Dear GEMA-Members,

Dear Readers,

Dr. Harald Heker

the business year 2009 was a successful year for GEMA economically – and diametrically opposed to the general trend. The entire revenues of GEMA collected for its copyright holders all over the world in the past business year amounted to €841 million, of which €218.9 million were proceeds from GEMA’s mandate as a collection society for other institutions. This is an increase of €18 million (2.2 percent) in comparison to the previous year.

In the area of Television, Radio, and New Media – after a contractual agreement was achieved – a clear increase in the proceeds in comparison to the previous year was attained due to the one-time back payments from cable television companies for the years 2007 and 2008. As the proceeds in the area of cable retransmission increased by €60.6 million, the total amount of proceeds in the section Television, Radio, and New Media of €283 million was an increase of 19.2 percent over the previous year.

The regional offices also had good news to report: their total proceeds were €294.6 million, an increase of 3 percent compared to the previous year.

The developments in the online area were also positive, although the proceeds generated did not meet our expectations. The total proceeds for this area in 2009 increased by 46 percent, to €10.6 million. In the area of Recordings, the sales slump that has been a factor since the end of the 1990s also continued in 2009; however, in comparison to 2008 the decrease was distinctly less that in previous years: a decrease of €1 million to €149.4 million. Both revenue areas are included in the information shown in the Management Industry section. The forecast for the music branch for the current business year 2010 is that the trends of the past years will continue: once again there will be a decline in sales and revenue for recordings, but good prospects for live music. In the Online area, we can assume there will a continuing increase in music use. However, authors will still not receive an appropriate share of the economic returns. GEMA is striving to assert the rights of its members to receive an appropriate compensation in this area as well, through international co-operations and a multitude of negotiations, and also by means of arbitration board proceedings and legal procedures.

The economic results are, of course, important, but the international and political challenges GEMA faces are as equally important. There are also positive developments in the international political arena: At the beginning of the year, GEMA and seven other European collecting societies mutually wrote a postulate to harmonize the main features of the administration of copyrights rights within the legal framework of an EU guideline, and in the meantime this initiative has received support from numerous politicians. Meanwhile, the recently named EU Commission has already included this project of establishing framework guidelines for collecting agencies in its working schedule. From our viewpoint, an EU guideline is necessary to guarantee sound legal protection for the cross-border cooperation between collecting agencies and to create the prerequisites for fair competition – ensuring that the interests of copyright holders and users are taken into account in equal measure.

Yours,

Harald Heker
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At a Glance

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<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
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<tr>
<td></td>
<td>(in million €)</td>
<td>(in million €)</td>
<td>(in million €)</td>
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<tr>
<td>Income</td>
<td>841,055</td>
<td>823,007</td>
<td>849,599</td>
</tr>
<tr>
<td>Expenditures</td>
<td>128,004</td>
<td>122,357</td>
<td>120,291</td>
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<tr>
<td>Distribution Sum</td>
<td>713,051</td>
<td>700,650</td>
<td>729,308</td>
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<tr>
<td>Cost Rate</td>
<td>15,2 %</td>
<td>14,9 %</td>
<td>14,2 %</td>
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<tr>
<td>Breakdown of Income:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arranged according to rights</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Performances (live music, recorded music, films) and broadcast rights</td>
<td>408,697</td>
<td>402,208</td>
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<tr>
<td>Reproduction rights</td>
<td>180,752</td>
<td>193,389</td>
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<tr>
<td>– from sound storage media licenses</td>
<td>79,277</td>
<td>85,094</td>
<td>94,490</td>
</tr>
<tr>
<td>– from other areas</td>
<td>101,475</td>
<td>108,295</td>
<td>111,699</td>
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<tr>
<td>Royalty entitlements</td>
<td>10,827</td>
<td>30,223</td>
<td>41,318</td>
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<tr>
<td>Mandates for collection</td>
<td>218,908</td>
<td>159,719</td>
<td>167,613</td>
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<tr>
<td>– from central licensing of sound storage media and audio-visual media</td>
<td>72,534</td>
<td>72,099</td>
<td>94,809</td>
</tr>
<tr>
<td>– from other collecting societies</td>
<td>146,374</td>
<td>87,620</td>
<td>72,804</td>
</tr>
<tr>
<td>Other income</td>
<td>21,871</td>
<td>37,468</td>
<td>35,393</td>
</tr>
<tr>
<td>Total Income</td>
<td>841,055</td>
<td>823,007</td>
<td>849,599</td>
</tr>
<tr>
<td>Arranged according to area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live Music</td>
<td>85,628</td>
<td>80,929</td>
<td>82,999</td>
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<tr>
<td>Soundtracks</td>
<td>8,014</td>
<td>8,391</td>
<td>8,131</td>
</tr>
<tr>
<td>Mechanical Music</td>
<td>123,191</td>
<td>122,420</td>
<td>121,964</td>
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<td>Royalty entitlements according to Paragraph 27, Copyright Act</td>
<td>5,427</td>
<td>6,019</td>
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<tr>
<td>Reproduction of sound storage media and audio-visual media</td>
<td>184,069</td>
<td>186,758</td>
<td>220,585</td>
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<tr>
<td>Mandates for Collection for other collecting societies</td>
<td>54,783</td>
<td>52,151</td>
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<td>Royalty entitlements according to Paragraph 54, Copyright Act</td>
<td>5,400</td>
<td>24,204</td>
<td>34,649</td>
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<tr>
<td>Radio and Television</td>
<td>287,275</td>
<td>241,457</td>
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<tr>
<td>Foreign Countries</td>
<td>65,397</td>
<td>63,210</td>
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<tr>
<td>Other income</td>
<td>21,871</td>
<td>37,468</td>
<td>35,393</td>
</tr>
<tr>
<td>Total Income</td>
<td>841,055</td>
<td>823,007</td>
<td>849,599</td>
</tr>
<tr>
<td>Breakdown of Expenses:</td>
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<td>Human resources expenses</td>
<td>73,414</td>
<td>65,179</td>
<td>65,473</td>
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<td>Material expenses</td>
<td>54,590</td>
<td>57,178</td>
<td>54,818</td>
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<tr>
<td>Total Expenditures</td>
<td>128,004</td>
<td>122,357</td>
<td>120,291</td>
</tr>
</tbody>
</table>
Executive Board

President and Chief Executive Officer: Dr. Harald Heker
Member of the Executive Board: Rainer Hilpert
Member of the Executive Board: Georg Oeller
Board of Supervisors

Chairman: Jörg Evers
Vice Chairman: Frank Dostal
Karl-Heinz Klempnow
Burkhard Brozat
Prof. Dr. Rolf Budde
Klaus Doldinger
Hans-Peter Malten
Frank Ramond
Prof. Dr. Enjott Schneider
Dagmar Sikorski
Patrick Strauch
Prof. Lothar Voigtländer
Stefan Waggershausen
Dr. Ralf Weigand
Christian Wilckens
Deputies: Egon L. Frauenberger († 17.11.2009)
Lutz Ilgner
Prof. Klaus-Michael Karnstedt
Tobias Künzel
Prof. Dr. h. c. Wolfgang Rihm
Prof. Manfred Schoof
Legal Advisor: Prof. Dr. Karl Riesenhuber
Honorary Members

Prof. Harald Banter
Prof. Christian Bruhn
Klaus Doldinger
Dr. Peter Hanser-Strecker
Karl-Heinz Klempnow
Jo Plée
Prof. Dr. Hans Wilfred Sikorski
Prof. Karl Heinz Wahren
Hartmut Westphal

Bruno Balz (deceased)
Richard Bars (deceased)
Prof. Jürg Baur (deceased)
Prof. Werner Egk (deceased)
Dr. Hans Gerig (deceased)
Prof. Dr. Dr. h. c. Joseph Haas (deceased)
Hans Hee (deceased)
Kurt Hertha (deceased)
Heinz Korn (deceased)
Peter Jona Korn (deceased)
Eduard Künneke (deceased)
Dr. Willy Richartz (deceased)
Prof. Dr. Georg Schumann (deceased)
Günther Schwenn (deceased)
Dr. Hans Sikorski (deceased)
Dr. Dr. h. c. Ludwig Strecker (deceased)

Honorary Presidents

Prof. Dr. Reinhold Kreile
Prof. Dr. jur. h. c. Erich Schulze
General Administration and Regional Offices of GEMA

GEMA-General Administration

Head Office in Berlin
Bayreuther Strasse 37
10787 Berlin
P.O. box 30 12 40
10722 Berlin
Tel.: +49 30 21245–00
Fax: +49 30 21245–950
E-Mail: gema@gema.de

Head Office in Munich
Rosenheimer Strasse 11
81667 Munich
P.O. box 80 07 67
81607 Munich
Tel.: +49 89 48003–00
Fax: +49 89 48003–969
E-Mail: gema@gema.de

GEMA-Regional Offices

Regional Office in Augsburg
Stettenstrasse 6/8
86150 Augsburg
P.O. box 10 17 07
86007 Augsburg
Tel.: +49 821 50308–0
Fax: +49 821 50308–88
E-Mail: bd-a@gema.de

Regional Office in Berlin
Keithstrasse 7
10787 Berlin
P.O. box 30 34 30
10728 Berlin
Tel.: +49 30 21292–0
Fax: +49 30 21292–795
E-Mail: bd-b@gema.de

Regional Office in Dresden
Zittauer Strasse 31
01099 Dresden
Subject area Sachsen:
Tel.: +49 351 8184–610
Subject area Sachsen-Anhalt:
Tel.: +49 351 8184–620
Subject area Thüringen:
Tel.: +49 351 8184–630
For all subject areas:
Fax: +49 351 8184–700
E-Mail: bd-dd@gema.de

Regional Office in Hamburg
Schierenberg 66
22145 Hamburg
P.O. box 73 03 60
22123 Hamburg
Tel.: +49 40 679093–0
Fax: +49 40 679093–11
E-Mail: bd-hh@gema.de

Regional Office in Hannover
Blücherstrasse 6
30175 Hannover
P.O. box 21 29
30021 Hannover
Tel.: +49 511 8174 10
E-Mail: bd-h@gema.de

Regional Office in München
Rosenheimer Strasse 11
81667 München
P.O. box 80 06 20
81606 Munich
Tel.: +49 89 48003–01
Fax: +49 89 48003–940
E-Mail: bd-m@gema.de

Regional Office in North Rhine-Westphalia
Südwall 17–19
44137 Dortmund
P.O. box 10 13 43
44013 Dortmund
Tel.: +49 231 57701–0
Fax: +49 231 57701–120
E-Mail: bd-nrw@gema.de

Regional Office in Nuremberg
Johannisstrasse 1
90419 Nuremberg
P.O. box 91 05 49
90263 Nuremberg
Subject area Oberpfalz/
Mittelfranken:
Tel.: +49 911 93359–291
Fax: +49 911 93359–252
Subject area Ober- und
Unterfranken:
Tel.: +49 911 93359–290
Fax: +49 911 93359–253
E-Mail: bd-n@gema.de

Regional Office in Stuttgart
Herdweg 63
70174 Stuttgart
P.O. box 10 17 53
70015 Stuttgart
Tel.: +49 711 2252–6
Fax: +49 711 2252–800
E-Mail: bd-s@gema.de

Regional Office in Wiesbaden
Abraham-Lincoln-Strasse 20
65189 Wiesbaden
P.O. box 26 80
65016 Wiesbaden
Tel.: +49 611 7905–0
Fax: +49 611 7905–197
E-Mail: bd-wi@gema.de
Fields of Activities and Responsibilities of the Executive Board

The descriptions and parts of the structure of the management departments marked with an asterisk (*) have changed since August 2009. To facilitate comparability to the previous year's numbers, the descriptions used up until August 2009 will be used in the Management Report and Foreword.

