

# 2008 Financial Results



## Full Briefing

### About PRS for Music

PRS for Music exists to help businesses and community groups get access to some of the world's best loved music, while making sure that songwriters, composers and publishers are rightfully rewarded whenever their musical works are played, performed or reproduced. PRS for Music provides the permissions needed to use music for any product or space, from a TV programme or YouTube video, to the workplace radio and every possibility in between. Through effective, fair and transparent licensing we ensure that creators can keep on creating by delivering vital income to all our 60,000 membership. PRS for Music is proud to keep one of the UK's most vibrant creative industries working.

### What PRS for Music earned for rightsholders for the use of their music in 2007:

	2008 (£m)	2007 (£m)	%
<b>Broadcasting and online</b>	<b>180.2</b>	<b>155.5</b>	<b>16%</b>
<b>International</b>	<b>139.8</b>	<b>121.2</b>	<b>15%</b>
<b>Public Performance</b>	<b>146.6</b>	<b>133.6</b>	<b>10%</b>
Sub-total performing revenue	466.6	410.3	14%
<b>Recorded Media</b>	<b>141.6</b>	<b>151.8</b>	<b>-7%</b>
<b>Total</b>	<b>608.2</b>	<b>562.1</b>	<b>8%</b>

- Total 8% growth in 2008 – a record year for PRS for Music, with double digit growth in 3 of our 4 business units
- A 7% decline in recorded media product revenue beat the overall decline in standard physical music sales
- Administrative expenses pegged to £68.5m, delivering over £549m to our 60,000 songwriter, composer and music publisher members

### Broadcasting and online

	2008 (£m)	2007 (£m)	Change %
<b>TV</b>	<b>105.1</b>	<b>89.9</b>	<b>17%</b>
<b>Radio</b>	<b>51.8</b>	<b>49.5</b>	<b>5%</b>
<b>Online</b>	<b>17.6</b>	<b>9.7</b>	<b>81%</b>
<b>Ringtones</b>	<b>5.7</b>	<b>6.4</b>	<b>-11%</b>
<b>Total</b>	<b>180.2</b>	<b>155.5</b>	<b>16%</b>

- New deals concluded during the year with BSkyB, ITV, UKTV, Disney, Discovery Networks and Turner Broadcasting.

- Innovative partnerships created with Amazon, Beatport and Nokia Comes with Music.

### International

	2008 (£m)	2007 (£m)	%
<b>Europe</b>	<b>91.9</b>	<b>77.9</b>	<b>18%</b>
<b>The Americas</b>	<b>32.5</b>	<b>30.2</b>	<b>8%</b>
<b>Asia/Australasia</b>	<b>13.8</b>	<b>11.7</b>	<b>18%</b>
<b>Africa/Middle East</b>	<b>1.6</b>	<b>1.4</b>	<b>14%</b>
<b>Total</b>	<b>139.8</b>	<b>121.2</b>	<b>15%</b>

- *PRS for Music* now collects royalties from over 170 countries with the largest markets being USA, Germany, and France.
- Highest growth rates during 2008 came from Latin America and the former Eastern Bloc
- New agreements with societies in Eastern Europe, Latin America and the Far East have increased rights protection for members

### Public Performance

	2008 (£m)	2007 (£m)	%
<b>Pubs and clubs</b>	<b>39.7</b>	<b>40.4</b>	<b>-2%</b>
<b>Live</b>	<b>21.5</b>	<b>19.1</b>	<b>13%</b>
<b>Hotels &amp; Restaurants</b>	<b>18.0</b>	<b>15.6</b>	<b>15%</b>
<b>Shops</b>	<b>17.3</b>	<b>15.2</b>	<b>14%</b>
<b>Industrial Premises</b>	<b>12.8</b>	<b>9.0</b>	<b>42%</b>
<b>Cinemas</b>	<b>6.3</b>	<b>5.4</b>	<b>17%</b>
<b>Other</b>	<b>31.0</b>	<b>28.9</b>	<b>7%</b>
<b>Total</b>	<b>146.6</b>	<b>133.6</b>	<b>10%</b>

- Revenues from public performance continue to grow by 10%
- Market awareness and penetration have increased across the hotel, restaurant, shop, industrial premises and cinema sectors.
- In line with the increase in live music net worth (estimated by PRS for Music at £1.28bn vs. recorded music at £1.24bn) our royalty collection revenues have risen 13%
- Joint scheme for small workplaces in partnership with the Federation of Small Businesses cutting the licence rate for workplaces with four or fewer employees to £44 per year.

### Physical Recorded Product

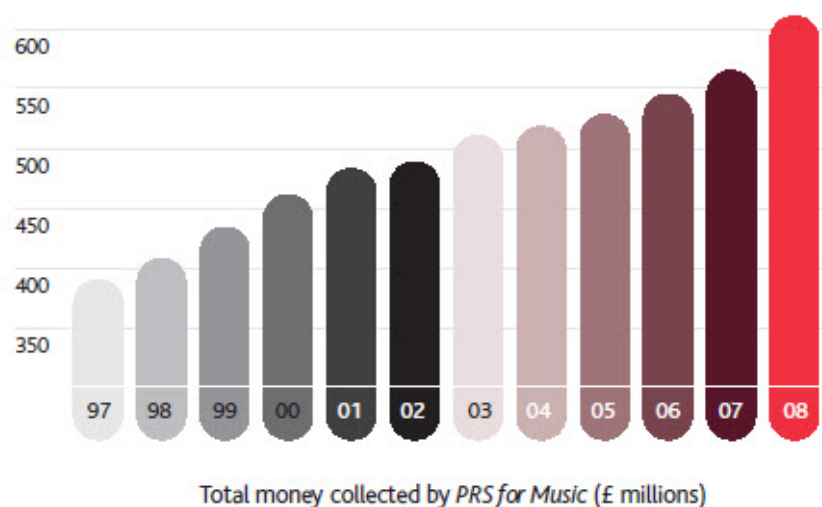
	2008 (£m)	2007 (£m)	%
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<b>Audio products</b>	<b>103.1</b>	<b>118.9</b>	<b>-13%</b>
<b>General Entertainment DVD</b>	<b>16.5</b>	<b>12.4</b>	<b>33%</b>
<b>Covermounts</b>	<b>4.7</b>	<b>5</b>	<b>-6%</b>
<b>Other</b>	<b>17.3</b>	<b>15.5</b>	<b>12%</b>
<b>Total</b>	<b>141.6</b>	<b>151.8</b>	<b>-7%</b>

- Sales of recorded music continue to decline
- Increased licensing of non-standard music products have meant that PRS for Music revenues have only decreased by 7% against a market decline of 10%
- DVD sector showed considerable growth of 33%

### Vital source of income for music creators

In the last decade, PRS for Music have increased year-on-year the amount of money that we have collected for our membership.



- 90% of PRS members earn less than £5K per annum from their performance royalties. Less than 5% of members earn more than £20,000 (in fact more than 57% of our members earn less than £250 a year in royalties). Royalties are vital to these members who typically take on other employment to support their music career.
- In the first quarter of 2009, PRS distributed a record £117m in royalties to its members from performances of music in the UK and around the world.

- PRS for Music membership was cut to £10 (deferred until first royalty payment) which has seen a doubling of membership applications.

### **The UK creative economy**

Britain's creative industries are increasingly vital to the UK. Two million people are employed in creative jobs and the sector contributes £60 billion a year – 7.3 per cent – to the British economy. Over the past decade, the creative sector has grown at twice the rate of the economy as a whole.

The British Music Industry estimates it is worth around £5 billion a year, with an export value of £1.3 billion (source: UKTI, 2008).