



ANNUAL PERFORMER REVIEW

The background of the entire page is a vibrant, abstract composition. It features a central white circular area containing the text '2013' over a horizontal line and '2014' below it. Surrounding this central area are various musical instruments: a black electric guitar on the left, a silver microphone in the foreground, and a silver multi-effects pedal on the right. The background is filled with colorful, flowing shapes in shades of orange, yellow, and pink, interspersed with faint musical notes and a pattern of small dots. The overall aesthetic is bright and celebratory.

2013
2014

RAISING THE VOLUME

CONTENTS

- 01 WELCOME
- 02 KEY ACHIEVEMENTS
- 04 PERFORMER BOARD
CHAIRMAN AND CHIEF
EXECUTIVE OFFICER
OPENING STATEMENTS
- 08 HOW WE WORK
- 10 YOUR ROYALTIES EXPLAINED
- 15 MEMBERSHIP
- 17 CONTACT US

WELCOME TO THE 2013/2014 ANNUAL PERFORMER REVIEW

We remain committed to maximising the royalties due to you when your performances on recorded music are played in public or in broadcast (TV, radio or online), whether in the UK or (if you are a performer using our international service) around the world.

**THIS REVIEW OUTLINES
OUR COMMITMENT TO
YOU AND SOME OF OUR
KEY ACHIEVEMENTS
IN 2013/2014.**



KEY ACHIEVEMENTS

We are delighted to report that in 2013 we continued to increase revenues for our members.



INCOME FROM THREE REVENUE STREAMS IN 2013

**BROADCAST
AND ONLINE:**

£73m

PUBLIC PERFORMANCE:

£69.5m

INTERNATIONAL:

£34.4m



PERFORMER BOARD CHAIRMAN'S STATEMENT

DEAR PERFORMER MEMBERS

Welcome once again to another successful year and it is my privilege and honour to present to you the Annual Performer Review for 2013/14.

The year has been a remarkable one in both the level of collection and distribution to PPL's members, building upon the previous years of investment, newly signed international agreements and greater, and more efficient implementation of licensing agreements in general.

The work of the PPL staff has been one of dedication and commitment to the membership. On behalf of the Performer Board, I would like to thank them all.

We are proud to be able to report that, since 2006 when the Performer Board was established, each year has brought more money to the performer community. Through the streamlined and ever-improving business models that are constantly being worked upon at PPL through the Board, we remain optimistic that this will continue.

As previously reported, 2013 saw the constitutional change in the main PPL Board which resulted in a further Elected Performer

Director (representing featured performers) joining both Boards. It has been a real delight to have the energetic input of Crispin Hunt (who, as you know, was the candidate elected) and, together with Mark Kelly (the other Performer Director re-elected in 2013 specifically representing featured performers), they have been tremendous assets to the performer community.

Each year we see better collection techniques being implemented and fresh and new international agreements being signed and this has led to increasing revenues for PPL. In addition, with better ways of collecting performer data and particularly working ever more closely with overseas Collective Management Organisations (CMOs), we are able to distribute more money and more accurately. This is always of great importance and, whilst it has been a long journey, it does mean that each year brings greater efficiencies and fairness - which is a key element in PPL's remit.

The Performer Board and the main PPL Board debate at the highest industry levels all the key issues pertaining to performers. These have included critical topics such as the definition

of sound recordings, streaming, download to own, and also issues surrounding the implementation of Copyright Term Extension. It is vital that, in serving you, we are always seeking to do what is in the performer's best interest and developing systems and processes to maximise your earnings.

As part of our expanding service to members we now hold monthly open group sessions at Upper James Street where, afterwards, it is possible to have direct one-to-one discussions with the team on any aspect of repertoire or other individual PPL topics. Alternatively, as part of our open door policy, members can book one-to-one discussions at their own convenience. Earlier in the year, as part of the extension of the service, we made it possible for members to join 'PPL in Session' remotely via the web.

