

Supplementary written evidence submitted by Warner Music UK

12 February 2021

Dr Conor Durham
Digital and Technology Specialist
Digital, Culture, Media and Sport Committee

RE: INQUIRY ON THE ECONOMICS OF MUSIC STREAMING

Dear Dr Durham,

I appreciate this opportunity to participate on behalf of Warner Music UK in the Digital, Culture, Media and Sport (DCMS) Committee's inquiry into the economics of streaming.

Warner Music UK Limited (WMUK) is a wholly owned subsidiary of Warner Music Group Corp. (WMG), one of the world's leading music entertainment companies. At WMUK, we are proud to be strategic partners with our artists and to help them realise their creative vision. In an increasingly complex environment, labels like ours have the scale and reach to break through the noise and build long-term careers. We invest significant time and resources in a wide portfolio of artists, sometimes working with them for years before their careers blossom. Record labels are the primary investors in new artists and we bear the risk associated with that investment.

Streaming, which did not exist in a commercially meaningful way a decade ago, helped the recorded music industry return to growth following 15 years of decline and is now the preferred way that consumers access and interact with their favourite music. Streaming allows a new generation of young, diverse artists to reach an equally diverse, global audience. Unfortunately, while we want all of our artists to succeed, in an environment where more than 40,000 new tracks are uploaded to digital services like Spotify daily to add to a universe of 60,000,000 tracks, many will not be commercially successful, even if they become critically acclaimed.

Streaming is still a nascent model that continues to evolve rapidly. Private contractual negotiations offer an efficient approach to address issues as they emerge. Our interests are completely aligned with those of our artists as we constantly strive to optimise our licensing deals with existing digital services and seek new, innovative opportunities to license our catalogue. Binding the industry's hands through static regulation – which could never evolve as fast as the technology – would limit our ability to find the most effective solutions to ongoing concerns.

The UK has a vibrant, well-functioning music market which has propelled it to become the second largest music exporter in the world after the US. As the UK asserts its international independence post-Brexit, British artists are among this country's greatest ambassadors. These are the best ways for the Government to support the continued growth of the British music sector and to ensure that the UK remains an attractive market to invest in music:

- Limit 'safe harbour' protections from liability for copyright infringements for User Upload Content (UUC) platforms (like YouTube) that result in undervaluing content
- Implement a 'notice and stay-down' requirement for platforms to ensure that infringing material does not reappear after being flagged and taken down
- Require platforms to implement 'know your business customer' provisions to enhance transparency and facilitate enforcement against infringers
- Support enforcement efforts to combat newer forms of piracy, such as stream ripping
- Establish a Government-backed COVID-19 reinsurance or indemnity scheme to give the live music sector the protection it needs from fluctuating lockdown measures that can be implemented with little or no notice
- Expand the 'Music Export Growth Scheme', particularly given increased costs post-Brexit for artists who tour in the EU, and ensure visa-free travel for UK artists to tour the EU
- Champion strong copyright provisions in free trade agreements that the UK is now negotiating, including with the US
- Extend the term of copyright protection for sound recordings to the US term of 95 years rather than the EU term of 70 years

As you continue your inquiry, I am pleased to provide the following additional clarifications and responses to the questions you sent following the oral evidence session at which I appeared on 19 January 2021:

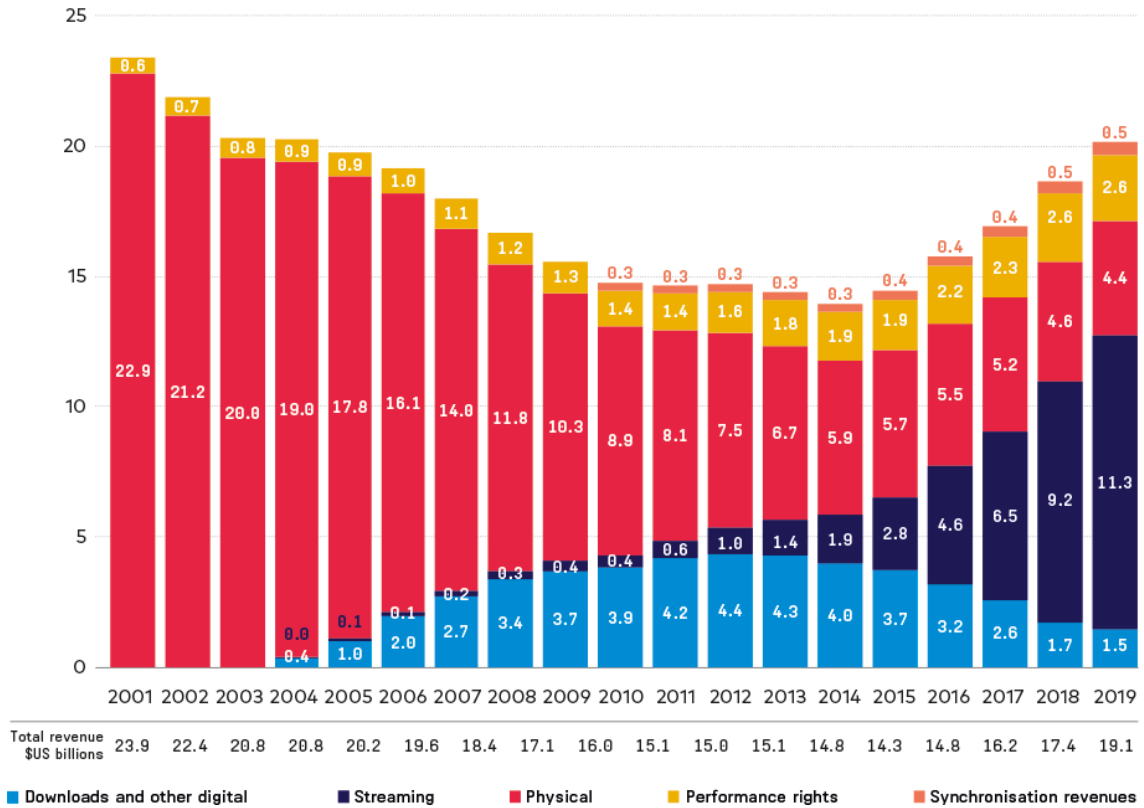
1. Please explain precisely why streaming should be classified as 'making available'.

According to Article 14 of the *WIPO Performances and Phonograms Treaty (WPPT)* regarding the Right of Making Available of Phonograms, to which the UK is a signatory, ***'Producers of phonograms shall enjoy the exclusive right of authorizing the making available to the public of their phonograms, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.'*** (Emphasis added)

Because of its interactive nature, streaming clearly falls within the definition of the 'making available' right. From the perspective of the user's experience, the making available right is essentially the internet age form of what was previously a sale. An individual listener can choose what to play, when to play it, skip forward or replay, create their own curated playlists, indicate whether they like a particular track (which in turn informs algorithmically generated playlists based on the listener's listening history), and retrieve album or artist information and credits on demand. Most premium streaming services allow their users to download tracks to their own devices to listen while not connected to the internet. None of these interactions are possible via broadcast where every listener hears the same track at the same time with no possibility for individual selection of or interaction with the content.

