

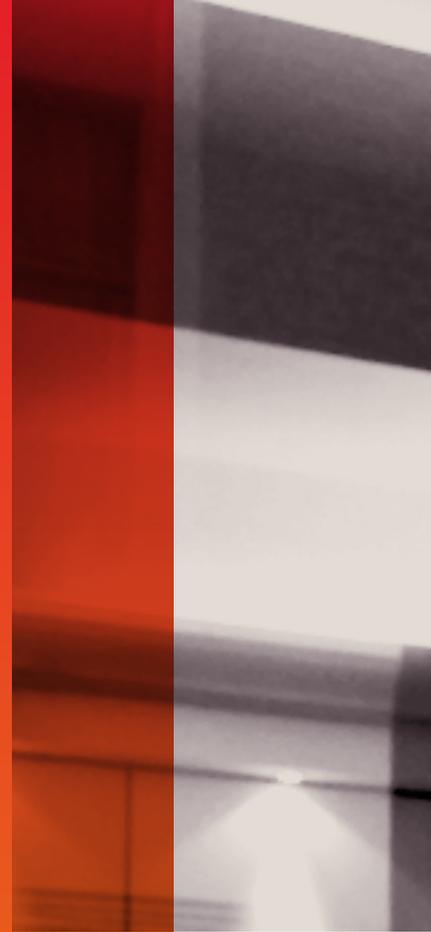


**ANNUAL  
REVIEW  
2009**

**WELCOME TO THE 2009 PPL  
ANNUAL REVIEW.**

**OUR MISSION IS TO MANAGE  
THE RIGHTS AND MAXIMISE THE  
EARNINGS FROM THE BROADCAST  
AND PUBLIC USE OF RECORDED  
MUSIC, AND DISTRIBUTE THEM  
IN THE MOST EFFICIENT MANNER  
POSSIBLE. WE LOOK TO CREATE  
MAXIMUM VALUE FOR OUR  
RECORD COMPANY AND  
PERFORMER MEMBERS AT ALL  
TIMES AND A FIRST CLASS SERVICE  
TO ALL OUR CUSTOMERS, ALL OF  
WHOM ARE IMPORTANT TO US.**

**TO ACHIEVE THIS, AND TO SET  
GLOBAL STANDARDS OF  
EXCELLENCE, IT IS ESSENTIAL FOR  
US TO MAINTAIN AND INVEST IN  
FIRST CLASS PEOPLE AS WELL AS  
MAINTAIN AND INVEST IN FIRST  
CLASS SYSTEMS AND DATA.**





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# OUR YEAR

**2009 MAY HAVE BEEN A TOUGH YEAR BUT IT MERELY STRENGTHENED OUR DETERMINATION TO UPHOLD THE CULTURAL AND COMMERCIAL VALUE OF OUR REPERTOIRE**

**"...THIS IS A ROLE WHICH [THE COPYRIGHT TRIBUNAL] IS ILL-EQUIPPED TO PERFORM..."**

COPYRIGHT TRIBUNAL

**9.8%**

Commercial radio revenue decline in 2009  
(Source: RAB/Ofcom)

**1 IN 56**

Business failures reached an estimated 36,000 in 2009 – the equivalent of one in every 56 companies  
(Source: BDO Stoy Hayward Industry Watch)

**"...UNLESS OUR RIGHTS ARE PROPERLY VALUED, THEN MUSIC MAY CEASE TO BE A VIABLE BUSINESS..."**

FRAN NEVRKLA

**87%**

Of musicians earn less than £16,000 a year from their profession  
(Source: Musicians' Union)

**2,360**

The number of pubs that closed in 2009  
(Source: BBPA)

**"...2009 WAS A YEAR WHEN MANY COMPANIES WERE PREOCCUPIED WITH SURVIVAL ..."**

CBI

**ROYALTIES**

The Copyright Tribunal decision led to a reduction in royalties

# 95%

MusicWorks survey shows 95% of people prefer shopping when music is playing

**“A RESTAURANT WITHOUT MUSIC, IS LIKE A CURRY WITHOUT SALT”**

ENAM ALI MBE,  
FOUNDER OF  
BRITISH CURRY AWARDS

# 2.9BN

Seconds of music usage data matched by PPL Distribution team in 2009

**“UK LABELS HAVE ARGUABLY DONE A BETTER JOB OF DIVERSIFYING THEIR REVENUE STREAMS, DUE IN PART TO THE SUCCESS STORY THAT IS PPL...”**

WILL PAGE,  
PRS FOR MUSIC

**“MUSIC IS VALUABLE AND MUSICIANS SHOULD BE COMPENSATED FOR MAKING IT”**

THE GUARDIAN

## GROWTH

Estimated 3% increase on the previous 12 months for market value of leisure industry (Source: leisuredatabase.com)

**“THANKS SO MUCH FOR ALL YOUR HELP! I AM INDEED VERY PLEASED. YOU HAVE BEEN A GREAT HELP AND A BLESSING TO ME”**

QUINDON,  
PPL RIGHTS HOLDER

# 2

Removing 2 music licensing exceptions would mean more revenue for performers and record companies

# +2%\*

Year on year income growth at PPL

\*See page 11 for more information

**“FOR MOST BUSINESSES, INTANGIBLE ASSETS REPRESENT WELL OVER HALF OF CORPORATE VALUE”**

ACCA

# +3%

Predicted growth for UK advertising revenues in 2010 (Source: Magna)

**“WE HAVE SUCCESSFULLY COMPLETED THE FIRST STAGE OF THE PPL SYSTEMS UPGRADE ON TIME AND ON BUDGET...”**

PETER LEATHAM



LICENCE FEE INCOME £M

**129.6** \*  
+2%

\*See page 11

**In 2009 we experienced some stormy waters which certainly made plain sailing very difficult.**

In spite of the awful economic climate and other adversities, mentioned below, PPL succeeded in raising the bar yet again by increasing some of its main income streams. It is easy to forget that not so many years ago PPL was not expected to reach the magic number of £100 million of annual income. Now the company exceeds that figure substantially and can aim for the next significant target on the road to obtaining a proper return for the many broadcasts and public uses of the fantastic sound recordings in our repertoire.

Similarly, we forget that only a few years ago PPL was collecting no overseas income at all, simply because it had no authority and remit to do so. The year on year growth in recent years has been remarkable and the 2009 international collections totalling £21.6 million represent a fantastic achievement on the part of our International Department.

And yet, all this is achieved in spite of enormous obstacles, negativity and, at times, outright hostility. I refer to the current mindsets and the nearly schizophrenic relationship modern society has with culture, all things creative and especially music.

On one hand, there is a growing appetite for general consumption of music, although, unfortunately this is frequently based on the premise that all music should be easily accessible and “for free”. On the other hand, there is also a general realisation that music is probably the single most powerful tool when advertising products, services or anything else. Most individuals and companies are also aware that music alone creates a better, softer and more effective working environment which undoubtedly helps businesses and other organisations to keep their staff happy, to sell more products and therefore increase their profits. Quite often, the use of music results in the creation of wholly new businesses which become highly successful and immensely profitable.

Whilst we are happy to applaud most of these trends, we feel very strongly that the use of music should and must be paid for. Moreover, it has to be valued properly and therefore at commercially viable but sensible rates. This is particularly important in the inevitable process of physical format sales continuing to decline. It follows, therefore, that other income streams including broadcast, public performance and other types of usage, which hitherto have been considered secondary and therefore “complementary”, are now becoming prime revenue sources for performers, as well as for those who invest in existing and new talent.

The working conditions of most British musicians are something of which we should not feel proud. The same is true of the levels of remuneration with the sole exception of a small number of extremely successful superstars. It is not generally appreciated that approximately 90% of the tens of thousands of British musicians, singers and other performers earn less than £16,000 a year from their profession. My colleagues and I have also highlighted on many occasions the fact that, generally speaking, the licence fees which the vast majority of businesses have to pay annually for the use of music, are pitifully low. It is ironic and sad that all these businesses have to pay several times more for cleaning or garbage collection.

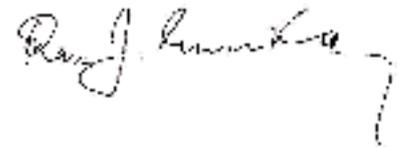
In 2009 PPL faced a Copyright Tribunal Reference in relation to several of its public performance tariffs. This is nothing unusual in itself and, whilst PPL tries its hardest to conduct its business in an intelligent, flexible and user-friendly manner, it is inevitable that occasionally tricky situations and disputes arise which undoubtedly require adjudication by an impartial and objective body.

That said, we are very unhappy about the latest Copyright Tribunal decision. Surely it cannot be right that talent should be ignored and that something as precious as music should be valued at such low rates as those applied by the Tribunal to the thousands of premises who for several years voluntarily agreed to pay the fees sought by PPL. Similarly, how can it be right that performers and record companies/rights holders should receive so much less than composers and publishers in respect of the licensing of public performances in the same premises?

Happily, that decision was reached in a statutory context that will shortly cease to have any application, and it is not the end of the story by any means. It is likely that the Copyright Tribunal will be asked to consider again these PPL tariffs and it is essential that the Tribunal has all the facilities, time and expertise to make well informed, balanced and commercially sustainable judgements about the value of music and the underlying rights of performers and record companies. Unless such rights are properly valued, then music may cease to be a viable business. This would be a disastrous development for modern society, for our culture and for UK plc generally.

In my view, the above represents the biggest challenge going forward and our constituents, both the performers and the record companies, can rely on our complete determination to carry on the good fight in safeguarding and enforcing the rights vested in us and in obtaining their proper value. I thank all our friends and supporters in the music industry and elsewhere for helping us in this difficult, extremely challenging but essential task.

Onwards and upwards!



**Fran Nevrlka**  
Chairman and  
Chief Executive Officer

# BUSINESS REVIEW

WE LISTEN...





