

Warner Music Group Corp.
Form S-4
January 25, 2012
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As filed with the Securities and Exchange Commission on January 25, 2012

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Warner Music Group Corp.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of incorporation)

7900
(Primary Standard Industrial Classification
Code Number)

13-4271875
(I.R.S. Employer

Identification No.)

WMG Holdings Corp.

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(Exact Name of Registrant as Specified in its Charter)

Delaware (State or other jurisdiction of incorporation)	7900 (Primary Standard Industrial Classification Code Number)	13-4271878 (I.R.S. Employer Identification No.)
	75 Rockefeller Plaza	
	New York, NY 10019	
	(212) 275-2000	

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Paul M. Robinson, Esq.
Executive Vice President, General Counsel and Secretary
Warner Music Group Corp.
75 Rockefeller Plaza
New York, New York 10019
(212) 275-2000

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

With a copy to:
Matthew E. Kaplan, Esq.
Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
(212) 909-6000

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
 If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit (1)	Proposed maximum aggregate offering price	Amount of registration fee (2)
13.75% Senior Notes due 2019	\$150,000,000	100%	\$150,000,000	\$17,190(2)
Guarantee of 13.75% Senior Notes due 2019 by Warner Music Group Corp.				None(3)
Total	\$150,000,000	100%	\$150,000,000	\$17,190

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended (the Securities Act).
- (2) The registration fee has been calculated under Rule 457(f) of the Securities Act.
- (3) Warner Music Group Corp. will fully and unconditionally guarantee the senior notes being registered hereby. Pursuant to Rule 457(n) under the Securities Act, no separate fee for the guarantees is payable.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not complete this exchange offer or issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 25, 2012

PROSPECTUS

WMG Holdings Corp.

Offer to Exchange

\$150,000,000 Outstanding 13.75% Senior Notes due 2019

for

\$150,000,000 Registered 13.75% Senior Notes due 2019

WMG Holdings Corp. is offering to exchange the \$150 million aggregate principal amount of outstanding 13.75% Senior Notes due 2019 (the Old Notes) for a like principal amount of registered 13.75% Senior Notes due 2019 (the New Notes).

The terms of the New Notes are identical in all material respects to the terms of the Old Notes, except that the New Notes are registered under the Securities Act of 1933, as amended (the Securities Act), and will not contain restrictions on transfer or provisions relating to additional interest, will bear a different CUSIP number from the Old Notes and will not entitle their holders to registration rights.

The New Notes are fully and unconditionally guaranteed, on a senior unsecured basis by Warner Music Group Corp., the corporate parent of WMG Holdings Corp.

No public market currently exists for the Old Notes or the New Notes.

The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2012 (the Expiration Date) unless we extend the Expiration Date. You should read the section called The Exchange Offer for further information on how to exchange your Old Notes for New Notes.

See Risk Factors beginning on page 17 for a discussion of risk factors that you should consider prior to tendering your Old Notes in the exchange offer and risk factors related to ownership of the Notes.

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Old Notes where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 90 days after the Expiration Date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

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Neither the Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2012

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You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation of an offer in such jurisdiction. You should not assume that the information contained in this prospectus is accurate as of any date other than the date of this prospectus. Also, you should not assume that there has been no change in the affairs of Warner Music Group Corp. and its subsidiaries since the date of this prospectus.

In connection with the exchange offer, we have filed with the SEC a registration statement on Form S-4, under the Securities Act of 1933, relating to the New Notes to be issued in the exchange offer. This prospectus includes as Annex A, a copy of our Annual Report on Form 10-K for the fiscal year ended September 30, 2011 filed with the SEC on December 8, 2011. Investors are directed to this document included in this prospectus for information about us and our business. As permitted by the rules of the SEC, this prospectus omits information included in the registration statement.

The public may read and copy any reports or other information that we file with the SEC. Such filings are available to the public over the internet at the SEC's website at <http://www.sec.gov>. The SEC's website is included in this prospectus as an inactive textual reference only. You may also read and copy any document that we file with the SEC at its public reference room at 100 F St., N.E., Washington D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. You may also obtain a copy of the exchange offer registration statement and other information that we file with the SEC at no cost by calling us or writing to us at the following address:

Warner Music Group Corp.