Commercially, streaming is substitutable for and has largely replaced physical goods and downloads. Listeners today prefer to access music through streaming rather than through physical CDs. Globally, according to IFPI research, 89% of listeners access music through on-demand streaming services, and smartphones are now the preferred device among young people (16-24 years old) to listen to music. As the global recorded music revenue chart from IFPI below shows, the pattern of music consumption over the last 20 years has shifted away from CD sales to downloads and now streaming:

Global Recorded Music Industry Revenues 2001-2019 (US\$ Billions)



Source: IFPI

With an exclusive right such as streaming, the rightsholder can determine whether and under what conditions the work may be used, including the right to refuse to make the work available. Licensing terms for ‘making available’ rights are subject to individual commercial negotiations that are not possible with mere remuneration rights. Because rightsholders can refuse to license their content, licences are agreed at market rates as determined by the parties and the rates tend to be higher than for collectively managed remuneration rights such as in broadcasting.

2. How many streams would you estimate that an artist on an advance and royalty deal would have to achieve in order to earn £1 in net profit, assuming royalty rates of 20%, 25% and 30% (given that these were the figures cited in oral evidence as the typical lower, median and upper rates)? How much revenue would these streams equate to, and how much would be earned by the label?

First, there is no advance specified in this example. In a traditional recording contract, the artist receives an advance, which is a pre-payment of future royalties. Contrary to the scenario offered by the Rt Hon Kevin Brennan (ref: Q310-Q313) and to the implication of this question, artists make a net profit the moment they sign, well before the label either recoups its investment or makes any return. Advances are recoupable, but if an artist’s recordings do not generate

sufficient royalties to recoup, which happens in the majority of cases, the artist keeps the advance and label takes the loss. In the recorded music industry, there is no ‘royalty claw back’ as suggested by the Chairman (ref: Q260).

The number of streams required to generate £1 of royalties for an artist depends on the terms of the licensing deals between the label and the digital service and the terms of the recording contract with the artist. As explained during the session, the revenue generated from a paid subscription service, like Spotify or Apple Music, is significantly greater than the revenue generated from ad-supported digital services like YouTube. Benchmarking against rates from a typical subscription-based service, we could roughly estimate:

Estimated Streams and Revenue Break-down Based on Paid Subscription Service

Artist Royalty	Number of Streams	Revenue to Artist	Revenue to Label	Net Profit to Label
20%	XXXX	£1.00	£4.00	XXXX
25%	XXXX	£1.00	£3.00	XXXX
30%	XXXX	£1.00	£2.33	XXXX

Recall that royalties from streaming are consumption based, different to royalties from CDs where the artist receives a royalty when the CD is sold irrespective of the number of times it is played. With streaming, artists accrue royalties from millions or tens of millions of streams over a longer period of time – indeed, for the entire term of copyright – each time their music is played.

Finally, a million streams sound like a lot, but not when streaming volume is measured in trillions. In 2015, XXXX artists signed to WMUK achieved one million or more streams. By 2020, XXXX WMUK artists achieved that benchmark – more than a three-fold increase – and more than XXXX of our artists achieved 100 million streams or more.

3. Please provide a breakdown of types of costs and relative proportions that comprise A&R spend. Within your answer, please provide information on what proportion of this cost is spent on royalties, advances, production costs and ancillary costs (such as A&R staff costs) each year.

Summary of WMUK’s A&R Investment, Fiscal Year 2020

Purpose	% of A&R Investment	Notes
Advances	XXX%	Advances are recoupable but are not returned to the label if an artist’s works do not generate sufficient revenues to recoup. The label bears the entire risk.
Video Production	XXX%	Typically, video production costs are recoupable, but no more than XXX% of such costs are recoupable from audio income.
Recording Costs	XXX%	Includes recording costs, producer costs, studio hire.

Purpose	% of A&R Investment	Notes
Consultant Royalty Advances	XXX%	Advances paid to A&R consultants (e.g., certain producers, sound engineers, or others) who are paid on a royalty basis. These advances are recouped against the consultants' royalty earnings, not the artist's royalty earnings.
TV Advertising	XXX%	Typically, XXX% of TV advertising costs is recoupable. The remaining XXX% is non-recoupable and captured within our marketing/promotion costs (not A&R).
Other	XXX%	Includes tour support and other adjustments.

Apart from A&R investments, there are many other costs that the label incurs that are not recoupable, some of which are mentioned in the table above. Physical production costs, distribution (physical and digital), product design, and promotional and marketing costs are non-recoupable. For example, it can be as much as £375,000 to produce a performance for the BRITs or £25,000-50,000 to support an appearance on a UK television programme such as *The Graham Norton Show*. In our fiscal year ending 30 September 2020, WMUK non-recoupable promotional and marketing costs were more than XXX% of A&R investment.

4. Across your repertoire, what production costs have been negotiated as recoupable by you against an artists' portion of revenue in both advance and royalty deals or profit share deals?

The costs described as A&R investments in the table above are recoupable in both royalty deals and profit share deals. In royalty deals they are recouped from artist royalties. In profit share deals, all costs (A&R investment, the non-recoupable costs detailed above and certain overhead and distribution costs) are an expense in the calculation of profits. Profits are shared with the artist in accordance with the terms of the recording contract, generally on a 50:50 basis.

5. What proportion of your current annual income is comprised of recoupments?

None. Our annual income comes predominantly from licensing our music and from the sale of physical goods. In line with US GAAP standards, recoupments do not generate income nor fund our P&L, but rather are a recovery of previously incurred expenses (e.g., advances).

As disclosed in WMG's Form 10-K, in our fiscal year ending 30 September 2020, royalty advances for recorded music and music publishing that WMG expected to be recouped within one year were \$220 million. We estimate that approximately \$XXX million (XXX%) of that amount relates to recorded music. In our fiscal year ending 30 September 2020, WMG's global recorded music revenues were \$3,810 million.

6. Given that advances are recouped from royalties, do you deduct these totals from your A&R costs each year? If not, how much of your yearly income is comprised of recoupments against historic advances?

No, recoupment does not affect our A&R costs, which represent our investment in artists. As mentioned above, recoupments are not recognised as income but rather are a recovery of previously incurred expenses (e.g., advances).

7. What proportion of your current repertoire has been up-streamed from other labels, brands, distributors, etc, and what proportion of this are from brands, subsidiaries, distributors, etc that your company or your parent companies own?

