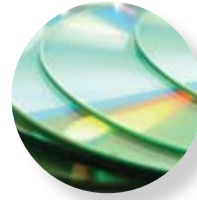


hfa soundcheck

January 2009

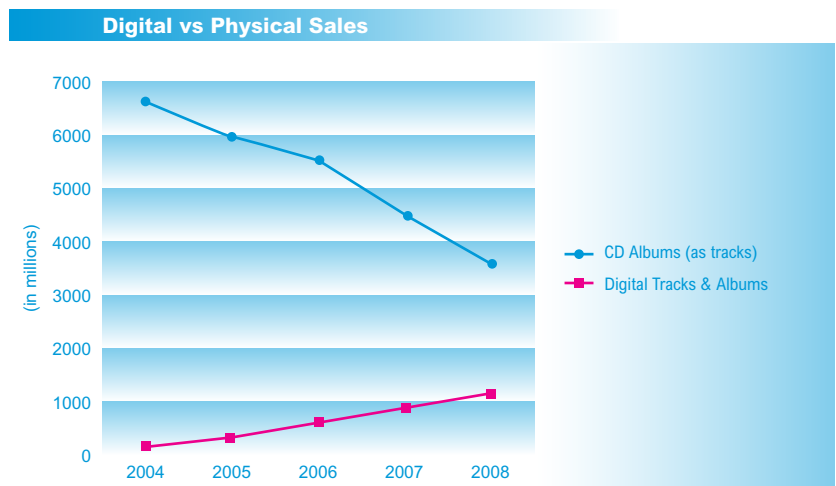


The Road Ahead

A few words from Gary Churgin,
HFA President & CEO

2009 is certainly starting on an ominous note, with Soundscan reporting a 20% drop in physical CD sales in 2008. Digital track sales growth, while still robust, is slowing – 30% in 2008, compared to 45% in 2007 and 79% in 2006. To put that into perspective, digital sales would have had to have grown over 66% in 2008 just to offset the loss in CD sales (assuming 10 tracks an album).

Further, using the same 10-track per album assumption, you can see in the chart below how much of a gap there is between digital download sales of tracks and albums from CD album sales:



More...



Satya Govindu (left) and HFA CEO Gary Churgin

Satya Govindu, HFA's Director of Enterprise Applications Engineering, was the recipient of the 2008 Harry Award, HFA's highest honor for outstanding employee performance. Please join us in congratulating Satya for this stellar achievement.

Gary Churgin...from page one

HFA is still analyzing its final 2008 numbers, but it's looking like our collections will reflect these overall marketplace conditions. I'll be sharing these with you in the next issue of HFA Soundcheck.

Looking into 2009, we're excited about the addition of subscription service royalties, but mindful that while we expect the retroactive payments from 2001 through 2008 to be significant, the collections for 2009 activity will probably not be as material until these types of services are more widely adopted.

We're also very concerned about the closure of key retailers such as Circuit City and the overall reduction of retail floor space devoted to music. The CD returns that these moves generate really hit the labels, particularly the independents, and in turn, the royalties that are paid to publishers.

With all that said, music publishing, with its diversity of revenue sources, is much more resilient than other sectors of the industry. For HFA, this means continuing to pursue licensing options beyond the traditional mechanical, while making our current business the most efficient and streamlined option for the industry. We continue to live in trying times – but there is opportunity in every challenge, and HFA is committed to making the most of those opportunities. ●

A handwritten signature in dark ink, appearing to be 'G. Churgin', with a blue dot at the end of the line.

HFA Offers Commission Free Lyric Licensing Arrangement with TuneWiki

In December, HFA announced it had entered into a lyrics licensing arrangement with TuneWiki. HFA's 36,000 clients have the opportunity to license to TuneWiki lyrics for online streaming as well as for use on mobile platforms.

The arrangement is being offered to publishers on a commission free basis—publishers will receive the gross royalties collected by HFA from TuneWiki without any deductions.

“This licensing arrangement demonstrates HFA’s continuing commitment to the evolving digital marketplace,” said Gary Churgin. “We are enabling licensing opportunities for cutting-edge technology, such as TuneWiki, as it develops.”

“We are pleased to streamline our licensing using HFA and its sophisticated licensing systems,” said Amnon Sarig, TuneWiki President. “We take pride in our product and believe that lyrics should always be a click away.”

TuneWiki is a first prize winner of the Android developer competition sponsored by Google and of the GSMA's (Groupe Spéciale Mobile Association) APAC Top Innovator award. ●

POLI+ Pointers - Song Inquiry

THE FIRST IN A SERIES

```
RGEN001A          THE HARRY FOX AGENCY INC.          DATE 9/20/05
                  SONG INQUIRY                      TIME 16:42:40
                  PUBLISHER OWNERSHIP/SPLITS

For Publisher: TEST 1 PUBLISHER
HFA Code: P99901
Please enter one of the searching criteria

Publisher Song Code: ██████████
Song Code: _____
Song Title: _____
*and/or*
Song Writer: _____
Publisher Code: _____
Publisher Name: _____

Note: This program only applies to songs available for mechanical license
F1=Help F3=Exit Enter=Search F6=Comprehensive search by title/writer
SA                                          09/027
```

The **Song Inquiry** option in POLI+ allows you to conduct extensive research about a specific song in your catalog. For example, you can check to see if your ownership share was updated, or review the licenses issued by HFA for

that song. To access **Song Inquiry**, type its complete number (“01”) in the “**Option**” field on the POLI+ main menu screen. Make sure to include both digits (“01,” not “1”). The “**Publisher Ownership/Splits**” screen will appear, as shown below.

