

18 February 2010

Chrysalis PLC Interim Management Statement

Chrysalis PLC today announces its Interim Management Statement in respect of the period from 1 October 2009 to date.

The overall financial performance of Chrysalis was in line with the Board's expectations. In the three months to 31 December 2009, consolidated NPS¹ was up 9% on the comparative period. This financial quarter typically accounts for only approximately 15% of the full year NPS and we continue to target a year-on-year increase in Consolidated NPS for the 2010 financial year.

Music Publishing: NPS is consistent with the comparative period, with the continuing success of a number of records released in the second half of 2009, including those by Robbie Williams, Jay-Z, JLS and Snow Patrol. Robbie Williams' recent single "You Know Me" was co-written with our writers Soul Mekanik and was a UK no. 1 airplay hit. There have also been a number of high profile synchronisations of songs from our catalogues, including "It Must Be Love" (Labi Siffre) in commercials for DirectGov and LoveFilm, "Dominos" (The Big Pink) for X-Box, "The Sea" (Morcheeba) for Thomas Cook and "Run" (Gnarls Barkley) for Vauxhall Corsa.

The Richard Marx catalogue acquired in June 2009 is performing in line with expectations and income from our share of classic Michael Jackson songs in the first quarter of the 2009/2010 financial year was three times higher than in the comparative period. The release schedule for the rest of the year is also promising with album releases due from Laura Marling, Pendulum, Estelle, Cee-Lo Green and Broken Bells – the new project from the other half of Gnarls Barkley, Dangermouse (Brian Burton).

Non-Publishing: Chrysalis Copyrights is outperforming expectations and, boosted by the success of the re-mastered Beatles albums released in October 2009, generated incremental NPS of £0.2m in the quarter. We expect this to be significantly higher at the full year. The Echo Label and Flatiron Management are performing in line with expectations.

Lasgo Chrysalis: Lasgo Chrysalis is performing in line with expectations but, as expected, down on the comparative period. The Board is mindful that Lasgo Chrysalis trades in the volatile entertainment product retail market, which continues to be very sensitive to the prevailing economic climate.

Corporate: We remain focused on minimising our corporate overhead. The Group can draw on an unused facility of £32.4m to fund acquisitions of NPS-enhancing catalogues on 10 March 2010 and 10 September 2010 and we are actively considering a number of acquisitions. Net debt at 31 December 2009 was consistent with the September 2009 position at £16.6m.

¹ Net Publisher's Share (NPS) is the revenue received by a music publisher, less any royalties that have to be paid to writers, performers and others receiving a share of royalties.

Commenting on the results, Jeremy Lascelles, Chief Executive, said:

“The first quarter has been pleasing. Amidst continuing volatility in the record industry, we have been able to demonstrate the breadth and quality of our catalogue and our roster of writers and artists, with so many of them contributing to our performance. We are currently reviewing a number of potential catalogue acquisitions and this, coupled with the ongoing strict management of our cost base, remains the focus of the Board in delivering long-term value for our shareholders.”

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ABOUT CHRYSALIS PLC

Chrysalis PLC is an independent music company. The Group’s principal areas of business comprise: Chrysalis Music Publishing which includes the Group’s international network of music publishing companies, whose purpose it is to exploit and grow Chrysalis’s rich catalogue of music copyrights; Chrysalis Non Music Publishing, which is made up of The Echo Label, a copyright exploitation company; Chrysalis Copyrights, the owner of certain Master recordings and Flatiron Management, an artist management company. Chrysalis PLC also owns Lasgo Chrysalis, a UK-based wholesale entertainment product distribution business which serves both domestic and overseas wholesale, retail and entertainment markets with CD, DVD and book products.