

## **WARNER MUSIC GROUP ANNOUNCES INDUSTRY-LEADING EFFORTS ON ECOLOGICALLY-SUPERIOR PACKAGING AND GLOBAL WARMING**

### ***Partners with NRDC and Ivy Hill/Cinram on Recycled Packaging for All Standard CDs/DVDs in U.S.; Carbon-Neutral Grammy Celebration Part of Initiative with NRDC***

**NEW YORK, February 9, 2007** - As part of its ongoing environmental initiative with the Natural Resources Defense Council (NRDC), WEA Corp., the U.S. sales and distribution company of Warner Music Group Corp. (NYSE: WMG), today announced that all of its standard CD and DVD products in the U.S. will use ecologically-enhanced paper packaging by the end of March 2007. With this, along with changes inside the company's offices that reduce paper use and promote recycling, the company successfully attains a goal toward which it has been steadily building.

WMG also announced the development of a new company-wide program to reduce or offset greenhouse gas emissions associated with global climate change, beginning with a "carbon-neutral" Grammy party.

"Environmentally responsible behavior is good for corporate America: it's smart ecology and smart economics," said John Esposito, President and CEO of WEA. "It lowers the costs of paper procurement and waste. And it strengthens employee morale. Thank you to our partners at the NRDC, as well as Ivy Hill/Cinram, and Stora Enso and to every one of our employees, for their excellence in making business-friendly environmentalism a reality. There is no downside to being friendly to the planet."

In 2006, the NRDC awarded Esposito its "Forces For Nature" award for his work on the WEA environmental responsibility initiative. The Forces For Nature award honors individuals for their remarkable leadership in safeguarding the environment.

Some of the important attributes of the paper to be used by WMG include the use of post-consumer recycled fibers, avoiding the use of virgin fibers harvested from any endangered forest, a commitment not to buy paper manufactured from timber operations that convert native forests to plantations in the Cumberland Plateau BioGem, and a prohibition against the use of paper manufactured with pulping caustic that contains mercury, a neurotoxin.

According to NRDC Senior Scientist Dr. Allen Hershkowitz, "By committing to protect the southeastern forests that comprise the Cumberland Plateau BioGem from being cut down to make disposable paper products, and by committing to use post-consumer recycled paper instead, Warner Music and WEA are leading the charge to stop global warming and to preserve the cultural and ecological home of country music, the region that literally gave birth to rock and roll. WEA, in partnership with its printer Ivy Hill, have developed what is arguably the most progressive set of procurement standards of any music company on Earth. We applaud them for doing this and we are proud to be collaborating with them on this important work."

"Ivy Hill is proud to be a partner in this milestone initiative. We commend Warner Music Group as the industry leader in the use of sustainable packaging materials," said Arthur Kern, President of Ivy Hill Corp. "We offer special thanks to the NRDC. Their guidance has brought us closer to our goal of providing the entertainment industry with the most

environmentally responsible printing and packaging materials available."

Today's announcements represent the culmination of the first of several phases in the two-year partnership between WEA and the NRDC, a national environmental advocacy organization with more than 1.2 million members and on-line activists.

In the program's first phase, WEA worked with its family of labels to develop CD and DVD packaging, and advertising containing post-consumer recycled content. This packaging met standards developed by the NRDC and Ivy Hill/Cinram International, a worldwide provider of pre-recorded multimedia products and services. Post-consumer recycled paper is made from wastepaper disposed of by consumers.

WMG has also implemented ecologically responsible and efficient paper practices across all of its labels and business units in the United States, including enhanced recycled paper procurement, paper reduction and wastepaper recycling efforts.

Now entering the program's second phase, the company is undertaking a comprehensive review of its greenhouse gas emissions with the goal of developing a program to reduce or offset its "footprint." Greenhouse gases, such as carbon dioxide, are known to cause global climate change.

Specifically, the NRDC-WEA partnership includes several efforts:

#### **Post-Consumer Recycled Content in All Standard CD and DVD Releases**

The transition of all standard WMG CD and DVD packaging to 30 percent post-consumer coated stock will be achieved in March 2007. WMG and Ivy Hill/Cinram formally selected industry leader Stora Enso to provide the coated paper stock for CD/DVD jewel case components in the fall of 2006.

