2014-2015

ANNUAL REVIEW

BMI

SPOTIFY EXHIBIT 6

SPOTIFY EXHIBIT 6

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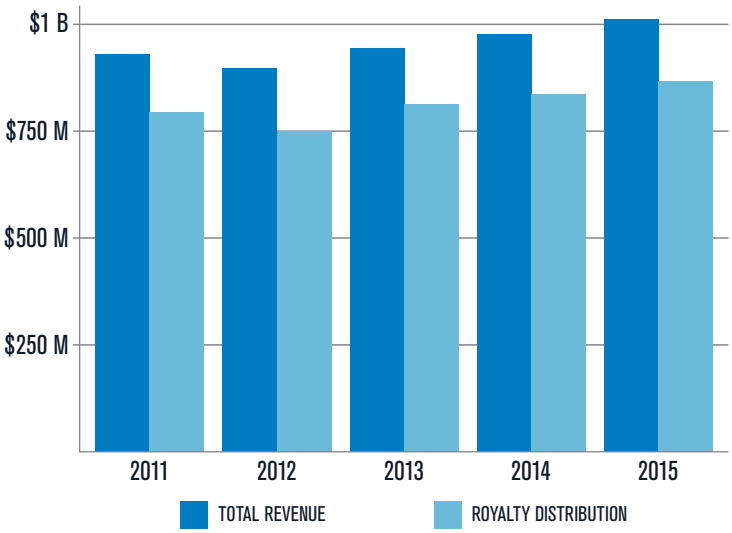
PRESIDENT & CEO'S REPORT

I am thrilled to share this report which provides the details of BMI's record-setting performance for the fiscal year ended June 30, 2015. BMI reported unprecedented revenues of $1.013 billion, an increase of $36 million or 3.7% over the prior year. This represents the highest revenues in the Company's history and the most public performance revenue generated for songwriters, composers and publishers by any music rights organization in the world. These results are even more impressive when factoring in that the Company had to overcome a $28 million negative impact to foreign revenues caused by the strengthening dollar. BMI distributed and administered a record-breaking high of $877 million in royalties to its songwriters, composers and publishers, a nearly 4.5% increase over last year.

BMI's continuous drive to diversify revenue streams led to several new benchmarks this year. For the first time in the history of a U.S. performing rights organization, revenue from digital sources, including Amazon, Hulu, Netflix, Pandora, Spotify and YouTube, among others, exceeded $100 million, up 65% over last year. For the second consecutive year, cable and satellite-delivered entertainment represented the single largest source of domestic and international revenue, underscoring the significance of BMI's growing audio-visual portfolio. General Licensing also posted considerable gains, and the steady growth from this revenue stream remains a key differentiator in BMI's ongoing success. Due to economic headwinds overseas, which resulted in a lower foreign exchange rate, international revenues declined 5% compared to last year, but the extraordinary strength of the BMI repertoire resulted in a solid showing of $292 million.

The Company's exceptionally strong performance is a direct result of the creativity and global popularity of the songwriters and composers that BMI represents. BMI luminaries continued to dominate the charts this year, with Taylor Swift, Avicii, Ed Sheeran (PRS), Luke Bryan, Prince Royce and Lil Wayne contributing some of the most-performed songs of the year. Electrifying acts including Maroon 5, Foo Fighters and One Direction continued to entertain audiences around the world. In film and television music, BMI's outstanding composers contributed themes or scores for more than 80% of all primetime network TV shows and thrilled movie audiences in

TOTAL REVENUE & ROYALTY DISTRIBUTION



several of the year's top blockbusters and acclaimed productions, including *Avengers: Age of Ultron, Furious 7, American Sniper, Transformers: Age of Extinction, Guardians of the Galaxy, Hunger Games: Mockingjay – Part 1* and *The Grand Budapest Hotel,* among others.

Throughout the year, the streaming revolution continued to impact the industry. BMI processed 600 billion copyright transactions, more than 500 billion of which were digital performances, an increase of over 25% compared to last year. These figures not only highlight the scope, ability, accuracy and efficiency of BMI's operations engine, but also demonstrate the vigorous growth of content distribution via streaming and the extremely heavy reliance on the 10.5 million works within BMI's repertoire. The trend toward digital content highlighted the need for music licensing reform to better serve songwriters, composers, publishers and music users in the modern marketplace. While digital companies continue to grow their stock value and bottom lines through their exponential increase in the use of music, outdated rules that prohibit free-market rates remain, preventing creators and copyright owners from seeing comparable growth in the value of their work. In response, BMI has been steadfast in our commitment to secure full and fair value for the use of songwriters', composers' and publishers' creative work in the digital space, and we made great strides this year with success in the Pandora rate-setting proceedings.

After a lengthy legal battle over the value of the BMI repertoire to the digital music giant, the Court concluded that BMI's proposed rate of 2.5% was reasonable and more appropriate than Pandora's significantly lower proposal. The Court took into account industry deals made in the free market and determined that these were "the best benchmarks because they are the most recent indices of competitive market rates," a factor that will have significant impact in future rate court actions. The decision also sets the stage for differentiating Internet and digital licenses from traditional media licenses going forward.