Management Television, Radio, and New Media (now: Management Broadcast and Online)

Management Industry, as well as Management Accounting II (now: Management Reproduction Rights and Foreign Countries)

Management Accounting I (now: Management Accounting Performance and Broadcast Rights)
Committees

**Financial Committee**
- Prof. Dr. Rolf Budde
- Frank Dostal
- Prof. Dr. Enjott Schneider
- Dagmar Sikorski
- Stefan Waggershäusen
- Christian Wilckens
- **Deputies:**
  - Burkhard Brozat
  - Patrick Strauch
  - Prof. Lothar Voigtländer

**Deputies:**
- Frank Dostal
- Burkhard Brozat
- Prof. Dr. Enjott Schneider
- Patrick Strauch
- Prof. Lothar Voigtländer
- Dagmar Sikorski
- Stefan Waggershäusen
- Christian Wilckens

**Specialist:**
- Patrick Strauch

**Tariff Committee**
- Frank Dostal
- Jörg Evers
- Karl-Heinz Klempnow
- Hans-Peter Malten
- Frank Ramond
- Dr. Ralf Weigand

**Program Committee**
- **Subcommittee Serious Music:**
  - Prof. Klaus-Michael Karnstedt
  - Prof. Dr. Enjott Schneider
  - Dagmar Sikorski
  - Prof. Lothar Voigtländer

- **Deputy:**
  - Prof. Manfred Schoof

- **Specialists:**
  - Moritz Eggert
  - Johannes Hildebrandt
  - Winfried Jacobs

**Subcommittee Light/Popular Music:**
- Burkhard Brozat
- Jörg Evers
- Lutz Ilgner
- Prof. Klaus-Michael Karnstedt
- Stefan Waggershäusen
- Dr. Ralf Weigand

**Statutory Committee**
- Burkhard Brozat
- Prof. Dr. Rolf Budde
- Jörg Evers

**Distribution Plans Committee**
- **Composers:**
  - Prof. Dr. Enjott Schneider
  - Prof. Lothar Voigtländer
  - Dr. Ralf Weigand

- **Representatives of Composers:**
  - Prof. Dr. h. c. Wolfgang Rihm
  - Christian Wilckens

- **Lyricists:**
  - Frank Dostal
  - Stefan Waggershäusen

- **Representative of Lyricists:**
  - Frank Ramond

- **Publishers:**
  - Dagmar Sikorski
  - Patrick Strauch

- **Representatives of Publishers:**
  - Prof. Dr. Rolf Budde
  - Hans-Peter Malten

- **Specialists:**
  - Prof. Harald Banter
  - Klaus Doldinger
Committee for the Rating procedures of the Composers in the category Serious Music

Werner Heider
Prof. Dr. h. c. Robert M. Helmschrott
Prof. Martin Christoph Redel

Deputies:
- Deputies for Choir Music:
  Prof. Karl Haus
  Gerhard Rabe
- Delegate for associate Members and affiliated Members:
  Peter Helmut Lang

Committee for the Rating procedures of the Lyricists in the category Serious Music

Michael Holm
Erich Offierowski
Carl J. Schäuble

Deputies:
- Deputies for Special Members and Associated Members:
  Heiner Tietze

Committee for the Rating procedures of the Publishers in the category Serious Music

Stefan Conradi
Horst Schubert

Deputies:
- Deputy:
  Dr. Reinhold Quandt
- Delegate of the Board of Supervisors:
  Dagmar Sikorski
Composers:
- Thorsten Brötzmann
- Dr. Rainer Fabich
- Michael Reinecke

Lyricists:
- Michael Holm
- Erich Offlerowski
- Carl J. Schäuble

Publishers:
- Suzan Frauenberger
- Pamela Georgi-Michel
- Michael Wewiasinski

Representatives of Composers:
- Heinz Ehme
- Peter Finger
- Ladislav Geisler

Representatives of Lyricists:
- Norbert Hammerschmidt
- Robert Jung (until June 24, 2009)
- Klaus Pelizaeus
- Hans-Ulrich Weigel (as of June 24, 2009)

Representatives of Publishers:
- Barbara Krämer
- Hans-Peter Malten (until June 24, 2009)
- Gabriele Schulze-Spahr (as of June 24, 2009)
- Dr. Axel Sikorski

Delegate of the Board of Supervisors:
- Prof. Dr. Enjott Schneider

Committee for the Rating procedures of the category Light and Dance Music

Delegates of associate and affiliated Members:

Composers:
- Ole Seelenmeyer

Lyricists:
- Heiner Tietze

Publishers:
- Thomas Ritter (as of June 24, 2009)
- Karin Wirthmann (until June 24, 2009)

Raimond Erbe
- Jo Plée (until June 24, 2009)
- Prof. Wieland Reissmann
- Joachim Schmeißer
- Werner Theisen
- Prof. Bernd Wefelmeyer (as of June 24, 2009)

Deputies:
- Prof. Theo Brandmüller
- Ernst-August Quelle (until June 24, 2009)
- Dieter Reith
- Jochen Schmidt-Hambrock (as of June 24, 2009)
- Prof. Bernd Wefelmeyer

Deputy of the Works Committee:
- Prof. Dr. Enjott Schneider

Representatives of Composers:
- Moritz Eggerth
- Prof. Martin Christoph Redel
- Alexander von Schlippenbach
- Jochen Schmidt-Hambrock (until June 24, 2009)
- Hans-Peter Ströer (as of June 24, 2009)

Assessment Committee of the Arrangers

Delegates of the Board of Supervisors:

Composers:
- Dr. Ralf Weigand

Lyricists:
- Stefan Waggershausen

Publishers:
- Karl-Heinz Klemmnow

Deputies:
- Bertram Gebauer (until June 24, 2009)
- Ladislav Geisler (until June 24, 2009)
- Rolf Kosakowski (as of June 24, 2009)
- Jo Plée (as of June 24, 2009)
- Thomas Rebensburg

Delegate of the Board of Supervisors:
- Prof. Manfred Schoof
Admission Committees

- Lyricists:
  Erich Offierowski
  Carl J. Schäuble

- Publishers:
  Jan Rolf Müller

- Composers:
  Prof. Georg Katzer
  Prof. Bernd Wefelmeyer

- Lyricists:
  Robert Jung
  Erich Offierowski

- Publishers:
  Andreas Meurer
  Michael Wewiasinski

Church Music Committee

- Chairwoman:
  Christel Hengst
  (former presiding judge of the Regional Superior Court of Berlin)

- Vice Chairman:
  Dr. Jürgen Schmidt-Räntsch
  (former presiding judge of the Regional Superior Court)

Representatives of Professional Groups:

- Composers:
  Hartmut Westphal

- Lyricists:
  Michael Arends

- Publishers:
  Heinz Kremer

- Representatives of Lyricists:
  Edith Jeske
  Robert Jung

- Representatives of Publishers:
  Stefan Conradi

- Delegate of the Board of Supervisors:
  Prof. Manfred Schoof

- Deputy:
  Prof. Lothar Voigtländer

- Representative of Composers:
  Helmut Zapf

- Representative of Lyricists:
  Michael Reinke

- Representative of Publishers:
  Winfried Jacobs (as of June 24, 2009)
  Peter Tonger (until June 24, 2009)

- Specialist:
  Prof. Dr. Enjott Schneider

- Deputy Representative of Composers:
  Prof. Harald Banter

- Deputy Representative of Lyricists:
  Klaus Pelizaeus

- Deputy Representative of Publishers:
  Volker Landtag

- Specialist:
  Wolfgang Brandenstein
GEMA Social Security Fund

- **Composer Department:**
  - Hartmut Westphal
  - Ralf Hoyer
  - Wilhelm Dieter Siebert
  - Managing Director and Curator

- **Lyricist Department:**
  - Erich Offierowski
  - Wolfgang Brandenstein
  - Klaus Pelizaeus
  - Managing Director and Curator

- **Publisher Department:**
  - Andreas Meurer
  - Gabriele Schulze-Spahr
  - Thomas Tietze
  - Managing Director and Curator
International Organizations

CISAC
Confédération Internationale des Sociétés d’Auteurs et Compositeurs, Paris

German Member of the Executive Board: Dr. Harald Heker
German Member of the International Council of Authors and Composers: Jörg Evers
German Member of the Legal Committee: Kilian Steiner
Member of the Common Information System Supervisory Board (CSB): Thimo Prziklang

Honorary Presidents: Prof. Dr. Reinhold Kreile
Prof. Dr. jur. h. c. Erich Schulze
Prof. Dr. Hans Wilfred Sikorski

President of the Executive Board: Karl-Heinz Klempnow
Member of the Management Committee: Dr. Harald Heker
German Delegates for the General Assembly: Frank Dostal
Jörg Evers

BIEM
Bureau International des Sociétés gérant les Droits d’Enregistrement et de Reproduction Mécanique, Paris
Report of the Executive Board
Management Report

1. Business trend in 2009

1.1. Overall economic development in Germany in 2009

The global financial and economic crisis presented Germany and the world with new challenges. Germany was especially affected by the crisis, due to its intensive international interdependence. On account of the severe slumps, especially in exports, the gross domestic product declined in 2009 by 5 percent, the largest decline in the history of the Federal Republic of Germany.

