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**From:** David Stern  
**Sent:** Tue 6/21/2011 11:19:03 AM  
**Subject:** EMI

EMI may now come up for sale.  
Could actually be of interest to Chinese if structured properly.  
Also, most certainly great asset to have for P !  
Tim Collins might help as board member of Citi

**UK record label EMI may put itself for sale, four months after former private equity owner Terra Firma lost control of the company to debtholder Citigroup.**

The company said that it had initiated a process to explore its options, which could include a sale, recapitalisation or initial public offering, although EMI management said the review would lead to any transaction.

Citigroup took control of the record label after over a year of negotiations, narrowly-missed covenant defaults and EMI management reshuffles, culminating in a New York court battle over alleged fraud on the US investment bank's part, when the judge found in favour of Citi.

City's first act upon taking control of the company was to recapitalise, cutting EMI's £3.4bn (€3.9bn) debt load to £1.2bn (€1.4bn), and leaving it with cash reserves of over £300m (€350.2m). Despite cost-cutting initiatives and a growth in revenues, EMI had struggled under the debt imposed by its £4.2bn (€4.9bn) buy-out in 2007.

In a statement, the company said, "[EMI] does not intend to disclose developments with respect to its strategic review process unless and until its Board of Directors has approved a specific transaction."

Hands, who reportedly put 60 per cent of his personal fortune into the EMI purchase, recently said that Terra would never commit more than 15 per cent of a fund to one deal. The firm had committed 15 per cent of its TFCP II and III funds to the deal.