On the public policy front, BMI was actively engaged in various initiatives on Capitol Hill this year, urging copyright and regulatory reform to modernize the rules that govern BMI's business operations. We continued to have productive conversations with the U.S. Department of Justice with regards to modifying BMI's decades-old consent decree and have seen promising Congressional interest to that end. Multiple BMI songwriters shared with lawmakers their struggles as, essentially, small business owners trying to earn a living in the digital age. In certain cases, it can take one million spins on a digital service for a songwriter to break $100. We remain optimistic that these poignant accounts, along with increased attention from Capitol

SENIOR MANAGEMENT

BRUCE A. ESWORTHY
SENIOR VICE PRESIDENT
FINANCE & ADMINISTRATION,
CHIEF FINANCIAL OFFICER

PHILLIP R. GRAHAM
SENIOR VICE PRESIDENT
WRITER/PUBLISHER RELATIONS

STUART ROSEN
SENIOR VICE PRESIDENT &
GENERAL COUNSEL

ALISON SMITH
SENIOR VICE PRESIDENT
OPERATIONS, DISTRIBUTION
& ADMINISTRATION SERVICES

RON SOLLEVELD
SENIOR VICE PRESIDENT
INTERNATIONAL

MICHAEL G. STEINBERG
SENIOR VICE PRESIDENT
LICENSING

ANN SWEENEY
SENIOR VICE PRESIDENT
GLOBAL POLICY

PRESIDENT & CEO'S REPORT

Hill and the industry, will drive momentum toward copyright and consent decree reform to modernize the music licensing system to better serve all stakeholders. Our "Protecting Copyright" section of this report contains additional important detail on all of this activity.

I would like to thank the BMI Board of Directors, the Senior Management team and all of our team members for their exceptional work this year. BMI's record-setting performance demonstrates the value of our service to songwriters, composers, publishers and licensees alike, and, as we move forward, our resolve to meet the evolving needs of the marketplace is stronger than ever. The many efforts that contributed to this historic year reflect BMI's continuous investment in our future, and we anticipate great reward ahead.

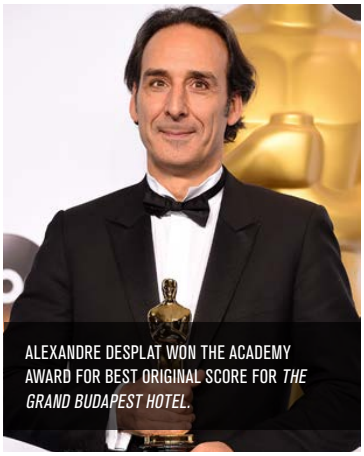
I invite you to read the report that follows. It provides a detailed overview of BMI's business operations during the past fiscal year, as well as a look towards a new era of music rights management.

Sincerely,

During a dynamic year in the industry, the shift from music ownership via downloads and CD sales to music access via streaming resulted in a renewed focus on the increasing value of the public performing right. As BMI continued its ongoing efforts to secure fair compensation for the use of creators' and copyright owners' work across all platforms, BMI songwriters, composers and publishers took creativity to new heights, delivering a record-breaking year of in-demand, innovative and influential music. From global megastars to rising hitmakers to legendary icons, BMI's roster of exceptional talent emphasizes the Company's role as home to the most artistically vibrant and commercially successful repertoire in the world.

BMI powerhouses including Taylor Swift, Avicii, Ed Sheeran (PRS), Luke Bryan, John Legend, Future and Juanes wrote some of the most-performed songs of the year, while electrifying acts such as Maroon 5, Foo Fighters, Little Big Town and One Direction topped the charts. Brilliant BMI composers created the music for many of the year's most acclaimed films and television series, including Brian Tyler, Joseph DeBeasi, James Newton Howard and Mark Isham. BMI welcomed many talented writers to its creative family this year, including British sensation Sam Smith (PRS) and soulful chart-topper Hozier. Exciting voices to watch include Taylor Berrett, Tiffany Gia, Grace Sewell, Justine Skye, Diana Fuentes, Sofia Carson, Haley Georgia, Tucker Beathard, Rachel Platten, Shawn Mendes, Banks, X Ambassadors, BORNS, Charlie Puth, and composers Fil Eisler and Rob Simonsen, all of whom create groundbreaking music that defines them as emerging new leaders in the industry.

SAM SMITH SWEPT MULTIPLE GRAMMY® AWARDS.



ALEXANDRE DESPLAT WON THE ACADEMY AWARD FOR BEST ORIGINAL SCORE FOR *THE GRAND BUDAPEST HOTEL.*

INDUSTRY AWARDS

BMI songwriters and composers took home the majority of the industry's most distinguished awards this year. Prestigious GRAMMY® wins included multiple trophies for Sam Smith (PRS), who swept Record of the Year, Song of the Year and Best New Artist; as well as Rosanne Cash, Jack White and Eminem. Other BMI affiliates who earned GRAMMY® gold included Lady Gaga, Carrie Underwood, The Band Perry, Miranda Lambert, and Kristen Anderson-Lopez and Robert Lopez. Composer Alexandre Desplat (SACEM) won the Academy Award for Best Original Score for *The Grand Budapest Hotel,* while John Legend and Common took the Oscar for Best Original Song for "Glory" from *Selma*. BMI songwriters were also honored with 77% of the Country Music Association (CMA) Awards. Additionally, the majority of honorees inducted into the Songwriters Hall of Fame this year were BMI affiliates, as were all the composers named 2015 Jazz Masters by the National Endowment for the Arts.

