

Relatório Anual / Annual Report

abramus

2009



Annual Report 2009



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After one year of intense work, ABRAMUS closed 2009 with a record gain of 4,905 new members, i.e., over one dozen holders join the association everyday. Since its foundation in 1982 the entity has stayed on the path of growth and reached in 2008, the distinction of being the largest collective authors' rights management association in Brazil in addition to ranking among the largest in Latin America. However, more important than just the numbers is the fact that we have been committed to our duties in 2009.

The good performance achieved in our efforts to win over new members is a result of the consistent and serious way in which ABRAMUS operates. The association is a professional reference in the area of collective authors' rights management. We have won this respect in little over the 27 years we have been in existence. We and our staff maintain a youthful fresh spirit to open new paths towards innovation, engagement and a high level of responsibility that the work of a right holder signifies.

By the end of December 2009, there were 22,782 members. Today we have the largest number of active right holders, in addition to being the entity which distributes the most rights in Brazil. Last year, R\$ 104,231,242.62 was passed on to our domestic members. On the international scenario the story was no different. ABRAMUS forwarded to associations it represents, R\$ 5,713,385.76. This was not an easy task. There was a lot of work involved by both the international department as well as the A&R and obviously all others involved in the registration and release of retained earnings from ECAD. There is still a lot of foreign repertoire to be identified therefore our goal is to work on this issue more intensely assuring that owners in other countries receive that to which they are entitled.

There has also been growth in cue sheet registrations, i.e., the audiovisual musical technical file card. Last

year there were 3,704 new registrations, a substantial increase when compared to the 482 recorded in 2008. Our engaged team has won the respect of the sources of these documents which now provide this information to ABRAMUS on a surprising level and immense number of files. One important factor responsible for this change has been the format of the strategic guidelines provided by our editors, especially in attention to this notably expanding market in music synchronization to audiovisual works.

Our staff is distinguished by its service, attention, respect and dedication, traits that have served as foundations for the growth of ABRAMUS coupled with the transparency of our actions. We provide services to our owners using proprietary open management systems which resulted in building loyalty between our association and our public. The association was the first one to open its doors to and bring in our owners and those associated to learn about the entire work process, contributing towards making them feel more protected and acknowledge the seriousness involved in the management of these rights and how they are handled by the entity.

Over the next few years we would like to continue growing steadily and establish more dynamic work parameters for the owners. We are working towards planning and developing tools which will be proven to provide advantages in the solution of problems and increase our clients' productivity. Moreover, technology is our great ally and it was present in 2009. We have invested in programs that enable us to offer online services as well as work more closely with the owner. We are an electronic and innovative association to better meet current demands for swift yet simple solutions. We will continue to improve these services and ABRAMUS will continue on this path in 2010.

Roberto Corrêa de Mello
President



Board of Directors

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Performer (President)

Walter Rosciano Franco
Author (Vice-President)

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Brasil Ltda.

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Universal Music Ltda.

João Gonçalves Pereira
Warner Chapell Edições Musicais Ltda.

Paulo Rosa Júnior
Associação Brasileira dos Produtores de Disco
(ABPD)