75 Rockefeller Plaza

New York, New York 10019

Attn: Investor Relations

(212) 275-2000

In order to obtain timely delivery of such materials, you must request documents from us no later than five business days before you make your investment decision or at the latest by _____, 2012.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider in making your investment decision. You should read the following summary together with the entire prospectus, including the more detailed information regarding our company, the New Notes being exchanged in this offering and the financial statements and the related notes appearing elsewhere in this prospectus. You should also carefully consider, among other things, the matters discussed in the sections entitled Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus before deciding to exchange your Notes.

In this prospectus, unless the context requires otherwise, (1) the terms we, us, Warner and our refer to Warner Music Group Corp. and its consolidated subsidiaries, (2) any reference to the Issuer is to (a) WM Holdings Finance Corp. prior to the consummation of the merger of WM Holdings Finance Corp. with and into WMG Holdings Corp. and (b) WMG Holdings Corp. (and not any of its subsidiaries) after the consummation of such merger, (3) the term Warner Music Group refers to Warner Music Group Corp., a Delaware corporation, which is the corporate parent of WMG Holdings Corp. and a Guarantor of the Notes and not any of its subsidiaries and (4) the term Acquisition Corp. refers to WMG Acquisition Corp. a Delaware corporation, which is a direct subsidiary of the Issuer.

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. We generated revenues of \$2.869 billion during the twelve months ended September 30, 2011.

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 28 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 revenues of \$2.344 billion during the twelve months ended September 30, 2011.

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. We hold rights in over one million copyrights from over 65,000 songwriters and composers. Prior to intersegment eliminations, our Music Publishing business generated revenues of \$544 million during the twelve months ended September 30, 2011.

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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 Content, Library of Classic Songs and Vibrant Roster of Recording Artists and Songwriters.

We believe the depth and quality of our Recorded Music catalog and Music Publishing library 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 catalog and our Music Publishing library 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. The vast majority of our contracts cover multiple deliverables, most of which are only deliverable at our option. Our significant discretion with regard to the timing and expenditure of variable costs provides us with considerable latitude in managing our expenses. In addition, our capital expenditure requirements are predictable. We had an increased level of capital expenditures in fiscal year 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. We continue to seek sensible opportunities to convert fixed costs to variable costs (such as the sale of our CD and DVD manufacturing, packaging and physical distribution operations in 2003) 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.

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Continued Transition to Higher-Margin Digital Platforms.

We derive revenue from different digital business models and products, including digital downloads of single audio tracks and albums, digital subscription services, interactive webcasting, video streaming and downloads and mobile music, in the form of ringtones, ringback tones and full-track downloads. 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 twelve months ended September 30, 2011, digital revenue represented approximately 33% 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 aimed at leveraging our assets to drive creative product development. 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. Expanded-rights deals allow us to leverage our existing brand management infrastructure, generating higher incremental margins. As of the end of fiscal year 2011, we had expanded-rights deals in place with over 50% of our active global Recorded Music roster. The vast majority of these agreements have been 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.

Experienced Management Team and Strategic Investor.

We have a strong management team that includes executives with a successful record of managing transitions in the recorded music industry. Edgar Bronfman, Jr., who currently serves as our Chairman of the Board, Lyor Cohen, who currently serves as our Chairman and CEO, Recorded Music, and many other members of top management have been with our company since its acquisition from Time Warner in 2004. Since that time, we have successfully implemented an A&R strategy that focuses on the return on investment (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, is helping us transform our company. At the same time, management has remained vigilant in managing costs and maintaining financial flexibility. Stephen Cooper, who was appointed as our CEO in August 2011, has over 30 years of experience as a financial advisor, and has served as chairman or chief executive officer of various businesses. In connection with the appointment of Mr. Cooper as CEO, Mr. Bronfman was appointed Chairman in order to focus on strategy and growth opportunities. Mr. Bronfman has informed the Board of Directors that due to other commitments he intends to step down as Chairman, effective January 31, 2012. Subsequent to January 31, 2012, Mr. Bronfman will remain a director of Warner Music Group and a new Chairman will be appointed in due course. In January 2011, Cameron Strang was appointed CEO of our Music Publishing business following our purchase of Southside Independent Music Publishing, a company he founded in 2004.