COMMON AND JOHN LEGEND TOOK HOME THE OSCAR FOR BEST ORIGINAL SONG FOR "GLORY" FROM *SELMA.*

ROSTER & REPERTOIRE

PRESIDENT'S AWARD HONOREE P!NK PERFORMS ONSTAGE AT THE 2015 BMI POP AWARDS.

FILM & TELEVISION HIGHLIGHTS

For the second consecutive year, cable and satellite-delivered entertainment proved to be the single greatest contributor to BMI's domestic revenue. The music created by BMI's family of illustrious composers was featured in many of the year's blockbuster films and most popular television series, serving to strengthen BMI's market share of audio-visual revenue streams.

BMI composers scored four out of the top five films released this year. The total from such box-office hits as *Avengers: Age of Ultron* (Brian Tyler), *Furious 7* (Brian Tyler), *American Sniper* (Joseph DeBeasi), *The Hunger Games: Mockingjay – Part 1* (James Newton Howard) and *Guardians of the Galaxy* (Tyler Bates) accounted for over $1.8 billion dollars in ticket sales alone.

On the small screen, over 80% of this season's primetime network TV shows featured themes and/or scores written by BMI composers. Hits included *NCIS: New Orleans* (Brian Kirk, John Lee Hooker), *Madam Secretary* (Mike Fratantuno, Terence Yoshiaki), *Empire* (Fil Eisler, Jim Beanz), *Scorpion* (Tony Morales, Brian Tyler) and *CSI: Cyber* (Ben Decter), all building on BMI's track record of success in this space.

INDUSTRY TRENDS

BMI's role as an early career counselor and supporter has grown increasingly more important in the transforming music landscape. This year BMI augmented its function as a creative partner to songwriters and music publishers, providing an array of networking and career opportunities for creators and directing promising writing talent to publishers. As a result,

PRESIDENT'S AWARD HONOREE CHRIS 'LUDACRIS' BRIDGES PERFORMS ONSTAGE AT THE 2014 BMI R&B/HIP-HOP AWARDS.

2015 BMI FILM & TELEVISION AWARD RECIPIENTS.

BMI bolstered its unique position as a vital early ally in building music careers and identifying the next generation of hitmakers.

Social media continued to resonate as a powerful tool within the music industry, with a dramatic cascade of effects: Creators used social media to connect with fans and build awareness of their projects, while listeners prolifically shared their music preferences on social channels. BMI affiliates once again seized the opportunities social media presents, with explosive results. R&B songstress Rihanna recently took to Instagram to promote her new music, garnering nearly 1.2 million Instagram likes to date with just four posts. And it's not only established hitmakers who are benefiting from social media. With a new LP that recently hit #2 on the Billboard charts, indie-pop singer-songwriter Halsey's star is rapidly rising, thanks in large part to social media. To date, she has already amassed close to 950,000 followers across Facebook, Twitter and Instagram, an impressive presence that has helped jumpstart her career. Halsey has appeared on Billboard's Twitter Top Tracks chart and Twitter Emerging Artists chart, described as a compilation of "the most shared songs from up-and-coming artists on Twitter over the last 24 hours."

BMI SOCIAL MEDIA GROWTH

INSTAGRAM

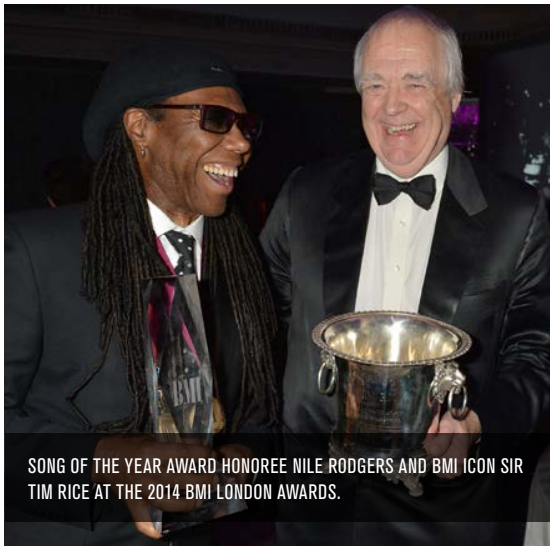
↑94%

YOUTUBE

↑48%

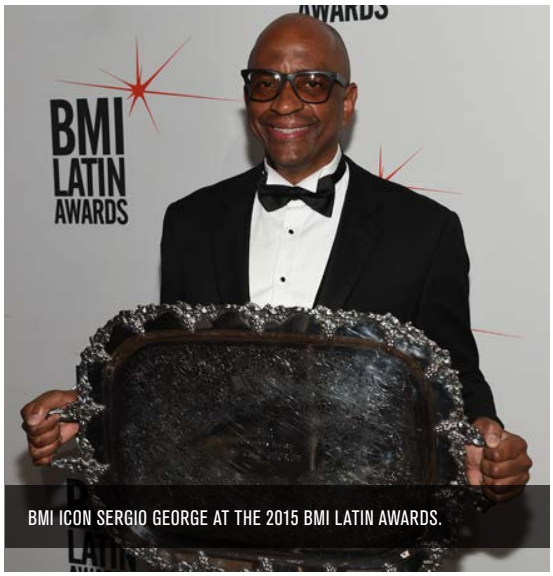
BMI continued to leverage social media as a strategic means of communication with our actively engaged creative community. Our social media presence and reach expanded this year, particularly on Instagram, up 94% since last year, and YouTube, which saw a 48% increase in views, due in part to several exclusive video projects featuring BMI affiliates Martina McBride, Robert Lopez and Kristen Anderson-Lopez, and Alexandre Desplat.