What was remarkable in the year 2009 was that there was a tremendous slump in exports as well as investments in equipment. Foreign trade, which was an important economic engine in the German economy in previous years, slowed down economic development in 2009. Investments in equipment declined by one fifth in comparison to 2008. The only positive impulse in 2009 came from consumer spending, which showed a distinct increase compared to the previous year. Personal consumer spending increased by 0.4 percent due to prices, and state consumer spending increased by 2.7 percent.

Incoming orders increased slightly; however, the level before the financial crisis has not been reached yet. The job market continued to be strong at the end of the year. In view of the economic conditions, so far the unemployment rate has developed rather favorably. The music industry expects a considerable decline for 2009 once again. The market in Germany, similar to the international market, suffered reductions in sales and in the licensing of recordings. The online business, despite its documented growth, could not compensate for this decline. File sharing, free online streaming, and competition from other media are the essential reasons for the developments in the music market described above.

1.2. Financial situation, net asset situation, and revenue situation of GEMA in 2009

In the reporting year, essentially reinvestments were made in data processing systems as well as in software (€1.4 million). In addition to this, investments were made in data processing projects to the amount of €6.2 million. The society’s assets consist for the most part of current assets (90 percent; previous year: 91 percent); of these €452 million (previous year: €529.5 million) are liquid assets and bonds. The financial situation of the society is marked by the installment payments for distribution to the amount of €604.5 million (previous year: €688.1 million). The society does not have any interest-bearing borrowed capital. The installment payments for distribution are entirely covered by short-term binding assets.

Total revenue of GEMA in the business year 2009 was €841.1 million, and thus €18 million, or 2.2 percent, more than in the business year 2008.

<table>
<thead>
<tr>
<th>Management Field Staff (Regional Offices)</th>
<th>2009</th>
<th>2008</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in million €)</td>
<td>(in million €)</td>
<td>(in million €)</td>
</tr>
<tr>
<td>Management Field Staff (Regional Offices)</td>
<td>289,970</td>
<td>281,575</td>
<td>+ 8,395</td>
</tr>
<tr>
<td>Management Industry</td>
<td>174,968</td>
<td>178,747</td>
<td>- 3,779</td>
</tr>
<tr>
<td>Management Television, Radio, and New Media</td>
<td>283,028</td>
<td>237,528</td>
<td>+ 45,500</td>
</tr>
<tr>
<td>Management Foreign Countries</td>
<td>65,399</td>
<td>63,211</td>
<td>+ 2,188</td>
</tr>
<tr>
<td>Management Power of Attorney Services</td>
<td>5,819</td>
<td>24,478</td>
<td>- 18,659</td>
</tr>
<tr>
<td>Other Income (Interest etc.)</td>
<td>21,871</td>
<td>37,468</td>
<td>- 15,597</td>
</tr>
</tbody>
</table>

841,055 823,007 + 18,048
In general, the increase in proceeds in comparison to the previous year can be ascribed particularly to the positive development in the collection area Television, Radio, and New Media, and to the regional offices. Opposite effects can be observed with the proceeds from royalty claims and other income.

In the area of Regional Offices, there was a distinct increase in the proceeds compared to 2008 to €290 million (plus €8.4 million).

The development in income in Management Industry is marked by a decline in proceeds in the amount of €3.8 million. This change resulted for the most part from the decline in the recording market.

Management Television, Radio, and New Media, on the other hand, was able to show a clear increase in income compared to the previous year (plus €45.5 million), due to the one-time effect from repayments from cable television companies for the years 2007 and 2008, which were a result of the signing of the new contract.

The area Foreign Countries achieved an increase in the proceeds to €65.4 million (plus 3.5 percent) compared to 2008, which can be attributed exclusively to performance rights.

A large number of general contract partners of ZPU (Central Organization for Private Recording Rights Munich) used the copyright amendment (“Korb 2” – the so-called “second basket”) that took effect on January 1, 2008 as an occasion to cancel their contracts with ZP effective December 31, 2007, and also to discontinue the corresponding payments. For this reason, the distribution from ZPU to GEMA in the years 2008 and 2009 continuously declined. Therefore, in comparison to the previous year the proceeds from the area of Power of Attorney, Other Collecting Societies decreased by €18.7 million. The proceeds from the compromise agreement and the general contract on PC compensation with the Bundesverband der Computerhersteller e. V. (BCH – German Association of Computer Manufacturers), which was agreed upon in December 2009 and covers the period from 2002 to 2010, could not be included in GEMA’s annual statement of accounts 2009.

Other income showed a distinct decline compared to the previous year (minus €15.6 million). This development is essentially attributed to the market-related low interest rates in 2009.

The total expenditures of GEMA in the business year 2009, compared to the previous year, increased by 4.6 percent.

The illustrated development led to a slight increase in the cost unit rate in the business year 2009, from 14.9 percent (2008) to 15.2 percent. Activities of special significance did not occur after the accounting date.

The relationship “capital assets to liquid assets” remained stable during the last three years (circa 10 percent to 90 percent of the balance sheet total).

The development of the allocation of the reserves for distribution over the last three years corresponds to the developments with the proceeds.

1.3. Income from copyright licenses and royalty entitlements

Total income from the processing of copyright licenses and royalty entitlements was €819.184 million in the reporting year, of which €2.893 million is from compensation in lieu of licenses. The cost replacement amount of compensation in lieu of licenses in the amount of €2.982 million is listed under “other income.” The income for 2009 of €819.184 million is €33.645 million more than the previous year’s amount of €785.539 million (€2.802 million of this was from compensation in lieu of licenses).
The income in detail:

<table>
<thead>
<tr>
<th>Income from copyright licenses and royalty entitlements</th>
<th>2009</th>
<th>2008</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in million €)</td>
<td>(in million €)</td>
<td>(in million €)</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
<td>Difference</td>
</tr>
<tr>
<td>Income from performance, exhibition, broadcast and</td>
<td>408,697</td>
<td>402,208</td>
<td>+ 6,489</td>
</tr>
<tr>
<td>playback rights compensation in lieu of licenses</td>
<td>2,893</td>
<td>2,802</td>
<td>+ 0,091</td>
</tr>
<tr>
<td>b) Income from reproduction rights</td>
<td>180,752</td>
<td>193,389</td>
<td>-12,637</td>
</tr>
<tr>
<td>c) Income from royalty entitlements</td>
<td>10,827</td>
<td>30,223</td>
<td>-19,396</td>
</tr>
<tr>
<td>– from rental and lending rights</td>
<td>5,427</td>
<td>6,019</td>
<td>-0,592</td>
</tr>
<tr>
<td>(according to Paragraph 27, Copyright Act)</td>
<td>5,400</td>
<td>24,204</td>
<td>-18,804</td>
</tr>
<tr>
<td>– from personal copying</td>
<td>5,400</td>
<td>24,204</td>
<td>-18,804</td>
</tr>
<tr>
<td>(according to Paragraph 54, Copyright Act)</td>
<td>5,400</td>
<td>24,204</td>
<td>-18,804</td>
</tr>
<tr>
<td>d) Income from power of attorney services</td>
<td>218,908</td>
<td>159,719</td>
<td>+59,189</td>
</tr>
<tr>
<td>– for other collecting societies</td>
<td>146,374</td>
<td>87,620</td>
<td>+58,754</td>
</tr>
<tr>
<td>– from central licensing of sound and audio-visual</td>
<td>72,534</td>
<td>72,099</td>
<td>+0,435</td>
</tr>
<tr>
<td>storage media (sales territory foreign countries)</td>
<td>72,534</td>
<td>72,099</td>
<td>+0,435</td>
</tr>
<tr>
<td></td>
<td>819,184</td>
<td>785,539</td>
<td>+33,645</td>
</tr>
</tbody>
</table>
The discussions and negotiations that have been ongoing since the autumn of 2005 on follow-up contracts to the agreements with regional cable television companies that expired at the end of 2006 resulted in a new, long-term regulation. Therefore, in 2009 the subsequent payments from the years 2007 and 2008 could be registered. The amount of €408.697 million (previous year: €402.208 million) for revenue from the administration of performance, broadcast, and playback rights includes revenue for the use of music cable rebroadcast rights in the amount of €17.151 million (previous year: €12.351 million) for the year 2009. The income for the year 2009 that resulted from GEMA’s function as a collecting service for other copyright holders was €87.983 million (previous year: €32.184 million) in total.

In essence, the represented copyright holders are the collecting societies VG WORT; GVL; VG BILD-KUNST; AGICOA; VFF; VGF; and G›FA (ARGE Kabel).

1.4. Income from interest and bonds

The income decreased by €10.613 million, from €22.531 million to €11.918 million.

This is essentially due to the distinctly lower market interest rates in comparison to 2008.

1.5. Expenditures

Expenditures for human resources and materials developed over the last two years as follows:

The expenditures for human resources in 2009 include severance payments resulting from the merger of regional offices.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in million €)</td>
<td>(in million €)</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resources</td>
<td>73,414</td>
<td>65,179</td>
</tr>
<tr>
<td>Materials</td>
<td>54,590</td>
<td>57,178</td>
</tr>
<tr>
<td>Total</td>
<td>128,004</td>
<td>122,357</td>
</tr>
</tbody>
</table>

1.5.1. The fluctuation has not fundamentally changed over the course of the last three years. In comparison to the previous year, the number of employees was reduced from 1,133 to 1,111 (minus 2 percent).

1.5.2. In addition to extensive changes to the existing IT systems, which handle the daily business, the reporting year 2009 saw the introduction of new systems:

LION/ MAX

A new share-based licensing potential was created for the implementation of online licensing in the regions Germany and Europe (LION = Licensing of Online Use, and MAX = Matching Tool and Central Search Index). The processing of the mass data from the online market presented a huge challenge to IT technology and IT programs, and the mass data could then be processed following the implementation of the system in December 2009.

MIKOS

The online service “Members’ Finances,” MIKOS (Member Data and Account Administration System) enabled authors and music publishers to quickly and easily access their financial data at GEMA as of October 2009. GEMA members can view their member account with this online service. In addition, the database allows members to digitally notify GEMA about changes in the contact data. A member can also communicate messages or ask questions via this online service.

