(Appointed 9 May 2012, Resigned 29 June 2012)
F Crimmins	(Appointed 29 June 2012)
D H Johnson	(Appointed 29 June 2012)

DIRECTORS' REPORT (continued)

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent auditors

Following the Music Publishing business sale on 29 June 2012 it was deemed that KPMG LLP would not continue in office and PricewaterhouseCoopers LLP were appointed as auditors

The financial statements on pages 8 to 17 were approved by the Board of Directors on and signed on its behalf by



Date: 03/04/2014

F Crimmins
Director
Registered Office
30 Golden Square
London
W1F 9LD

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMI MUSIC PUBLISHING HOLDINGS (FRANCE) LIMITED

We have audited the financial statements of EMI Music Publishing Holdings (France) Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

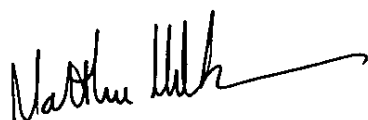
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Matthew Mullins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

7/04/2014

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 €000	2012 €000
Impairment reversed in period	7	58,792	-
Interest payable and similar charges	2	(7,675)	(14,836)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		51,117	(14,836)
Taxation	3	-	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		51,117	(14,836)

The notes on pages 10 to 17 form part of these financial statements

All of the activities of the Company are classed as continuing as in prior year

There are no recognised gains and losses attributable to the shareholders of the Company other than the gain of €51,117,000 (2012: €14,836,000 loss)

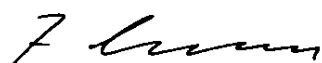
There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

BALANCE SHEET AS AT 31 MARCH 2013

	Notes	2013 €000	2012 €000
FIXED ASSETS			
Investments	7	73,671	14,879
DEBTORS			
Amounts falling due within one year	4	105,234	105,234
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(125,096)	(117,421)
NET CURRENT LIABILITIES		(19,862)	(12,187)
TOTAL ASSETS LESS CURRENT LIABILITIES		53,809	2,692
NET ASSETS		53,809	2,692
Called up share capital	6	-	-
Capital reserve	8	115,993	115,993
Profit and loss reserve	8	(62,184)	(113,301)
TOTAL SHAREHOLDERS' FUNDS	8	53,809	2,692

The notes on pages 10 to 17 form part of these financial statements.

These financial statements were approved for issue by the Board of Directors on 03/04/2014 and were signed on its behalf by



F Crimmins
Director

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. They are stated in Euros being the primary currency in which EMI Music Publishing Holdings (France) Limited (the "Company") operates.

The accounting policies have been applied consistently, other than where new policies have been adopted.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going Concern

The Company has made a profit for the year of €51,117,000 (2012 loss of €14,836,000) and has net current liabilities of €19,862,000 (2012: €12,187,000) at the reporting date.

At 31 March 2013, the Company had net current liabilities and net assets and made a profit in the year. The accounts are prepared on the going concern basis as the ultimate parent company, DH Publishing L P, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due. This support will continue whilst the Company remains a member of the Group and for a period of at least one year from the date of signing the Company's financial statements.

The Company operates as part of the DH Publishing L P group ("the Group") and has provided a guarantee to the Group's lender, as such the Company is affected by the terms of the Group's banking facilities. The continued availability of existing bank facilities requires the Group to comply with the covenants set out in those bank facilities.

The strong Group balance sheet combined with continued strong operating performance means that the Group is able to meet its ongoing working capital needs and its current debt service obligations under the finance facility agreements for a period of more than twelve months from the date of approval of these financial statements.

The directors of the group have prepared consolidated Group financial projections for a period of more than twelve months from the date of approval of these financial statements.

After considering these financial projections, the directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Cash flow statement and related party disclosures

At the balance sheet date the Company was a wholly owned subsidiary of DH Publishing L P and is included in the consolidated financial statements of DH Publishing L P. which can be requested from 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands. Consequently the Company has taken exemption from preparing the cash flow statement under the terms of FRS 1 (revised 1996). The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the DH Publishing L P. group or investees of the DH Publishing L.P. group.

Investments

Investments in subsidiary and associated undertakings are stated at cost less provision to reflect any impairment.

Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Impairment of fixed assets (continued)

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. INTEREST PAYABLE AND OTHER CHARGES

	2013 €000	2012 €000
Interest payable to Group undertakings	(7,675)	(14,836)
	<u>(7,675)</u>	<u>(14,836)</u>

3. TAX

	2013 €000	2012 €000
Factors affecting current tax charge		
The current tax charge for the year is lower (2012: lower) than the standard rate of corporations tax in the UK of 24% (2012 – 26%). The differences are explained below		
Profit /(loss) on ordinary activities before tax	51,117	(14,836)
Profit /(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 – 26%)	12,268	(3,857)
<i>Effect of</i>		
Group relief (received) / surrendered for nil payment	(12,268)	3,857
Permanent difference	-	-
Total current tax charge	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. TAX (continued)

Factors affecting future tax charge

As part of the Group, the company may receive or surrender losses by way of group relief. This receipt or surrender may be made with or without charge.