This year megastar Taylor Swift (who joined BMI at the dawn of her career at age 15) spoke out on behalf of all songwriters struggling in the digital environment. In November of 2014, Swift removed her catalog from Spotify, stating that the service doesn't fairly compensate those involved in the making of music, and that she "does not agree with perpetuating the perception that music has no value and should be free." In June, Apple launched its new streaming service, Apple Music, with a free, three-month trial period during which it would not pay out royalties to writers, producers or artists. Swift took to Tumblr and



SONG OF THE YEAR AWARD HONOREE NILE RODGERS AND BMI ICON SIR TIM RICE AT THE 2014 BMI LONDON AWARDS.

BMI ICON VINCE GILL, SONGWRITER KETCH SECOR AND SONGWRITER OF THE YEAR RHETT AKINS AT THE BMI 2014 COUNTRY AWARDS.



BMI ICON SERGIO GEORGE AT THE 2015 BMI LATIN AWARDS.

once again spoke out on behalf of creators in an open letter to Apple. She declared she would hold back her album *1989* from the service, saying it was unfair that those who create music were being asked to work for nothing and asked Apple to change its policy. Within 24 hours, Apple reversed course, fittingly replying to Swift via Twitter, and agreeing to pay out royalties. This result shows both the influence of social media and the influence that Swift wields in the industry.

CAREER SUPPORT & OPPORTUNITIES

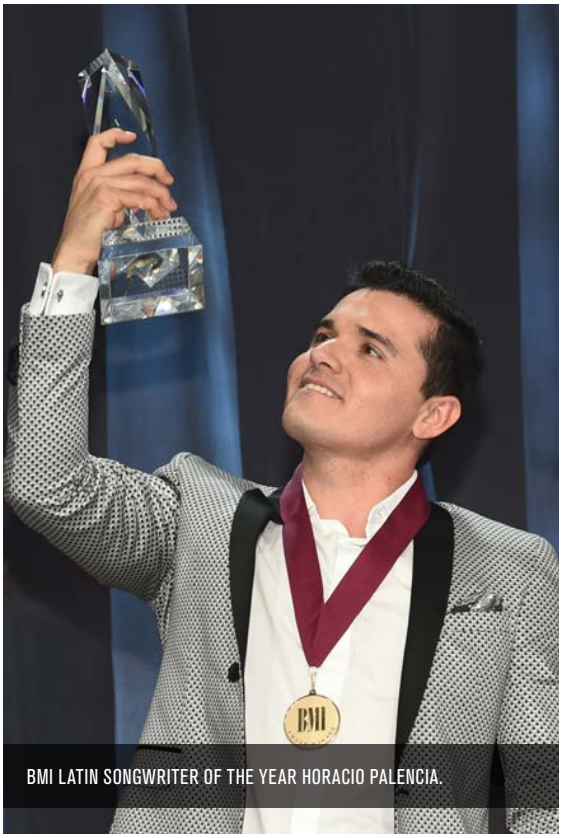
BMI continued its longstanding tradition of bringing the creative community together with industry decision makers. This year we featured new talent on stages at premier festivals including Lollapalooza, South by Southwest, the Sundance Film Festival, Austin City Limits and the CMA Music Festival, among others. BMI also orchestrated seminars and workshops to educate and inspire the next generation of songwriters, while providing beneficial career advice. Events included the annual Sundance Composer's Lab Workshop, informative Gamechangers Music Seminar, and the BMI mentor program for USC's Thornton School of Music Undergraduate Popular Music Degree program, among many others.

BMI also facilitated several fruitful songwriting camps this year, including the Aspen Songwriting Retreat held at the home of songwriter Denise Rich in September of 2014. This camp resulted in the current song "Daisy" and upcoming tracks to be recorded by Britney Spears and Ariana Grande. Other songwriting camps during the year included the BMI and Warner/Chappell Fontanel Winter Retreat, and the Write On! Song Camp, also in partnership with Warner/Chappell Music, all opportunities for writers to cultivate new collaborations, hone their skills and create new songs.

INTERNATIONAL

Although financial conditions abroad were unfavorable this year, the unmatched popularity of the BMI repertoire generated massive performances around the globe. Dynamic creators such as Lady Gaga, Taylor Swift, P!nk, Will.i.am and RedOne were among the stellar BMI songwriters who contributed some of the most popular international hits. Other active songs on the global charts included the ubiquitous "Uptown Funk," "Maps," "All of Me," and "See You Again."