Managers and Supervisors

Francisco Ribeiro
General Manager

Alexandre Sant'Anna
IT Manager

Antonio Almeida
Administrative and Financial Manager

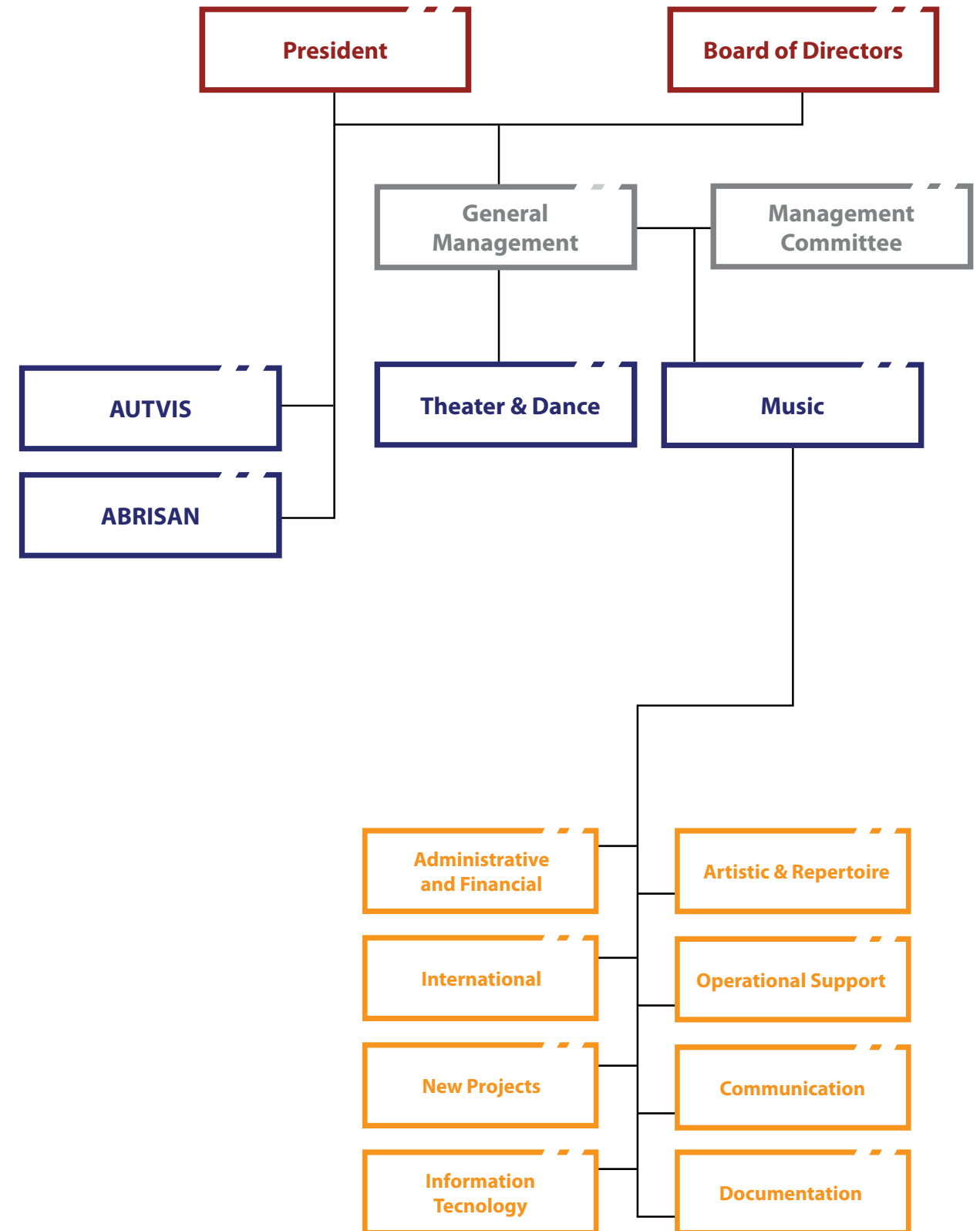
Guilherme Amaral
Theater & Dance Supervisor

Gustavo Gonzalez
Head of New Projects

Linhas&Laudas Comunicação
Communications

Ricardo Mello e Roseany Fagundes
International Department Supervisors

Fernando Viana e Gustavo Vianna
Artistic & Repertoire Supervisors



We can characterize 2009 as a year of important accomplishments in the Brazilian corporate market. Consolidation of the ECAD distribution regulations, the basis for the interrelations among the several public execution system categories and its duties, definitions, functions, operations systems, forms of calculation and payment is just one noteworthy example in view of its importance. After a number of meetings with author's groups, we have analyzed, discussed and formatted the new document creating and updating concepts to align it with our current needs to achieve a fairer distribution of authors' rights – public performance owed to the dynamic presented by our business where business creativity is a given. In terms of ABRAMUS participation we have two determining factors:

1. Experience in this specific field acquired over time and
2. The close relationships with the owners based on our efforts to bring them into our environment, and serve as the spokesperson giving voice to their suggestions, thoughts and needs at all times.