We are unable to provide a meaningful answer to this question as we do not keep a record of the source of our repertoire.

8. How many artists in your repertoire have reobtained or recaptured their rights in the US (either by exercising their rights under the relevant Copyright Act or have otherwise negotiated to do so by any available means)? Can you contrast these figures to the number of artists in your repertoire who have reobtained or recaptured their rights in the UK?

To date, XXX of the approximately XXX artists whose works we exploit in the US and were potentially eligible for termination have recaptured those rights. A further XXX artists who have sent termination notices have assigned their US rights to us for a term that is less than life of copyright and will recapture their US rights upon expiration of that assignment. None of those XXX artists are from the UK. This very low number, XXX, is indicative that, after partnering with WMG, the vast majority of artists believe that continuing to work with WMG represents the best way to maximise the commercial exploitation of their recordings.

There is no equivalent legislation in the UK setting out a procedure for artists to reacquire their UK rights.

9. Do all your deals with artists cover 'life of copyright' or are some time-limited? If the latter, what proportion (of the rights you currently own) are time limited, and what is the typical length of time negotiated?

Some artists enter into recording contracts that assign their copyrights to the label for a fixed term that is less than the life of copyright. Our recording contracts in the UK typically include the assignment of copyright to us for the life of copyright. However, that model has been changing over the past several years and currently XXXX XXXXX XXX XXXXX, around XXX% of contracts signed in fiscal 2020, are long-term licences that are shorter than life of copyright, generally for a period ending XXXX XXXXX XXX XXXXXX.

10. Evidence from PPL argued that the Momentum Fund 'is actually funded by the performer side'. How much is contributed to the Momentum Fund by record labels from your side (i.e. not the performers' side) of unallocated funds?

WMUK did not contribute to the PPL Momentum Fund operated by the charity PRS Foundation. However, we made many other contributions to support the UK music community in the last year. For example, we contributed to the *Help Musicians Coronavirus Hardship Fund*, Music

Venue Trust, Stagehand, Nordoff Robbins and Music Support. In addition to those charitable contributions, we have taken steps to ensure that our artists who might need additional support from us during this period are receiving it. For example, in summer 2020, we initiated a pilot programme in the UK to offer mental health support to our artists.

11. In evidence, alternate forms of DSP business model were alluded to but not mentioned explicitly. Can you clarify whether your companies support user centric payment systems, and if not, what alternative payment systems were being alluded to?

We have explored the concept of a user-centric model and have frequent conversations with digital services about it. It is always our goal to ensure that any business model implemented is reliable, fair, transparent, and underpinned by accurate data for artists and rightsholders. A user-centric model would not change the overall royalty pool and our analysis suggests that any changes in the allocation of payments to artists would not be significant.

A user-centric model would be far more complex and administratively burdensome for digital services to implement as it would require a tremendous amount of data – it is likely that digital services would want to pass off some of the associated costs to rightsholders and therefore to artists. In addition, implementing a user-centric model would be very difficult because it would require all of the licensors to a digital service to modify their licence agreements.

The Committee may be aware that on 27 January 2021, the *Centre National de la Musique* in Paris published the results of its study of the user-centric model which was inconclusive as to whether it would be more efficient or fairer than the current model. The study found that ‘beyond the 10,000th most streamed artists, all musical genres combined, the impact of the transition to the [user-centric model] would be a maximum of a few euros per year on average per artist’. The study also acknowledged the significant costs involved, which smaller digital services may not be able to absorb.

12. If Deezer or Soundcloud introduced user-centric payments, would you withdraw your licences from the services?

A digital service could not unilaterally introduce a user-centric model. As mentioned above, it would require all of the licensors to a digital service to modify their licence agreements.

13. What would you say to those who are concerned that the various shareholding arrangements between Spotify, your companies and your parent companies might lead to anti-competitive influences, such as when it comes to licensing, playlisting, etc?

WMG does not currently have an equity stake in Spotify nor does Spotify have an equity stake in WMG. There is no conflict of interest or anti-competitive influence. We did acquire an equity stake in Spotify in 2008 which we sold in 2018. We shared the proceeds of that sale with our artists as if it were revenue from our licence agreement with Spotify. When we held an equity stake in Spotify it had no influence on our behaviour and it did not appear to have any influence on Spotify’s behaviour.

14. In oral evidence, Mr Harlow told Kevin Brennan MP that life of copyright in the UK was fifty years. Do you wish to make a point of clarification on this?

With apologies, I stand corrected. The term of copyright in the UK for sound recordings is 70 years.

In addition, I would like to provide the following additional clarifications for the record:

- **Additional clarification regarding the assertion that WMG pays more in dividends than we invest in A&R (ref: Q297-298)**

The Rt Hon John Nicolson referenced page 51 of a WMG report that allegedly indicated that in our fiscal year ending 30 September 2020, WMG paid \$3,840 million in dividends and invested \$1,178 million in A&R. It is not clear what report Mr Nicolson was referring to; however, it is inaccurate to suggest that WMG spends 'more on dividends than on A&R' (ref: Q297).

WMG's financial reports are publicly disclosed and available to the Committee on our website (<https://investors.wmg.com/financial-information/sec-filings>). From WMG's Form 10-K for the fiscal year ending 30 September 2020, WMG paid a total of \$344 million in dividends and invested a total of \$1,560 million in A&R.

It is further inaccurate to suggest that because we '...are paying out as a percentage so much in dividends rather than for A&R and developing people, a lot of that money goes abroad... [Y]ou are actually taking money out of the country and out of this industry; it is not supporting the UK and UK musicians' (ref: Q298). WMG pays dividends to its shareholders in the US, the UK or wherever those shareholders reside.

More importantly, our commitment to the UK is strong and unwavering. We are proud to be home to recordings from fantastic British artists such as Pink Floyd, David Bowie, Fleetwood Mac, Kate Bush, Led Zeppelin, New Order, Pet Shop Boys, Phil Collins, Simply Red and The Smiths. Some of today's biggest British stars, including Coldplay, Dua Lipa and Ed Sheeran are signed to us, as are hot rising talent like Griff, Maisie Peters and Pa Salieu. As a company with global reach, we are able to introduce UK talent to the rest of the world. WMUK's continuing commitment to support UK musicians is evidenced by our investment in A&R, which increased by 68% between 2015 and 2020.

As of 1 January 2021, WMG companies had 676 employees in the UK – our second-largest employee population after the US – none of whom were furloughed during the COVID-19 pandemic. Further, many of our international executives and operations are based from our London office, including Simon Robson, President, International, Warner Recorded Music, and much of his team.