...AND WE  
RESPOND

# COMMUNICATING THE BENEFITS OF PLAYING MUSIC IN PUBLIC.

**77%**

OF PEOPLE SAY  
THEY ARE MORE  
LIKELY TO VISIT  
A HAIRDRESSING  
SALON WHICH IS  
PLAYING MUSIC

**92%**

OF PEOPLE LIKE  
A BAR WITH  
BACKGROUND  
MUSIC

**80%** OF PEOPLE SAY MUSIC MAKES THEIR GYM WORKOUT MORE ENJOYABLE

### **WHY MUSICWORKS?**

MUSIC WORKS, AND THE MUSICWORKS PROGRAMME WAS LAUNCHED IN THE SUMMER OF 2009, IN CONJUNCTION WITH PRS FOR MUSIC, TO COMMUNICATE TO BUSINESSES THE BENEFITS OF PLAYING MUSIC IN PUBLIC. INVALUABLE RESEARCH CARRIED OUT BY ENTERTAINMENT MEDIA RESEARCH (EMR) HIGHLIGHTS POTENTIAL COMMERCIAL GAINS TO BUSINESSES.

More at [musicworksforyou.com](http://musicworksforyou.com)



**74%**  
OF EMPLOYEES  
ENJOY GOING  
TO WORK MORE  
WHEN MUSIC  
IS PLAYED

## FINANCIAL SUMMARY

**THE COMPANY'S PRINCIPAL ACTIVITY IS THE COLLECTION OF LICENCE FEES FOR BROADCASTING AND PUBLIC PERFORMANCE OF RECORDED MUSIC ON BEHALF OF OUR MEMBERS.**

**THE TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION IS PAID OUT TO THE COMPANY'S MEMBERS, RECORD COMPANIES AND PERFORMERS, WITH THE INTENTION THAT THERE ARE NO RETAINED RESERVES AT ANY PARTICULAR BALANCE SHEET DATE.**

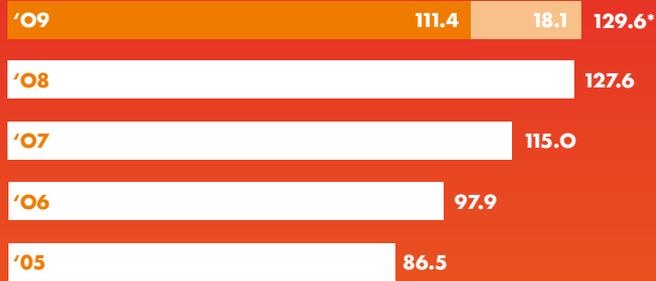
During the year the company increased its licence fee revenue from most sources in accordance with management objectives. It is expected that this trend will continue. PPL considers its key performance indicators to be revenue, revenue growth and cost to revenue ratio. 2009 was a difficult year financially, given the Copyright Tribunal decision (see page 17) on three public performance background music tariffs.

The decision required PPL to establish a refund scheme for customers on the affected tariffs for licences purchased between 2006 and 2009. Income before accounting for backdated refunds was £129.6 million, an increase of 2%. After accounting for this exceptional item (£18.1 million), income declined by 13% from 2008. Broadcasting income grew by £1.0 million (2%) despite an approximately 9% fall in commercial radio revenues which was a direct result of a downturn in advertising revenue in this sector. Public Performance and Dubbing revenue in the year declined by 10%, due to a direct impact on collections throughout 2009, from the Copyright Tribunal decision. International revenue increased by £6.2 million (40%) to £21.6 million. The cost to revenue ratio remained at 14.6%.

In tough market conditions for PPL's members, the changes within the music business in recent times have been immense. The economy continues to play a part in our ability to collect licensing income and 2009 proved particularly difficult in some markets such as the retail and pub industries where business closures resulted in fewer venues playing music. As the economy is expected to improve throughout 2010, we would hope to see collection rates and revenues increase. Whilst sales of physical music carriers continue to decline generally around the world, the 'use' of music continues to grow as media expands and 'public performance' and dubbing increases.

It is critical that the company plans carefully for the future. Investment in systems has to meet the demands of increasing membership, evolving media, new tariffs and the developments that the company continues to make in overseas collection for all members.

## LICENCE FEE INCOME £M



**£129.6M\*\***  
+2%

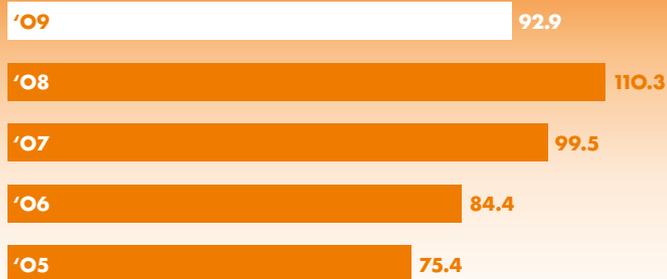
## Licence fee income year on year:

	2009 £M	2008 £M
Public Performance and Dubbing	48.9	54.2
Broadcasting and Online	59.1	58.1
International	21.6	15.4
<b>Licence fee income before refund</b>	<b>129.6</b>	<b>127.6</b>
Public Performance refund	(18.1)	
<b>Licence fee income</b>	<b>111.4</b>	<b>127.6</b>

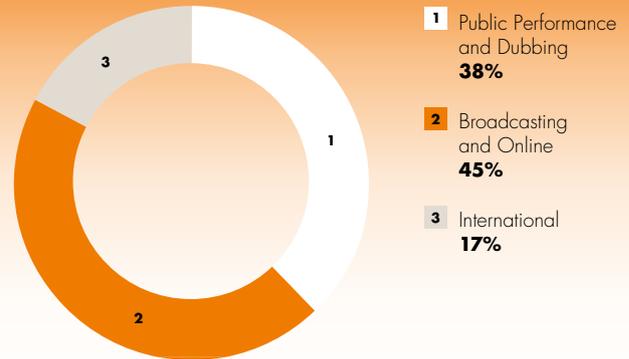
\* This total has been rounded upwards

\*\* As a result of the Copyright Tribunal decision, on three Public Performance background music tariffs: PPL has accounted for refunds totalling £18.1 million, relating to the period 2006 – 2009. This reduces licence fee income from £129.6 million to £111.4 million

## DISTRIBUTABLE REVENUE £M



## FEE INCOME BY SECTOR %



# WE WILL ALWAYS STAND UP FOR OUR MEMBERS' RIGHTS.



**51**

THE NUMBER OF TRADE  
ASSOCIATIONS PPL  
INVITED TO TAKE PART  
IN THE CONSULTATION  
PRIOR TO THE TRIBUNAL



**3**

**THE NUMBER OF  
TARIFFS AFFECTED**

**5**

**THE NUMBER  
OF YEARS  
COPYRIGHT  
TRIBUNAL TOOK  
TO REACH A  
DECISION ON  
BACKGROUND  
MUSIC TARIFFS**

**0**

**THERE WERE NO  
OBJECTIONS TO  
THE TARIFF RELATING  
TO OFFICES AND  
FACTORIES**

**TRIBUNAL DECISION SETBACK**

THE COPYRIGHT TRIBUNAL DECISION TO REVERT BACK TO THE OLD TARIFFS WAS A BLOW TO PPL AND OUR MEMBERS. WE CONTINUE TO FIGHT ON AND NOTHING DIMINISHES OUR RESOLVE AND BELIEF THAT MUSIC RIGHTS MUST BE PROPERLY VALUED.

BROADCAST AND  
ONLINE INCOME £M

**59.1**  
+2%

**“WHILST TRADITIONAL TERRESTRIAL AND SATELLITE BROADCASTING REMAIN THE PREDOMINANT TELEVISION PLATFORMS, BROADCASTERS AND PROGRAMME MAKERS ARE INCREASINGLY LOOKING TO ALTERNATIVE PLATFORMS FOR THE FUTURE.”**

### **PPL's broadcasting and online income grew by 2% in 2009 to £59.1 million.**

The overall pattern was broadly similar to that experienced in 2008, with revenue growth from the BBC and commercial television being substantially offset by the continuing decline in receipts from commercial radio.

2009 was a testing year for commercial television broadcasters, with a downturn in the advertising market coinciding with the development of new distribution platforms for the on-demand delivery of television programmes and continuing debates over the regulatory environment. PPL's licensing fees from television broadcasters are not directly related to broadcasters' revenues (unlike fees for commercial radio), but the decline in advertising revenue inevitably leads to pressure on all suppliers of content including PPL. Whilst traditional terrestrial and satellite broadcasting remain the predominant television platforms, broadcasters and programme makers are increasingly looking to alternative platforms for the future. PPL has facilitated such developments through a range of 'new media' licensing initiatives with its partners in commercial television. 2009 also saw an agreement reached with Channel 4 for the licensing of PPL repertoire in television programmes delivered to the consumer as downloads and DVDs, following a similar agreement reached with BBC Worldwide in 2008.

Whilst PPL's revenue from commercial radio fell again in 2009, improved results in the final quarter of the year suggest that the radio sector may be turning the corner. The substantive consolidation and ownership changes which took place in 2008 have resulted in a small number of major radio groups which should be well placed to take advantage of any recovery, whereas at the other end of the market 2009 saw increasing numbers of small local stations going out of business.

2009 saw continuing debate within the music industry as to the merits of varying business models which seek to monetise the transmission of recorded music over the internet. PPL currently licenses such internet services where they largely equate to the traditional radio service model, with the on-demand streaming and downloading of recorded music being licensed directly by its record company members. 2009 saw growth in both the number of PPL licensees and the revenue generated from internet radio, but this market remains small and volatile. Going forward PPL will continue to work closely with its members to determine the appropriate scope for collective licensing in this area.