Since we still live in the musical download era, there is a great deal of uncertainty in relation to the future of the music market. Recording studios, pressured by the low return in terms of sale have decided to take a more conservative tact and have not made large investments or contracts. Since the interpreters need to bring the results of their creations to the larger public and do so easily in financial terms than previously to have a final quality product but whom have not received the necessary support from conventional recording companies. The number of independents performers has grown substantially and the number of renown artists who used to be disputed by the major recording companies, have used that strategy and thereby become self sufficient.

The major record companies are now regarded more as an option rather than that a distributor per se. In terms of musical opportunity, we have two market niches that have shown growth, especially in relation to new releases and shows. The area that has undergone the most growth is what is referred to as "sertanejo universitário" or "university country music", which in practical terms could be classified or defined as duos that come from the countryside. The greatest contribution has been to bring to new artists to the forefront as well as consolidate older and well known

performers. We can cite names by way of example such as Leonardo, César Menotti & Fabiano, Victor & Leo, Jorge & Matheus, João Bosco & Vinicius, João Neto & Frederico, Fernando & Sorocaba, Hugo Pena & Gabriel, Maria Cecília & Rodolfo, Gustavo Lima, Luan Santana, to name a few. This segment has stepped up the rhythm of its music and adapted it to popular taste making it easier to dance to. One of its very successful strategies has been to establish "cross-over music" expanding its public, and artists have included in their presentations artists from the axé-music segment as well as using "trios elétricos" on stage.

Since the marketing of these artists uses free distribution of their products on a large scale, even to the extreme of offering free CDs with show ticket purchase, there is no proportionality between the growth of this market in sales of its products and as a consequence no growth in remuneration in terms of authors' rights.

The gospel segment also turned in excellent results for the year and soared owed to the large number of churches that have opened up. The main characteristics of this segment are:

1. Own marketing in view of the fact that the main recording companies are also radio station owners (sector which still retains the primary Brazilian market as the most important one for disclosure of its music)
2. Specific sales channels where the churches are in the first tier and their faithful are potential consumers and
3. No threat of competition from the pirate market because the consumer is advised not to purchase products from this source.

In terms of remuneration from public performances, we have seen substantial growth under the heading concerts. This is owed to the fact that that performer is aware of the continued decrease in sales of concrete formats such as CD and DVDs, leaving them with the option of performing in shows. A number of control mechanisms have been adopted so that ECAD can have a correct idea of the music that has been performed, to enable fairer and more correct distribution. We have created on the ABRAMUS site, a space for the author or performer to inform the performance of a concert, enabling ECAD to collect and distribute that part to which they are owed.

Another noteworthy item is the relevance of television within an authors' rights public performance structure. In the general ranking of individuals, the first placed were authors of theme music for television shows. In relation to legal entities, the major players, separately, are recording companies related to the television networks who turned in excellent performance. Even when the owner is the performer of only one song that is part of the theme of a "novela" (soap opera), will alone make a difference in remuneration, provided that it is played daily.

In what can be termed the political field, the scenario was somewhat unsettling. The Culture Ministry, promoted a series of forums with the artistic class for the pur-

pose of conducting a review of the Authors' Rights Law in effect since 1998. Ample proof of its intention was the creation of an Intellectual Property Rights Board, whose essential purpose is greater effort on the part of the State in the authorship field by means of sector policies and programs. During the period in which it is available for public consultation, the association of authors as a whole, in all the sectors in which it is involved, can announce its considerations. One big change that has been announced is that the Cultural Ministry will supervise collective management associations.

Chico Ribeiro
General Manager



The work which began 27 years ago by a small association resounded in a very positive way in 2009. Over the last few years we have developed a work methodology based on transparency and simplification and has made the work of the association more efficient in Brazil. The financial department plays a fundamental role in the collective management process. Since this is a highly complex operation and there are a number of variables, payment is one of the most important functions of the process, in other words, when the work is conducted by our staff in partnership with the owners, it materializes. Recognition of the success of the associates is our greatest satisfaction and we always endeavor to surpass even our own expectations.