There are six basic criteria you can use to begin your search from the Publisher Ownership/Splits screen: “**Publisher Song Code**” (the identifier you have assigned to your song), “**Song Code**” (the identifier HFA has given the song), “**Song Title**,” “**Song Writer**,” “**Publisher Code**,” and “**Publisher Name**.” Use your mouse, the arrow keys, or the <TAB> key to navigate to the criteria you want to use; type in your search term; and press <Enter>.

Publisher Song Code (if it was provided to HFA) and Song Code will send you directly to the song record; the other options will launch the “Publisher Browse” screen with multiple choices for you to choose from. Place an “X” on the line next to the song you want to view, and you will then see the details for that song in HFA’s database.

If you have questions about Song Inquiry or POLI+, contact HFA Publisher Services at 212-834-0133 or email publisherservices@harryfox.com. ●

Next month: POLI+ Affiliate List

events

The NY chapter of the **AIMP** will host an evening panel on "Music Publishing and Merchandising" on February 18 at the Williams Club from 5:30 PM-7 PM. Panelists will be announced. This event is free to members and \$15 for non-members. The LA chapter will present "A View from the Top 2009" on February 19 from 11:30 AM-1:45 PM at House of Blues in West Hollywood. Leaders of independent and multinational music publishing companies, including Michelle Belcher of Primary Wave Music Publishing, Justin Kalifowitz of Downtown Music Publishing, Bruce Lampcov of Fintage Music and John Rudolph of Bug/Windswept/TQ, along with moderator Cathy Merenda, will share their views on the current state of the worldwide music publishing industry. Learn what innovations and adjustments are being made artistically, technologically, financially and legally to address the challenges facing our industry. Registration for this event will open February 1.

To register for either event, go to www.aimp.org.



HFA's Maurice Russell will be speaking at

Digital Media Wire – Digital Music Forum East

which will be in New York, NY on
February 25 & 26. HFA affiliates receive a special

discount of \$100 on registration - to receive this discount, please enter Promo Code HARRY when registering online. Now in its 9th year, Digital Music Forum is a leading event focused on the intersection of technology and music. Join an elite group of over 500 music industry insiders for two days of high level discussions, news breaking announcements and unrivaled networking in the Big Apple. Participants include top major and indie label execs, publishers, artists and artist reps, association heads, attorneys, investors and consumer electronics and technology leaders from social networks, payments companies, online retailers, mobile companies, technology start-ups and many more.

For more information, please visit www.digitalmusicforum.com/east, call 310-855-0033 ext. 5 or email ellen@digitalmediawire.com.

ASCAP is hosting its first **ASCAP New York Sessions**, a one-day career boosting event designed to strengthen the skills, knowledge and craft that music creators need to succeed in today's music business, on March 10, 2009 at Frederick P. Rose Hall, home of Jazz at Lincoln Center in New York City. The event will feature a keynote interview with Grammy Award-winning singer-songwriter Rob Thomas, in addition to educational panels and informative technology demos. HFA will be exhibiting at this event, so please stop by and say hello. Until March 3, pricing for ASCAP members is \$55, and non-ASCAP members \$75.

For more information and to register, go to www.ascap.com/sessions.

Other upcoming events:

Grammy® Awards,
Los Angeles CA – February 8

The Millennium Music Conference,
Harrisburg PA – February 12-15

Folk Alliance Music Conference,
Memphis TN – February 25-26

Billboard Music & Money
Symposium, New York, NY –
March 5

Puerto Rico International Music
Business Conference,
San Juan PR – March 6

SXSW, Austin TX – March 13-22

Leadership Music Digital Summit,
Nashville TN – March 23-25

Winter Music Conference,
Miami FL – March 24-28

Urban Network Entertainment
Marketing Summit –
Newport Beach, CA – March 26-29

Tin Pan South Songwriter Festival,
Nashville TN – March 31- April 4

word

on the street

HFA affiliate publishers, send us your news! Send new signings, employee announcements, life notes (births, weddings, obituaries) to soundcheck@harryfox.com.

“On the Road Again?”

Make Sure Your Mail's Not Marked “Return to Sender”

On the move? Make sure HFA has your current contact information. You can obtain change of address information on our website at www.harryfox.com or by contacting HFA Publisher Services at 212-834-0100.

The HFA website also has a list of publishers for whom we may be holding royalties due to the lack of a valid mailing address - see the “Help Us Find Publishers” link.

If you have any comments regarding HFA Soundcheck, please contact Laurie Jakobsen at 212-834-0133 or email soundcheck@harryfox.com.

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Established in 1927 by the National Music Publishers' Association, HFA represents almost 36,000 music publishers for their licensing needs in the United States, issuing licenses and collecting and distributing the associated royalties. In addition to being the premier mechanical licensing agent in the U.S., which includes CDs, ringtones, digital downloads, interactive streams, limited downloads and more, HFA is dedicated to finding new ways for its affiliates publishers to recognize value for their catalogs, including lyrics and tablature. Further, HFA provides collection and monitoring services to its publisher clients for music distributed and sold in over 95 territories around the world. For more information about HFA, or to become an affiliate publisher or a licensee, see www.harryfox.com.

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