**“IT IS CRITICAL WE CONTINUE TO DEVELOP OUR OPERATIONS AND SYSTEMS AND PUT IN PLACE NEW INITIATIVES TO MAINTAIN EXISTING CUSTOMERS AS WELL AS DEVELOP NEW BUSINESS.”**

**2009 was naturally a very difficult year for many of our customers, large and small and, in turn, the economic downturn coupled with the Tribunal decision, clearly impacted on the company.**

Statistics reveal how tough the year was for businesses through the UK. One survey, for example, carried out by the Local Data Company in the autumn of 2009, showed that 10% of shops in 700 towns had been forced to close in the first nine months of the year.

The same survey went on to show that in the first nine months of 2009 4,143 restaurants and cafés, 2,201 hairdressers and 1,146 corner shops closed. This list runs on. The British Beer and Pub Association (BBPA) stated that 2,360 pubs closed in 2009.

However, notwithstanding the impact of customers closing and businesses seeking to hold onto their money for longer, we were still able to grow the number of public performance sites that we licensed. In fact we would have seen revenue growth in 2009 for public performance of somewhere around 6% were it not for the adverse effect of the Copyright Tribunal decision (discussed in more detail on page 17) - and despite the recession.

We recognised in 2008 as the downturn first became evident that, for the company to maintain growth, it was critical we continued to develop our operations and systems and put in place new initiatives to maintain existing customers as well as develop new business.

To this effect we conducted a number of team re-structures to drive efficiencies and improve both performance and customer service. This was also enhanced by the implementation of a new telephone system which has brought increased visibility of types of customer contact as well as measurement of our performance. This has led to improved management reporting and more informed management decisions about how best to serve our customers.

One of the side-effects of the recession was, and still is, a greater general reluctance from our customers to voluntarily pay us. Once again a range of industry statistics across the whole business community show debtor days increasing and the number of invoices paid declining substantially in 2009. We responded accordingly by putting more effort and resources into managing late payers, the results of which will be further enhanced in 2010 by the company operating a 50% late payment surcharge, one of the few, but fair, benefits introduced by the Copyright Tribunal on the three tariffs impacted by the Tribunal's decision - as well as on the tariff for hairdressers.

**4,143**

RESTAURANTS AND CAFES CLOSED

**1,146**

CORNER SHOPS CLOSED

**1,570**

FLORISTS CLOSED

In order to support our drive to find new customers to be licensed, a new sales and marketing tool was developed to fully utilise the existing Oracle system for our new business team. This is a key area for us going forward and we will be looking at how best we can continue to grow the number of customers that we have.

We also looked to develop joint licensing projects and other initiatives with *PRS for Music*. In support of the Government's proposal to allow PPL to license the not-for-profit sector for the first time we made proposals, which are still ongoing, to conduct our licensing jointly with them. In addition, the two companies together launched *MusicWorks* – a business tool to demonstrate the value and benefits of recorded music in public. Following independent research by Entertainment Media Research (EMR) we have jointly developed a website ([musicworksforyou.com](http://musicworksforyou.com)) to convey a host of information to a wide range of businesses across all our sectors.

Despite the difficult economic climate, dubbing income again grew significantly in 2009 through strong relationship management, tight financial control and innovative new licensing solutions. The internal changes carried out in late 2008 have enabled us to respond faster and more efficiently to changes in the market and further increase the number of services licensed.

## TRIBUNAL DECISION

**In 2009 the Copyright Tribunal finally ruled on three of PPL's public performance background music tariffs. The decision was not a favourable one to PPL in that our proposals were rejected, the Tribunal deciding to revert to the company's old tariffs (subject to a 10% uplift).**

**“WE ARE EXTREMELY DISAPPOINTED BY THE DECISION OF THE TRIBUNAL WHICH, EVEN BY ITS OWN ADMISSION, IS ‘ILL-EQUIPPED’ TO PERFORM ITS NEW INVESTIGATORY ROLE. THE TRIBUNAL HAS FAILED TO HAVE PROPER REGARD FOR THE REAL VALUE OF MUSIC TO BUSINESSES.”**

FRAN NEVRKLA  
22 OCTOBER 2009

The historical background to the Copyright Tribunal decision dates back to 2003. Following legal action by PPL against the UK Government and a change in the law, the company was, for the first time, entitled to license the public performance of sound recordings contained in a broadcast. This meant that we were entitled to license the use by businesses of the radio and TV to play recorded music in public.

Following lengthy consultation with the relevant markets, PPL lodged three new tariffs with the Secretary of State for Trade and Industry on 1 December 2004 who in turn referred the three tariffs to the Copyright Tribunal under a new, fast-track regulatory approach.

Finally, over four years later, the Tribunal sat for a one day hearing and, despite stating that it was “ill equipped to perform” its statutory task of acting as an investigatory body, the Tribunal nonetheless decided it had enough representations before it to make its ‘one-size-fits-all’ decision across the three tariffs – despite there being no opposition from one sector, Factories and Offices, in regard to that tariff.

The Tribunal was placed in a very difficult situation by the new regulatory regime and, as mentioned, admitted that it was not set up to operate under this new investigatory process and the UK Government is now proposing to remove the regulatory regime.

In October 2009 PPL appealed the decision to the High Court though our appeal was limited to establishing an error of law. Unfortunately, while there were some aspects of the Tribunal's decision with which the High Court Judge did not agree, he found that the Tribunal had a wide discretion and was entitled to come to the decision that it did. This has now left PPL in the unsatisfactory position, which is also unfair to music users, of effectively one price applying to the vast majority of the pubs market and the retail market. It is this ‘one-size-fits-all’ approach, coupled with the disregard for the value of our members’ rights which we strongly believe is not the correct approach moving forward.

As a consequence of the substantial delays, despite the new fast track procedure introduced by the Government, PPL is in the process of making refunds to licensees.

INTERNATIONAL

# NUESTROS SERVICIOS INTERNACIONALES CONTINÚAN CRECIENDO.

(OUR INTERNATIONAL SERVICES CONTINUE TO GROW.)

15

MULTI-LINGUAL STAFF  
IN THE INTERNATIONAL  
DEPARTMENT TO DEAL  
WITH ENQUIRIES





**80%** OF PERFORMERS REGISTERED WITH PPL USE  
OUR INTERNATIONAL COLLECTION SERVICE

**21,000**

INTERNATIONAL  
PERFORMERS  
REPRESENTED BY PPL

**4,000**

INTERNATIONAL  
RECORD COMPANIES  
REPRESENTED BY PPL

**WORKING HARDER  
INTERNATIONALLY**

OUR INTERNATIONAL SERVICES  
CONTINUE TO GROW YEAR ON YEAR  
AND WE CAN NOW PROUDLY CLAIM  
TO BE THE WORLD LEADER IN GLOBAL  
MUSIC RIGHTS MANAGEMENT.

## INTERNATIONAL



**2009 was another year of growth for the company's International Department. Total collections in 2009 were £21.6 million which represents approximately 40% growth over 2008.**

Performer revenue grew by 24% whilst record company revenue grew by 16%. This represents approximately a 260% growth over the last three years, with over £46 million having been collected since the start of 2007.

PPL's International Department identifies, collects and distributes money that is due to record companies and performers from the exploitation of broadcast, public performance and other collectively managed rights outside of the United Kingdom.

Significant achievements through the year included the agreement reached in Norway regarding private copying remuneration; in Spain for rental, audio-visual performance rights and private copying remuneration; and the first payments of private copying revenue from Sweden and Denmark. This new revenue, coupled with considerable growth in the US, Dutch, Japanese and Swedish markets ensured that the company's international revenue collection was able to counter prevailing economic trends.

International collections are an additional, optional service for PPL's record company and performer members. 80% of performers who register with PPL and 88% of record companies chose to take advantage of this service. These performers and record companies benefited from a 40% growth in the revenue received in 2009.

PPL's International Department is involved in a business to business collection process. It does not presently undertake the direct licensing of users, broadcasters or venues in other territories. Rather it identifies licensing revenue which has already been collected by PPL equivalents in other countries and ensures that the correct share of this revenue is returned to PPL members. In undertaking this business it uses the skills and processes which are core to PPL's operation: negotiation, rights management and data processing.

The actual cost of the services provided by PPL's International Department ranges from 2% – 10% for the collections it undertakes and such revenues are distributed to performers and record companies within 90 days of receipt, provided the relevant distribution data is supplied.

PPL is now collecting and distributing remuneration from 45 countries. Some of the key strategies for growth in 2009 were:

• **Managing and resolving recordings rights disputes**

The lack of structured systems internationally for territorial rights management means that ownership disputes frequently arise, often between distributors and rights holders. By raising and resolving disputes PPL is able to ensure that the correct revenue is paid to the correct rights holders and to reclaim revenue which has been allocated incorrectly.

• **Repertoire identification**

Through the more effective identification of repertoire we have been able to significantly increase the amount of revenue paid through to PPL. PPL uses third party datasets to validate information provided by local music licensing companies.

• **Maximising available rights**

During 2009 the first payments of private copying remuneration from certain countries were made to PPL members. Further payments from other collectively managed rights will continue to be collected and paid to PPL members during 2010.

PPL's International Department has been heavily involved in technological developments, both at PPL and with other music licensing companies. Robust, scalable IT solutions and usable technological standards are integral to efficient rights management and this will be a key focus to support future revenue growth and operational efficiencies.

Historically, development has been undertaken at national level which has led to inefficiencies and a lack of interoperability between various systems. Moving forward the international team will remain fully focused on working with a core group of other companies to find long term solutions to enable more cost-effective collaboration and greater transparency.