DIDAS

Upgrades to ensure an intelligent importation of works as well as to improve service quality are planned for DIDAS (DIDAS = Data Base for an Integrated Documentation and Calculation System).
2. Economic development forecast

In the annual report on the economy, the German government expects on the average for the year 2010 an increase in the gross domestic product of 1.4% (2009: minus 5%).

Despite the continuing recovery, Germany has still not overcome the severest financial and economic crisis of the postwar period. The consolidation of the financial statements of the Financial Institute has not yet been completed. The initial situation for 2010 is marked by a low utilization of the production capacities. The increasing world economic demand should result in a distinct increase in German exports; however, German exports will not reach in this year the level they had before the crisis. In 2010, it may become more and more difficult for companies to maintain their level of employment, due to the high cost burden. The annual economic report predicts an increase in the unemployment rate to 8.9 percent (2009: 8.2 percent).

A continuation of the trend from the past years with ongoing slumps in sales and revenue from recordings is expected in the music branch, along with a positive outlook in the area of live music. The increase in music use in the area of Internet/Online will continue to result in the authors receiving an insufficient share of the economic benefits. GEMA is attempting by means of international cooperations, a multitude of negotiations, arbitration proceedings, and legal procedures to enforce the rights of its members to receive an appropriate compensation in this area.

In general, GEMA is also expecting a considerable decline in the proceeds for the business year 2010. This is due in particular to the estimate of an ongoing decline in domestic and foreign revenue from recordings. In view of the legal developments and the economic conditions in the online area, in the future the collecting society will have the chance of asserting the rights of its members on a broader foundation. The prerequisites for this were created by founding the subsidiaries CELAS and PAECOL.

GEMA will not be exposed to any risks concerning the survival of the society from the legal developments described below.

3. Legal Developments

3.1 European Commission: the CISAC Proceedings and Online Commerce Roundtable

On July 16, 2008 the EU Commission decreed a prohibition order in the cartel proceedings COMP/C2/38.698 – CISAC ("CISAC Proceedings"), in which they accused GEMA and 23 other European collecting societies in particular of entering into an anticompetitive coordination of actions regarding territorial restrictions in mutual contracts for the areas Online, Satellite Broadcast, and Cable Rebroadcast. Details were reported in the Status Report for the business year 2008.

Almost all of the collecting societies involved have filed an objection to the EU Commission’s decision with the European Court of Justice (formerly the European Court of First Instance). A date for the court hearing on GEMA’s action for annulment, which was filed on September 30, 2008, has not been determined yet. With its decision on October 21, 2009, the court has recognized the RTL Group S. A.; Music Choice Europe Ltd.; CLUFA S. A.; ProSiebenSat.1 Media AG; the Modern Times Group MTG AB; Viasat Broadcasting UK Ltd.; and the Verband privater Rundfunk und Telemedien e. V. (VPRT – Association of Commercial Radio and Television Media) as interveners in favor of the EU Commission for these proceedings.
3.2. Jurisdiction

3.2.1. European Court of Justice

During proceedings on the interpretation of Article 82 EC, the European Court of Justice had to decide whether an organization for the collective administration of copyrights (collecting society), which has a dominating position in the essential part of the common market, improperly misuses this position when it demands different fees from commercial television companies than the fees it demands from public companies.

The Court of Justice decided this was not true when such a practice can be objectively justified. Such a justification could result from, in particular, the public company’s mission and type of financing. The additional examination in this regard, however, was deferred to the (Swedish) court handling the legal complaint.

3.2.2. Federal Supreme Court

a) The issue of whether an advertising agency’s self-promotion with commercials using a music soundtrack on the advertising agency’s Web site falls under the administration of GEMA and therefore is subject to payment of royalties was the subject of a lawsuit heard by the Federal Supreme Court. In its decision on June 10, 2009, file number I ZR 226/06, the court formulated the following guideline:

“Based on the authorization contracts in the contract versions from 2002 und 2005 signed with the copyrights owners, GEMA does not have the right to administer the copyrights owners’ rights of use in regard to music use for advertising purposes.”

Because of this decision, GEMA does not have the right to administer the rights of its members concerning the use of music works for advertising purposes until there is a corresponding change in the authorization contracts. The courts of lower instance had passed other decisions on this issue, acknowledging that it was possible and essential for GEMA to administer the rights of use in such circumstances. The authorization contracts of GEMA were modified in the meantime in accordance with a resolution passed on March 12, 2010, in order to reinstate the legal situation that existed before the announcement of the aforementioned decision by the Federal Supreme Court.

b) According to Paragraph 11, Section 1 of the Law on the Administration of Copyright and Neighboring Rights, collecting societies are fundamentally obligated, based on the rights they administer, to concede to every person upon demand rights of use under appropriate conditions. With its decision on April 22, 2009, file number I ZR 5/07, the Federal Supreme Court decided that this obligation to enter into a contract does not exist by way of an exception when in a specific, individual case an improper abuse of the factual monopoly position of the collecting society is eliminated, because the third party’s claim for concession of the rights of use can be countered with overriding, legitimate interests.

In the opinion of the Federal Supreme Court, such a legitimate interest exists when the manufacturer of a recording could not acquire, in addition to the rights of use protected by copyright, the additional necessary performance protection due to the lack of the artist’s permission. Therefore, in due consideration of the resulting trustee position in the administration contract with the author – in this case simultaneously also the artist – it is not just and reasonable to concede rights of use to GEMA that cannot be legally used.

3.2.3. Superior Court of Justice of Berlin

During GEMA’s General Assembly in 2003 it was decided that the coefficient for music in “other commercials” (e.g., broadcaster promotions, self-promotions, Direct Response TV, phone sex services, teleshopping, infomercials and infomercial broadcasts) for performance and broadcasting rights will be reduced to Value 1 in GEMA’s Distribution Plan. This would have resulted in a reduction in the royalties of the affected beneficiaries in this area.
The Superior Court of Justice of Berlin decided on July 8, 2009, file number 2 U 4/05 Kart, that a member’s complaint filed against this decision was justified. It was justified, because the affected change would have differentiated between the different types of advertising in a non-objective and non-warrantable manner.

3.2.4. Arbitration Board of the German Patent and Trade Mark Office

The amount of royalties for concerts was the subject of a general contract proceeding heard by the arbitration board. Both concert associations initiated this with the goal that GEMA’s rates for the corresponding use, which were valid up until February 1, 2009, should continue to be valid, whereas GEMA applied for a considerable increase. In its settlement offer on November 17, 2009, file number Sch-Urh 03/09, the arbitration board suggested general contracts with reimbursement rates for the parties. These reimbursement rates called for an effective increase in GEMA’s rates in individual intervals following a four-year transitional period from 2.34 percent (up to 3,000 visitors) and 1.87 percent (from 3,000 to 15,000 visitors) to 7.2 percent, and the reimbursement for events with over 15,000 visitors should become 7.65 percent instead of the previous 4.48 percent following the transitional period. The calculation of the fees should be based on the gross revenue from the admission tickets, and also possibly the funds from sponsors. All of the parties involved in the proceedings filed objections to the settlement offer. In the subsequent extrajudicial general contract negotiations, the concert associations and GEMA were able to arrive at an agreement that is based on the arbitration board’s settlement offer. A four-year transitional period was taken into consideration as well, which in the end resulted in the following fee rates:

- For the new category, events up to 2,000 visitors: 5 percent.
- For events with over 2,000 and up to 15,000 visitors: 7.2 percent.
- For events with over 15,000 visitors: 7.65 percent of the respective gross revenue.

Whether sponsoring and advertising proceeds will be included in the calculations to arrive at the appropriate compensation must still be negotiated.
## Income, Expenditures – Development and Structure

### Distribution of the Income in Expenditures and Distribution Sum

<table>
<thead>
<tr>
<th>Year</th>
<th>Income (€ million)</th>
<th>Expenditures (€ million)</th>
<th>Distribution Sum (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>801.4</td>
<td>116.9</td>
<td>684.5</td>
</tr>
<tr>
<td>2001</td>
<td>810.5</td>
<td>117.9</td>
<td>692.6</td>
</tr>
<tr>
<td>2002</td>
<td>812.5</td>
<td>118.7</td>
<td>693.8</td>
</tr>
<tr>
<td>2003</td>
<td>813.6</td>
<td>119.4</td>
<td>694.2</td>
</tr>
<tr>
<td>2004</td>
<td>806.2</td>
<td>116.0</td>
<td>690.2</td>
</tr>
<tr>
<td>2005</td>
<td>852.2</td>
<td>120.3</td>
<td>731.9</td>
</tr>
<tr>
<td>2006</td>
<td>874.4</td>
<td>121.7</td>
<td>752.7</td>
</tr>
<tr>
<td>2007</td>
<td>849.6</td>
<td>120.3</td>
<td>729.3</td>
</tr>
<tr>
<td>2008</td>
<td>823.0</td>
<td>122.4</td>
<td>700.6</td>
</tr>
<tr>
<td>2009</td>
<td>841.0</td>
<td>128.0</td>
<td>713.0</td>
</tr>
</tbody>
</table>

### Cost Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Income %</th>
<th>Expenditures %</th>
<th>Distribution Sum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>14.6 %</td>
<td>85.4 %</td>
<td>14.6 %</td>
</tr>
<tr>
<td>2001</td>
<td>14.5 %</td>
<td>85.5 %</td>
<td>14.5 %</td>
</tr>
<tr>
<td>2002</td>
<td>14.6 %</td>
<td>85.4 %</td>
<td>14.6 %</td>
</tr>
<tr>
<td>2003</td>
<td>14.7 %</td>
<td>85.3 %</td>
<td>14.7 %</td>
</tr>
<tr>
<td>2004</td>
<td>14.4 %</td>
<td>85.6 %</td>
<td>14.4 %</td>
</tr>
<tr>
<td>2005</td>
<td>14.1 %</td>
<td>85.9 %</td>
<td>14.1 %</td>
</tr>
<tr>
<td>2006</td>
<td>13.9 %</td>
<td>86.1 %</td>
<td>13.9 %</td>
</tr>
<tr>
<td>2007</td>
<td>14.2 %</td>
<td>85.8 %</td>
<td>14.2 %</td>
</tr>
<tr>
<td>2008</td>
<td>14.9 %</td>
<td>85.1 %</td>
<td>14.9 %</td>
</tr>
<tr>
<td>2009</td>
<td>15.2 %</td>
<td>84.8 %</td>
<td>15.2 %</td>
</tr>
</tbody>
</table>
Income 2009

