

PRESS RELEASE

A good year for TONO

(Oslo, 30 May 2016) The Norwegian collection society TONO registered its best financial year ever in 2015, with total revenues of MNOK 588.5 (MEUR 61,2), up nearly 20 per cent from the year before. The most significant growth was in foreign revenues, which climbed by 23.7 per cent, and streaming revenues, which were up by 17.7 per cent. The use of Norwegian music accounts for roughly 40 per cent of TONO's total revenues.

TONO noted an increase in its total revenues once again in 2015, with gross revenues climbing to MNOK 588.5, before losses and mandatory deductions for the Norwegian Composers' Fund (managed by the Ministry of Cultural Affairs). This corresponds to an increase in gross revenues of MNOK 83.5 (MEUR 8.7) from the year before. Profit after operating expenses, which is paid to rightsholders in its entirety, totalled MNOK 492 (MEUR 51.1).

"Naturally, we are pleased to have had a year with a turnover of nearly MNOK 600. Despite the growth, our work has its challenges. Copyright is being put to the test. We see, for example, that EU legislation grants different social media exemptions from paying rightsholders, even though there is weighty documentation to show that these media earn big money on music and other intellectual property content streamed through their services," comments Cato Strøm, CEO of TONO.

The use of Norwegian-composed music accounts for roughly 40 per cent of TONO's total revenues. The Norwegian share of the streaming services is low, as only about 12 per cent of the music streamed in Norway has been composed by Norwegians.

Foreign revenues grow most

Income from the use of TONO's repertoire abroad came to MNOK 43.5 (MEUR 4,5) in 2015, an increase of about MNOK 8.3 (23.7 per cent) from 2014, and thus accounting for the largest rise in earnings. The most significant increases came from Sweden (40.9 per cent), Germany (30 per cent) and France (69.4 per cent).

"The growth is a result of more use of Norwegian music abroad, including use in foreign TV productions and films. The growth is also due to the weakening of the NOK exchange rate against other currencies," adds Strøm.

Media is largest, with streaming revenues on the rise

The media area is the largest income area for TONO, generating nearly MNOK 400 (MEUR 41,6), including online. Streaming accounts for the bulk of the income growth of 17.7 per cent. A settlement between Norwaco and its customers has brought rightsholders revenues from previous years.

"We are satisfied with the growth in streaming when viewed in context: For some years, the online area has been characterised by different international constellations, typically the largest music publishers, withdrawing their online repertoires from the collective rights management societies' portfolios and licensing them directly themselves. The growth comes

from both music and film streaming services," continues Strøm. "Meanwhile, TONO finds that the media area faces challenges relating to both VOD services and TV, and it is demanding to get broadcasters as well as distributors to pay for the use of rights which are now being exploited on an ever increasing number of parallel platforms."

Background music and concerts

The background music area (hotels, restaurants, pubs, etc.) experienced revenue growth of 5.89 per cent from 2014. In 2015, revenues aggregated MNOK 62.6 (MEUR 6,5). Revenues from the concert area added up to MNOK 60 (MEUR 6,2) in 2015, a percentage rise of 6.13 per cent from 2014.

"Business is bustling on the Norwegian concert market. We are fielding even greater resources in connection with information campaigns, and are working to achieve even closer contact with the market," says Strøm.

Many new members

In 2015, TONO welcomed 1 575 new members, 15 of which were music publishers. Altogether, TONO had 27 756 members at the end of 2015. During 2015, TONO's members registered some 29 000 new works of music with TONO.

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About TONO:

TONO is a non-profit cooperative founded in 1928, which is owned and operated by its members: Composers, songwriters, lyricists and music publishers. TONO manages performance rights for works of music in Norway, and collects remuneration for public performances. TONO currently represents nearly 28 000 Norwegian composers, lyricists and music publishers. Through reciprocal representation agreements with similar societies in other countries, in actual practice, TONO manages the rights of the entire global repertoire in Norway. TONO's revenues are passed on to those who hold rights in performed works, meaning that TONO paves the way for the use of music by society, while also ensuring TONO's members a financial platform for creating new works of music.