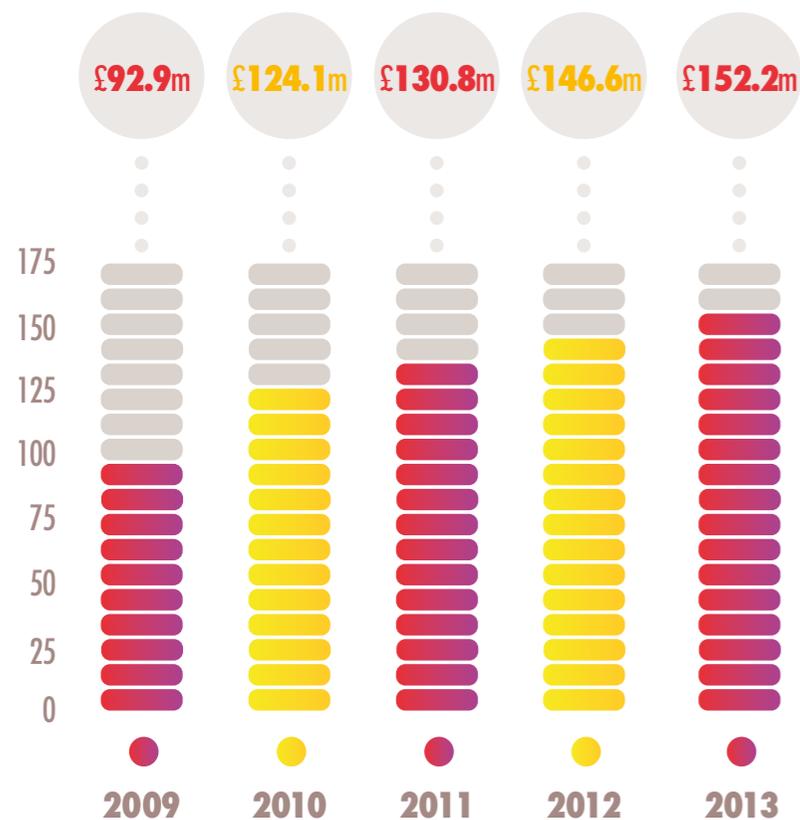
We never forget that it is you, the membership, that we serve and we are proud of our achievements in doing so. We will continue to grow and expand the company so that we can provide you with a first class service which, as performers, you deserve.

Gerald Newson
Chairman, PPL Performer Board

"Each year we see better collection techniques being implemented and fresh and new international agreements being signed and this has led to increasing revenues for PPL."



GROWTH OF TOTAL DISTRIBUTABLE REVENUES TO MEMBERS



"Over the years we have seen how PPL revenues have become much more significant as the music industry continues to evolve."

CHIEF EXECUTIVE OFFICER'S STATEMENT

DEAR PERFORMER MEMBERS

Over the years we have seen how PPL revenues have become much more significant as the music industry continues to evolve. In 2013 I am delighted to report that we increased licence fee income by 4%, to £176.9m, and distributable income by 4% to £152.2 million. While international revenues declined slightly for reasons explained later in the review, we saw a strong uplift in broadcast and public performance revenues. This good progress has continued in 2014 which is particularly gratifying as we celebrate our 80th anniversary.

We continued our efforts to provide an excellent customer service to members and licensees, and completed the first year operating under our new Codes of Conduct. These are codes supported by a Comments, Feedback and Complaints process culminating in an independent Ombudsman service should any member or licensee remain unhappy with the service that they have received from PPL. I was also very proud that, for the second year in succession, we reached the finals of two different customer service awards.

On the licensing side, we invested greater resources in seeking to ensure that all businesses are aware of the need for a licence if they are playing commercial recordings in public. We also extended our working relationship with PRS for Music. Not only do we now operate a number of joint licensing solutions, we have also been raising awareness of the value of your music to businesses across the country through our joint MusicWorks initiative, ultimately helping us to maximise the licensing revenues that we are able to collect on your behalf.