**WE FULLY  
RECOGNISE THE  
RESPONSIBILITY  
WE HAVE TO  
OUR MEMBERS.**

**2011**

SEES THE FINAL DELIVERY  
OF OUR INTEGRATED  
REPERTOIRE, MANAGEMENT,  
REPORTING, RIGHTS AND  
DISTRIBUTION CAPABILITY

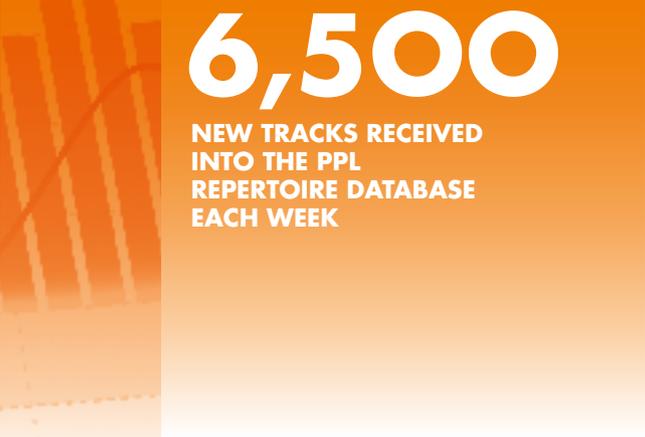


The background of the page features a collage of financial charts. At the top, there is a red banner with white text. Below it, a candlestick chart is visible with time markers at 3:00, 15:00, and 17:00. At the bottom, there is a bar chart with a line graph overlaid. The overall color scheme is orange and red.

**2,953,546,817 SECONDS OF AIRPLAY PROCESSED FOR THE 2009 DISTRIBUTION PAYOUT**

### **INVESTING IN THE FUTURE**

THE COMBINATION OF A RAPIDLY GROWING MEMBERSHIP AND OUR VISION OF PROVIDING AN EVER BETTER SERVICE IS ACHIEVED BY INVESTMENT IN TECHNOLOGY. 2009 SAW THE START OF A SUBSTANTIAL BUSINESS SYSTEMS UPGRADE PROGRAMME USING SOME OF THE MOST ADVANCED TECHNOLOGY AVAILABLE IN ORDER TO DRIVE EFFICIENCIES THROUGH STREAMLINING AND AUTOMATION OF BUSINESS PROCESSES.

A bar chart with several vertical bars of varying heights, set against a dark orange background. A white line graph is overlaid on the bars, showing a fluctuating trend.

**6,500**

**NEW TRACKS RECEIVED INTO THE PPL REPERTOIRE DATABASE EACH WEEK**

## MEMBER SERVICES

**Membership of the company continues to grow rapidly. We now have over 42,000 performer members, an annual increase of 11%, and over 5,000 record company/ rights holder members which represents a 32% increase on 2008.**

Indeed many of the new members joining as owners of recorded music rights are performers acting as sole traders/rights holders. These new members, as well as the existing record companies, now benefit from an ever increasing range of services that the company offers, which we strategically worked on through 2009. We are seeing a continuing shift in the broadcast sector away from linear delivery of TV/radio programming towards multiple distribution channels and increased 'on demand' consumption by the audience.

To reflect this, PPL has been updating the membership documentation for its record company members introducing a single Rights Appointment Agreement containing all of the rights appointments that members can give to the company.

Three new appointments are now being offered:

- **International New Media Rights Appointment**
- **UK Programme Distribution Rights Appointment**
- **International Programme Distribution Rights Appointment**

In addition to being optional, these new mandates are non-exclusive, and operate on the basis of PPL's new service category system. This means that, after signing up to these new mandates, members still have control and flexibility over their participation in the different licensing services covered by each. This will enable members to participate in, for example,

PPL's licensing deal with the BBC for the UK and international distribution of television and spoken-word radio programmes – containing recorded music – that are released on DVD/CD or as downloads to own.

Specifically for performer members in 2009 we improved both the overall level of held data in relation to historical recordings as well as new ones.

One of the big projects over the last 18 months has been the programme internally known as the 'Gold Repertoire Project' and which was mentioned in last year's review. While the company had some information concerning performers linked to recordings that were made in the 1950s through to the 1970s, it was difficult in many instances for members to prove on which recordings they had played given the paucity of contemporaneous data.

In an attempt to deal with this problem, PPL, in conjunction with a chosen number of performers, devoted an immense amount of effort to develop a revised and fair system for distribution. The objective of this was to release monies held for tracks recorded in those decades and which had not already been distributed. This process was completed in December 2009 and the 1980s phase of this project, which focuses on track-specific research, is scheduled to be completed by summer 2010.

**“THE INCREASE IN MEMBERSHIP AND DATA WILL CONTINUE TO REQUIRE SIGNIFICANT UPGRADE IN OUR IT SYSTEMS WITH THE NEED FOR IMPROVED LEVELS OF REPORTING AND COMMUNICATION.”**

In PPL's continuing mission to maximise income from the broadcast and public use of recorded music we have now become the first music licensing company to be granted Qualified Intermediary Status (QI) by the IRS. Until now, all income received from SoundExchange in the United States has been subject to a 30% tax deduction, regardless of US tax status. This latest development means that the gross income generated by British recordings in the US can now be paid without tax being withheld.

The increase in membership and data will continue to require a significant upgrade in our IT systems with the need for improved levels of reporting and communication.

In March 2009, the company embarked on a major new IT system and process upgrade using Deloitte as its consulting partner. Progress has been good with the first key milestone in the project successfully reached in January 2010 on time and within budget.

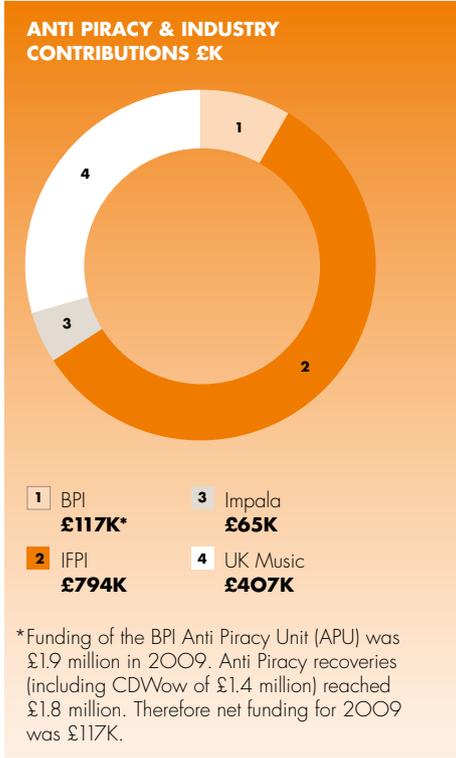
This was to complete the build of a new Repertoire Database, transfer the sound recording data from CatCo and to soft launch the new PPL Repertoire Database. A testing phase was subsequently carried out with a small selection of record companies and performers ahead of its full launch due in the summer of 2010. These upgrades are essential if the company is to develop its role as a global leader of rights management and member affairs in order to maximise the revenue paid to record companies and performers on a timely and accurate basis.

As the programme continues to develop, we will keep members informed via our recently upgraded newsletter and via our website, as well as increase our presence at events nationally and internationally in a cost-effective manner.

Keith Harris, Director of Performer Affairs, continued to be involved in spreading the word about performer rights in the UK and in a variety of countries including Barbados, Ghana, Namibia, Trinidad, South Africa and St. Lucia. It is very much in members' interests to assist these countries in setting up suitable systems to make sure that performers get paid wherever and whenever their work gets used.

Finally, members continue to play various key roles on the main PPL Board as well as the Performer Board. Through the course of 2009 Rachel Evers from Warner Music UK joined as a main board member replacing John Watson. Following the first contested election at the Annual Performer Meeting in November 2009 for one of the two electable Performer positions on the Performer Board, Mark Kelly, keyboard player from the band Marillion, was elected narrowly beating Nigel Parker. The company thanks both John and Nigel for all their work and support over their respective years of service, and also Robin Millar for his many years of hard work and good counsel.

In addition Steve Levine, Chairman of the Music Producers' Guild and Dave Rowntree, Co-chairman of the Featured Artists' Coalition joined the PPL Board and Performer Board as attendees.



\*Funding of the BPI Anti Piracy Unit (APU) was £1.9 million in 2009. Anti Piracy recoveries (including CDWow of £1.4 million) reached £1.8 million. Therefore net funding for 2009 was £117K.

**70 YRS**

PPL COPYRIGHT TERM PROPOSAL

**2**

COPYRIGHT EXCEPTIONS TO BE  
REMOVED BY THE UK GOVERNMENT

**\$0**

WHAT PERFORMERS AND  
RECORD COMPANIES GET  
FOR AIRPLAY ON US RADIO

**A year is a long time in the music industry, yet 50 years is nothing. In 2009, all the recordings from 1958 fell into the public domain and the musicians, solo artists, producers and record companies who created and invested in those recordings will now get nothing from their exploitation. For those affected by the shorter copyright term, it has been a year of being so close and yet so far.**

It is the same story on other major gaps in our rights. 2009 was a year when we made major progress on copyright term, music licensing exceptions, the Copyright Tribunal and the business environment for music licensing but we still do not have the final results.

The copyright term proposal, which would extend the term to 70 years for performers and record companies, was debated in committee in Brussels and amended to give performers additional benefit. The amended proposal included provisions for a session fund, a use-it-or-lose-it clause, which would enable performers to release their recordings if the record company chose not to, and a clean slate provision, effectively writing off any unrecouped balance on an artist's account after fifty years. PPL organised events in London and in Brussels where musicians Pat Halling, Tom McGuinness and Phil Pickett spoke and played to generate support among politicians. The proposal was then voted by the European Parliament on 23 April 2009 and adopted with a large majority.

However, in order to become law, the draft Copyright Term Directive also has to be adopted by the Council of Ministers of the Member States. The Presidency at the time failed to put the proposal on the agenda so it is now left to the Spanish Presidency in 2010 to bring it forward for a vote, provided sufficient Member States support it to deliver the required majority.

In another area where performers and record companies have weaker rights than other creators, we achieved a significant breakthrough. After years of lobbying and litigation, the Government agreed to remove two copyright exceptions which prevent PPL from licensing members' repertoire in the not-for-profit sector. They are Sections 67 and 72 of the Copyright Designs and Patents Act 1988. The Government announcement of the changes in November 2009 brought a sharp reaction from some parts of the charity sector, even though PPL had enjoyed a constructive dialogue with representatives of community buildings and had agreed to a trial joint licence with *PRS for Music* to cover the sector. At the time of writing, the terms of the implementation of the legislative changes were still being worked out between PPL, the Government and charity representatives.