- **Additional clarification regarding UK tax incentives and ‘Music Export Growth Scheme’**

During the oral evidence session of 4 February 2021, the Rt Hon Alex Davies-Jones asked the witnesses whether they thought that ‘...the British Government should stop giving tax breaks and taxpayer support to those big, profitable, foreign-owned corporations wherever they can?’ (ref: Q395). In an apparent reference to the major labels that testified on 19 January, Ms Davies-Jones stated that she ‘...would rather that [UK] taxpayers’ money is going to support local British artists and independent, British organisations rather than those big California companies on the west coast in the sunshine’ (ref: Q398).

For clarity, the ‘Music Export Growth Scheme’, which WMUK encourages the UK Government to expand to support British artists, is available to UK-based music companies with annual gross revenues of less than €50 million and fewer than 250 employees. Notwithstanding our support for the scheme, WMUK is ineligible to apply for support from it and, indeed, neither WMG nor WMUK is a beneficiary of the Music Export Growth Scheme.

Further, contrary to the assertion that UK ‘...Government funding is benefiting shareholders abroad’ (ref: Q397), no WMG company in the UK, including WMUK, benefits from UK tax incentives. For full transparency, in 2018, WMUK submitted a claim for a film tax credit in respect of a documentary film project. In that case, the UK Department for Digital, Culture, Media and Sport (DCMS) reviewed the project and determined that it qualified as a British film.

During WMG’s fiscal year ending 30 September 2020, WMG contributed £43 million in tax to the UK, including income tax, national insurance and corporation tax.

- **Transparency and information we provide to our artists through our royalty statements**

Finally, we are committed to sharing data with our artists. We receive data sets from hundreds of digital services with thousands of lines of data that we synthesise and analyse. We provide a tremendous amount of information to our artists regarding their royalty statements through our online royalty platform, which our artists may access at any time. Our artist accountings are quite comprehensive. We have not received requests from WMG artists for more information; in fact, we sometimes receive complaints that we provide too much information. I have included a sample royalty earnings summary statement in case it might be of interest or useful to the Committee.

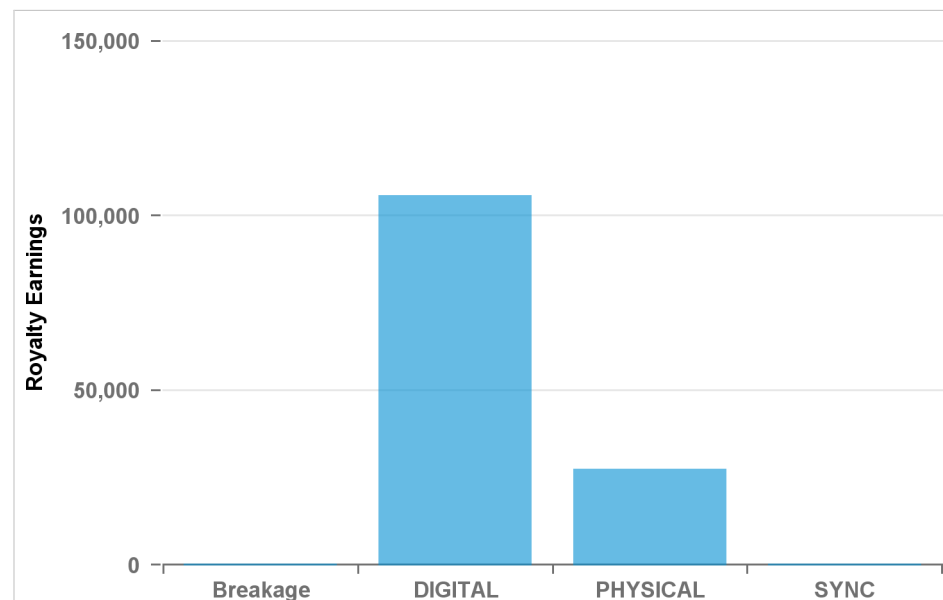
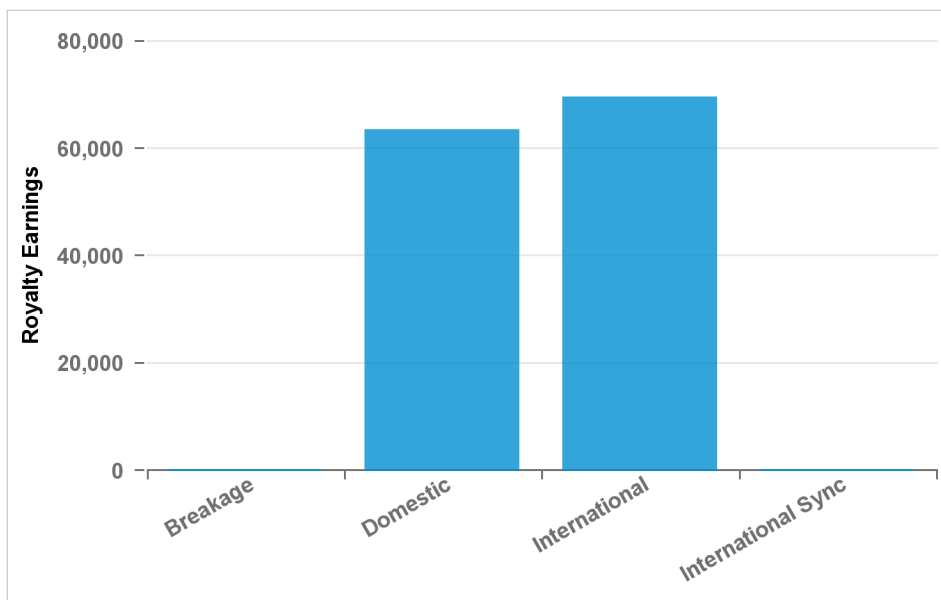
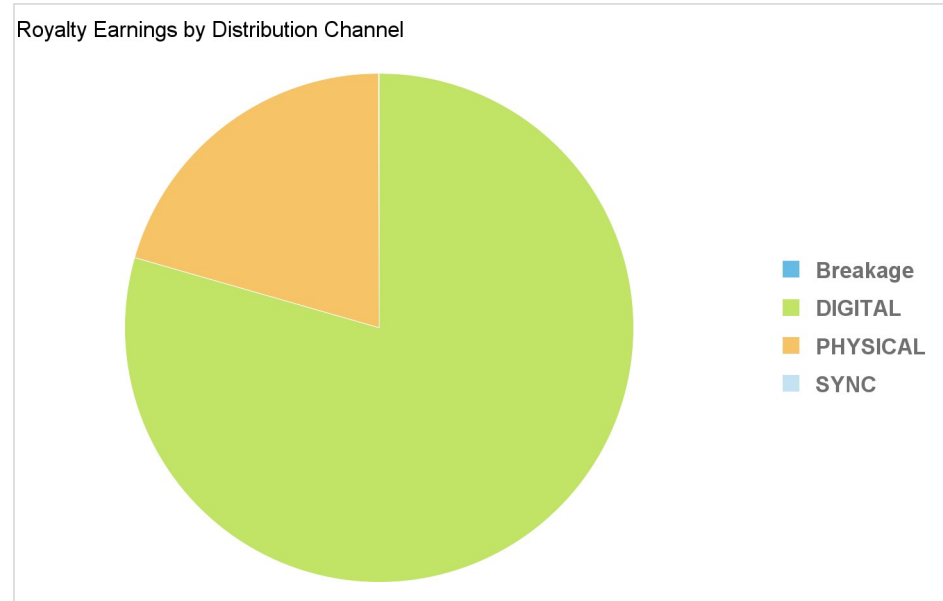
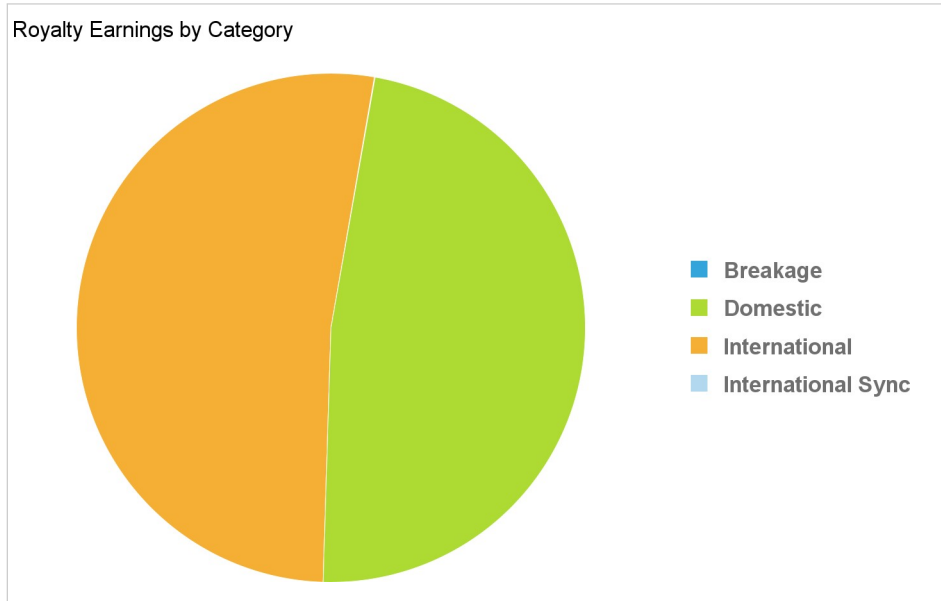
Again, thank you for the opportunity to contribute to this inquiry. I hope that my input is helpful to the Committee as it considers policy options to ensure that the UK remains a highly desirable market to invest in music and British artists. Please let me know if I can provide any additional information.