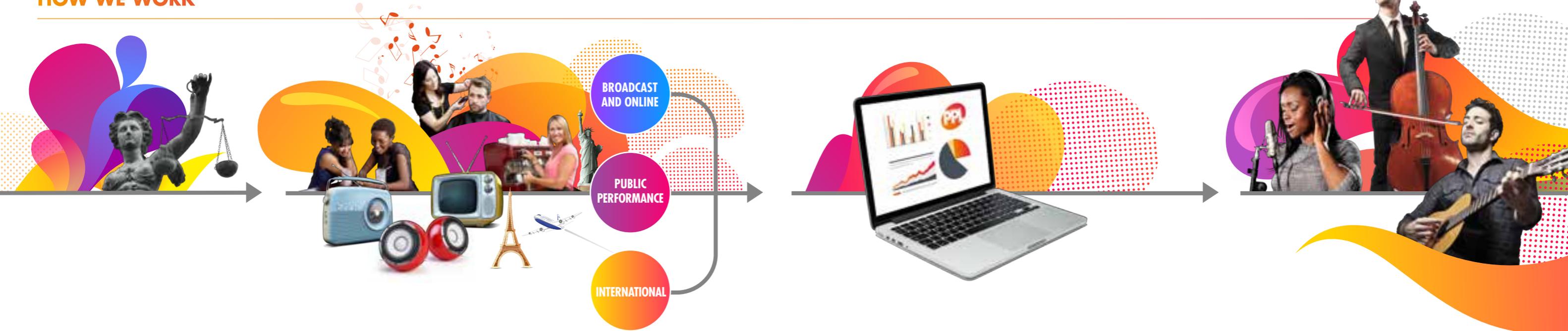
We have also been seeking to deliver a first class experience to our members, in order to make your engagement and relationship with us as effective as possible. We attended numerous events across the country to help inform you of how you can maximise your royalties. We also extended our working hours and made improvements to our systems so that you can search the repertoire database and make claims more easily. Having seen the considerable benefits of recent IT systems investment, ongoing work in that area remains a key priority and further changes will be delivered through 2015 and beyond in response to the feedback that you provide to us.

On the international front, we have been working hard to improve the efficiency and accuracy of the collections process around the world. The ongoing evolution of this market is giving rise to considerable opportunities for joint working between international CMOs. Given the size, popularity and success worldwide of their recorded music repertoire, PPL's members should benefit significantly from more efficiency and accuracy across the global community of CMOs if that can be achieved. On our members' behalf, this will therefore be an important strategic priority for PPL going forwards.

In conclusion, I would like to thank the Performer Board and main PPL Board for their continued insights, support and governance. Above all, I would like to join Gerald in thanking the PPL staff, whose hard work and dedication are very much appreciated. **Here's to the next 80 years.**

Peter Leathem
Chief Executive Officer, PPL

HOW WE WORK



1. LEGAL

The law gives our performer and record company members the right to be paid when their recorded music is played in public and broadcast (on TV, radio and online).

2. OUR THREE REVENUE STREAMS

PPL exists to ensure that all those that invest their time and talent in making recorded music are paid fairly for their work.

Broadcast & Online: We work with and license hundreds of broadcasters to make sure that you are paid fairly whenever your repertoire is aired.

Public Performance: We license hundreds of business premises across the UK that play recorded music.

International: We have agreements with 71 overseas CMOs to help you get paid when your music is played internationally.

3. DATA AND SYSTEMS

We process billions of seconds of airplay data which we receive from broadcasters, businesses and international CMOs to understand what is being played where and when.

We use this information and match it with the repertoire held on our database.

4. PAYMENTS

From that we are able to pay you for the use of your recorded music.

PUBLIC PERFORMANCE

We license hundreds of thousands of business premises across the UK that play recorded music. These include bars, nightclubs, shops, offices, factories, gyms and many other business types.

There has been a continued focus on raising awareness of the need for a licence and the benefits of music to business – particularly in our joint work with *PRS for Music*. Along with the development of online licensing, staff training and extended opening hours, this led to significant increases in the number of premises licensed. All of these initiatives made it easier for customers to engage with and pay us, helping to increase the revenues that we are able to distribute to members.