**“THE COPYRIGHT TRIBUNAL HAS BECOME A CRUCIAL ELEMENT IN THE CREATIVE INDUSTRIES YET THE MOST SIGNIFICANT REFORMS RECOMMENDED BY PARLIAMENT ARE STILL TO BE IMPLEMENTED.”**

DOMINIC MCGONIGAL  
DIRECTOR OF GOVERNMENT RELATIONS  
PPL

The other area of significant progress was in the campaign for a performance right in the USA. The radio industry in America has grown into a \$16bn business, while paying not a cent to performers and record companies who provide so much of the programming. PPL has been supporting the musicFIRST Coalition in Washington right from its inception and over 6,000 PPL performers signed the petition in support of US artists. Following the election of Barack Obama, the Performance Rights Bill was tabled in early 2009 and it successfully completed its passage through the Judiciary Committees of both Houses. The final stage is a vote on the floor of the Senate and Congress although the outcome is far from decided. The NAB launched a series of adverts calling for the Bill to be axed and the debate in the final stages is likely to be heated.

Looking forward, there are more legislative issues to be tackled to give performers and record companies full rights over their recordings and to facilitate licensing at a fair rate. Chief of these is reform of the Copyright Tribunal, as recommended by a Parliamentary Select Committee Report. The Copyright Tribunal has become a crucial element in the creative industries in the UK, making commercial judgements where thousands of users and tens of millions of pounds of creators' revenues are at stake. In the digital world, the Copyright Tribunal is being called upon to take on additional duties, including supervising the licensing of so-called orphan works.

PPL was a key witness in the Select Committee Inquiry and has been closely engaged with the Government on the reforms. The Government has already appointed Lay Members to the Tribunal with expertise in IP, created a separate administration and revised the Rules to improve case management. The most significant reforms recommended by Parliament are still to be implemented and PPL will pursue these.

Throughout the year, PPL has worked closely with others in the music industry, in particular the new pan-industry body UK Music, jointly funded by PPL and PRS for Music on behalf of creators and rights holders. During the year, PPL became a founding member of the new Creative Coalition Campaign, bringing together the talent unions, creative businesses and artists from across the creative industries to deal with online piracy. PPL's active engagement with the Broadband Stakeholder Group and the CBI also proved valuable as high speed broadband raised the stakes for all creators. The Digital Economy Bill, with substantive provisions for bringing ISPs and rights holders together to tackle illegal filesharing, was announced in the Queen's Speech in November 2009 and became law in April 2010.

So, while performers and record companies ended 2009 with better prospects for licensing but with an attack on the value of their rights, PPL will continue to press for improvements in the legislative framework, so that the true value of our members' repertoire is reflected in the revenues that flow through PPL.

# OUR PEOPLE

AT THE  
HEART...





...OF WHAT  
WE DO

## OUR PEOPLE

### EXECUTIVE MANAGEMENT TEAM



**Fran Nevrkla**  
Chairman and CEO



**Peter Leathem**  
Executive Director



**Tony Clark**  
Director of Licensing



**Janice Davies**  
Director of HR  
and Facilities



**Keith Harris**  
Director of  
Performer Affairs

### SENIOR MANAGEMENT TEAM

**Sarah Axson**  
HR Development Manager

**Christian Barton**  
Financial Controller

**Iestyn David**  
Head of Radio Licensing

**Kate Finley**  
Marketing Manager

**Rob Fish**  
Business  
Development Manager

**Christine Geissmar**  
Head of Public  
Performance Operations

**Clare Goldie**  
Press Officer

**David Harmsworth**  
Head of Legal  
and Business Affairs

**Fiona Haycock**  
Events Manager

**Shula Kerr**  
Money Out  
Programme Manager

**Aman Khullar**  
Head of TV Licensing

**Matt Linin**  
IT Service  
Delivery Manager

**Steve Macchia**  
Head of  
Distribution Systems

**Laurence Oxenbury**  
Head of International

**Vicki Pumphrey**  
Head of Facilities

**Barry Reynolds**  
Business Systems Manager

**Jason Roberts**  
IT Development Manager

**Tim Silver**  
Head of Music  
Reporting and Distribution

**Vickie Spencer**  
HR Manager

**Richard Stewart**  
Head of Dubbing  
and Tariff Development

**Danielle Tilley**  
Head of Public  
Performance New Business

**Penny White**  
Head of Member Services

**Suzanne Willems**  
Production Manager  
PPL Video Store



**Frank Jaschinski**  
Director of IT



**Ben Lambert**  
Finance Director



**Dominic McGonigal**  
Director of  
Government Relations



**Jonathan Morrish**  
Director of PR and  
Corporate Communications

## BOARD OF DIRECTORS

**Fran Nevrla**  
PPL (Chairman)

**Glen Barnham**  
Performer Director  
(British Actors' Equity)

**Mike Batt**  
Dramatico  
Entertainment Ltd  
(Resigned 26/10/09)

**Ted Carroll**  
Ace Records Limited

**Tony Clark**  
PPL

**Rachel Evers**  
Warner Music UK  
(Appointed 13/10/09)

**Julian French**  
EMI Music UK  
and Ireland

**Peter Leatham**  
PPL

**Mark Kelly**  
Performer Director  
(Elected 19/11/09)

**Dominic McGonigal**  
PPL

**Martin Mills MBE**  
Beggars Group Limited

**Gerald Newson**  
Performer Director

**Nigel Parker**  
Performer Director  
(Resigned 19/11/09)

**James Radice**  
Polydor Limited

**Adrian Sear**  
Demon Music Group

**Rt Hon Lord Smith  
of Finsbury**  
Independent Director

**John Smith**  
Performer Director  
(Musicians' Union)

**Michael Smith**  
Sony Music  
Entertainment UK Ltd

**Peter Stack**  
Union Square Music  
(Appointed 16/02/10)

**John Watson**  
Warner Music International  
(Resigned 13/10/09)

## ATTENDEES

**Steve Levine**  
Music Producers' Guild

**Robin Millar**  
Music Producers' Guild  
(Resigned 16/07/09)

**Dave Rowntree**  
Featured Artists' Coalition

**David Stopps**  
Music Managers' Forum

**Geoff Taylor**  
BPI

**Alison Wenham**  
AIM

## EXTERNAL ADVISER

**John Deacon CBE**  
Political Adviser

**Our commitment to strong working relationships is built around our personal involvement in a wide range of events and activities in the UK and globally.**



**< BRIT Awards 2010**

Pictured here at the 2010 BRIT Awards are, back row: L-R Peter Leatham (Executive Director, PPL), Rt. Hon. Lord Smith of Finsbury and Dominic McGonigal (Director of Government Relations, PPL). Front row: L-R Laura Johnson and Rt. Hon. Alan Johnson MP, John Deacon CBE (PPL Political Adviser), Chris Deacon, Michael Connarty MP, and wife Margaret.

**> MITS Award Ceremony**

Broadcaster Paul Gambaccini, Keith Harris (Director of Performer Affairs, PPL) and Ben Lambert (Finance Director, PPL), backstage at the PPL sponsored 2009 MITS Awards where Jonathan Ross was the guest recipient.



**< PPL Competition winners**

Huntingdon Dance School, the winners of a PPL competition to win a sound system, pose with the highly collectable PPL bags at their performance studio in Cambridge.



**^ Music Producers' Guild Awards**

On behalf of the legendary Chris Blackwell, Joe Boyd (left) collected the inaugural PPL sponsored Outstanding Contribution to UK Music Award. He is pictured with Jonathan Morrish (Director of PR and Corporate Communications, PPL).



**^ Dominic McGonigal spoke at the 2009 Future and Music conference in Spain.**

Pictured here (L-R) with Miguel Ángel Rodríguez (Bird & Bird), José Luis Sevillano (AIE), Dominic McGonigal (PPL) and Antonio López (Logos Abogados).



**^ Board Members**

Gerald Newson (Chairman, PPL Performer Board), Mark Kelly (PPL Board Member) and Fran Nevrlka (Chairman and CEO, PPL) are pictured at Abbey Road Studios at the November 2009 PPL Annual Performer Meeting on the occasion of Mark's election.



### ^ The Parliamentary Jazz Awards 2009

PPL is proud to be involved with The All Party Parliamentary Jazz Appreciation Group (APPJAG). The annual awards are held at the House of Commons and celebrate the best of UK jazz. Pictured are some of the winners with Michael Connarty MP (Co-chair, APPJAG), and Fran Nevkla (PPL).

### > The People's Chart Show

The first show, featuring the Top 75 most played and used songs in PPL's 75 year history, was broadcast on Radio 2 over Easter Monday, 2009. Pictured are Mark Goodier (Managing Director, Wise Buddah), Procol Harum's Gary Brooker, Fran Nevkla (PPL) and Producer Paul Sexton.



### < Annual Performer Meeting

Peter Leatham (PPL) talks to performers and attendees at the 2009 PPL Annual Performer Meeting.



### < Nordoff-Robbins

Staff from across PPL entered the Nordoff-Robbins Pop Quiz and came a very respectable second. The Pop Quiz is one of several Nordoff-Robbins events that PPL supports.



### ^ Hairspray winners

Pictured here with Michael Ball are the winners of PPL's national competition to win tickets to see *Hairspray* and meet the star of the show himself. The winners, who came from a hairdressing salon in Devon, had a fantastic night.



### ^ In the City

Filip Nallamilli (Record Company Services, PPL) and Penny White (Head of Member Services, PPL), at Manchester's music conference 'In The City'. PPL was one of the sponsors and had a stand at the event where staff were on hand to talk to members and attendees.