Radio and Television 34,16% € 287,275 million

[a] Radio and Television Broadcasting and Cable
   Rebroadcast Rights, Reproduction Rights 23,27% € 195,684 million
   Reprinting Rights € 195,684 million
[b] Mandates for Collection Redirecting to Cable 10,46% € 87,983 million
   Mandates for Collection Regional, Television Commercials 0,31% € 2,560 million
   Commercials Mandates for Collection, Europe I 0,12% € 1,048 million
Mechanical Music 14,65% € 123,191 million

Live Music 10,18% € 85,628 million

Foreign Countries 7,78% € 65,397 million

Soundtracks 0,95% € 8,014 million

Other Income 2,60% € 21,871 million

Mandates for Collection Other Collecting Societies 6,51% € 54,783 million

Audio-Visual and Sound Storage 21,88% € 184,069 million

[c] PHO VR 10,38% € 87,276 million
   BT VR 1,53% € 12,878 million
[d] Online 0,08% € 0,694 million
   Ringtones € 0,694 million
   Other Online Income 1,27% € 10,687 million
[e] Central Licensing Sales Territory 8,62% € 72,534 million
   Foreign Countries € 72,534 million

Royalty Entitlements according to Paragraph 54, Copyright Act 0,64% € 5,400 million
   Private Copying, Audio 0,34% € 2,894 million
   Private Copying, Video 0,30% € 2,506 million
   Library royalties 0,05% € 0,418 million
   Rentals and Lending, Audio 0,00% € 0,007 million
   Rentals and Lending, Video 0,60% € 5,002 million
   Rentals and Lending, Library royalties 0,05% € 0,418 million

Sum Total € 841,055 million
Expenditures 2009

Staff
€ 73,414 million
57.35 %

[a] Wages and Salaries € 55,581 million
[b] Pension Plans € 7,724 million
[c] Social Programs € 10,109 million

Taxes
€ 0.898 million
0.70 %

Depreciations
€ 6,387 million
4.99 %

Other Expenditures € 47,305 million
36.96 %

[d] Outsourced EDP € 10,308 million
[e] Restructuring Measures € 0,492 million
[f] Information and Communication Expenditures € 6,665 million
[g] Office Devices € 2,263 million
[h] Incidental Costs from Collection Business € 14,835 million
[i] Administration € 3,622 million
[j] Financial Expenses € 0,161 million
[k] Miscellaneous € 8,959 million

Sum Total € 128,004 million
In accordance with its statutes, GEMA is entrusted with the trustee administration of copyrights and is not allowed to make a profit. All of the income is distributed to its members and other rights owners after expenses are paid. The distribution sum is calculated as such:

\[
\begin{align*}
\text{Income} & \quad \text{€ 841,055 million} \\
\text{Expenditures} & \quad \text{€ 128,004 million} \\
\hline
\text{Distribution sum} & \quad \text{€ 713,051 million}
\end{align*}
\]

This distribution sum is assigned to the distribution reserves. The breakdown for the individual sections is as follows:

- **Performances (live music, rec. music, 65.93 % films) and broadcasting rights € 470,093 million**
  - [a] Germany € 290,486 million
  - [b] Foreign Countries € 47,103 million
  - [c] Mandates for Collection € 132,504 million

- **Reproduction Rights 33.92 % € 241,910 million**
  - [d] Germany € 150,766 million
  - [e] Foreign Countries € 15,986 million

- **Power of Attorney Collection Services € 75,158 million**
  - from foreign countries € 72,531 million
  - from Germany € 2,627 million
## Development and Structure of the Membership

### Members according to group

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular Members</td>
<td>Special Members</td>
</tr>
<tr>
<td>Authors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- including composers</td>
<td>2,329</td>
<td>6,127</td>
</tr>
<tr>
<td>- including lyricists</td>
<td>488</td>
<td></td>
</tr>
<tr>
<td>Publishers</td>
<td>492</td>
<td>272</td>
</tr>
<tr>
<td>Legal Successors</td>
<td>34</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>3,343</td>
<td>6,406</td>
</tr>
</tbody>
</table>
New Admissions of Members

Compared to the previous year, the total number of members increased by 602, with 2,403 new admissions in the year 2009. The difference is the result of cancellations of memberships and early withdrawal of members.
Participation of the GEMA Members in 2009 in the Results from the Year 2008

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Members</td>
<td>62.99 %</td>
<td>€ 210,653 million</td>
</tr>
<tr>
<td>Associate Members</td>
<td>5.05 %</td>
<td>€ 16,882 million</td>
</tr>
<tr>
<td>Affiliated Members</td>
<td>24.50 %</td>
<td>€ 81,956 million</td>
</tr>
<tr>
<td>Legal Successors</td>
<td>7.46 %</td>
<td>€ 24,963 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>€ 334,454 million</strong></td>
</tr>
</tbody>
</table>
For the business year 2009 a total of €61.7 million (previous year: €60.9 million) was set aside for distribution to social and cultural programs, half of which, namely €29.4 million (previous year: €29.0 million), came from the 10% deduction, and the other half came from interest income, administration fees, and other undistributable income from the business year 2008.

In accordance with Paragraph 1, Subparagraph 4a of the Distribution Plan, the Board of Supervisors and Executive Board allocated the funds requested by the Social Security Fund in the amount of €7.2 million (previous year: €7.2 million). From the remaining amount of €54.5 million (previous year: €53.7 million), €16.4 million (previous year: €16.2 million) was allocated to the rating procedures in the category serious music; €32.0 million (previous year: €31.5 million) for the rating procedures in the category light music; €2.4 million (previous year: €2.3 million) assessment procedures of the arrangers; and €3.7 million (previous year: €3.7 million) for the pension plans.

Social and Cultural Payments
Income from affiliated societies
Payments to affiliated societies
Payments to special accounts of sub-publishing houses

Participation of Foreign Countries

(inasmuch as payments to affiliated companies in foreign counties and sub-publishing houses are affected)
Staff

For educational and training purposes, 310 GEMA employees attended special seminars and other work-related training sessions. 44 employees celebrated their 10-year anniversary, 16 their 25-year anniversary and 4 their 35-year anniversary with the company.
Annual Financial Statements
## Profit and Loss Statement for the period of January 1 – December 31, 2009

<table>
<thead>
<tr>
<th>Nr.</th>
<th>2009 (€ million)</th>
<th>2008 (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Income from licenses and royalty entitlements</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>includes income from mandates</td>
<td>for collection of €218,908</td>
</tr>
<tr>
<td>2.</td>
<td>Other operational income</td>
<td>9</td>
</tr>
<tr>
<td>3.</td>
<td>Human resources expenses</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>includes</td>
<td>a) Wages and salaries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Social benefits and expenses for social security plans and support programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>includes pension plan payments of €7,724</td>
</tr>
<tr>
<td>4.</td>
<td>Depreciations on immaterial assets in the fixed assets and tangible assets</td>
<td>11</td>
</tr>
<tr>
<td>5.</td>
<td>Other operational expenses</td>
<td>11</td>
</tr>
<tr>
<td>6.</td>
<td>Income from bonds in the liquid assets</td>
<td>2,035</td>
</tr>
<tr>
<td>7.</td>
<td>Other interest income and similar income</td>
<td>9,883</td>
</tr>
<tr>
<td>8.</td>
<td>Interest and similar expenditures</td>
<td>-0,017</td>
</tr>
<tr>
<td>9.</td>
<td>Results from usual business activities</td>
<td>713,949</td>
</tr>
<tr>
<td>10.</td>
<td>Taxes from income and revenue</td>
<td>10</td>
</tr>
<tr>
<td>11.</td>
<td>Other taxes</td>
<td>10</td>
</tr>
<tr>
<td>12.</td>
<td>Assignments to distribution reserve funds</td>
<td>-713,051</td>
</tr>
<tr>
<td>13.</td>
<td>Surplus/Deficit for the year</td>
<td>0,000</td>
</tr>
</tbody>
</table>
# Balance Sheet as of December 31, 2009
## (76th business year)

## Assets

### A. Fixed Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Franchises, commercial trademarks, similar rights and values, as well as licenses on such values and rights</td>
<td>€13,385</td>
<td>€16,224</td>
</tr>
<tr>
<td>2. Deposits paid</td>
<td>€7,740</td>
<td>€21,125</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Properties, property-like rights and buildings, including buildings on property not owned by GEMA</td>
<td>€48,630</td>
<td>€49,618</td>
</tr>
<tr>
<td>2. Other facilities, office and business equipment</td>
<td>€2,874</td>
<td>€51,504</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Shares in related companies</td>
<td>€0,225</td>
<td>€0,225</td>
</tr>
<tr>
<td>2. Holdings</td>
<td>€2,307</td>
<td>€2,532</td>
</tr>
</tbody>
</table>