Our research tells us that licensees place value on music in their businesses. Our website musicworksforyou.com now forms a central pillar of our messaging to the UK business community.

73% OF BUSINESSES AGREE THAT MUSIC INCREASES SALES OR RESULTS

68% OF BUSINESSES SAY THAT MUSIC ENCOURAGES REPEAT BUSINESS

IN 2013:

£69.5M
WAS GENERATED IN PUBLIC PERFORMANCE INCOME

350,000
VENUES ACROSS THE UK WERE LICENSED

WE ISSUED IN EXCESS OF 10,000 INVOICES A WEEK

WE INTERACTED WITH 6,500 CUSTOMERS A WEEK



91%

OF BUSINESSES SAY THAT PLAYING RECORDED MUSIC MAKES STAFF AND CUSTOMERS HAPPIER

“ WE FIND HAVING MUSIC PLAYING IN OUR STORES CREATES A RELAXED AND INFORMAL ENVIRONMENT FOR BOTH CUSTOMERS AND STAFF. WE ARE THE WORLD'S LEADING STUDENT AND YOUTH TRAVEL COMPANY AND ARE HERE TO HELP YOUNG PEOPLE START THEIR ADVENTURE. HAVING A RANGE OF MUSIC PLAYING IN OUR 50 UK STORES CREATES A GREAT ATMOSPHERE TO ALLOW TIME TO CHAT TO OUR TRAVEL EXPERTS AND ENSURE OUR CUSTOMERS HAVE ALL THE TOOLS NECESSARY TO CREATE THEIR IDEAL ITINERARY. ”

LAURENCE BRESH
 MARKETING DIRECTOR
 AT STA TRAVEL

BROADCAST AND ONLINE

We work with hundreds of radio and television broadcasters to ensure that they are appropriately licensed and that you are paid fairly whenever your repertoire is aired.

In 2013 we saw broadcast revenues grow by 5% to £73m. This was mainly the result of annual increases in long-term licensing agreements with the BBC (covering its radio, television and iPlayer services), ITV and BSkyB, amongst others.

The recent trend of declining revenue generated by the commercial radio sector appears to have bottomed out, with 2013 revenue being consistent with the prior year.

Alongside the commercial radio sector, PPL continues to license a diverse range of other services including community radio, student radio, hospital radio and prison radio.

Approximately 800 online radio services are also licensed by PPL, the overwhelming majority of which are small webcasters operated by "bedroom DJs" and not for profit radio enthusiasts.

PPL LICENSES

300+
COMMERCIAL
RADIO STATIONS

60+
BBC RADIO
STATIONS

230+
HOSPITAL RADIO
STATIONS

300+
TV CHANNELS



INTERNATIONAL

PPL recognises the value of your recorded music overseas. We have reciprocal agreements in place with 71 CMOs internationally - including the USA, most of Europe, and various Asian and South American countries including Japan and Brazil - to help you get paid when your recorded music is played internationally.

After 10 years of growth, 2013 saw a 6% decline in international revenues. This is mainly due to the fact that this is still a relatively new and volatile market which

makes it difficult to maintain an even growth pattern, particularly as we have settlements from CMOs for past years being made from time to time as PPL expands its international service. While we achieved an increase in collections for the majority of CMOs in 2013, collecting lower than expected payments from Germany (GVL) and Belgium (Playright) had a significant impact on overall income. This revenue is not lost to PPL performer members, rather it is paid in subsequent years.

PPL's international collections for performers now account for approximately half the global market for international performance rights income for performers between CMOs, which is no small achievement, especially in a highly-competitive market. We currently collect from CMOs representing over 90% of the total value of the global performance rights market.