On the big screen, exciting music by BMI composers including Brian Tyler, John Williams, Danny Elfman, Alan Silvestri, Thomas Newman and Steve Jablonsky drew audiences to movie theaters around the world. Hit television shows, such as *Person of Interest, Mentalist* and *Sportscenter,*



BMI LATIN SONGWRITER OF THE YEAR HORACIO PALENCIA.

among others, featured music by BMI composers that enriched the global viewing experience. Notably, the body of work from BMI composers has longevity beyond cinema or television series with repeated performances on worldwide digital audio-visual services, such as Netflix, HBO GO and Amazon Instant Video, plus cable and satellite broadcasts.

BMI's classic catalog also maintained its strong performance, with enduring songs by Michael Jackson, John Fogerty and Paul Simon remaining on some of the most-performed international playlists of the past year. Other timeless BMI jewels such as "It's a Small World" and "Daydream Believer" delighted crowds far and wide.

BMI's extraordinarily talented roster of songwriters, composers and publishers continues to deliver the industry's most acclaimed and profitable music across all genres and around the globe.

The music industry's continued digital transformation has given rise to a new era in advocacy and rights management, and, as a result, copyright protection has come to the forefront of legal and policy discussions. Throughout the year, BMI was deeply engaged in its ongoing efforts in Washington, D.C. to modernize the rules governing our business, update copyright law and secure full and fair value for the use of music creators' and copyright owners' work in today's marketplace.

BMI Senior Vice President of Global Policy, Ann Sweeney, whose newly created position focuses on the Company's advocacy initiatives, led the charge on Capitol Hill. On another front, BMI Senior Vice President and General Counsel Stuart Rosen led the BMI Legal team to victory in the Pandora rate-court litigation, marking a critical step forward in realizing fair compensation for songwriters and publishers in the digital age. Several other strides were made this year on the legislative front, as BMI continued its leadership role in the public policy arena surrounding copyright reform.

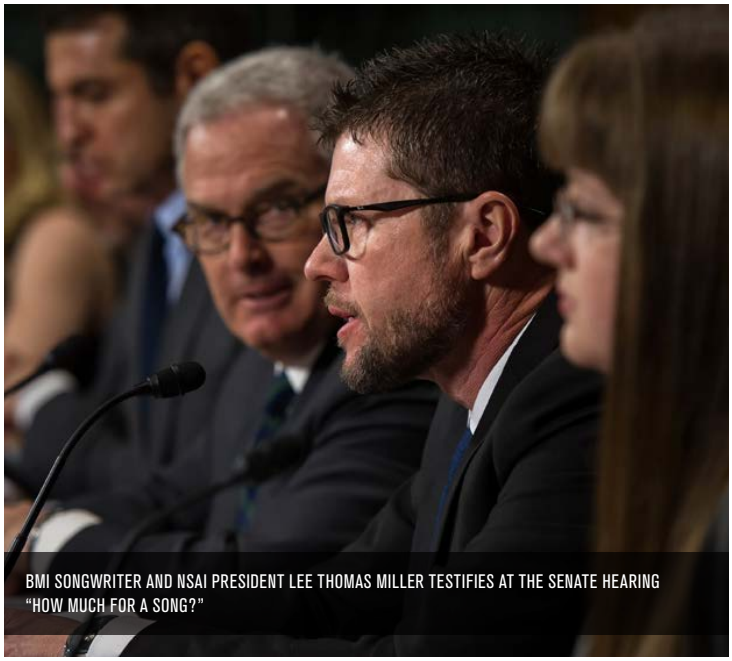
VICTORY AGAINST PANDORA

After a two-year legal battle over the value of the BMI repertoire to Pandora, in May, BMI prevailed on all issues in the Company's rate-setting proceedings against the digital music giant. The ruling concluded that BMI's proposed rate of 2.5% was reasonable; in fact, was on the low side of reasonable. The Court took into account recent industry deals made in the free market and determined that BMI's rate proposal was a more appropriate reflection of the value of BMI music than Pandora's significantly lower proposal. The ruling stated that these direct licenses "are the best benchmarks because they are the most recent indices of competitive market rates."

This is a key factor for BMI, and the industry, one that will have a far-reaching impact in future rate court actions. In addition, the Court ruled in BMI's favor for a four-year license term (two years retroactive and two years going forward), which will allow both parties the opportunity to reevaluate the licensing relationship sooner, a critical win for BMI given the rapidly-changing nature of the online music industry. Pandora was seeking a longer-term agreement. The decision also sets the stage for differentiating Internet and digital licenses from traditional media licenses going forward.

In July of 2015, the rate court rejected a motion by Pandora to re-open the ruling. Pandora argued that its purchase of a South Dakota terrestrial radio station should entitle the digital service to the Radio Music License Committee rate of 1.7%. While the Court struck down the motion without explanation, it is worth noting that Pandora recently stated that it has more than 250 million users, including 79.2 million "active" users, who listen to 1.77 billion hours of music each month - data that takes the streaming service far beyond the realm of traditional radio music usage. The Court's ruling was consistent with its finding at trial that Pandora's business and music use was not comparable to terrestrial radio's.

Pandora has filed its appeal of the decision, and BMI is well prepared to defend this matter in the Court of Appeals for the Second Circuit.



BMI SONGWRITER AND NSAI PRESIDENT LEE THOMAS MILLER TESTIFIES AT THE SENATE HEARING "HOW MUCH FOR A SONG?"