### B. Liquid Assets

<table>
<thead>
<tr>
<th>I. Loans to members</th>
<th>As of Dec. 31, 2009</th>
<th>As of Dec. 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>0,373</td>
<td>0,213</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>II. Claims</th>
<th>As of Dec. 31, 2009</th>
<th>As of Dec. 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Prepayments from members</td>
<td>€71,645</td>
<td>€74,694</td>
</tr>
<tr>
<td>2. Affiliated companies abroad</td>
<td>€65,438</td>
<td>€67,452</td>
</tr>
<tr>
<td>3. Industry</td>
<td>€52,650</td>
<td>€40,194</td>
</tr>
<tr>
<td>4. Broadcast companies</td>
<td>€26,934</td>
<td>€34,807</td>
</tr>
<tr>
<td>5. Music promoters</td>
<td>€35,084</td>
<td>€38,245</td>
</tr>
<tr>
<td>6. Holdings</td>
<td>€2,444</td>
<td>€0,000</td>
</tr>
<tr>
<td>7. Companies with participating interests</td>
<td>€0,238</td>
<td>€0,549</td>
</tr>
<tr>
<td>8. Others</td>
<td>€8,534</td>
<td>€260,767</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>€56,960</td>
<td>€92,411</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Time deposits</td>
<td>€377,190</td>
<td>€432,492</td>
</tr>
<tr>
<td>2. Other</td>
<td>€17,847</td>
<td>€395,037</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>V. Cash</th>
<th>As of Dec. 31, 2009</th>
<th>As of Dec. 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>€0,049</td>
<td>€0,046</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. Deferred income</th>
<th>As of Dec. 31, 2009</th>
<th>As of Dec. 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>€0,754</td>
<td>€0,753</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>€1,983</td>
<td>€1,913</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Assets</th>
<th>As of Dec. 31, 2009</th>
<th>As of Dec. 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>€713,186</td>
<td>€801,835</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. Deferred income</th>
<th>As of Dec. 31, 2009</th>
<th>As of Dec. 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>€0,754</td>
<td>€0,753</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>€1,983</td>
<td>€1,913</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Assets</th>
<th>As of Dec. 31, 2009</th>
<th>As of Dec. 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>€791,084</td>
<td>€878,202</td>
<td></td>
</tr>
</tbody>
</table>
### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>As of Dec. 31, 2009</th>
<th>As of Dec. 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ million</td>
<td>€ million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>A. Capital Resources and reserves</th>
<th>0,000</th>
<th>0,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Reserve Funds for Distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. From performance (live music, rec. music, films), broadcast rights and royalty entitlements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Germany</td>
<td>306,513</td>
<td>342,719</td>
</tr>
<tr>
<td>2. Mandates for collection</td>
<td>20,568</td>
<td>56,065</td>
</tr>
<tr>
<td>3. Foreign countries</td>
<td>62,542</td>
<td>389,623</td>
</tr>
<tr>
<td>II. From reproduction rights and royalty entitlements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Germany</td>
<td>172,970</td>
<td>182,600</td>
</tr>
<tr>
<td>2. Mandates for collection</td>
<td>10,130</td>
<td>7,269</td>
</tr>
<tr>
<td>3. Foreign countries</td>
<td>31,810</td>
<td>214,910</td>
</tr>
<tr>
<td></td>
<td>604,533</td>
<td>688,144</td>
</tr>
<tr>
<td>C. Other reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>123,040</td>
<td>102,584</td>
</tr>
<tr>
<td>D. Obligations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. From distributed royalties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- to members</td>
<td>11,439</td>
<td>9,980</td>
</tr>
<tr>
<td>- to affiliated foreign collecting societies</td>
<td>9,232</td>
<td>9,956</td>
</tr>
<tr>
<td>2. From advance payments of music event organizers</td>
<td>0,691</td>
<td>4,634</td>
</tr>
<tr>
<td>3. To holdings</td>
<td>0,000</td>
<td>0,000</td>
</tr>
<tr>
<td>4. Others</td>
<td>38,549</td>
<td>59,911</td>
</tr>
<tr>
<td></td>
<td>59,911</td>
<td>83,970</td>
</tr>
<tr>
<td>E. Deferred Income</td>
<td>1,617</td>
<td>1,591</td>
</tr>
<tr>
<td>F. Trustee Obligations</td>
<td>1,983</td>
<td>1,913</td>
</tr>
</tbody>
</table>

| Total                         | 791,084             | 878,202             |
Balance Sheet as of December 31, 2009
(76th business year)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Purchase and production costs</th>
<th>As of Jan. 1, 2009</th>
<th>Incoming Assets</th>
<th>Items disposed of</th>
<th>Transfers</th>
<th>As of Dec. 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
</tr>
<tr>
<td>A. Fixed Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Immaterial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Licenses, commercial copyrights and similar rights and assets, licenses for such rights and values</td>
<td>53,294</td>
<td>0,692</td>
<td>0,003</td>
<td>0,399</td>
<td>54,382</td>
<td></td>
</tr>
<tr>
<td>2. Installments paid</td>
<td>1,899</td>
<td>6,240</td>
<td>0,000</td>
<td>-0,399</td>
<td>7,740</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>55,193</td>
<td>7,932</td>
<td>0,003</td>
<td>0,000</td>
<td>62,122</td>
</tr>
<tr>
<td>II. Tangible Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Properties, property-like rights and buildings, including buildings on properties not owned by GEMA</td>
<td>67,255</td>
<td>0,000</td>
<td>0,000</td>
<td>0,000</td>
<td>67,255</td>
<td></td>
</tr>
<tr>
<td>2. Other Assets, operational and business equipment</td>
<td>13,074</td>
<td>0,950</td>
<td>0,990</td>
<td>0,000</td>
<td>13,034</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>80,329</td>
<td>0,950</td>
<td>0,990</td>
<td>0,000</td>
<td>80,289</td>
</tr>
<tr>
<td>III. Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Shares in related companies</td>
<td>0,225</td>
<td>0,000</td>
<td>0,000</td>
<td>0,000</td>
<td>0,225</td>
<td></td>
</tr>
<tr>
<td>2. Holdings</td>
<td>2,340</td>
<td>0,000</td>
<td>0,033</td>
<td>0,000</td>
<td>2,307</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,565</td>
<td>0,000</td>
<td>0,033</td>
<td>0,000</td>
<td>2,532</td>
</tr>
<tr>
<td>Sum Total</td>
<td></td>
<td>138,087</td>
<td>7,882</td>
<td>1,026</td>
<td>0,000</td>
<td>144,943</td>
</tr>
</tbody>
</table>
## Accumulated Depreciations

<table>
<thead>
<tr>
<th></th>
<th>As of Jan. 1, 2009</th>
<th>Incoming Assets</th>
<th>Items disposed of</th>
<th>Transfers</th>
<th>As of Dec. 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
</tr>
<tr>
<td>As of Dec. 31, 2008</td>
<td>16,224</td>
<td>13,385</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As of Dec. 31, 2009</td>
<td>18,123</td>
<td>21,125</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Book Value

<table>
<thead>
<tr>
<th></th>
<th>As of Dec. 31, 2008</th>
<th>As of Dec. 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ million</td>
<td>€ million</td>
</tr>
<tr>
<td>As of Dec. 31, 2008</td>
<td>16,224</td>
<td>13,385</td>
</tr>
<tr>
<td>As of Dec. 31, 2009</td>
<td>18,123</td>
<td>21,125</td>
</tr>
</tbody>
</table>
### Liabilities

#### B. Reserve funds for Distribution

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
</tr>
<tr>
<td>B. Reserve Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. From performance (live music, rec. music, films), broadcast rights and royalty entitlements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Germany</td>
<td>342,719</td>
<td>319,340</td>
<td>7,352</td>
<td>290,486</td>
<td>306,513</td>
<td></td>
</tr>
<tr>
<td>2. Mandates for Collection</td>
<td>56,065</td>
<td>50,210</td>
<td>117,791</td>
<td>132,504</td>
<td>20,568</td>
<td></td>
</tr>
<tr>
<td>3. Foreign countries</td>
<td>61,350</td>
<td>45,911</td>
<td>0,000</td>
<td>47,103</td>
<td>62,542</td>
<td>389,623</td>
</tr>
<tr>
<td>II. From reproduction rights and royalty entitlements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Germany</td>
<td>182,600</td>
<td>123,584</td>
<td>36,812</td>
<td>150,766</td>
<td>172,970</td>
<td></td>
</tr>
<tr>
<td>2. Mandates for Collection</td>
<td>7,269</td>
<td>6,012</td>
<td>66,285</td>
<td>75,158</td>
<td>10,130</td>
<td></td>
</tr>
<tr>
<td>3. Foreign countries</td>
<td>38,141</td>
<td>22,317</td>
<td>0,000</td>
<td>15,986</td>
<td>31,810</td>
<td>214,910</td>
</tr>
<tr>
<td>III. Others</td>
<td>0,000</td>
<td>0,000</td>
<td>1,048</td>
<td>1,048</td>
<td>0,000</td>
<td>0,000</td>
</tr>
<tr>
<td>Europe I</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sum Total</td>
<td>688,144</td>
<td>567,374</td>
<td>229,288</td>
<td>713,051</td>
<td>604,533</td>
<td>604,533</td>
</tr>
</tbody>
</table>
Appendix

Legal Foundations

1. The Annual Financial Statements 2009 were prepared according to the general applications of the commercial code. In accordance with Paragraph 9 of the Law on the Administration of Copyright and Neighboring Rights, collection societies are required to publish for the business year a balance sheet, a profit and loss statement, an appendix (annual financial statements), and a management report. The peculiarities of GEMA’s field of activities have been taken into account.

Methods of Preparing the Balance Sheet and Assessment

2. The methods of preparing the balance sheet and assessment were not changed in comparison to the previous year’s methods.

3. The fixed assets were applied to the purchase expenses and production expenses, increased by incidental purchase expenses, and reduced by depreciation in production expenses. There followed systematic physical depreciations based on the asset depreciation rate according to the pro rata temporis linear method. Independent useable capital assets (excluding hardware), whose acquisition costs or manufacturing costs were between €150 and €1,000 were included in the compound items, which will be written off uniformly with 20 percent, respectively, starting in the year of their acquisition or manufacture. Investments valued at under €150 were immediately listed as expenditures in the reporting year.

4. The claims in own currency were balanced by their face value and in consideration of value-related assumptions. Claims from power of attorney services consisted partially of tentative estimations of the utilization during the business year that have not been calculated as of yet. The claims and obligations in foreign currency were valued according to the exchange rate on the account day, and/or according to the highest/lowest exchange rate on the account day. Recognizable risks were illustrated in corresponding value adjustments. Cash balances and bank balances were accounted with their face value. The assessment of the bonds was calculated using their nominal value, i.e., by using the lowest stock market rate on the account day. Prepaid expenses are accumulated for pre-paid amounts, as far as this expenditure occurs for a certain period after the balance sheet date. The retirement plan reserves were calculated based on the guideline tables 2005G by Dr. Klaus Heubeck. The assessment of the fiscal current value is calculated with an interest rate of 6 percent, in accordance with Paragraph 6a of the Income Tax Act (EStG). Starting in the business year 1999, the conveyances to the retirement plan reserves were limited to the volume defined by law. The allocation of the remaining reserves followed according to reasonable commercial assessments. Obligations were applied to the amount of reimbursement. Obligations in foreign currency were calculated according to the purchase rate and/or the average exchange rate, or according to the lowest average exchange rate on the balance sheet date. The realization of proceeds occurred at the time when services were provided.

Data on the Balance Sheet Items

5. The investment portfolio in the amount of €56.96 million (previous year: €92.411 million) consists exclusively of fixed interest-bearing securities, which serve as a temporary investment of the cash reserves.

6. The receivables are due within a year. The receivables from affiliated companies amount to €244,000. The receivables are from PAECOL.

7. GEMA does not have book-entry equity capital or book-entry reserves. All of the proceeds are distributed to the persons entitled to benefits (members and other beneficiaries) after expenditures are paid.