Best wishes,

Tony Harlow
CEO, Warner Music UK

Earnings By Category	Royalty Earnings (£)	% of Earnings
Breakage	1.51	0.00%
Domestic	63,376.20	47.71%
International	69,393.93	52.24%
International Sync	58.59	0.04%
Total	132,830.22	

Earnings By Distribution Channel	Royalty Earnings (£)	% of Earnings
Breakage	1.51	0.00%
DIGITAL	105,525.07	79.44%
PHYSICAL	27,245.06	20.51%
SYNC	58.59	0.04%
Total	132,830.22	



<Artist Name>

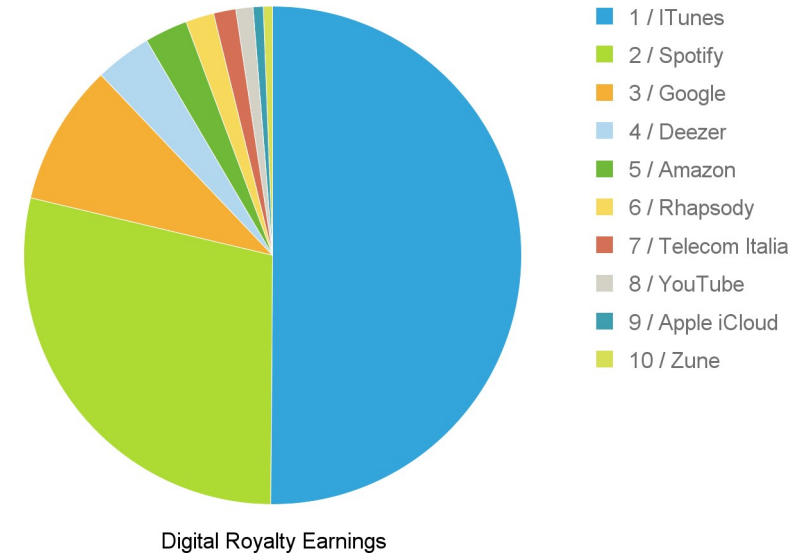


Statement Period: <From Date> - <To Date>

Top 10 Digital Providers

	Download (inc. Mobile)		Stream		Total Digital	
	Earnings (£)	Earnings %	Earnings (£)	Earnings %	Earnings (£)	Earnings %
1 iTunes	51,390.39	48.70	74.36	0.07	51,464.75	48.77
2 Spotify			29,354.70	27.82	29,354.70	27.82
3 Google	8,107.11	7.68	1,312.42	1.24	9,419.53	8.93
4 Deezer			3,764.60	3.57	3,764.60	3.57
5 Amazon	2,825.56	2.68	39.42	0.04	2,864.98	2.71
6 Rhapsody			1,890.35	1.79	1,890.35	1.79
7 Telecom Italia	1.79	0.00	1,481.53	1.40	1,483.32	1.41
8 YouTube			1,144.35	1.08	1,144.35	1.08
9 Apple iCloud			679.65	0.64	679.65	0.64
10 Zune	86.49	0.08	532.80	0.50	619.29	0.59
Top 10 Digital Providers	62,411.34	59.14	40,274.18	38.16	102,685.52	97.31
Other Digital Providers	370.80	0.35	2,470.25	2.34	2,841.05	2.69
Total	62,782.14	59.49	42,744.44	40.51	105,526.58	100.00