BMI PRESIDENT AND CEO MICHAEL O'NEILL, BMI SONGWRITER MAC DAVIS, REPRESENTATIVE DOUG COLLINS (R-GA), REPRESENTATIVE RANDY NEUGEBAUER (R-TX) AND NSAI PRESIDENT AND BMI SONGWRITER LEE THOMAS MILLER IN REP. COLLINS' D.C. OFFICE IN APRIL.

CONSENT DECREE REVIEW

As noted in last year's Annual Report, in August of 2014 BMI submitted comments to the U.S. Department of Justice proposing modifications to the decades-old BMI consent decree that would modernize the music licensing landscape, creating a model that would better serve songwriters, composers, publishers and music users in the digital marketplace. The U.S. Department of Justice began an extensive examination, with many BMI songwriters and publishers, as well as industry organizations, submitting their comments in support of BMI's position. At this time, the comprehensive review is still ongoing.

BMI's three immediate proposed updates to its consent decree are:

- **Digital Rights Withdrawal:** Permit publishers to give BMI the right to license works for certain uses, while allowing publishers to retain the exclusive right to license works for other specifically defined digital uses. This would enable publishers and music users to negotiate their own free-market digital deals, while granting BMI the ability to continue to offer easy, efficient access to its diverse repertoire for many traditional music uses.

- **Bundling Rights:** Clarify the decree to allow BMI to license not just the public performing right, but any rights relating to the musical work that a music user needs to bring its product or service to the public and which a publisher elects BMI to administer. This would create a one-stop licensing source to meet the needs and match the pace of the digital marketplace.

- **Arbitration:** Move the rate-setting forum from federal court to a binding arbitration model, a quicker and less expensive option for all parties.

Promising interest was evidenced in March, when the U.S. Senate Judiciary Committee's Antitrust Subcommittee held a hearing led by Senator Mike Lee (R-UT) on the consent decrees that govern the music licensing operations of BMI and ASCAP. Titled "How Much for a Song?: The Antitrust Decrees That Govern the Market for Music," the Subcommittee, in an open forum, engaged with stakeholders who would be impacted by proposed changes to the BMI and ASCAP consent decrees. The hearing included testimony from Lee Thomas Miller, BMI songwriter and President of the Nashville Songwriters Association International (NSAI), who presented a powerful firsthand account of his journey as a music creator and his ardent support for consent decree reform to protect the livelihood of the American songwriter.

BMI is continuing its ongoing productive dialogue with the Department of Justice and is optimistic that the many positive developments in Washington, along with the Pandora ruling, will shed necessary light on the critical need to reform the rules that govern BMI's business and rate-setting proceedings.

SONGWRITER EQUITY ACT OF 2015

This year, BMI took a leadership position within a coalition of performing rights organizations and songwriter collectives in seeking bipartisan Congressional sponsorship to move forward the Songwriter Equity Act (SEA). As a result,

SPOTIFY EXHIBIT 6

significant steps were taken on the road to equity for music creators and copyright owners. In March, Congress reintroduced the Songwriter Equity Act in both the House and Senate; its passage would update provisions in the copyright law to level the playing field for songwriters, composers and music publishers to receive fair compensation for use of their intellectual property.

Specifically, the Songwriter Equity Act of 2015 would:

- Amend Section 114(i) to allow BMI's rate court to consider all relevant evidence, including payments to artists and record labels, when determining digital performance rates for songwriters, composers and publishers.

- Update Section 115, which regulates the rate paid to publishers under a compulsory license for reproduction of recorded music, to a rate that reflects free market conditions.

BMI strongly supports the SEA, which would shift the rate standard to a willing buyer/willing seller fair market standard.

U.S. COPYRIGHT OFFICE MUSIC LICENSING STUDY

In February of 2015, after almost a year of research, interviews and analysis into whether the current copyright law is in sync with the current digital economy, the U.S. Copyright Office released its findings in a comprehensive study entitled "Copyright and the Music Marketplace." The Office determined that the current music marketplace structure undervalues musical works in the digital space and is in need of reform.

A number of recommendations were made that align with BMI's proposals for its consent decree modifications, including a form of digital rights withdrawal, bundling of mechanical and performance rights, and fair compensation at market value for creators. Additional recommendations called for more transparency and the like treatment of all uses of music within a modernized framework of collective licensing.

In April, Maria Pallante, the U.S. Register of Copyrights, testified before the House Judiciary Committee on the copyright issues it will address in the coming years. This concluded a two-year Congressional review of copyright issues, led by Chairman Bob Goodlatte (R-VA), many of which greatly impact the music industry. Register Pallante pointed to the "Copyright and the Music Marketplace" study, calling for more equity for music makers and a shift towards market-oriented approaches. In June, Register Pallante stated that the Copyright Office itself needs modernization in order to efficiently address the needs of the 21st century U.S. copyright industry. BMI continues its conversations with the Register and other members of the Copyright Office in our efforts to modernize the copyright regime under which BMI operates.