On 3 July 2012, the legislation of the reduction of UK corporation tax rate to 23 per cent from 1 April 2013 was substantially enacted.

On 20 March 2013, a resolution was passed by Parliament to reduce the main UK corporation tax rate to 20 per cent from 1 April 2015.

On 17 July 2013, the legislation of the reduction of UK corporation tax rate to 21 per cent from 1 April 2014 was substantially enacted. None of the above changes are reflected in the above calculation.

Deferred tax

At the balance sheet date the Company had unused tax losses of nil (2012: nil) available for offset against future profits

4. DEBTORS	2013 €000	2012 €000
Amounts falling due within one year		
Amounts owed from group undertakings	105,234	105,234
	<hr/>	<hr/>
Total Debtors	105,234	105,234
	<hr/>	<hr/>
5. CREDITORS	2013 €000	2012 €000
Amounts falling due within one year:		
Amounts owed to group undertakings	86,700	86,700
Interest payable to group undertakings	38,396	30,721
	<hr/>	<hr/>
Total Creditors	125,096	117,421
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. SHARE CAPITAL

	2013 €	2012 €
Allotted, called up and fully paid 1 ordinary share of £1	1	1
On 22 October 2007 the Company issued one (£1 ordinary) share for consideration of £1, settled in cash		
Share capital has been converted into Euros based on the historic rate on the date the shares were issued of 22 October 2007		

7. INVESTMENTS

a) SHARES IN GROUP UNDERTAKINGS

	<u>Cost</u> €000	<u>Provisions</u> €000	<u>Net Book Value</u> €000
At the start of the year	73,671	(58,792)	14,879
Movement in period	-	58,792	58,792
At 31 March 2013	73,671	-	73,671

The Company holds a 100% investment in the share capital of EMI Group France SAS, recognised at carrying value of €73,671,000.

In accordance with FRS 11 'Impairment of Fixed Assets and Goodwill', the carrying values of the investments have been compared to their recoverable amounts, represented by their net realisable value, and impaired where appropriate. The Directors do not consider value in use to be materially different to the net realisable value of the investment, and therefore use the investment's net recoverable value as its recoverable amount. The previously recognised provision has been released based on the Directors assessment of the net recoverable amount of the investment.

In the opinion of the Directors, the value of the investments is at least equal to their carrying value

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS (continued)

b) PRINCIPAL SUBSIDIARY UNDERTAKINGS

The following were the principal subsidiary undertakings of the Company at 31 March 2013:

Subsidiary undertakings	Country of Incorporation	Class of shares	Proportion Held	Nature of business
EMI Group France SAS *	France	Ordinary	100%	Music Publishing
EMI Music Publishing France SAS	France	Ordinary	100%	Music Publishing
Delabel Editions SAS	France	Ordinary	100%	Music Publishing
Editions et Productions Sidonie SAS	France	Ordinary	100%	Music Publishing

*Directly held

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital €000	Capital reserves €000	Profit and loss reserve €000	Total €000
At the beginning of the year	-	115,993	(113,301)	2,692
Profit for the year	-	-	51,117	51,117
At the end of the year	-	115,993	(62,184)	53,809

9. DIRECTORS' EMOLUMENTS AND STAFF COSTS

No Directors received any remuneration during the year in respect of their services to the Company (2012 € nil). The Company had no employees during either the previous or current year

10. ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling party of the Group is DH Publishing L.P., a partnership registered in the Cayman Islands.

The immediate parent of the Company is BW Publishing Ltd, a company registered in England and Wales

The parent undertaking of the largest and smallest group to consolidate these financial statements is DH Publishing L P.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. ULTIMATE PARENT COMPANY (continued)

The address from which the financial statements can be requested is DH Publishing L.P , 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands.

11. AUDITOR'S REMUNERATION

The auditor's remuneration is borne by an intermediate parent undertaking DH Publishing L P and is as follows:

	2013	2012
	€000	€000
Audit of the financial statements	-	-

Amounts receivable by the Company's auditors and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of EMI Music Publishing Limited

12. TERMS OF INTERCOMPANY BALANCES

Loans to and from fellow Group undertakings and the parent undertaking are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis.

13. CHANGE OF OWNERSHIP

On 11 November 2011, Citigroup signed definitive agreements to sell its Recorded Music business to Universal Music Group and Music Publishing business to an investor Group that comprised primarily of Sony Corporation of America, the Estate of Michael Jackson, Mubadala Development Company PJSC, Jynwel Capital Limited, and the Blackstone Group's GSO Capital Partners LP (the 'Investor Group'). The agreements did not take effect until clearance was received from various Competition authorities and other conditions were met. The Music Publishing business sale completed on 29 June 2012.