In addition, following the consummation of the Merger (as defined below), we believe we will benefit from the extensive investment experience of our strategic owner, Access, a privately held, U.S.-based industrial group

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founded by Len Blavatnik. Access is a long-term, strategic investor with significant equity stakes in businesses with combined annual revenues of over \$90 billion. Access has partnered with strong, proven management teams to provide strategic direction in its relationships with existing and previously owned companies.

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 with strong potential, who will generate a meaningful level of revenues and increase the enduring value of our catalog by continuing to generate sales 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 library. We intend to evaluate our recording artist and songwriter rosters continually to ensure we remain focused on developing the most promising and profitable talent and remain 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 catalog and our music publishing library 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, including premium-priced album bundles and full-track video and full-track downloads on mobile phones. 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.

Capitalize on Digital Distribution.

Emerging 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 presents significant promise and opportunity for the music industry. Digital tracks and albums are not only 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 2010 shows that legitimate digital music offerings are driving additional uptake. More than 40% of U.S. Internet consumers age 13+ who started buying or bought more digital albums in the year covered by the survey, and more than 30% who started buying or bought more digital tracks, did so in order to get content for their portable devices. Approximately 20% - 30% of these consumers did so because it was easy to find music through digital music stores and services, because they had established a

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level of comfort with purchasing music through such services, and because they discovered more music through them; about a quarter 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. Our research conducted in late 2009 shows that the average U.S. consumer actively uses 3.6 different means of consuming music, with online video services like YouTube and online radio services like Pandora having emerged as key outlets for music. Research conducted by NPD in December 2010 shows that more than two out of every five U.S. Internet consumers age 13+ listened to music via an online video site in the period covered by the 2010 survey, and more than a third listened to music via an online radio service. In addition, with worldwide smartphone users expected to reach nearly 1.4 billion by 2015, we expect that the mobile platform will represent an area of significant opportunity for music content. Figures from comScore's September 2011 MobiLens data release show that the uptake of music among users of such phones is significant: three-month averages through September 2011 found that 45% of existing smartphone users in the U.S. and 41% 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 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 the Growth Areas of the Music Industry.

Since the end of calendar 2005, we have adopted a strategy of entering into expanded-rights deals with new recording artists. We have been very successful in entering into expanded-rights deals. This strategy has allowed us to create closer relationships with our recording artists through our provision of additional artist services and greater financial alignment. This strategy also has allowed us to diversify our Recorded Music revenue streams in order to capitalize on growth areas of the music industry such as merchandising, fan clubs, sponsorship and touring. We have built significant in-house resources through hiring and acquisitions in order 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 outsourcing certain functions. Our outsourcing initiatives are another component of our ongoing efforts to monitor our costs and to seek additional cost savings. As of the completion of our Merger (as defined below) on July 20, 2011, we have targeted cost-savings over the next nine fiscal quarters of \$50 million to \$65 million based on identified cost-savings initiatives and opportunities, including targeted savings expected to be realized as a result of shifting from a public to a private company, reduced expenses related to finance, legal and information technology and reduced expenses related to certain planned corporate restructuring initiatives.

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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 Transactions

The Acquisition

Pursuant to the Agreement and Plan of Merger, dated as of May 6, 2011 (the Merger Agreement), by and among Warner Music Group, AI Entertainment Holdings LLC (formerly Airplanes Music LLC), a Delaware limited liability company (the Acquiror) and an affiliate of Access Industries, Inc. (Access), and Airplanes Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of the Acquiror (Merger Sub and together with Warner Music Group and the Acquiror, the Acquiring Parties). Under the terms of the Merger Agreement, on July 20, 2011 (the Closing Date), Merger Sub merged with and into Warner Music Group with Warner Music Group surviving as a wholly-owned subsidiary of the Acquiror (the Merger).