### ^ At the launch of UK Music's Liberating Creativity Manifesto in Parliament

LR Patrick Rackow (CEO, BACS), Alison Wenham (Chief Executive, AIM), Jonathan Morrish (PPL), Steve Levine (Chairman, Music Producers' Guild and PPL Performer Board Attendee) and musician/broadcaster Tom Robinson.

## CORPORATE SOCIAL RESPONSIBILITY

**PPL continued its support of a wide range of projects for environmental, community and music industry initiatives driven by the commitment and energy from the company staff.**



### **Snowdon climb**

PPL staff make it to the top of Snowdon in an epic climb to raise money for Whizz-Kidz.



### **Sport Relief telethon**

PPL staff with artist Bashy at the launch of this year's Sport Relief telethon.

The CSR programme is headed up by Finance Director, Ben Lambert, with a core team of 20 dedicated individuals who organise and orchestrate the fundraising events, the environmental campaigns and general CSR awareness to the rest of the company.

For the second year in succession, PPL chose Whizz-Kidz as its charity of the year and the biggest fund raising event was the climb of Mount Snowdon by 25 staff which raised over £16,000.

A further highlight was the first 'Open Mic' night jointly held by PPL and PRS for Music. Talented performers from both organisations put on a showcase for staff and friends to raise money for their respective charities.

The PPL workplace continues to be a conscientious environment, with centralised bins on each floor encouraging everyone to recycle responsibly and automatic light sensors ensuring that electricity is not wasted and the carbon footprint reduced. In lieu of sending Christmas cards, PPL continues the donation of all used postage stamps to the RSPB.

## Charities supported by PPL



## PPL charity of the year 2009

### **Whizz-Kidz**

Whizz-Kidz is a charity dedicated to giving disabled children the chance to lead a more independent life. By providing children with customised mobility equipment, training, advice and life skills, Whizz-Kidz can provide an immediate difference to their lives and their families.

[whizz-kidz.org.uk](http://whizz-kidz.org.uk)

### **British Association for Performing Arts Medicine**

BAPAM's mission is to achieve nationwide occupational health provision for professional, semi-professional and student performing artists, including health promotion and education and clinical advice for performance-related health problems suffered by musicians, singers actors, dancers and other performers.

[bapam.org.uk](http://bapam.org.uk)

### **BRIT Trust & BRIT Performing Arts & Technology School**

The BRIT School in Croydon provides a unique education for over 900 students. It is the only free performing arts school in the country with a diverse intake of talented students. Most leave for higher education or for employment across the creative industries. PPL annually hosts final year Music Business students from the School who spend the day meeting all the departments and learning more about PPL and the music industry.  
[brit.croydon.sch.uk](http://brit.croydon.sch.uk)

### **CRISIS**

Crisis is the national charity for single homeless people. They are dedicated to ending homelessness by delivering life-changing services and campaigning for change. PPL gives a donation to Crisis in lieu of sending Christmas cards.  
[crisis.org.uk](http://crisis.org.uk)

### **Hospital Broadcast Association**

PPL makes a significant annual donation to the national charity that supports and promotes Hospital Broadcasting in the UK. It currently consists of 227 individual broadcasting stations, representing a large number of volunteers. Patients in many UK hospitals benefit from programmes designed to make life better for people in hospital and aid their recovery.  
[hbauk.com](http://hbauk.com)

### **Julie's Bicycle**

PPL makes an annual financial contribution to this not-for-profit company which helps the music industry cut its greenhouse gas emissions and create a low carbon creative future.  
[juliesbicycle.com](http://juliesbicycle.com)

### **Nordoff-Robbins**

PPL is a longstanding supporter of the music industry charity Nordoff-Robbins which brings music's transforming power to children in need, through its therapy services, music and health projects and community music projects, as well as education programmes and research.

In 2009 PPL sponsored the following fundraising events:

- HMV Football Xtravaganza
  - Silver Clef Awards
  - Music Industry Trusts Award Dinner
  - Nordoff-Robbins Music Therapy Pop Quiz
- [nordoffrobbins.org.uk](http://nordoffrobbins.org.uk)

### **The Radio Academy**

The Radio Academy is a registered charity dedicated to the encouragement, recognition and promotion of excellence in UK broadcasting and audio production.

PPL is a key sponsor at the Radio Festival and other music related Academy events.  
[radioacademy.org](http://radioacademy.org)

### **The Young Musicians' Symphony Orchestra**

The YMSO is Britain's leading orchestra for young musicians on the threshold of their professional careers. It provides invaluable experience to those who are studying or have recently completed their training and exists to give these talented musicians the opportunity to rehearse and perform as well as receive coaching from top professionals and work with eminent conductors and soloists.  
[ymso.org.uk](http://ymso.org.uk)

### **The Young Persons' Concert Foundation**

PPL's donations are used to fund workshops for schools in the Soho and Westminster vicinity near the company offices. The Foundation helps young people to appreciate and enjoy music through educational workshops and live orchestral concerts.  
[ypcf.co.uk](http://ypcf.co.uk)

**Finally, we continued to support through sponsorship, a number of related music industry events. We were headline co-sponsors with Radio 1 at the Student Radio Awards, we sponsored the Best Student Writer at the Record of the Day Awards (both in November) and in June we sponsored the 'Most Played UK Artist on Commercial Radio' category at the Arqiva Commercial Radio Awards.**

## OUR PEOPLE

**We place huge value on our people and in 2009 continued to strive to provide an environment which allows employees the ability to grow and develop their potential whilst supporting our company mission and goals.**

# 15

**PPL EMPLOYEES ACTIVELY  
STUDYING FOR PROFESSIONAL  
QUALIFICATIONS IN 2009**

### Communication

Following on from last year we held:

- An Employee Communication Session for all employees where we presented an update on key areas of business strategy and initiatives.
- A Senior Management Team Away Day where plans to address challenges identified as part of the Employee Survey (outlined below) were discussed and agreed.
- 'PPL People' internal workshops where employees gain an understanding of what other departments in the company do and meet the teams.

### Training and Development

We launched a new and creative approach to Training and Development in partnership with *The Mind Gym*. The objective was to deliver a well-planned programme of learning and development to align individual objectives with our strategic business objectives and performance values. As part of this launch we ran an online diagnostic tool which all employees completed to identify what training sessions they would most benefit from to develop their skills and experience. To coincide with the launch of our new phone system we also ran a programme of customer service and telephone skills training across the organisation.

We continued with the development of our management team by providing internal workshops on recruitment and selection, performance management and attendance management. Along with the new HR reporting system (outlined below) this has resulted in managers being able to manage these issues much more pro-actively.

The company supports employees who wish to study for a professional qualification and in 2009 we had 15 people who were actively studying.

### Employee Engagement Survey

We conducted a survey in May 2009 and overall we saw an improvement in our ratings across many areas.

Key strengths identified were:

- Confidence in the leadership of PPL, a clear understanding of mission and goals as well as a management team which is supportive and encouraging.
- A strong commitment to delivering good customer service.
- Excellent working relationships within teams.

Key challenges were identified and, following the survey, the Senior Management Team discussed the areas for development, the implementation of which is now underway.

**£83,800**

**MONEY SAVED IN RECRUITMENT COSTS BY USE OF NEW PPL WEBSITE**

**£62,582.07**

**MONEY RAISED FROM THE 1,837 TELEPHONE CALLS TAKEN BY PPL STAFF FOR SPORT RELIEF**

**20%**

**OF PPL STAFF ARE INVOLVED IN MUSICAL PURSUITS OUTSIDE OF WORK**

### **HR and Payroll System**

In 2009, following the implementation of the new HR and Payroll system, we launched a self-service programme which allows employees access to their files. In addition, our managers also now have access to their employees' information which acts as a management reporting tool in a number of key areas including attendance.

### **Recruitment and Selection**

Following a new recruitment policy and subsequent management training, we now have a recruitment and selection accreditation process for our managers which sets a series of standards and measures their ability to recruit effectively, in line with best practice. We also launched a new induction programme and 'buddy scheme' for new starters to ensure that we integrate new employees into the company as quickly and effectively as possible.

In addition, we focused on improving service levels and costs in this area. We reviewed recruitment methods across the business and implemented Preferred Supplier Agreements with a number of recruitment agencies which has resulted in a reduction in placement fees across the business. Secondly, we focused on direct recruitment either via our website, our Employee Referral Scheme or from speculative CVs. These initiatives have proven to be very successful and as a result in 2009 we saved 44% on our recruitment costs against 2008.

### **Reward and Recognition**

We launched two new benefits in 2009 – Childcare Vouchers and a Holiday Buy Scheme.