The year of 2009 was a challenge, nevertheless we conducted the highest distributions. The increased amount distributed is the result of work performed by the entire ABRAMUS team; however, it is when we make payouts that we are able to identify the importance of our efforts. A positive result from this work was that we broke all records in terms of amounts distributed to our members. The financial department must be in contact with the other ABRAMUS departments at all times and understand the daily function at the corporation to enable this process to function properly. Since we have offices located throughout Brazil, it is essential that we continually monitor this process and identify needs to correct any possible mistakes.

Income derived from public performances of musical works in Brazil has become increasingly important to the members. Our work is reflected in and acknowledged by individuals and legal entities alike. We want to surpass our

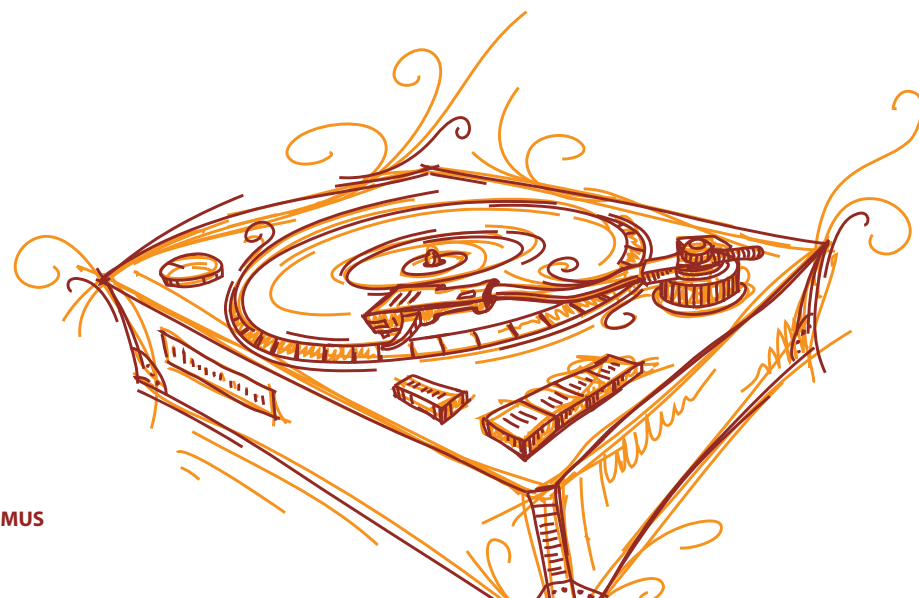
own expectations at all times and we are convinced that we did that in 2009 and will continue to do so in 2010.

Since June 2009, ABRAMUS has taken on the commitment to grant a bonus to the associates which has consequently become our distinction. It was decided by the ECAD General Meeting in April 2009 that a percentage of the representative Office would be reduced by 1%, from 18% to 17%. This 1% is divided among the associates (0.5%) and the owners (0.5%). However, the ABRAMUS board was against this decision and felt it would be fairer to distribute the percentage to those entitled to it, i.e., our owners. Therefore, we have added a bonus of 0.5% in the statement to the associates.

In addition to quick payment, ABRAMUS is also known for its transparency and cordiality that the associates are accorded. Although the financial department is not the main owner contact, this relationship is often necessary. This is the reason why we strive to answer every question posed or solve any problems that arise.

Perspectives for 2010 are that we will face a difficult year. Nevertheless, we will continue to work professionally and with transparency to constantly surpass our associates' expectations. We are committed to our associates and defending their interests at all times. ABRAMUS is distinctive, a pioneer and an innovator. We will continue to improve because our objective is to achieve continually greater satisfaction on the part of the associates.

Antonio Almeida
Administrative Financial Manager



The Information Technology (IT) department of ABRAMUS dedicated efforts in 2009 towards perfecting actions that would simplify communications among associates. Some of these efforts included developing a relationship portal with the associates for the purpose of delivering services that are of interest to them. The initial phase included the release of the unidentified works and records searching tool. The objective for next year is to expand work towards the release of current account information, income and only registration updates.

