

Synopsis of the Presentation of Howard Singer, Vice President, Strategic Technology and Chief Technical Officer, Warner Music Group for March 21, 2007 Hearing In the Matter of Certain Baseband Processor Chips and Chipsets, Transmitter and Receiver (Radio) Chips, Power Control Chips, and Products Containing Same, Including Cellular Telephone Handsets, Inv. No. 337-543

Warner Music Group Corp. ("WMG"), a stand-alone publicly traded music company, is home to a collection of some of the best-known record labels in the music industry. It was named one of America's Most Admired Companies by Fortune Magazine in 2007.

The music industry is in the midst of a transformation from physical to digital products. CD sales have declined, and the distribution of digital products is essential to WMG's current business. In 2006, digital products accounted for approximately 10% of revenues in the music industry; WMG forecasts that this percentage will increase significantly in the near future. Today, roughly half of WMG's worldwide digital revenues come from sales of music over wireless mobile technology.

Making music available using wireless technology requires the ability to transfer increasingly large files over wireless networks. If a service provider is unable to transfer these files in a reasonable amount of time, user experience suffers, thereby harming both consumers and the music industry. Indeed, in Korea and Japan — where wireless networks offer very rapid download times — mobile downloads of digital music far exceed downloads using landline technology.

Verizon Wireless's EV-DO network is critical to making WMG's music experience attractive to its customers. If EV-DO-capable handsets are no longer available, the growth of an increasingly important part of the entertainment industry will be substantially impeded.