8. The amount of €604.533 million is available for distribution (previous year: €688.144 million). In 2009, €567.374 million was distributed for the previous years, and €229.288 million for the current year, for a total of €796.662 million.
The expenditures for social security plans were €7.724 million (previous year: €7.226 million); expenditures for social welfare programs were €10.109 million (previous year: €8.924 million); and together these sums amounted to €17.833 million (previous year: €16.15 million). The expenditures for social security plans consist of pension payments in the amount of €7.091 million (previous year: €6.708 million), as well as delivery to the reserves for pensions in the amount of €633,000 (previous year: €518,000). The number of employees under contract for an unlimited period decreased from 971 on December 31, 2008 to 952 on December 31, 2009. The average number of staff was 1,071 in the first quarter of 2009; 1,061 in the second quarter of 2009; 1,060 in the third quarter of 2009; and 1,058 in the fourth quarter of 2009.

9. In the remaining reserve funds in the amount of €123.04 million (previous year: €102.584 million), there are reserve funds for social security plans and similar obligations (€61.824 million); for the section Industrial Sound Storage Media / Online (€27.731 million); for the section Human Resources Expenditures (€11.95 million); for attorney and court costs (€1.355 million); for taxes (€502,000); and for expenditures for the balance sheet and tax advisors (€273,000). Reserves in the amount of €7.351 million were accumulated from receivables from power of attorney services. This took into account that the payment of dividends followed only after payments were received as a result of the claims. Reserves were also accumulated for corrections in income in the area of Television and Film (€11.705 million).

10. Deferred income was accumulated for income before the balance sheet date, as far as these amounts were for a certain period after the balance sheet date.

11. The trustee claims and trustee obligations in the amount of €1.983 million (previous year: €1.913 million) are transitory items from licensing sums collected by GEMA and administered in a trust fund until they are distributed as dividends to the legitimate parties, and also include security payments from manufacturers of sound storage media.

Data on Profit and Loss Statement Items

12. Human Resources Expenditures

<table>
<thead>
<tr>
<th>2009 (in million €)</th>
<th>2008 (in million €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings and Wages</td>
<td>55,581</td>
</tr>
<tr>
<td>Social Security Plan and Social Welfare Programs</td>
<td>17,833</td>
</tr>
<tr>
<td></td>
<td>73,414</td>
</tr>
</tbody>
</table>

The distribution sum assigned for 2009 is €713.051 million (previous year: €700.65 million).

As a matter of principle, distribution only occurs after payment is received.

13. A breakdown of the tax expenses is as follows:

<table>
<thead>
<tr>
<th>2009 (in million €)</th>
<th>2008 (in million €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes from Income and Revenue</td>
<td>0,563</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>0,335</td>
</tr>
<tr>
<td></td>
<td>0,898</td>
</tr>
</tbody>
</table>

14. Other expenditures consist of the following:

<table>
<thead>
<tr>
<th>2009 (in million €)</th>
<th>2008 (in million €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information and Communication</td>
<td>6,665</td>
</tr>
<tr>
<td>Office Devices</td>
<td>2,263</td>
</tr>
<tr>
<td>Administration</td>
<td>3,622</td>
</tr>
<tr>
<td>Incidents from Mandates for Collection</td>
<td>14,835</td>
</tr>
<tr>
<td>Outsourced Services EDP</td>
<td>10,308</td>
</tr>
<tr>
<td>Restructuring</td>
<td>0,492</td>
</tr>
<tr>
<td>Measures</td>
<td>0,161</td>
</tr>
<tr>
<td>Financial Expenses</td>
<td>8,959</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>47,305</td>
</tr>
</tbody>
</table>

The expenditures for social security plans were €7.724 million (previous year: €7.226 million); expenditures for social welfare programs were €10.109 million (previous year: €8.924 million); and together these sums amounted to €17.833 million (previous year: €16.15 million). The expenditures for social security plans consist of pension payments in the amount of €7.091 million (previous year: €6.708 million), as well as delivery to the reserves for pensions in the amount of €633,000 (previous year: €518,000). The number of employees under contract for an unlimited period decreased from 971 on December 31, 2008 to 952 on December 31, 2009. The average number of staff was 1,071 in the first quarter of 2009; 1,061 in the second quarter of 2009; 1,060 in the third quarter of 2009; and 1,058 in the fourth quarter of 2009.
15. The income from licenses and royalty entitlements amounted to €819.184 million for the business year (including €2.893 million from compensation in lieu of licenses); in the previous year this amount was €785.539 million (including €2.802 million from compensation in lieu of licenses). The breakdown of the income is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in million €)</td>
<td>(in million €)</td>
</tr>
<tr>
<td>a) Income from Performance</td>
<td>408,697</td>
<td>402,208</td>
</tr>
<tr>
<td>and Broadcast Rights</td>
<td></td>
<td></td>
</tr>
<tr>
<td>from compensation in lieu</td>
<td>2,893</td>
<td>2,802</td>
</tr>
<tr>
<td>of licenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Income from the Administration of Reproduction Rights</td>
<td>180,752</td>
<td>193,389</td>
</tr>
<tr>
<td>c) Income from Royalty Entitlements</td>
<td>10,827</td>
<td>30,223</td>
</tr>
<tr>
<td>d) Income from Mandates for Collection</td>
<td>218,908</td>
<td>159,719</td>
</tr>
<tr>
<td>Income from Licenses and Royalty Entitlements</td>
<td>819,184</td>
<td>785,539</td>
</tr>
<tr>
<td>e) Other Income</td>
<td>21,871</td>
<td>37,468</td>
</tr>
<tr>
<td>Total Income</td>
<td>841,055</td>
<td>823,007</td>
</tr>
</tbody>
</table>

These income items can be broken down into the following individual licensing sections:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in million €)</td>
<td>(in million €)</td>
</tr>
<tr>
<td>Live Music</td>
<td>85,628</td>
<td>80,929</td>
</tr>
<tr>
<td>Soundtracks</td>
<td>8,014</td>
<td>8,391</td>
</tr>
<tr>
<td>Mechanical Music</td>
<td>123,191</td>
<td>122,420</td>
</tr>
<tr>
<td>Royalty Entitlements,</td>
<td>5,427</td>
<td>6,019</td>
</tr>
<tr>
<td>according to Paragraph 27,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copyright Act</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sound and Audio-visual Storage Media Industry</td>
<td>184,069</td>
<td>186,758</td>
</tr>
<tr>
<td>Radio and Television</td>
<td>287,275</td>
<td>241,457</td>
</tr>
<tr>
<td>Mandates for Collection</td>
<td>54,783</td>
<td>52,151</td>
</tr>
<tr>
<td>for Other Collecting Societies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royalty Entitlements,</td>
<td>5,400</td>
<td>24,204</td>
</tr>
<tr>
<td>according to Paragraph 54,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copyright Act</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Countries</td>
<td>65,397</td>
<td>63,210</td>
</tr>
<tr>
<td>Other Income</td>
<td>21,871</td>
<td>37,468</td>
</tr>
<tr>
<td>Total Income</td>
<td>841,055</td>
<td>823,007</td>
</tr>
</tbody>
</table>

The income from the sound and audio-visual storage media industry consists of income from the reproduction of sound and audio-visual storage media as well as online income from sales in Germany in the amount of €111.535 million (previous year: €114.659 million), and from central licensing from sales in foreign countries in the amount of €72.534 million (previous year: €72.099 million). The income from the section Radio and Television consists of collections for broadcast rights and cable rebroadcast rights, as well as reproduction rights in the amount of €195.684 million (previous year: €205.988 million), and for power of attorney services (cable retransmission, regional television commercials, Europe I) in the amount of €91.591 million (previous year: €35.469 million).

Supplementary Data

16. The auditors calculated a total fee of €338,000 for the business year 2009. Of this, €230,000 is for services for the annual audit and €108,000 for miscellaneous services. Members of the Executive Board in the reporting year were Dr. Harald Heker (president of the Executive Board), as well as Professor Jürgen Becker (vice president of the Executive Board up until July 31, 2009), Rainer Hilpert (member of the Executive Board), and Georg Oeller (member of the Executive Board as of August 1, 2009). The annual salaries of the Executive Board were: Dr. Harald Heker €431,600; Professor Jürgen Becker €362,400; Rainer Hilpert €313,400; and Georg Oeller €104,200. The contractual pension benefits of previous members of the Executive Board amounted to €548,700. The amount of €2,957,800 was deferred to cover pension claims of previous members of the Executive Board. In accordance with Paragraph 13, Number 1 of the GEMA statues, the Board of Supervisors consists of 15 members. Two deputies can be elected for each occupational group in accordance with Paragraph 13, Number 1, Clause 2 of the statues.

The Board of Supervisors was elected during the general assembly on June 24, 2009. The election of the chairperson and two vice chairpersons was held during the Board of Supervisors’ meeting on June 24, 2009.
Up until June 24, 2009, the positions on the Board of Supervisors were:

**Composers:**
- Prof. Christian Bruhn (Chairman)
- Klaus Doldinger
- Jörg Evers
- Prof. Dr. Enjott Schneider
- Prof. Lothar Voigtländer
- Dr. Ralf Weigand
- Prof. Dr. h. c. Wolfgang Rihm (Deputy)
- Prof. Manfred Schoof (Deputy)

**Lyricists:**
- Burkhard Brozat
- Frank Dostal (Vice Chairman)
- Egon L. Frauenberger
- Stefan Waggershausen
- Frank Ramond (Deputy)
- Hans-Ulrich Weigel (Deputy)

**Publishers:**
- Prof. Dr. Rolf Budde
- Dr. Peter Hanser-Strecker
- Prof. Klaus-Michael Karnstedt
- Karl-Heinz Klemnow (Vice Chairman)
- Dagmar Sikorski
- Gabriele Schulze-Spahr (Deputy)
- Patrick Strauch (Deputy)

Following the elections on June 24, 2009, the positions on the Board of Supervisors are:

**Composers:**
- Klaus Doldinger
- Jörg Evers (Chairman)
- Prof. Dr. Enjott Schneider
- Prof. Lothar Voigtländer
- Dr. Ralf Weigand
- Christian Wickens
- Prof. Dr. h. c. Wolfgang Rihm (Deputy)
- Prof. Manfred Schoof (Deputy)

**Lyricists:**
- Burkhard Brozat
- Frank Dostal (Vice Chairman)
- Frank Ramond
- Stefan Waggershausen
- Egon L. Frauenberger (Deputy, †17.11.2009)
- Tobias Künzel (Deputy)

**Publishers:**
- Prof. Dr. Rolf Budde
- Karl-Heinz Klemnow (Vice Chairman)
- Hans-Peter Malten
- Dagmar Sikorski
- Patrick Strauch
- Lutz Sigler (Deputy)
- Prof. Klaus-Michael Karnstedt (Deputy)

The members of the Board of Supervisors only receive reimbursement for expenses. In 2009, these expenditures amounted to a total sum of €0.499 million.