Implementation of a more interactive portal has also contributed in the work of the A&R department, where the associate can find a simpler and easier communications channel to use. As a result the client remains happier and loyal to the association.

Another technological advance that took place at ABRAMUS in 2009 was the integration of all unit services that is,

those located in Bahia, Paraná and Rio Grande do Sul. Formerly, they worked on separate networks but now they have been integrated and information traffic between units has become faster.

There was also the start up of the equipment (computers and monitors) technology update process. In addition to improving the work environment, the more modern equipment helps save electrical energy. The project will be concluded by the end of 2010.

To implement all these changes, the Information Technology department staff gained strength and increased in numbers from six to nine employees, which was needed to provide continuity to all projects started in 2009 and new ones for the coming year.

Alexandre Sant'Anna
Information Technology Manager

Consolidation of digital music as a format, new communications tools and changes of important paradigms that influence mass communications marked 2009. Twitter has become the most rapidly grown and popular means of spreading news, opinions and information, often much faster than we are able to keep up with. The internet today is more accessible and broadband is increasingly present in the daily life of millions of people. The main work focus of ABRAMUS is the music public performance market. However, we cannot forget to include the digital world and other segments of this musical production chain. Standard changes in this globalized and cyber universe have triggered a revolution in the core business of many companies in the field. What used to focus on production and sales of CDs and DVDs today encompasses the entire musical production chain.

Based on the growth of the digital market, standards have fallen in the consumer's preferences. This loss of ground is related to the steep downturn in sales especially in relation to CDs. This is a phenomenon found throughout the world and not an isolated case in Brazil. However, when one segment decreases another grows, as is the case in the sale of music in the digital format which is on the rise.

Despite piracy and the simplification of downloading music for free on the internet, the sale of legal music has tended to grow, even if this is part of a very shy movement when compared to the volume of songs that circulate illegally. Nevertheless, the world market is giving more and more to the ease that digital music provides. Indications are that this is a path with no return. In January 2010 a notification was published that some of the songs from the Beatles digital song catalogue would be sold at the online Apple store. This piece of news might appear to be of little importance but those who monitor the development of the sector know that it must be seen as a watershed in the sale of music on the internet.

The phonographic industry has turned in negative results in the last few years and the level of CD sales in 2009 was lower than that in 2001. On the other hand, income for the sale of music at virtual music stores generated income that was previously unexplored. This growth is owed to a series of isolated factors (widespread internet, accessible prices, accessible players to name a few) that when combined are dependent and complementary. Owed to the new market format, an old standard has been gaining popularity: release of cuts and not the entire album. This type of sale was common in the US in the 1990s as singles and today this happens owed to the ease that digital music offers.

According to the International Federation of Phonographic Industry (IFPI) report, income generated from digital music in 2009 for recording companies was US\$ 4.2 billion, 12% greater than in 2008. The recording companies are adapting to the new market standard and trying to reverse the losses of the last few years.

Recording companies are earning less and less, especially the large ones (SONY, EMI, Warner and Universal) are undergoing the worst phase of their history and therefore have decreased the number of new product releases. It has become a perturbing vicious cycle, the consequences of which over the short term could be very serious for the market.

Despite the dismal scenario, music has never been so widespread. Thanks to the ease of listening and transporting it nearly anywhere, today we can say that it is difficult to live without music. Music has become a basic need in the lives of people. In Brazil, a good part of the population has access to a cell phone or a MP3 player and this makes it possible to prospect a market where there had previously been barriers.

The number of stores that sell digital music has grown in Brazil substantially over the last few years, according to a report and data from IFPI. Today we have nearly 40 stores available from which music can be legally purchased in the country. I am sure that by the end of 2010 this number will have grown even more and the selection of products expanded.