On the Closing Date, in connection with the Merger, each outstanding share of common stock of Warner Music Group (other than any shares owned by Warner Music Group or its wholly-owned subsidiaries, or by the Acquiror and its affiliates, or by any stockholders who were entitled to and who properly exercised appraisal rights under Delaware law, and shares of unvested restricted stock granted under Warner Music Group's equity plan) was cancelled and converted automatically into the right to receive \$8.25 in cash, without interest and less applicable withholding taxes (collectively, the Merger Consideration).

Equity contributions totaling approximately \$1.1 billion from Access Industries Holdings LLC, together with (i) the proceeds from the sale of (a) \$150 million aggregate principal amount of 9.50% Senior Secured Notes due 2016 (the Secured WMG Notes) initially issued by WM Finance Corp. (the Initial OpCo Issuer) which was merged with and into WMG Acquisition Corp. (the OpCo Merger), (b) \$765 million aggregate principal amount of 11.50% Senior Notes due 2018 initially issued by the Initial OpCo Issuer (the Unsecured WMG Notes and together with the Secured WMG Notes, the WMG Notes) and (c) the Old Notes and (ii) cash on hand at Warner Music Group, were used, among other things, to finance the aggregate Merger Consideration, to make payments in satisfaction of other equity-based interests in Warner Music Group under the Merger Agreement, to repay certain of our then existing indebtedness and to pay related transaction fees and expenses.

The Financing Transactions

In connection with the Merger, Warner Music Group also refinanced certain of its existing consolidated indebtedness, including (i) the repurchase and redemption by the Issuer of its approximately \$258 million in fully accreted principal amount outstanding 9.5% Senior Discount Notes due 2014 (the Existing Holdings Notes), and the satisfaction and discharge of the related indenture, and (ii) the repurchase and redemption by Acquisition Corp. of its \$465 million in aggregate principal amount outstanding 7 3/8% Dollar-denominated Senior Subordinated Notes due 2014 and £100 million in aggregate principal amount of its outstanding 8 1/8% Sterling-denominated Senior Subordinated Notes due 2014 (the Existing Acquisition Corp. Notes and together with the Existing Holdings Notes, the Existing Unsecured Notes), and the satisfaction and discharge of the related indenture, and payment of related tender offer or call premiums and accrued interest on the Existing Unsecured Notes.

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Also in connection with the Merger, Acquisition Corp. entered into a new senior secured revolving credit facility (the Revolving Credit Facility), which provides for commitments of up to \$60 million. Amounts under the Revolving Credit Facility were undrawn at the Closing Date.

On the Closing Date, the Initial Holdings Issuer was merged with and into the Issuer, with the Issuer continuing as the surviving entity and the issuer of the Notes (the Holdings Merger). In connection with the Holdings Merger, the Issuer entered into a supplemental indenture to the indenture governing the Notes. As a result of such actions, the Issuer became the obligor under the Notes. In addition, on August 2, 2011, the Issuer entered into a Second Supplemental Indenture to the indenture governing the Notes (as so supplemented, the Indenture) and Warner Music Group issued a full and unconditional guarantee with respect to the Notes.

In May 2011, Acquisition Corp. received the requisite consents from holders of Acquisition Corp. s existing \$1.1 billion of 9.5% senior secured notes due 2016 (the Existing Secured Notes) to amend the indenture governing the Existing Secured Notes such that the Transactions (as defined below) would not constitute a Change of Control as defined therein.

The Merger, the making of the Equity Contribution, the closing of the issuance of the Old Notes and the closing of the issuance of the Secured WMG Notes and Unsecured WMG Notes, the entry into the Revolving Credit Facility, the repayment of the Existing Unsecured Notes pursuant to the tender offers and satisfaction and discharge of the related indentures, the payment of related costs, fees and expenses, the Holdings Merger and the OpCo Merger are referred to collectively as the Transactions.