£34.4m

was collected in international revenues in 2013; £30 million (87% of the total) was on behalf of performers

24,106

performer members received one international allocation in the year to June 2014

21,495

performer members received more than one international allocation in the year to June 2014

We collected, processed and distributed international payments for performers in Poland and Serbia for the first time, having concluded new deals with CMOs in those countries in 2013



“ **OVER THE YEARS MORE THAN £11.5 MILLION HAS BEEN TRANSFERRED TO BRITISH PERFORMERS AND RECORD COMPANIES. THIS HAS ONLY BEEN POSSIBLE DUE TO GOOD COOPERATION BETWEEN OUR SOCIETIES. FLEXIBILITY AND WILLINGNESS TO FIND NEW SOLUTIONS HAVE BEEN KEYWORDS IN THE COOPERATION BETWEEN GRAMEX AND PPL, AND WE LOOK FORWARD TO CONTINUE AND DEVELOP THE GOOD WORKING RELATIONS TO THE BENEFIT OF PERFORMERS AND RECORD COMPANIES.** ”

JOHN R KRISTENSEN
MANAGING DIRECTOR
AND CEO, GRAMEX, DENMARK

MEMBERSHIP

Although our membership continues to grow, it is important that we adapt to your needs in a fast-moving, global environment. We are proud to provide a first class service to our members, dealing with in excess of 4,300 enquiries a month.

In 2013 we increased our interaction with members and tried to meet many of you personally through attending events across the country and internationally to inform you of how you can better maximise your royalties. We also made improvements to our repertoire search functionality on the myPPL portal to make it easier to find the sound recordings that you have performed on and improved the claims process, so that you can provide a single piece of evidence in support of multiple claims.

Additionally, we worked hard on improving the quality of data we hold to help enhance the accuracy of your payments; following research by PPL staff we made over 600,000 updates to performer line-up information on recordings. We also accepted in excess of 436,000 online claims from performers asking to be linked to recordings.

IN 2013:

£152.2m

DISTRIBUTABLE REVENUE
TO MEMBERS

3.8 billion

SECONDS OF AIRPLAY DATA
PROCESSED FOR THE MAIN
JUNE DISTRIBUTION

300

PERFORMER MEMBERS
REGISTERED ON
AVERAGE A MONTH

18,000

SOUND RECORDINGS
REGISTERED ON
AVERAGE A WEEK

90,000+

PERFORMER AND
RECORD COMPANY
MEMBERS

38,887

performer members
paid in main June
2014 distribution,
of which 17,111
were performers
registered via an
overseas CMO

OUR MEMBERS TELL US ABOUT THE IMPORTANCE OF THEIR PPL REVENUES...

"Without you **I wouldn't have known that money existed for me and I cannot thank you enough.** When you do session vocals, you might not be aware that when someone else has a hit you sang on, there is money for you too. So PPL is really important!"

Awsa Bergstrom, solo artist/session vocalist (Blue, Nick Cave, Emeli Sandé, Professor Green)

"You are seriously on the case **I appreciate your efforts very much.** Thank you, PPL, for everything you are doing for me and my bank balance!"

Andy Newmark, session drummer (ABC, David Bowie, John Lennon, George Harrison, Roxy Music, Sly & The Family Stone)

"Many thanks for your help. I'm grateful for the good work that you do on behalf of working musicians, past and present, around the world – and to meet people who actually care about what they do. **I couldn't be happier in my dealings with you good folks at PPL.**"

Bill Rieflin, drummer (King Crimson, Ministry, R.E.M., Swans, Robbie Williams)

"I'm very happy to have my account with PPL. **You're extremely helpful,** informative - and great at explaining all the complexities."

Jem, singer/songwriter

WE WOULD LIKE TO SAY A BIG THANK YOU TO ALL OF OUR PERFORMER MEMBERS FOR THEIR SUPPORT, PROVIDING US WITH GOOD DATA, REACTING TO ALL OF OUR REQUESTS AND FOR CHOOSING TO WORK WITH PPL.

We are happy to answer your queries and questions. If you'd like to get in touch, you can contact our Member Services team on:

Email: memberservices@ppluk.com
Telephone: 020 7534 1234
Fax: 020 7534 1383
ppluk.com

You can also keep up to date with all our news on Twitter @PPLUK





1 UPPER JAMES STREET
LONDON W1F 9DE
+44 (0)20 7534 1000
PPLUK.COM
@PPLUK