ABRAMUS follows the growth of this segment in Brazil and the rest of the world. We no longer talk about what may happen in the market of the future but rather the current market in full growth. For this reason, we also monitor the work performed by ECAD in the collection of authors' rights from public performances and digital media. According to the data from the receivables sector, this is the segment that has grown the most in terms of percentages. The amount is still quite low in comparison to that collected from other segments, but the digital music market is without a shadow of a doubt the most promising. To illustrate this segment the best way is to show the office numbers:

- in 2008  R\$ 340,000^{*1}
- in 2009  R\$ 540,000^{*2}
- for 2010 the collection target is R\$ 780,000;

The numbers may appear distant, but they are real and the target can be achieved. The focus of collections in

^{*1} was collected from the digital music segment;
^{*2} was collected, reflecting a growth of 58% in relation to 2008

2010 will be small and medium users, who use music on their sites in some way. The large users in this segment do not agree with the ECAD collections and as a result several legal suits have been filed. The types of use for which ECAD charges are: simulating, podcasting, webcasting (radios and internet) and streaming in general terms.

This is the most promising segment and the results will be positive in the future, especially in relation to large users who have begun to pay off their debts to ECAD.

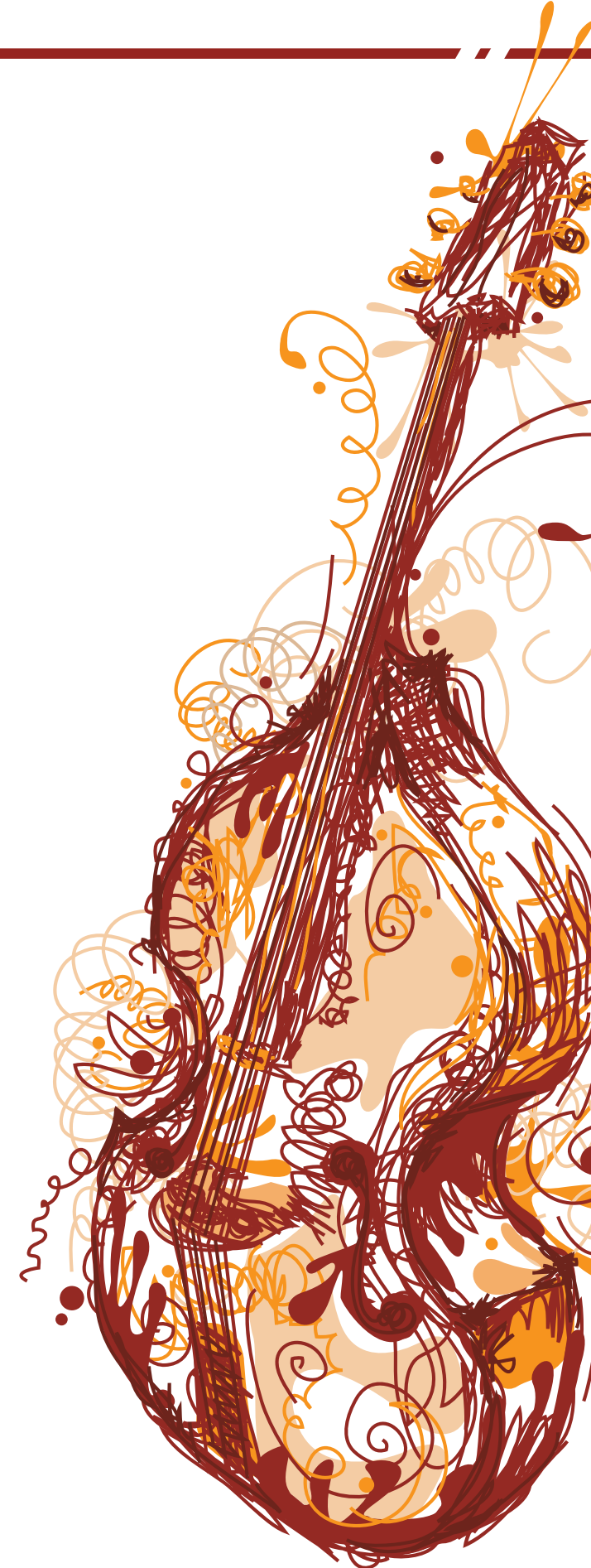
Our projections for 2010 call for even more significant growth in the segment, with the advent of new digital music stores and the rise of new MP3 players. New solutions are created daily and we expect that the market in 2010 will also bring us pleasant surprises. We are sure that we will encounter some storms but with our strong staff, we will be able to reap the rewards.