REVENUE & ROYALTY DISTRIBUTION

During the fiscal year ending June 30, 2015, BMI generated unprecedented revenues of $1.013 billion, an increase of $36 million, or 3.7% over the prior year, and distributed and administered more than $877 million in royalties to the songwriters, composers and publishers it represents, a historic high. These successes underscore the enormous value of the BMI repertoire and the undiminished relevance of BMI's license offerings in a transforming marketplace.

BMI's continuous drive to diversify revenue sources resulted in several new benchmarks. For the first time in the history of a U.S. performing rights organization, revenue from digital sources, including Amazon, Hulu, Netflix, Pandora, Spotify and YouTube, exceeded $100 million, up a staggering 65% since last year. For the second consecutive year, cable and satellite-delivered entertainment generated the largest portion of BMI's domestic revenue. General Licensing experienced steady growth and including other income achieved a record high of $137 million. Revenue from media licensing totaled $484 million. Due to a downturn in the value of many foreign currencies, we concluded fiscal year 2015 with international royalties totaling $292 million, a decline of 5% compared to last year. Excluding the foreign exchange rate impact, BMI's international revenues would have reached a record high.

DIGITAL LICENSING

BMI's Digital Licensing team had a record-setting year exceeding $100 million as a result of more than 500 billion digital copyright transactions. Ongoing contributors included Apple, Hulu, Netflix, Pandora, Rhapsody, Spotify and YouTube, among others. This year BMI signed its first audiovisual agreement with Amazon, including Amazon Prime Instant Video, the Internet giant's growing service for award-winning original content. This impressive achievement in digital licensing is attributable to BMI's ability to identify, capture and maximize new growth opportunities across a growing variety of digital platforms.

GENERAL LICENSING

BMI's General Licensing team hit several new milestones this year and again achieved record revenues across categories, including bars, restaurants and a multitude of retail and other business establishments. In addition, the team added more than 14,000 new licensed businesses to the hundreds of thousands of businesses in the Company's portfolio. This continued growth in General Licensing establishes BMI's strength in the marketplace and remains a key differentiating factor in our ongoing success.

REVENUES FROM
DIGITAL LICENSING SOURCES
EXCEEDED **$100 MILLION** | ↑**65%** OVER 2014

GLOBAL PERFORMANCE

BMI music continued its consistently strong performance around the world this year, despite economic challenges overseas. The phenomenal, enduring appeal of the BMI repertoire and our diverse sources of international income balanced the decline in the value of local currencies, resulting in an overall strong showing of $292 million.

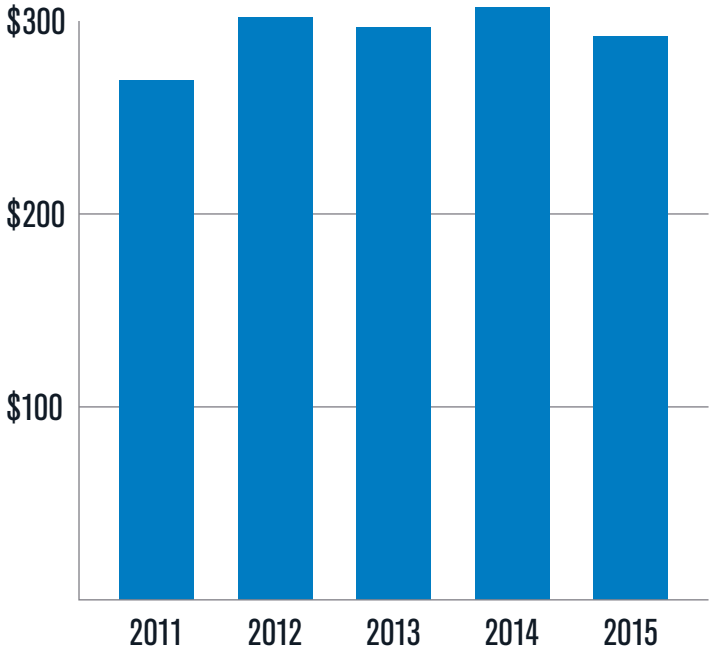
International revenue continues to play a substantial role in BMI's ability to compensate affiliates who have entrusted their creative work with us for worldwide representation. To that end, BMI's international efforts are evolving to match the needs and pace of a dynamic global marketplace.

GENERAL LICENSING ADDED MORE THAN

↑14,000

NEW LICENSED BUSINESSES TO THE HUNDREDS OF THOUSANDS OF BUSINESSES IN BMI'S PORTFOLIO

TOTAL INTERNATIONAL REVENUE
(MILLIONS)

