

# EXTRACT

## FROM GRAMEX' ANNUAL REPORT

### Satisfactory financial results for the year despite difficult times

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Despite the financial crisis and a hard-pressed music industry, Gramex achieved satisfactory financial results for the year 2010 – the amount at disposal for distribution increased by DKK 8 million to just over DKK 168 million. This is an increase of 5.23 per cent on last year's figures.

The increase is explained by the closing of a series of pending cases concerning the commercial radios' payment to Gramex, and by bad debt provisions carry-back from last year's annual accounts – an amount which fortunately proved to be smaller than we expected.

Furthermore, according to budget, there is a decrease in costs, and the interest income has decreased due to the financial situation.

Already now, we are pleased to disclose that we expect a positive forecast for the year 2011.

### New radio agreements as a consequence of the media-political agreement for 2011-2014

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Over the past years, Danish radio stations have expressed being under financial pressure. This has caused debates in the media and intervention by the politicians. This is a challenge that Gramex has taken seriously, of course. We met with our negotiating partners in order to achieve results that would take both their and Gramex' wishes into account.

We achieved the results through free negotiations. And now, close to 2012, we are pleased to note that all radio agreements are settled and will be in force until the next media settlement takes effect. The agreements leave room for the radio stations to try out new ideas and use the digital development opportunities on the internet and DAB.

## Ophavsret Danmark

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Ophavsret Danmark was established on 1<sup>st</sup> July 2011 by a number of organisations within the music business, among others. The object of the project is to improve the image of copyright in society and as such the basis of right owners' royalties which is based on the use of their creative output.

The objective of the project is to get more positive coverage in the media and a more positive attitude to copyright among the decision makers of society. At the same time, the long-term objective is a permanent change of attitude to copyright among the public – through added political and media attention to copyright conditions, and information in general to the public.

It is Ophavsret Danmark's ambition to get as many of the right owners' organisations on board as possible, and attract large companies within the creative industry.

## The "Pixi book" – a guide to the value of music

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Gramex has gone through an exciting development within its business areas during the past 10 years. This has made us focus even more on information about the business sector's possibilities to use music – among others with regard to the value of music.

In late summer we welcomed yet another guide to the use of music for the business sector. We call it a Pixi book which is a booklet to gain easy access to information about music. The booklet informs the reader of the possibilities connected with the use of music in the business sector.

On previous occasions Gramex has cooperated with other organisations in the music business to inform about our business areas, and extend the knowledge of "The Value of Music". Therefore, the Pixi book is part of our efforts to inform potential customers about the use of music.

## Succession change

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On 1<sup>st</sup> October, MSc (Management of Technology) John Robert Gjørup Kristensen took up the position as new managing director of Gramex. John Kristensen comes from a job at DI ITEK (the Confederation of Danish Industries). Based on his particular background he will be able to create a basis for the development of new business areas and as such benefit the members of Gramex.

Our managing director of many years, Bjørn Juell-Sundbye, will remain connected with Gramex as a senior advisor. We owe him a debt of gratitude for having developed Gramex into a modern and efficient organisation through almost 25 years, to the benefit of artists and record companies. During his period as managing director Gramex' financial performance has been excellent and reached an eightfold increase in income compared to 1987. In the same period Gramex paid out just over DKK 2 billion to the right owners.

### **Jan Degner**

Chairman of the Board of Gramex

*During the year under review, the board has consisted of professor, dr. jur. Mads Bryde Andersen, and from the producers' rights group Jan Degner, chairman (ArtPeople), Per Dam (MBO Group A/S), and Michael Wermuth (EMI Music Denmark), and from the artists' rights group Anders Laursen, vice-chairman (Dansk Musiker Forbund/The Danish Musicians' Union), Lena Brostrøm Dideriksen (Dansk Artist Forbund/The Danish Artist Union), and Katja Holm (Dansk Skuespillerforbund/The Danish Actors' Association).*

