

Warner Music Group Corp.  
Form 10-Q  
May 06, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-32502

Warner Music Group Corp.

(Exact name of Registrant as specified in its charter)

Delaware 13-4271875  
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)

1633 Broadway

New York, NY 10019

(Address of principal executive offices)

(212) 275-2000

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes  No

There is no public market for the Registrant's common stock. As of May 6, 2016 the number of shares of the Registrant's common stock, par value \$0.001 per share, outstanding was 1,055. All of the Registrant's common stock is owned by affiliates of Access Industries, Inc. The Registrant has filed all Exchange Act reports for the preceding 12 months.

## WARNER MUSIC GROUP CORP.

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## ITEM 1. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Warner Music Group Corp.

Consolidated Balance Sheets (Unaudited)

	March 31, 2016	September 30, 2015
	(in millions)	
<b>Assets</b>		
Current assets:		
Cash and equivalents	\$316	\$ 246
Accounts receivable, net of allowances of \$54 million and \$56 million	318	349
Inventories	41	42
Royalty advances expected to be recouped within one year	135	130
Prepaid and other current assets	64	60
Total current assets	874	827
Royalty advances expected to be recouped after one year	203	195
Property, plant and equipment, net	210	220
Goodwill	1,622	1,632
Intangible assets subject to amortization, net	2,348	2,514
Intangible assets not subject to amortization	118	119
Other assets	110	114
Total assets	\$5,485	\$ 5,621
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable	\$176	\$ 173
Accrued royalties	1,102	1,087
Accrued liabilities	249	296
Accrued interest	53	58