

Universal takes over EMI recorded music unit

November 11 2011



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"Vivendi and its subsidiary, [Universal Music](#) Group, announced today that they have signed with Citigroup a definitive agreement to purchase EMI's recorded music division for a total consideration of £1.2bn," it said in a statement.

The deal does not include EMI's music publishing unit.

EMI, home to a galaxy of stars including The Beatles, Coldplay and US pop starlet Katy Perry, was seized by its main creditor Citigroup in February from private equity owner Terra Firma.

"We plan to acquire EMI's recorded music division on attractive terms, adhering to our principle of total financial discipline," Vivendi chief executive Jean-Bernard Levy said in a statement.

The purchase price represents seven times EMI gross profits before synergies, Vivendi said.

Terra Firma bought the legendary British [music label](#) whose roster of artists also includes Kylie Minogue, Lily Allen, Norah Jones and Robbie Williams in 2007 for £4.2 billion, just before the start of the global financial crisis.

A Citigroup spokeswoman declined to comment about EMI Music Publishing, which the Wall Street Journal has reported is to be sold to a group of investors led by Sony for \$2.2 billion (£1.4 billion).

"We believe that this transaction accomplishes Citi's objective of maximising the value of EMI," said Stephen Volk, Chairman of the Board of EMI Group and Vice Chairman of [Citigroup](#).

He said the deal also gives "EMI Music a partner in Universal Music that appreciates EMI's rich cultural legacy, its incredible stable of musical talent and its employees who work so hard to deliver successful outcomes for the artists they represent."

The deal has been approved by Vivendi's management and supervisory boards but still needs regulatory approval.

[Vivendi](#) said it would finance the acquisition from its existing credit

lines and that 500 million euros worth of non-core assets of [Universal Music Group](#) would be sold.

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Citation: Universal takes over EMI recorded music unit (2011, November 11) retrieved 24 April 2024 from <https://phys.org/news/2011-11-universal-emi-music.html>

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