Corporate Information

Warner Music Group Corp. is incorporated under the laws of the state of Delaware. Our principal executive office is located at 75 Rockefeller Plaza, New York, New York, and our telephone number is (212) 275-2000.

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Ownership and Corporate Structure

The following diagram sets forth a summary of our corporate structure and the obligors under our indebtedness immediately following the completion of the Transactions. For a summary of the debt obligations referenced in this diagram, see [Description of Other Indebtedness](#) and [Description of Notes](#) .

- (1) Substantially all wholly-owned domestic subsidiaries (subject to customary exceptions) are guarantors under the Revolving Credit Facility and the WMG Notes.

Presentation of Financial Information

The financial statements included in this prospectus consist of the consolidated financial statements of Warner Music Group, the Issuer's parent company and a guarantor of the Notes. Warner Music Group and the Issuer are holding companies that conduct substantially all of their business operations through the Issuer's subsidiaries. The financial information of the Issuer is substantially identical to that of Warner Music Group Corp. except as reflected in the [Supplementary Information Consolidating Financial Statements](#) included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2011, a copy of which is included in this prospectus as Annex A.

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In accordance with United States Generally Accepted Accounting Principles (GAAP), we have separated our historical financial results for the period from July 20, 2011 to September 30, 2011 (Successor) and from October 1, 2010 to July 19, 2011 (Predecessor). Successor period and the Predecessor periods are presented on different bases and are, therefore, not comparable. However, we have also combined results for the Successor and Predecessor periods for 2011 in the presentations below (and presented as the results for the twelve months ended September 30, 2011) because, although such presentation is not in accordance with GAAP, we believe that it enables a meaningful comparison of results. The combined operating results have not been prepared on a pro forma basis under applicable regulations and may not reflect the actual results we would have achieved absent the Merger and the transactions related to the Merger and may not be predictive of future results of operations.

Certain Trademarks and Trade Names

This prospectus includes certain trademarks which are protected under applicable intellectual property laws and are our property or the property of our subsidiaries. This prospectus 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 prospectus 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.

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Summary of the Terms of the Exchange Offer

The Notes

On July 20, 2011 (the Issuance Date), the Issuer issued and privately placed \$150,000,000 aggregate principal amount of 13.75% Senior Notes due 2019 pursuant to exemptions from the registration requirements of the Securities Act. The Initial Purchasers for the Old Notes were Credit Suisse Securities (USA) LLC and UBS Securities LLC (the Initial Purchasers). When we use the term Old Notes in this prospectus, we mean the 13.75% Senior Notes due 2019 that were privately placed with the Initial Purchasers on July 20, 2011, and were not registered with the SEC.

When we use the term New Notes in this prospectus, we mean the 13.75% Senior Notes due 2019 registered with the SEC and offered hereby in exchange for the Old Notes. When we use the term Notes in this prospectus, the related discussion applies to both the Old Notes and the New Notes.

The terms of the New Notes are identical in all material respects to the terms of the Old Notes, except that the New Notes are registered under the Securities Act and will not be subject to restrictions on transfer or contain provisions relating to additional interest, will bear a different CUSIP and ISIN number than the Old Notes and will not entitle their holders to registration rights.

The CUSIP numbers for the Old Notes are 92936F AA0 (Rule 144A) and U97142 AA8 (Regulation S). The CUSIP number for the New Notes is 92930M AG8.

The Exchange Offer

You may exchange Old Notes for a like principal amount of New Notes. The consummation of the exchange offer is not conditioned upon any minimum or maximum aggregate principal amount of Old Notes being tendered for exchange.

Resale of New Notes

We believe the New Notes that will be issued in the exchange offer may be resold by most investors without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to certain conditions. You should read the discussions under the headings The Exchange Offer and Plan of Distribution for further information regarding the exchange offer and resale of the New Notes.

