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**From:** David Stern [REDACTED]  
**Sent:** Thursday, January 13, 2011 5:31 PM  
**To:** Jeffrey Epstein  
**Subject:** EMI

Clock ticking for Hands to offload EMI  
13 Jan 2011. Source: AltAssets

As the battle of wills between Guy Hands and investment bank Citigroup rages on, the future of EMI, the British record label at the centre of the dispute, is no clearer.

Terra Firma, the private equity group Hands runs, is estimated to have until June to sell EMI before it technically defaults on its debts to Citigroup, leaving the investment bank to dispose of the business itself.

The company, whose back catalogue features big hitters from Nat King Cole to the Sex Pistols, has been valued at between £1.6bn and £1.8bn (€1.9bn to €2.2bn), but it is unlikely to survive in one piece.

Last year Citi put forward a proposal, rejected by Hands, to split the group's music publishing arm from its recorded music business. Master rights to that back catalogue may be its most valuable asset.

Warner Music and BMG – an aggressively acquisitive label backed by private equity behemoth KKR – are eyeing up slices of the company. But they may be as happy to buy from Citi as from Hands.

If no buyer is found, the only way for the current owners to maintain control would be to inject further equity into the company. Terra has already recapitalised EMI to the tune of £194m (€233m) since 2008.

But there is "no chance" of investors agreeing to another round of refinancing, according to the Financial Times.

With the music business decimated by internet piracy, EMI looks set to walk the plank.=?xml version=.0" encoding=TF-8"?> <!DOCTYPE plist PUBLIC "-//Apple//DTD PLIST 1.0//EN" "http://www.apple.com/DTDs/PropertyList-1.0.dtd">  
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