Munich, March 15, 2010

Dr. Harald Heker

Rainer Hilpert

Georg Oeller

The Executive Board
Results of the Examination and Verification Notice

Based on the results of our dutiful examination we hereby grant the following unconditional verification notice, dated March 15, 2010:

Verification Notice of the Certified Auditor

“We have examined this annual statement of accounts – consisting of the balance sheet, profit and loss statement, as well as the appendix – including the bookkeeping and status report of the GEMA, Society for Musical Performing and Mechanical Reproduction Rights, Berlin, for the financial year from January 1 to December 31, 2009. The bookkeeping and compilation of the annual statement of accounts and status report was done according to German commercial code and was the responsibility of the association’s Executive Board. Our task is to give our judgment on the annual statement of accounts, based on the examination we conducted on the bookkeeping and the status report.

We dutifully examined the annual statement of accounts according to Article 317 HGB and in adherence to the German guidelines set by the Institut der Wirtschaftsprüfer (IDW: Institute of Private Auditors in Germany). According to these guidelines, the examination is to be planned and conducted so that errors and infractions that have a significant effect on the conveyed image of the asset situation, financial situation, and income situation in the annual statement of accounts and status report, following the guidelines of correct bookkeeping, will be recognized and identified with certainty. With the determination of the auditing procedures the information of the association’s activities and its economic and legal situation, as well as the possibility of errors, are taken into consideration. During the course of the examination, the effectiveness of the in-house control system for the financial accounting, as well as documentary evidence of the statements in the bookkeeping, annual statement of accounts, and status report, are evaluated chiefly on the basis of sample audits. The examination consists of the evaluation of the guidelines for compiling the balance sheet and the Executive Board’s basic estimates, as well as the assessment of the overall depiction of the annual statement of accounts and the status report. We are of the opinion that our examination has an adequate and safe foundation for our judgment.

Our examination did not result in any objections.

According to our judgment, based on the results from the examination the annual statement of accounts adheres to legal regulations and was conducted according to the rules of correct bookkeeping, and it reflects the corresponding image of the actual circumstances of the association’s asset situation, financial situation, and income situation. The status report is in agreement with the annual statement of accounts, and conveys a correct image of the association’s status, and it portrays correctly the opportunities and risks for the future development of the association.

In accordance with Article 9, Paragraph 5 of the Law on the Administration of Copyright and Neighboring Rights (UrhWG), we confirm that the bookkeeping, annual statement of accounts, and status report correspond to the law and statues.”

Munich, March 15, 2010

PricewaterhouseCoopers Corporation and Certified Auditing Company

Winter Obermayr (per pro) CPA
CPA
Report of the Board of Supervisors
The Board of Supervisors held meetings on twelve days during the period for reporting, namely on March 11 and 12; on May 6 and 7; on June 24; on September 21 and 22; on October 14 and 15; and on December 9 and 10, 2009. In addition, the committees set up by the Board of Supervisors (such as the Tariff Committee, Distribution Planning Committee, and Program Committee) held regular meetings, and the Appraisal and Shop Committees also held regular meetings. During joint meetings with the Executive Board and based on written and oral reports from the Executive Board, the Board of Supervisors examined the status of GEMA, the business trend, and the business policies, and the Board of Supervisors consulted with the Executive Board on these issues. During the business year of 2009, the Financial Committee of the Board of Supervisors held meetings on May 5; on October 12; and on December 8. The results of these respective meetings were reported to the Board of Supervisors. In addition, the Financial Committee examined the business report for 2009 prepared by the Executive Board during its meeting on May 10, 2010, and the Financial Committee reported on this to the Board of Supervisors during their meeting on May 11, 2010. A certified auditing company, the PricewaterhouseCoopers Corporation of Munich, examined the Annual Financial Statements 2009 that were prepared by the Executive Board, taking into account the bookkeeping and management report, and bestowed an unconditional verification notice. The Board of Supervisors discussed the certified auditing company’s report at its meeting on May 11, 2010, and there were no objections to the report’s results and to the management report of the Executive Board. The Board of Supervisors sanctions the annual financial statements, and they are hereby approved. During the reporting year, the following persons were on the Board of Supervisors: For the occupation group of composers: Professor Christian Bruhn (until June 24); Klaus Doldinger; Jörg Evers; Professor Enjott Schneider; Professor Lothar Voigtländer; Dr. Ralf Weigand; Christian Wilczen (as of June 24); and as deputies, Professor Wolfgang Rihm and Professor Manfred Schoof. For the occupational group lyricists: Burkhard Brozat; Frank Dostal; Egon L. Frauenberger (until June 24; as of June 24 as a deputy; and he passed away on November 11); Frank Ramond (until June 24; as of June 24 as a deputy); Stefan Waggershausen; and as deputies Hans-Ulrich Weigel (until June 24) and Tobias Künzel (as of June 24). For the occupational group of publishers: Professor Rolf Budde; Dr. Peter Hanser-Strecker (until June 24); Professor Klaus-Michael Karnstedt (until June 24; as of June 24 as a deputy); Karl-Heinz Klempnow; Hans-Peter Malten (as of June 24); Dagmar R. Sikorski; Patrick Strauch (as of June 24; until June 24 as a deputy); and as deputies Lutz Ilgner and Gabriele Schulze-Spahr (until June 24). Jörg Evers is chairman of the Board of Supervisors (as of June 24; Professor Christian Bruhn was chairman up until June 24), and Frank Dostal and Karl-Heinz Klempnow are the vice chairmen.

Munich, May 11, 2010
Jörg Evers
Chairman of the Board of Supervisors
In memory of our members who passed away

Bruce Philip Adams
Heinz-Walter Alfeldt
Reinhard Allewelt
Peter Backhaus
Hans Barani
Walter Baranowski
Kurt Bartsch
Franz Bartzsch
Ellen Ruth Baumann
Jürg Baur
Georg Bayer
Werner Biffar
Hilmar Binder
Friedrich Bischoff
Robert Matthias Blum
Günter Blume
Hans-Günter Bockelmann
Karlheinz Borwitzky
Peter Bosl
Gerhard Branstner
Günter Brucher
Malcolm Fraser Cameron
Alessandro Capponi
Gaetano Carri
Gina Cotae
Dieter Croemer
Friedrich Deckner
Günter Dietrich
Rainer Arthur Dinges
Hans Dopke
Johann-Baptist Dorfhuber
Christian Johannes Dudek
Hans Ehrenhauss
Kurt Eichenseher
Wilfried Elias
Wolfgang Engel
Ulrich Fasold
Gerhard Rupert Fink
Helmut Flohr
Erich Arthur Franz
Egon Louis Frauenberger
Heinz-Gerhard Freimuth
Wolfgang Frick
Peter Hans Joachim Fuchs
Ralf Gabe
Erwin-Helmut Geldmacher
Hans Gisha
Rainer Gladosch
Joachim Georg Görlich
Willi Gorsch
Reiner Görtz
Harald Goldhahn
Friedrich Goldmann
Rex Gorden
Richard Mark Graves
Rupert Gross
Frank Joseph Guida
Angelka Gussmann
Gerhard Hahn
Hans Hee
Peter-Friedrich Heise
Christian Henatsch
Helmut Henne
Peter Herrbolzheimer
Christoph Herrmann
Hans-Joachim Herrmann-Partout
Arthur Heyme
Hans Hombensch sen.
Eberhard Hopp
Peter Horst
Lorenz Hummel
Gerti Igelhoff
Eckart Ihlenfeld
Peter Jansen
Mary Jay-Jacobson
Gerrit Juhnke
Erich Jung
Gregor Kaloudis
Hans-Peter Kammerer
Erhard Karkoschka
Herbert Kauschka
Dieter Keitel
Kurt Kellner
Martin Kirchner
Hildegard Kirschig
Marcus Kissel
Giselher Klebe
Hans Joachim Klostius
Horst Koch
Bernd Kohnke
Walter Will Krick
Walter Kuck
Richard Küberer
Katrin A. Kunze
Werner Lang
Manfred Lehmann
Thomas Lins
Horst K.-J. Lubitz
Thomas Luck
Gaby Maibaum
Carmine Mariano
Helmut Maslo
Manuela Mechtel
Anneliese Messner
Fred Miebach
Heinz Müller
Matthias Müller
Bernhard Naumann
Baldur Niedrig
Edith Nothdorf
Klaus Obermayer
Hans Ostarek
Karl-Heinz Otto
Alexander-Michael Parche
Paul Peters
Richard Allan Peterson
Karl-Heinz Pick
Henryk Piontek
Georg Plathe
Dexter Eugene Porter
Matthias Prange
Vladimir Radojcic
Fritz Räbiger
Albin Rasch
Benno Ronzheimer
Egon Rossmann
Jo Roszak
Siegfried Rundel
Hermann Runge
Heinz Sanden
Peter Sandloff
Jörg Schacht
Hermann Ernst Schaefner
Constanze Schanzara
Fritz Schieri
Elmar Schmid
Wilfried Schmuck
Anne Schöning
Heinz Gerhard Schröter
Richard Schuckmann
Günter Schumacher
Dieter Seelow
Valentin Seib
Werner Seitz
Erhard Senkpiel
Siegfried Siara
Oskar Siebert
Hans Rudolf Siemoneit
Rolf Sondermann
Mal Sondock
Siegfried Spieß
Michael Staab
Andreas Staiger
Wally Stanke
Harro Steffen
Wolfgang Stielow
Bernd Suhr
Mohammad Tahmasebi
Moradi
Peter Teumer
Christian Thienen
Franz Thon jr.
Ulrich Trepte
Josef Vill
Bernd Wawzycki
Hella Weg
Christian Weidner
Erwin Weiß
Hans Paul Welz
Hans Jürgen Wenzel
Klaus Jochen Wiese
Gerhard Wilhelm
Kurt Wilhelm