Registration Rights Agreement

We have undertaken the exchange offer pursuant to the terms of the Registration Rights Agreement we entered into with the Initial Purchasers, dated as of July 20, 2011, (the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, we agreed to use commercially reasonable efforts to consummate an exchange offer for the Old Notes pursuant to an effective registration statement or to cause resales of the Old Notes to be registered. We have filed this registration statement to meet our obligations under the Registration Rights Agreement. If we fail to satisfy our obligations

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under the Registration Rights Agreement, we will pay special interest to holders of the Old Notes under specified circumstances. See Exchange Offer; Registration Rights.

Consequences of Failure to Exchange the Old Notes You will continue to hold Old Notes that remain subject to their existing transfer restrictions if:

you do not tender your Old Notes; or

you tender your Old Notes and they are not accepted for exchange.

We will have no obligation to register the Old Notes after we consummate the exchange offer. See The Exchange Offer Terms of the Exchange Offer; Period for Tendering Old Notes.

Expiration Date The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2012 (the Expiration Date), unless we extend it, in which case Expiration Date means the latest date and time to which the exchange offer is extended.

Interest on the New Notes The New Notes will accrue interest from the most recent date to which interest has been paid or provided for on the Old Notes or, if no interest has been paid on the Old Notes, from the date of original issue of the Old Notes.

Conditions to the Exchange Offer The exchange offer is subject to several customary conditions. Notwithstanding any other provision in the exchange offer, we shall not be required to accept for exchange, or to issue New Notes in exchange for, any Old Notes and may terminate or amend the exchange offer if at any time prior to 5:00 p.m., New York City time, on the Expiration Date, we determine in our reasonable judgment that the exchange offer violates applicable law, any applicable interpretation of the staff of the SEC or any order of any governmental agency or court of competent jurisdiction.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition or may be waived by us in whole or in part at any time and from time to time, prior to the Expiration Date, in our reasonable discretion. Our failure at any time to exercise any of the foregoing rights prior to 5:00 p.m., New York City time, on the Expiration Date shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time prior to 5:00 p.m., New York City time, on the Expiration Date.

In addition, we will not accept for exchange any Old Notes tendered, and no New Notes will be issued in exchange for any such Old Notes, if at any such time any stop order shall be threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture governing the

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Notes under the Trust Indenture Act of 1939, as amended. Pursuant to the Registration Rights Agreement, we are required to use our commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible time.

See The Exchange Offer Conditions. We reserve the right to terminate or amend the exchange offer at any time prior to the Expiration Date upon the occurrence of any of the foregoing events. If we make a material change to the terms of the exchange offer, we will, to the extent required by law, disseminate additional offer materials and will extend the exchange offer.

Procedures for Tendering Old Notes

If you wish to accept the exchange offer, you must tender your Old Notes and do the following on or prior to the Expiration Date, unless you follow the procedures described under The Exchange Offer Guaranteed Delivery Procedures.

if Old Notes are tendered in accordance with the book-entry procedures described under The Exchange Offer Book-Entry Transfer, transmit an Agent's Message to the Exchange Agent through the Automated Tender Offer Program (ATOP) of The Depository Trust Company (DTC), or

transmit a properly completed and duly executed letter of transmittal, or a facsimile copy thereof, to the Exchange Agent, including all other documents required by the letter of transmittal.

See The Exchange Offer Procedures for Tendering Old Notes.

Guaranteed Delivery Procedures

If you wish to tender your Old Notes, but cannot properly do so prior to the Expiration Date, you may tender your Old Notes according to the guaranteed delivery procedures set forth under The Exchange Offer Guaranteed Delivery Procedures.

Withdrawal Rights

Tenders of Old Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. To withdraw a tender of Old Notes, a notice of withdrawal must be actually received by the Exchange Agent at its address set forth in The Exchange Offer Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. See The Exchange Offer Withdrawal Rights.

Acceptance of Old Notes and Delivery of New Notes

Except in some circumstances, any and all Old Notes that are validly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the Expiration Date will be accepted for exchange. The New Notes issued pursuant to the exchange offer will be delivered promptly after such acceptance. See The Exchange Offer Acceptance of Old Notes for Exchange; Delivery of New Notes.