Top 10 Digital Providers



Top 5 Digital Providers / Top 10 Territories

	iTunes		Spotify		Google		Deezer		Amazon		Top 5 Digital Providers	Other Digital Providers	Breakage	Territory Total
	Download (inc. Mobile) (£)	Stream (£)	Download (inc. Mobile) (£)	Stream (£)	Download (inc. Mobile) (£)	Stream (£)	Download (inc. Mobile) (£)	Stream (£)	Download (inc. Mobile) (£)	Stream (£)	Digital Excl Breakage (£)	Digital Excl Breakage (£)	(£)	All Digital (£)
1 GREAT BRITAIN	30,054.70			14,761.43	7,248.00	783.58		2,593.24	1,803.70	29.40	57,274.05	3,401.84		60,675.89
2 USA - WARNER BROS	8,504.06	38.19		2,498.98	204.72	220.86			692.20	8.73	12,167.74	835.18		13,002.92
3 NETHERLANDS	1,483.81			3,042.34	44.41	32.14		360.73			4,963.43	105.51		5,068.94
4 CENTRAL EUROPE	2,189.66			1,606.14	144.97	59.11		78.00	273.89	0.94	4,352.71	576.03		4,928.74
5 AUSTRALIA	2,730.88			715.71	146.43	31.54		3.18			3,627.74	157.51		3,785.25
6 ITALY	1,299.92			990.14	119.24	33.47		52.51	24.74	0.12	2,520.15	1,697.64		4,217.79
7 IRELAND	895.38			668.37	78.16	37.15		16.52			1,695.58	95.55		1,791.13
8 CANADA	1,514.90	14.92		48.06	38.28	31.48		6.76			1,654.41	151.89		1,806.30
9 SWEDEN	26.69			1,459.91	0.09	4.11		1.78			1,492.57	37.42		1,529.98
10 FRANCE	530.46	16.52		277.48	32.58	17.26		462.54	28.54	0.20	1,365.58	307.43		1,673.02
Top 10 Territories	49,230.46	69.63		26,068.57	8,056.88	1,250.70		3,575.25	2,823.08	39.39	91,113.96	7,366.00		98,479.96
Other Territories	2,159.94	4.73		3,286.13	50.22	61.72		189.35	2.49	0.03	5,754.61	1,290.50	1.51	7,046.62
Total	51,390.39	74.36		29,354.70	8,107.11	1,312.42		3,764.60	2,825.56	39.42	96,868.57	8,656.50	1.51	105,526.58

<Artist Name>



Statement Period: <From Date> - <To Date>

Top 10 Territories in Top 10 Digital Providers

Download (inc. Mobile)		Stream		Breakage		Total Digital	
Earnings (£)	Earnings %	Earnings (£)	Earnings %	(£)	Breakage %	Earnings (£)	Earnings %

1: iTunes								
1	GREAT BRITAIN	30,054.70	28.48				30,054.70	28.48
2	USA - WARNER BROS	8,504.06	8.06	38.19	0.04		8,542.25	8.09
3	AUSTRALIA	2,730.88	2.59				2,730.88	2.59
4	CENTRAL EUROPE	2,189.66	2.07				2,189.66	2.07
5	CANADA	1,514.90	1.44	14.92	0.01		1,529.82	1.45
6	NETHERLANDS	1,483.81	1.41				1,483.81	1.41
7	ITALY	1,299.92	1.23				1,299.92	1.23
8	IRELAND	895.38	0.85				895.38	0.85
9	BELGIUM	565.81	0.54				565.81	0.54
10	FRANCE	530.46	0.50	16.52	0.02		546.98	0.52
Top 10 Territories		49,769.58	47.16	69.63	0.07		49,839.21	47.23
Other Territories		1,620.81	1.54	4.73	0.00		1,625.54	1.54
Digital Provider Total		51,390.39	48.70	74.36	0.07		51,464.75	48.77

2: Spotify								
1	GREAT BRITAIN			14,761.43	13.99		14,761.43	13.99
2	NETHERLANDS			3,042.34	2.88		3,042.34	2.88
3	USA - WARNER BROS			2,498.98	2.37		2,498.98	2.37
4	CENTRAL EUROPE			1,606.14	1.52		1,606.14	1.52
5	SWEDEN			1,459.91	1.38		1,459.91	1.38
6	ITALY			990.14	0.94		990.14	0.94
7	NORWAY			971.75	0.92		971.75	0.92
8	AUSTRALIA			715.71	0.68		715.71	0.68
9	IRELAND			668.37	0.63		668.37	0.63
10	SPAIN			666.12	0.63		666.12	0.63
Top 10 Territories				27,380.89	25.95		27,380.89	25.95
Other Territories				1,973.80	1.87		1,973.80	1.87
Digital Provider Total				29,354.70	27.82		29,354.70	27.82

3: Google								
1	GREAT BRITAIN	7,248.00	6.87	783.58	0.74		8,031.59	7.61
2	USA - WARNER BROS	204.72	0.19	220.86	0.21		425.57	0.40
3	CENTRAL EUROPE	144.97	0.14	59.11	0.06		204.08	0.19
4	AUSTRALIA	146.43	0.14	31.54	0.03		177.97	0.17
5	ITALY	119.24	0.11	33.47	0.03		152.72	0.14
6	IRELAND	78.16	0.07	37.15	0.04		115.31	0.11
7	NETHERLANDS	44.41	0.04	32.14	0.03		76.55	0.07
8	CANADA	38.28	0.04	31.48	0.03		69.76	0.07
9	FRANCE	32.58	0.03	17.26	0.02		49.84	0.05
10	BELGIUM	13.65	0.01	11.66	0.01		25.30	0.02
Top 10 Territories		8,070.44	7.65	1,258.25	1.19		9,328.69	8.84
Other Territories		36.67	0.03	54.17	0.05		90.84	0.09
Digital Provider Total		8,107.11	7.68	1,312.42	1.24		9,419.53	8.93

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Top 10 Territories in Top 10 Digital Providers

Download (inc. Mobile)		Stream		Breakage		Total Digital	
Earnings (£)	Earnings %	Earnings (£)	Earnings %	(£)	Breakage %	Earnings (£)	Earnings %

4: Deezer								
1	GREAT BRITAIN			2,593.24	2.46		2,593.24	2.46
2	FRANCE			462.54	0.44		462.54	0.44
3	NETHERLANDS			360.73	0.34		360.73	0.34
4	CENTRAL EUROPE			78.00	0.07		78.00	0.07
5	EASTERN EUROPE			58.54	0.06		58.54	0.06
6	ITALY			52.51	0.05		52.51	0.05
7	BELGIUM			25.01	0.02		25.01	0.02
8	BRAZIL			23.58	0.02		23.58	0.02
9	IRELAND			16.52	0.02		16.52	0.02
10	COLOMBIA			13.05	0.01		13.05	0.01
Top 10 Territories				3,683.72	3.49		3,683.72	3.49
Other Territories				80.89	0.08		80.89	0.08
Digital Provider Total				3,764.60	3.57		3,764.60	3.57