Stora Enso selected a 30 percent post-consumer stock paper that is certified by the Forest Stewardship Council (or FSC). The FSC is an international organization that has established certification standards for responsible forest management practices. The WMG-Ivy Hill/Cinram-Stora Enso partnership is also developing other environmentally responsible papers.

#### **Carbon-Neutral Grammys and Other Environmentally Friendly Events**

As part of an initiative to enhance environmental responsibility at all large-scale company-sponsored events, this year's WMG post-Grammy event will be "carbon neutral". Similar to other "carbon offset" programs, WMG will track the amount of energy expended for the February 11 event and purchase an equivalent amount of renewable energy. Renewable energy, such as wind and solar power, does not emit greenhouse gases (such as carbon dioxide) that are associated with global climate change. By purchasing this carbon-free energy, the company will displace carbon-emitting energy from the electric grid and offset, or neutralize the total amount of greenhouse gases emitted.

These investments will be made under the guidance of Oregon-based Bonneville Environmental Foundation, a non-profit organization supporting the development of new renewable energy sources. WMG will institute this practice for all large-scale company-sponsored events, including ecological standards for vendor and contractor activities.

### **WMG Waste Reduction and Recycling Program**

In partnership with NRDC, WMG has launched an internal program to reduce waste and recycle wastepaper, as well as increase procurement of recycled-content paper for office operations and other corporate activities. This includes conversion of a significant portion of its materials to electronic format, rather than paper. This program is being expanded across each of the company's business units.

### **Carbon-Emission Reduction Plan**

Most recently, WMG has also begun work to reduce its "carbon footprint" through collaboration with Native Energy; a Native American-owned energy company which helps build Native American, farmer-owned, community-based renewable energy projects; and REVERB. REVERB (founded by Lauren Sullivan and her husband, Guster (Reprise) guitarist/vocalist Adam Gardner) seeks to increase environmental awareness by educating, inspiring and activating music fans while "greening" artists' tours and the music industry at large.

Together with these organizations, WMG is working on carbon dioxide emission reduction as well as the development of an offset program encompassing the company's complete activities - from new album releases to employees' daily commuting habits.

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### **About WEA Corp.**

WEA Corp. was the first major music distribution company in the U.S. and has continued to set the standard for sales and marketing in the music industry for more than thirty years. In addition to the Warner Bros., Elektra and Atlantic labels, WEA distributes audio and video releases from Rhino Entertainment, Asylum Records, Word Entertainment, Time-Life Music, Warner Music Latina and Curb Records, as well as several other labels. WEA Corp.'s e-Commerce department works with online and traditional retailers for all commercial, digital and wireless transactions on behalf of WMG's U.S. labels. The department develops and delivers sales and marketing programs to promote WMG's artists to online retailers and other partners.

Headquartered in New York, WEA Corp. has regional offices in Atlanta, Los Angeles, New York and Minneapolis.

### **About WMG**

Warner Music Group became the only stand-alone music company to be publicly traded in the United States in May

2005. With its broad roster of new stars and legendary artists, Warner Music Group is home to a collection of the best-known record labels in the music industry including Asylum, Atlantic, Bad Boy, Cordless, East West, Elektra, Lava, Maverick, Nonesuch, Perfect Game, Reprise, Rhino, Roadrunner, Rykodisc, Sire, Warner Bros. and Word. Warner Music International, a leading company in national and international repertoire, operates through numerous international affiliates and licensees in more than 50 countries. Warner Music Group also includes Warner/Chappell Music, one of the world's leading music publishers.

### **About NRDC**

The Natural Resources Defense Council is a national, nonprofit organization of scientists, lawyers and environmental specialists dedicated to protecting public health and the environment. Founded in 1970, NRDC has 1.2 million members and online activists nationwide, served from offices in New York, Washington, Chicago, Los Angeles, San Francisco and Beijing. The Natural Resources Defense Council's purpose is to safeguard the Earth: its people, its plants and animals and the natural systems on which all life depends. It works to restore the integrity of the elements that sustain life -- air, land and water -- and to defend endangered natural places. Moreover, it seeks to establish sustainability and good stewardship of the Earth as central ethical imperatives of human society.

### **About Ivy Hill/Cinram**

Ivy Hill Corporation, a Cinram company, is an award winning printing and packaging firm that provides design, printing, packaging and replication services. Established in 1914, Ivy Hill was the first company in the United States to design and print record jackets, and today owns patents on numerous CD packaging configurations throughout the world.

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