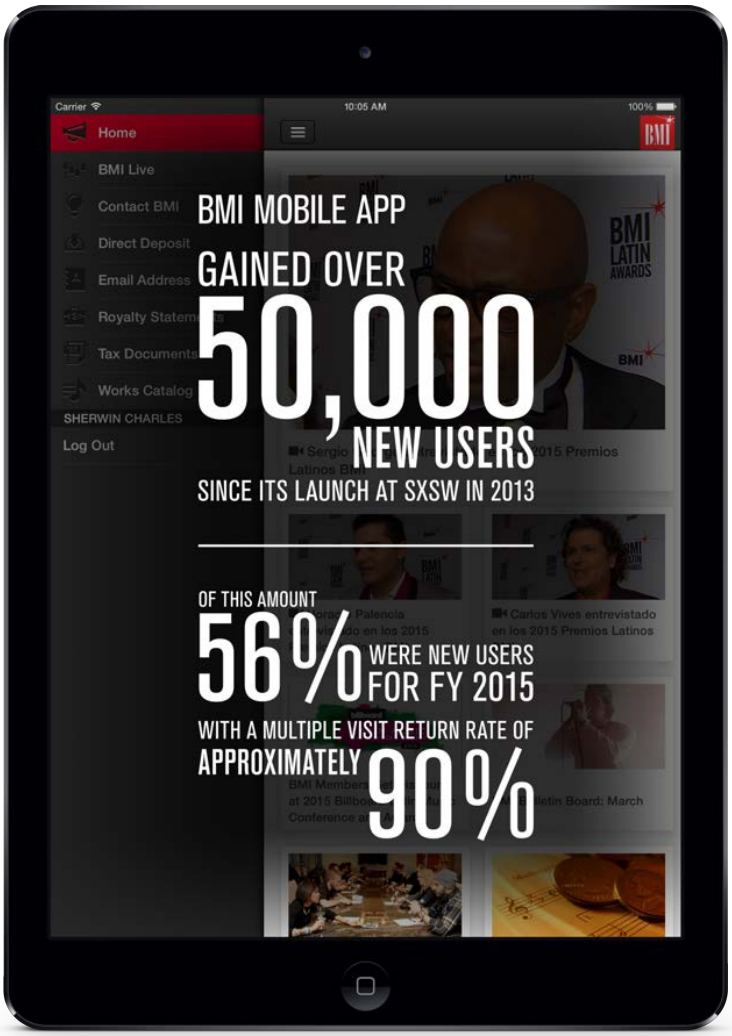


TECHNOLOGY

BMI's leadership in music rights administration centers on the Company's commitment to implementing technology solutions to strengthen its core business and align with future industry opportunity. In a year where more copyright transactions were processed than ever before, BMI's Technology and Operations teams effectively translated vast quantities of data into high-value and actionable information at a phenomenal rate.

Copyright transactions hit the 600 billion horizon this year, more than 500 billion of which were digital performances. Since 2011, the trend for streaming music has increased greater than fivefold, and BMI's cumulative digital transactions during this five-year period continued to surpass the trillion mark for performances, demonstrating the Company's ability to accurately and efficiently manage big data.

The growing trend of on-the-go, self-serve mobile activity was reflected this year, as BMI's mobile app version 2.0 gained over 50,000 new users since its launch at SXSW in 2013. Of this amount, 56% represent new users for the fiscal year of 2015, with a multiple visit return rate of approximately 90%. For fiscal year 2015 in total, BMI mobile users viewed 1.5 million screen sessions, representing a broad consumption of a comprehensive set of online services. BMI Live also surpassed an important milestone this year, achieving more than 300,000 performances since inception in 2011. Within this performance count, more than 25,000 songwriters, composers and publishers have been represented.



COPYRIGHT TRANSACTIONS HIT THE 600 BILLION HORIZON THIS YEAR, MORE THAN 500 BILLION OF WHICH WERE DIGITAL PERFORMANCES

DISTRIBUTION & ADMINISTRATION HIGHLIGHTS

BMI's Distribution & Administration team processed an impressive 56,000 new songwriter, composer and publisher applications, bringing fiscal year 2015's total number of affiliates to more than 700,000. Additionally, the total number of creative works now registered and licensed by BMI has grown to more than 10.5 million.

This year also marked the completion of BMI's highly anticipated "green" transition to 100% paperless royalty statements, facilitating an environmentally friendly business process while delivering efficiencies for multiple BMI departments. Keeping pace with BMI affiliates' preference to conduct business electronically, royalty recipients are now receiving direct deposit for nearly 70% of all distributions.

INTERNATIONAL DEVELOPMENTS

During the year, BMI spearheaded several collaborative initiatives involving music creators, publishers, FastTrack, and CISAC (International Confederation of Societies of Authors and Composers), the global association of copyright and authors' rights societies and collective management organizations, of which BMI is an active member. The goal of these efforts is to maximize efficiency and transparency in delivering foreign royalties to their rightful recipients as we look towards improved data in a global future.

IN FY15

56,000

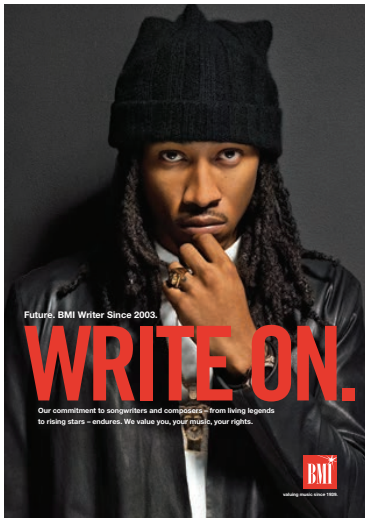
NEW SONGWRITERS, COMPOSERS AND PUBLISHERS JOINED BMI

TOTAL NUMBER OF AFFILIATES NOW EXCEEDS

700,000

TOTAL NUMBER OF CREATIVE WORKS NOW REGISTERED AND LICENSED BY BMI MORE THAN

10.5 MILLION



SPOTIFY EXHIBIT 6

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