5: Amazon								
1	GREAT BRITAIN	1,803.70	1.71	29.40	0.03		1,833.10	1.74
2	USA - WARNER BROS	692.20	0.66	8.73	0.01		700.93	0.66
3	CENTRAL EUROPE	273.89	0.26	0.94	0.00		274.83	0.26
4	FRANCE	28.54	0.03	0.20	0.00		28.74	0.03
5	ITALY	24.74	0.02	0.12	0.00		24.86	0.02
6	SPAIN	2.23	0.00	0.03	0.00		2.25	0.00
7	JAPAN	0.26	0.00				0.26	0.00
Top 10 Territories		2,825.56	2.68	39.42	0.04		2,864.98	2.71
Other Territories		0.00	0.00	0.00	0.00		0.00	0.00
Digital Provider Total		2,825.56	2.68	39.42	0.04		2,864.98	2.71

6: Rhapsody								
1	GREAT BRITAIN			1,202.01	1.14		1,202.01	1.14
2	CENTRAL EUROPE			291.69	0.28		291.69	0.28
3	FRANCE			184.54	0.17		184.54	0.17
4	USA - WARNER BROS			142.34	0.13		142.34	0.13
5	BRAZIL			22.99	0.02		22.99	0.02
6	ITALY			18.15	0.02		18.15	0.02
7	SPAIN			13.43	0.01		13.43	0.01
8	GREECE			7.56	0.01		7.56	0.01
9	IRELAND			2.84	0.00		2.84	0.00
10	NETHERLANDS			1.84	0.00		1.84	0.00
Top 10 Territories				1,887.38	1.79		1,887.38	1.79
Other Territories				2.97	0.00		2.97	0.00
Digital Provider Total				1,890.35	1.79		1,890.35	1.79

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Top 10 Territories in Top 10 Digital Providers

Download (inc. Mobile)		Stream		Breakage		Total Digital	
Earnings (£)	Earnings %	Earnings (£)	Earnings %	(£)	Breakage %	Earnings (£)	Earnings %

7: Telecom Italia								
1	ITALY	1.79	0.00	1,481.53	1.40		1,483.32	1.41
Top 10 Territories		1.79	0.00	1,481.53	1.40		1,483.32	1.41
Other Territories		0.00	0.00	0.00	0.00		0.00	0.00
Digital Provider Total		1.79	0.00	1,481.53	1.40		1,483.32	1.41

8: YouTube								
1	GREAT BRITAIN			473.47	0.45		473.47	0.45
2	POLAND			124.90	0.12		124.90	0.12
3	USA - WARNER BROS			96.72	0.09		96.72	0.09
4	ITALY			95.04	0.09		95.04	0.09
5	WEA NON-AFFILIATE DIGITAL			74.74	0.07		74.74	0.07
6	FRANCE			57.86	0.05		57.86	0.05
7	CENTRAL EUROPE			39.28	0.04		39.28	0.04
8	NETHERLANDS			31.99	0.03		31.99	0.03
9	CANADA			27.77	0.03		27.77	0.03
10	IRELAND			22.61	0.02		22.61	0.02
Top 10 Territories				1,044.39	0.99		1,044.39	0.99
Other Territories				99.96	0.09		99.96	0.09
Digital Provider Total				1,144.35	1.08		1,144.35	1.08

9: Apple iCloud								
1	GREAT BRITAIN			544.23	0.52		544.23	0.52
2	CENTRAL EUROPE			47.87	0.05		47.87	0.05
3	IRELAND			21.14	0.02		21.14	0.02
4	NETHERLANDS			17.96	0.02		17.96	0.02
5	AUSTRALIA			16.60	0.02		16.60	0.02
6	ITALY			12.87	0.01		12.87	0.01
7	BELGIUM			5.95	0.01		5.95	0.01
8	SPAIN			2.74	0.00		2.74	0.00
9	WARNER MUSIC (GALLO)			1.33	0.00		1.33	0.00
10	BRAZIL			1.31	0.00		1.31	0.00
Top 10 Territories				672.02	0.64		672.02	0.64
Other Territories				7.63	0.01		7.63	0.01
Digital Provider Total				679.65	0.64		679.65	0.64

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Top 10 Territories in Top 10 Digital Providers

Download (inc. Mobile)		Stream		Breakage		Total Digital	
Earnings (£)	Earnings %	Earnings (£)	Earnings %	(£)	Breakage %	Earnings (£)	Earnings %

10: Zune								
1	GREAT BRITAIN	66.17	0.06	417.29	0.40		483.46	0.46
2	CENTRAL EUROPE	7.44	0.01	20.13	0.02		27.57	0.03
3	IRELAND	1.32	0.00	22.15	0.02		23.47	0.02
4	CANADA	2.16	0.00	18.20	0.02		20.37	0.02
5	AUSTRALIA	0.48	0.00	16.93	0.02		17.40	0.02
6	FRANCE	1.47	0.00	11.37	0.01		12.84	0.01
7	ITALY	4.23	0.00	6.55	0.01		10.78	0.01
8	NETHERLANDS	0.21	0.00	9.43	0.01		9.64	0.01
9	BELGIUM	3.01	0.00	1.14	0.00		4.15	0.00
10	BRAZIL			2.06	0.00		2.06	0.00
Top 10 Territories		86.49	0.08	525.26	0.50		611.75	0.58
Other Territories		0.00	0.00	7.54	0.01		7.54	0.01
Digital Provider Total		86.49	0.08	532.80	0.50		619.29	0.59

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Top 20 Tracks / Top 5 Territories