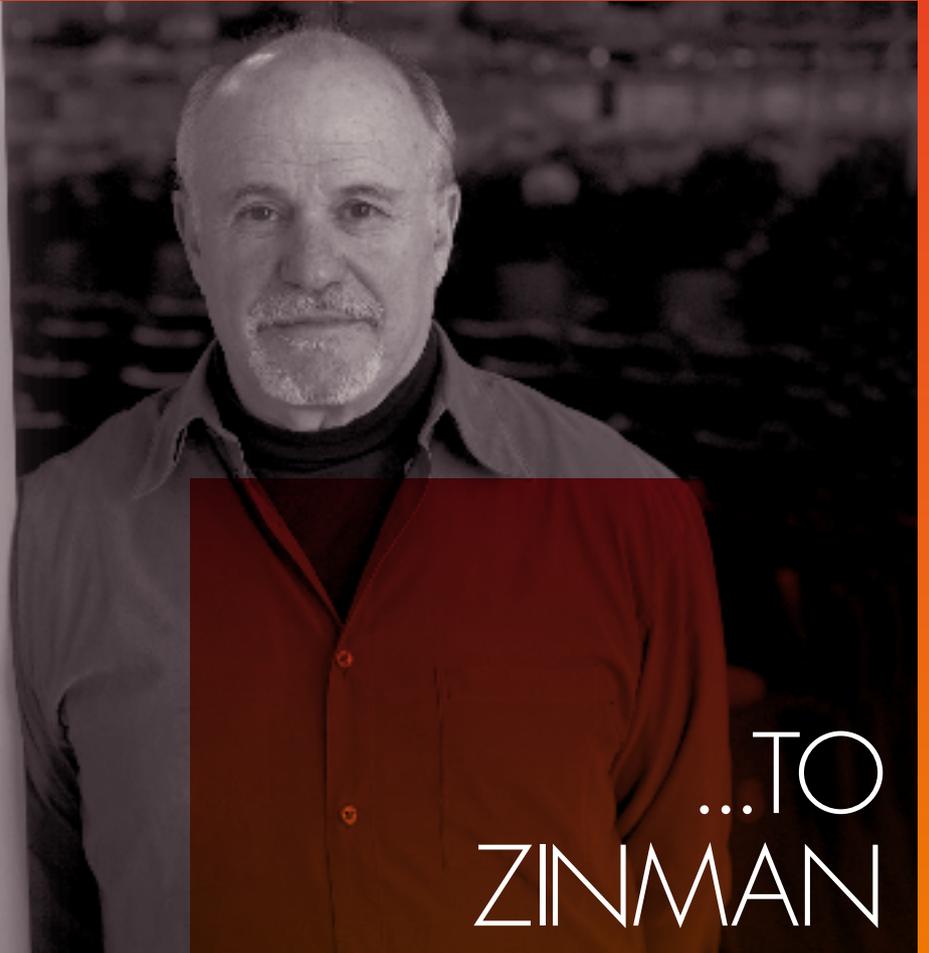
Our 2009 Employee of the Year was Vickie Spencer, Human Resources Manager. Vickie was nominated for the service she provided to the business in 'sustaining a strong and ambitious team of people in an environment that encourages and rewards commitment and delivery of results' and 'creating maximum value for our record company and performer members'.

Louise Allotey (PPO), Mary Hutchings (PPO), James Lavelle (Music Reporting), Kieran Walsh (PPO) and James Ward (Distribution) were recognised for achieving the 10 year service milestone with the company. Sacha Colgate (Distribution) and Jackie Lau (PPO) were recognised for 15 years' service, whilst Kirk Annett (Distribution) reached 20 years.

# THE PEOPLE'S CHARTS

FROM AMERICA...





...TO  
ZINMAN

THE PEOPLE'S CHART SHOW SERIES

# MILLIONS OF RADIO 2 LISTENERS TUNED IN TO THE SERIES.

## FANDANGO

THE TOP TWO SONGS  
IN THE 75 YEAR CHART  
BOTH FEATURED THE  
WORD 'FANDANGO'.  
THIS SET OFF A TRAIL  
OF CORRESPONDENCE  
IN THE DAILY TELEGRAPH



# 2x3

TWO ACTS FEATURED IN THE FIRST 'THE PEOPLE'S CHART SHOW' WITH THREE SONGS EACH. THESE WERE THE BEATLES AND ROBBIE WILLIAMS

# 2

THE NUMBER OF RECORDINGS IN THE PEOPLE'S CLASSICAL CHART OF 75 YEARS FEATURING PERFORMER BOARD CHAIRMAN GERALD NEWSON

# 1939

THE OLDEST SONG TO FEATURE IN EITHER OF THE POP AND CLASSICAL CHARTS WAS GLENN MILLER'S 'IN THE MOOD' RECORDED THAT YEAR

## **THE PEOPLE'S CHARTS**

WE HAVE UNIQUE AND EXTENSIVE DATA FROM WHICH WE ARE ABLE TO COMPILE EXCLUSIVE HISTORICAL CHARTS. THE FIRST 'THE PEOPLE'S CHART SHOW', BASED ON 75 YEARS OF AIRPLAY AND PUBLIC USE, WAS BROADCAST OVER EASTER 2009 ON RADIO 2. THE CLASSICAL SHOW FOLLOWED AT CHRISTMAS.

# THE PEOPLE'S CLASSICAL CHART 2009

THESE TOP TWENTY CLASSICAL RECORDINGS ARE THE UK'S FAVOURITES OF 2009. SOME ARE RECORDINGS STILL POPULAR AFTER MANY YEARS AND SOME ARE PIECES WHOSE POPULARITY HAS GROWN THROUGH USAGE IN MAINSTREAM FILM AND TV. ONE COMPOSITION ACTUALLY APPEARS TWICE, MORE POPULAR THAN EVER THANKS TO ITS USE AS THE THEME TUNE FOR 'THE APPRENTICE'. ALL THE PIECES ARE EMOTIVE, POWERFUL AND RIGHTFULLY DESERVE THEIR PLACES WITHIN THE PEOPLE'S CLASSICAL CHART 2009.



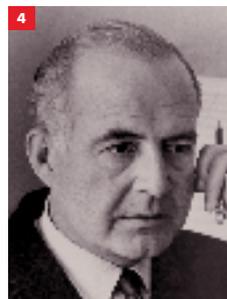
**1**  
**Debussy**  
**Clair De Lune**  
CSR Symphony Orchestra  
Bratislava with Keith Clark  
Naxos  
(Select Music & Video)



**2**  
**Johann Strauss II**  
**On the Beautiful Blue Danube**  
City of Prague  
Philharmonic Orchestra  
with Paul Bateman  
Silva Screen  
(Silva Screen)



**3**  
**Verdi**  
**Ingemisco (From Requiem)**  
Luciano Pavarotti  
La Scala Orchestra Milan  
Riccardo Muti  
EMI Classics  
(EMI)



**4**  
**Barber**  
**Nocturne**  
Eric Parkin (Piano)  
Chandos  
(Chandos Records)



**5**  
**Prokofiev**  
**Dance Of The Knights**  
Cleveland Orchestra  
with Lorin Maazel  
Decca  
(Universal Music)



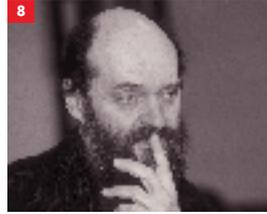
**Karl Jenkins**  
**Palladio**

London Philharmonic Orchestra  
with Karl Jenkins  
Sony Classics  
(Sony Music Entertainment)



**Vaughan Williams**  
**Fantasia On Greensleeves**

Academy of St Martin in the  
Fields with Sir Neville Marriner  
Philips  
(Universal Music)



**Arvo Pärt**  
**Für Alina**

Alexander Malter (Piano)  
ECM  
(ECM)



**Adams**  
**The Chairman Dances**

San Francisco Symphony  
Orchestra with John Adams  
Nonesuch  
(Warner Music)



**Einaudi**  
**Nefeli**

Ludovico Einaudi  
Ricordi Oggi  
(Sony Music Entertainment)



**Glass**  
**Glassworks**

Philip Glass Ensemble  
with Michael Riesman  
Sony Classics  
(Sony Music Entertainment)



**Elgar**  
**In Smyrna**

Peter Pettinger (Piano)  
Chandos  
(Chandos Records)



**Gorecki**  
**Symphony No.3**

Dawn Upshaw (Soprano)  
London Sinfonietta with  
David Zinman  
Nonesuch  
(Warner Music)



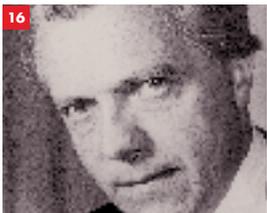
**Prokofiev**  
**Dance Of The Knights**

Philadelphia Orchestra  
with Riccardo Muti  
EMI Classics  
(EMI)



**Tchaikovsky**  
**1812 Overture**

Chicago Symphony Orchestra  
with Claudio Abbado  
Deutsche Grammophon  
(Universal Music)



**J.S Bach**  
**Schafe Konnen Sicher**  
**Weiden (Sheep May**  
**Safely Graze)**

Stuttgart Chamber Orchestra  
with Karl Munchinger  
Decca  
(Universal Music)



**Vivaldi**  
**The Four Seasons**

Nigel Kennedy (Violin)  
English Chamber Orchestra  
EMI Classics  
(EMI)



**Reich**  
**Music For 18 Musicians**  
**(Section II)**

Steve Reich and Musicians  
Nonesuch  
(Warner Music)



**Delibes**  
**Sylvia**

Philharmonia Orchestra  
with Richard Bonynge  
Decca  
(Universal Music)

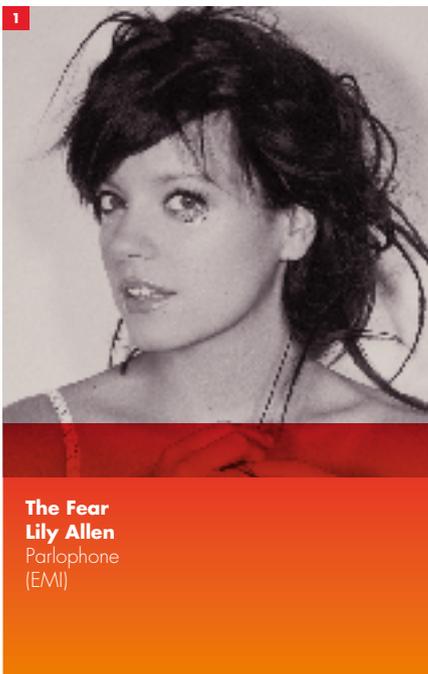


**Handel**  
**Zadok The Priest**

Westminster Abbey Choir,  
English Concert with Trevor  
Pinnock & Simon Preston  
Deutsche Grammophon  
(Universal Music)

# THE PEOPLE'S POP CHART 2009

THE PEOPLE'S POP CHART CAN TRULY CLAIM TO BE THE NATION'S FAVOURITE SONGS OF 2009. COMPILED UNIQUELY BY PPL, FROM RADIO AIRPLAY AND PUBLIC USAGE DATA, THESE 20 SONGS BY 17 DIFFERENT MUSICAL ACTS SHOW JUST WHAT THE PUBLIC WAS LISTENING TO IN 2009. FROM ESTABLISHED GLOBAL BANDS THROUGH TO BRITISH BREAKTHROUGH ACTS, THE LIST IS DIVERSE AND COLOURFUL.