ABRAMUS keeps a close eye on what is happening in Brazil and abroad. Since it is an opinion making entity and market leader we must pace with what is happening in Brazil and abroad. The new business department also monitors the events involving the formats developed by CISAC and the leading international agencies, working to develop solutions for its associates.

In 2009, in partnership with the information technology department, we provide a relationship portal for our owners who are individuals and legal entities. We will have new services and solutions for the next year, to improve the daily routine of our associates. Innovation and accomplishment are key words that drive our staff.

As any other company in a highly competitive market, ABRAMUS endeavors to improve at all times. We have not gained a position of leadership by chance. Our success is the result of hard work and a focus on excellence. At ABRAMUS authors' rights are taken seriously because we understand the importance of intellectual creations.

Gustavo Gonzalez
 Head of New Projects



A new communications agency for ABRAMUS has been hired, Linhas&Laudas, in 2008, representing a landmark in institutional relations of the entity. In line with ABRAMUS guidelines, Linhas&Laudas has developed a series of actions, in different company areas, to provide greater visibility to the association and its positioning in face of the diverse public. One of these was the approach made to opinion makers, among which is the sociologist Lúcia Hypólito, commentator Arnaldo Jabor, columnists with leading Brazilian newspapers, Mônica Bérigamo (Folha de S. Paulo), Sônia Racy (O Estado de S. Paulo) and Ancelmo Gois (O Globo), in addition to journalists specialized in culture in the major press. One of the items on the agenda of the entity was the controversial proposal made by the Cultural Ministry to change Law 9.610 – Authors’ Rights Law).

Owed to the pressure exerted by ABRAMUS in the press, promoted by the communications agency, the Ministry of Culture has retreated in the release of the Bill of Law at an event held in São Paulo in November, 2009. The story by journalist, Jotabê Medeiros (“Authors’ rights turn into a battle field”) on November 9, was the first outcry from the organized artistic class by means of its associations against the Project and represented the beginning of the formation of a movement organized by artists, led by ABRAMUS. It was the first time that the Ministry of Culture realized publicly that there was indeed organized opposition to its actions in the sector. The article which took up one page of the newspaper, polarized discussions regarding the topic in the guise of the Minister Juca Ferreira, on one side and Roberto Mello, President of ABRAMUS on the other. Folha de S. Paulo took the same line, in the story written by journalist, Ana Paula Sousa.

Based on these two stories and later production and strategic production of the book, “A questão do direito autoral e o risco de estatização do sistema de arrecadação” (The authors’ rights issue and risk of a state run collection system) also made at the suggestion of the communications agency, ABRAMUS was able to voice its position in a clear and categorical manner.

Linhas&Laudas also handled spontaneous requests from journalists throughout Brazil who had learnt to recognize ABRAMUS and implemented specific actions disclosed by the association. In addition to maintaining contact with the press, L&L has also created a new visual identity for ABRAMUS. Modern logos were created and used on stationery, all

communications vehicles were adapted and tools and work related to the visual communication in the entity’s head office remodeling in São Paulo coordinated by them.

Since they began working in 2008, the agency has worked to make ABRAMUS a source of information for the associates and publics interested in music and art. In order to do so it has reformulated and improved the content area and began producing material such as the Annual Report in English and Portuguese.

In this area in 2009, L&L took over responsibility for the ABRAMUS magazine, reformatting its layout and sections in addition to managing content of the entity’s site. The site grew in terms of visitors by 43% in the second half of 2009, owed to the continual updates and more interesting content for the associates.