Earnings

		GREAT BRITAIN		USA - WARNER BROS		NETHERLANDS		ITALY		CENTRAL EUROPE		Top 5 Territories Total	Other Territories Total	Breakage	Track Total
		Download (Inc. Mobile) (£)	Streams (£)	Download (Inc. Mobile) (£)	Streams (£)	Download (Inc. Mobile) (£)	Streams (£)	Download (Inc. Mobile) (£)	Streams (£)	Download (Inc. Mobile) (£)	Streams (£)	Digital Excl Breakage (£)	Digital Excl Breakage (£)	(£)	All Digital (£)
1	Top Track 1	1,233.59	2,046.60	325.18	341.43	293.58	749.18	49.54	126.37	91.46	154.23	5,411.15	1,014.30		6,425.45
2	Top Track 2	522.10	1,221.67	514.92	443.06	16.88	254.91	62.20	151.95	107.02	331.42	3,626.13	1,142.76		4,768.89
3	Top Track 3	796.34	1,696.76	170.33	113.09	11.88	207.81	35.13	552.39	96.84	121.98	3,802.56	774.45		4,577.01
4	Top Track 4	262.45	942.51	1,172.04	297.57	23.24	181.67	35.19	209.31	41.44	83.37	3,248.79	633.91		3,882.70
5	Top Track 5	28.49	1,211.03	364.65	289.07	0.35	156.43	2.64	74.76	2.32	159.48	2,289.22	732.47		3,021.69
6	Top Track 6	543.63	945.62	92.41	170.08	6.47	93.49	87.11	150.24	80.25	119.89	2,289.17	732.00		3,021.17
7	Top Track 7	342.87	856.21	70.16	203.51	5.90	101.80	13.89	94.66	40.36	123.52	1,852.88	601.18		2,454.07
8	Top Track 8	787.54	917.06	65.71	100.88	1.95	51.35	9.91	15.62	9.09	45.06	2,004.17	430.08		2,434.26
9	Top Track 9	171.54	840.63	105.11	117.32	11.06	162.98	15.06	102.53	19.16	67.44	1,612.84	550.53		2,163.36
10	Top Track 10	329.53	878.20	130.42	112.19	6.72	127.99	8.45	95.54	15.26	55.95	1,760.24	325.29		2,085.54
11	Top Track 11	99.97	425.50	36.24	91.69	2.20	59.47	6.09	55.69	14.50	71.74	863.09	374.25		1,237.34
12	Top Track 12	31.36	547.47	40.74	72.73	3.99	108.83	3.23	68.16	7.86	53.15	937.51	202.49		1,140.00
13	Top Track 13	122.81	454.24	66.33	77.06	2.93	48.68	7.90	16.14	16.18	36.13	848.39	199.21		1,047.60
14	Top Track 14	349.90	282.28		11.93	3.71	18.11	18.46	33.94	23.45	21.45	763.23	266.28		1,029.51
15	Top Track 15	212.81	453.15	13.74	33.89	1.34	37.02	3.41	29.45	9.62	28.41	822.84	145.20		968.04
16	Top Track 16	88.18	327.39	122.90	79.72	1.52	41.51	3.97	42.14	13.28	43.09	763.70	199.35		963.05
17	Top Track 17	53.21	404.31	64.77	60.53	2.16	88.83	4.50	41.93	5.81	36.34	762.40	158.66		921.06
18	Top Track 18	22.98	482.30	21.24	58.21	2.15	92.97	2.88	46.49	3.02	42.27	774.50	144.67		919.17
19	Top Track 19	26.51	427.91	34.86	53.62	4.25	83.06	3.05	38.57	5.57	38.11	715.51	140.44		855.95
20	Top Track 20	121.05	330.44	39.98	87.12	1.96	33.51	5.67	11.24	7.57	32.13	670.66	180.97		851.63
		6,146.85	15,691.28	3,451.72	2,814.70	404.24	2,699.61	378.27	1,957.12	610.03	1,665.15	35,818.98	8,948.50		44,767.48
		830.68	5,680.39	330.17	692.43	27.53	834.57	164.94	785.99	117.75	613.99	10,078.45	2,624.89	1.51	12,704.85
		6,977.53	21,371.67	3,781.90	3,507.14	431.77	3,534.18	543.21	2,743.11	727.78	2,279.14	45,897.43	11,573.39	1.51	57,472.33

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Top 20 Tracks / Top 5 Territories

Downloads and Streams

		GREAT BRITAIN		USA - WARNER BROS		NETHERLANDS		ITALY		CENTRAL EUROPE		Top 5 Territories	Other Territories	Track Total
		Download (Inc. Mobile)	Streams	Download (Inc. Mobile)	Streams	Download (Inc. Mobile)	Streams	Download (Inc. Mobile)	Streams	Download (Inc. Mobile)	Streams	Downloads and Streams	Downloads and Streams	Downloads and Streams
1	Top Track 1	14,079	2,355,926	3,818	775,972	3,687	1,306,838	516	219,613	948	236,382	4,917,779	1,453,730	6,371,509
2	Top Track 2	6,021	1,631,012	7,232	1,100,678	178	436,956	706	305,313	1,188	700,771	4,190,055	2,060,659	6,250,714
3	Top Track 3	7,374	2,012,668	1,973	204,207	121	325,621	412	675,207	939	170,108	3,398,630	1,047,715	4,446,345
4	Top Track 4	2,354	1,165,384	13,657	613,266	298	269,180	369	169,130	385	125,380	2,359,403	804,523	3,163,926
5	Top Track 5	267	1,611,451	4,524	717,643	4	270,991	28	215,563	24	334,829	3,155,324	1,645,438	4,800,762
6	Top Track 6	5,283	1,283,202	1,148	392,775	68	154,126	918	169,334	806	219,553	2,227,213	1,184,233	3,411,446
7	Top Track 7	4,024	1,107,444	867	503,919	63	169,538	151	164,763	418	218,248	2,169,435	808,173	2,977,608
8	Top Track 8	9,009	1,275,789	816	242,192	20	87,069	104	49,005	93	86,212	1,750,309	2,403,689	4,153,998
9	Top Track 9	1,600	1,033,751	1,216	204,675	111	269,234	164	189,588	181	105,230	1,805,750	1,231,966	3,037,716
10	Top Track 10	3,053	1,147,271	1,491	213,917	68	194,819	100	111,619	145	82,344	1,754,827	439,775	2,194,602
11	Top Track 11	971	557,883	445	240,192	23	93,075	66	96,494	148	139,873	1,129,170	1,176,945	2,306,115
12	Top Track 12	289	716,338	463	137,279	39	163,111	41	86,047	75	82,319	1,186,001	323,771	1,509,772
13	Top Track 13	1,197	636,065	826	183,579	31	88,011	88	40,206	165	69,210	1,019,378	375,073	1,394,451
14	Top Track 14	3,422	367,610		40,630	39	24,781	204	33,984	242	33,099	504,011	223,047	727,058
15	Top Track 15	2,070	665,313	171	75,948	14	63,192	37	57,492	97	55,934	920,268	476,821	1,397,089
16	Top Track 16	861	427,337	1,521	191,040	16	64,299	48	56,262	137	77,854	819,375	313,647	1,133,022
17	Top Track 17	496	530,531	737	119,847	21	138,645	57	49,491	56	55,657	895,538	233,997	1,129,535
18	Top Track 18	215	623,693	242	107,055	22	137,562	38	63,251	30	63,239	995,347	251,662	1,247,009
19	Top Track 19	247	558,674	392	101,981	43	122,734	42	53,377	54	57,209	894,753	240,495	1,135,248
20	Top Track 20	1,189	515,017	497	238,847	20	62,039	59	48,928	76	72,221	938,893	397,294	1,336,187
		64,021	20,222,359	42,036	6,405,642	4,886	4,441,821	4,148	2,854,667	6,207	2,985,672	37,031,459	17,092,653	54,124,112
		7,518	8,424,963	3,603	1,566,384	265	1,390,346	1,808	1,299,878	1,094	1,137,712	13,833,571	6,104,882	19,938,453
		71,539	28,647,322	45,639	7,972,026	5,151	5,832,167	5,956	4,154,545	7,301	4,123,384	50,865,030	23,197,535	74,062,565