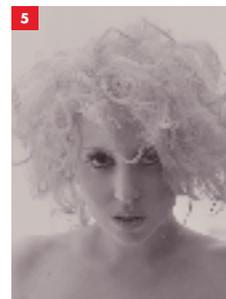
**Broken Strings**  
James Morrison  
featuring Nelly Furtado  
Polydor  
(Universal Music)



**Human**  
The Killers  
Vertigo  
(Universal Music)



**Halo**  
Beyoncé  
Columbia  
(Sony Music Entertainment)



**Poker Face**  
Lady Gaga  
Interscope  
(Universal Music)



**6**  
**Just Dance**  
Lady Gaga  
Interscope  
(Universal Music)



**7**  
**Red**  
Daniel Merriweather  
RCA/JIVE  
(Sony Music Entertainment)



**8**  
**Use Somebody**  
Kings of Leon  
RCA  
(Sony Music Entertainment)



**9**  
**Please Don't Leave Me**  
P!nk  
LaFace  
(Sony Music Entertainment)



**10**  
**Mama Do (Uh Oh, Uh Oh)**  
Pixie Lott  
Mercury  
(Universal Music)



**11**  
**Love Story**  
Taylor Swift  
Mercury  
(Universal Music)



**12**  
**Hot N Cold**  
Katy Perry  
Virgin  
(EMI)



**13**  
**My Life Would Suck Without You**  
Kelly Clarkson  
RCA  
(Sony Music Entertainment)



**14**  
**Sober**  
P!nk  
LaFace  
(Sony Music Entertainment)



**15**  
**Jai Ho! (You Are My Destiny)**  
The Pussycat Dolls  
Interscope  
(Universal Music)



**16**  
**Takin' Back My Love**  
Enrique Iglesias  
Interscope  
(Universal Music)



**17**  
**Love Sex Magic**  
Ciara featuring  
Justin Timberlake  
RCA/JIVE  
(Sony Music Entertainment)



**18**  
**Breathe Slow**  
Alesha Dixon  
Asylum  
(Warner Music)



**19**  
**Greatest Day**  
Take That  
Polydor  
(Universal Music)



**20**  
**Up All Night**  
Take That  
Polydor  
(Universal Music)

# THE PEOPLE'S CHART 2000-2009

THIS PEOPLE'S CHART FEATURES THE MOST POPULAR SONGS OVER THE PAST TEN YEARS FROM BOTH RADIO AIRPLAY AND PUBLIC PERFORMANCE USAGE. SONGS THAT HAVE RESONATED WITH THE BRITISH PUBLIC AND MADE A LASTING IMPACT. SOLO SINGERS, GROUPS AND COLLABORATIONS EMBODY THE BEST OF THE PAST DECADE'S MUSIC. THE FAMILIAR MELODIES OF ALL TWENTY TRULY STANDING THE TEST OF THE TIME.

1



**Chasing Cars**  
Snow Patrol  
2006  
Fiction  
(Universal Music)



**Shine**  
Take That  
2006  
Polydor  
(Universal Music)



**I Don't Feel  
Like Dancin'**  
Scissor Sisters  
2006  
Polydor  
(Universal Music)



**Love It When You Call**  
The Feeling  
2005  
Island  
(Universal Music)



**About You Now**  
Sugababes  
2007  
Island  
(Universal Music)



**Rule the World**  
Take That  
2007  
Polydor  
(Universal Music)



**You're Beautiful**  
James Blunt  
2004  
Atlantic  
(Warner Music)



**I Predict A Riot**  
Kaiser Chiefs  
2004  
Polydor  
(Universal Music)



**Can't Get You Out  
Of My Head**  
Kylie Minogue  
2001  
Parlophone  
(EMI)



**Crazy**  
Gnarts Barkley  
2006  
Lifetime  
(Warner Music)



**America**  
Razorlight  
2006  
Mercury  
(Universal Music)



**The Boys Are  
Back In Town**  
Thin Lizzy  
1976  
Mercury  
(Universal Music)



**The Sweet Escape**  
Gwen Stefani featuring Akon  
2006  
Interscope  
(Universal Music)



**Dakota**  
Stereophonics  
2005  
V2  
(Universal Music)



**Groovejet (If This Ain't  
Love) Extended Vocal Mix**  
Spiller  
2005  
Postiva  
(EMI)



**Patience**  
Take That  
2006  
Polydor  
(Universal Music)



**Say It Right**  
Nelly Furtado  
2006  
Geffen  
(Universal Music)



**Grace Kelly**  
Mika  
2006  
Island  
(Universal Music)



**Torn**  
Natalie Imbruglia  
1997  
RCA  
(Sony Music Entertainment)



**Young Hearts Run Free**  
Candi Staton  
1976  
Warner Bros  
(Warner Music)

## CREDITS

### Photography

Alan Cook: [afcook.co.uk](http://afcook.co.uk)

(Cover, pages 6, 7, 29 and 40)

Other images by:

Hayley Madden: [hayleymadden.com](http://hayleymadden.com)

John Marshall: [jmentertainment.co.uk](http://jmentertainment.co.uk)

Tim Smith: [info@timcsmith.com](mailto:info@timcsmith.com)

### Images

Claudio Abbado: Cordula Groth

Samuel Barber: G. Schirmer Archives

Thin Lizzy: Robert Ellis/Repfoto

Lorin Maazel: Decca

Sir Neville Marriner: Decca

Karl Munchinger: Decca

Steve Reich: Jeffrey Harmann

Candi Staton: Alan Mercer

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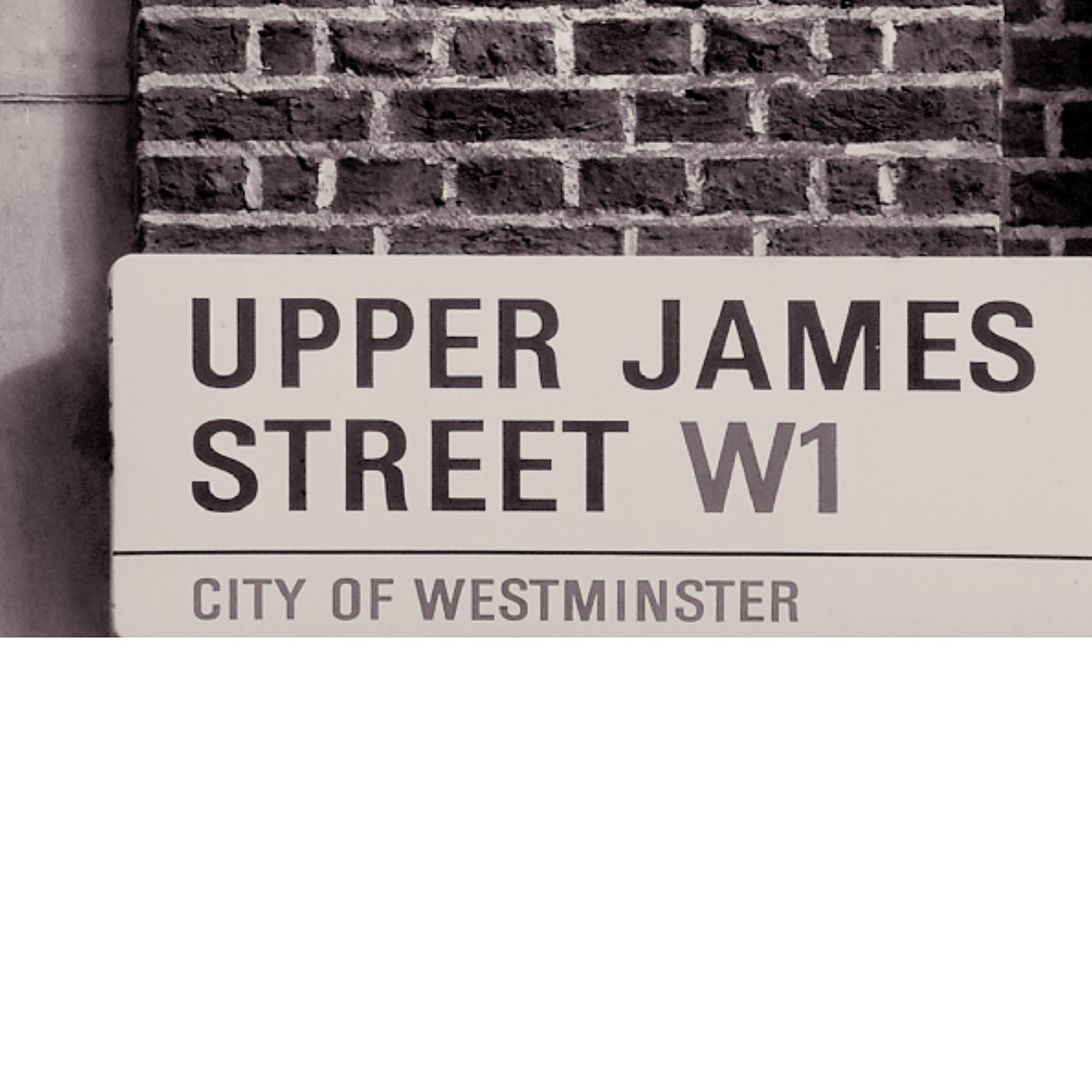
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A street sign is mounted on a brick wall. The sign is rectangular and divided into two horizontal sections. The top section is light-colored and contains the street name in large, bold, black capital letters. The bottom section is a darker shade of grey and contains the city name in smaller, bold, black capital letters. A thin black horizontal line separates the two sections. The brick wall behind the sign is made of dark bricks with light-colored mortar.

**UPPER JAMES  
STREET W1**

**CITY OF WESTMINSTER**



**PPL**  
1 Upper James Street  
London W1F 9DE

**T +44 (0)20 7534 1000**  
**F +44 (0)20 7534 1111**  
**[ppluk.com](http://ppluk.com)**