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Material United States Federal Income Tax Considerations

We believe that the exchange of an Old Note for a New Note pursuant to the exchange offer will not be treated as a sale or exchange of the Old Note by a Holder (as defined in Material United States Federal Income Tax Considerations) for U.S. federal income tax purposes. See Material United States Federal Income Tax Considerations.

Exchange Agent

Wells Fargo Bank, National Association is serving as the Exchange Agent (the Exchange Agent).

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Summary of the Terms of the Notes

The terms of the New Notes offered in the exchange offer are identical in all material respects to the Old Notes, except that the New Notes:

are registered under the Securities Act and therefore will not be subject to restrictions on transfer;

will not be subject to provisions relating to additional interest;

will bear a different CUSIP number;

will not entitle their holders to registration rights; and

will be subject to terms relating to book-entry procedures and administrative terms relating to transfers that differ from those of the Old Notes.

Securities Offered	\$150 million aggregate principal amount of 13.75% Senior Notes due 2019.
Maturity	October 1, 2019.
Interest	Interest is payable in cash on April 1 and October 1 of each year, beginning October 1, 2011.
Optional Redemption	<p>Prior to October 1, 2015, the Issuer may redeem some or all of the Notes at a price equal to 100% of the principal amount of the Notes plus a make-whole premium as set forth under Description of Notes Optional Redemption. Additionally, the Issuer may redeem the Notes, in whole or in part, at any time on or after October 1, 2015 at the redemption prices set forth under Description of Notes Optional Redemption.</p> <p>The Issuer pays 113.75% of the face amount of the Notes plus accrued and unpaid interest and special interest, if any;</p> <p>The Issuer redeems the Notes within 90 days of completing the equity offering; and</p> <p>at least 50% of the aggregate principal amount of the Notes originally issued remains outstanding afterwards.</p> <p>See Description of Notes Optional Redemption.</p>

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Change of Control

Upon a change of control (as defined under Description of Notes), the Issuer is required to make an offer to purchase the 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. The Issuer may not have sufficient funds available at the time of any change of control to make any required debt repayment (including repurchases of the Notes). See Risk Factors Risk Factors Related to the Notes and the Exchange Offers The Issuer may not be able to repurchase the notes upon a change of control.

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Asset Sale Proceeds	If the Issuer or its restricted subsidiaries engage in certain asset sales, the Issuer generally must either invest the net cash proceeds from such sales in our business within a period of time, prepay certain indebtedness, prepay other senior debt or make an offer to purchase a principal amount of the Notes equal to the excess net cash proceeds. The purchase price of the Notes will be 100% of their principal amount, plus accrued and unpaid interest and special interest, if any, to the date of purchase in the event of any asset sale offer.
Ranking	The Notes are senior unsecured indebtedness of the Issuer and rank senior in right of payment to all existing and future subordinated indebtedness of the Issuer; are equal in right of payment with all existing and future senior indebtedness of the Issuer; are effectively junior to all existing and future secured indebtedness of the Issuer and its subsidiaries, including the Secured WMG Notes, the Existing Secured Notes and indebtedness under the Revolving Credit Facility, to the extent of the value of the assets securing such indebtedness; and are structurally subordinated to all existing and future indebtedness and other liabilities (other than certain intercompany obligations) of any subsidiary of the Issuer that does not guarantee the Notes.
Guarantees	The Notes are fully and unconditionally guaranteed on a senior unsecured basis by Warner Music Group. The Notes are not guaranteed by any subsidiary of the Issuer.
Certain Covenants	The Indenture contains covenants limiting the Issuer's ability and the ability of most of its subsidiaries to: incur additional debt or issue certain preferred shares; create liens on certain debt; pay dividends on or make distributions in respect of the Issuer's capital stock or make investments or other restricted payments; create restrictions on the ability of the Issuer's restricted subsidiaries to pay dividends to the Issuer or make certain other intercompany transfers;