With an eye towards world trends and new media, Linhas&Laudas assisted in the creation of ABRAMUS profiles on the main social networks, including Twitter. The ABRAMUS micro blog, updated frequently, provides news about associates and the issue of authors’ rights. The purpose is to get closer to the musicians, composers and interesting people, in addition to facilitating an exchange of information. Content of those tools is updated directly by the internal communications of the association.

The agency also produces on a monthly basis five newsletters (music, dramatic arts, visual arts, audiovisual and internal public) distributed to the associates containing notes, interviews and articles related to one of the activities. Towards the end of 2009, an international version of the ABRAMUS newsletter was created.

Looking forward to 2010, Linhas&Laudas believes that ABRAMUS should continue to mark its presence in discussions related to the Authors’ Rights Law reform, performing its role as the leader in the issue as well as taking an active position in topics related to all types of artistic expression. Additionally, the agency has targeted internal communications structure, improved interaction with the associates and a restructuring and adaptation of contents of all tools, such as the magazine, site and newsletters as priority actions to be taken.

Linhas&Laudas Comunicação



The International Federation of the Phonographic Industry (IFPI) and ABRAMUS collaboration agreement was entered into in 2002. Since then all Brazilian authors’ rights holders have benefitted from the formidable repertoire documentation work, enabling music professionals to gain access to their legal compensation. Today, ABRAMUS is the leading authors’ rights management association in Brazil, the preference and an example of good relations among all authors’ rights holders groups: composers, arrangers, editors, interpreters, musicians and recording companies. We are proud of our work with ABRAMUS in defense of intellectual property in Brazil.

Javier Ascencio
International Federation of the Phonographic Industry (IFPI)



The most played songs in radio per region - South

1	Borboletas	Vitor Chaves Zapala Pimentel
2	Tem Que Ser Você	Vitor Chaves Zapala Pimentel
3	Mala Pronta	Hugo Casciano Pena, Sigem-Sistema Globo de Edições Musicais Ltda, Silvio Donizeti Rodrigues
4	1 Minuto	Dalto Francisco da Silva Carreiro, Leonardo de Araújo Teixeira, Universal Music Publishing Ltda., Vinicius Cardoso de Abreu
5	Cedo ou Tarde	Diego José Ferrero, Leandro Franco da Rocha, Midas Estúdio S/C Ltda.
6	Pode Chorar	Universal Music Publishing Ltda.
7	Bala de Prata	Universal Music Publishing Ltda.
8	De Tanto te Querer	Universal Music Publishing Ltda.
9	Faz um Milagre em Mim	Joselito Tulio Antônio Garcia, Kelly Regina Ferreira de A. Danese Silveira, MC Distribuição e Edição Musical Ltda.
10	Sem Ar	Marcio Felipe Barroso Nascimento, Universal Music Publishing Ltda., Vinicius Cardoso de Abreu
11	Amado	Marcelo Jeneci da Silva Vanessa Sigiane da Mata Ferreira Vanessa Sigiane da Mata Ferreira Editora Me.
12	Fora do Eixo	Hugo Casciano Pena, Sigem-Sistema Globo de Edições Musicais Ltda.
13	Mina do Condomínio	Cafuné Produções Artísticas e Editoriais Ltda. Copyrights Consultoria Ltda., Gabriel de Moura Passos, Jorge Mário da Silva, Pierre Albert Aderne Faria Neves, Universal Music Publishing Ltda
14	Eu Aposto	Universal Music Publishing Ltda., Warner Chappell Edições Musicais Ltda.
15	Se é pra Falar de Amor	Universal Music Publishing MGB Brasil Ltda. Warner Chappell Edições Musicais Ltda.
16	Ainda Gosto Dela	Infernal Produções Artísticas S/C Ltda. José Fernando Gomes dos Reis
17	Take a Bow	Universal Music Publishing MGB Brasil Ltda.
18	Beber, Cair e Levantar	Bruno Caliman Mansao Music Com Grav Distrib Ed Ltda. Me. Nany CDs Ltda. Nozimario Neves de Oliveira
19	A Chapa vai Esquentar	Henrique Adhemar Marques Junior Sigem-Sistema Globo de Edições Musicais Ltda.
20	Me Abrace	SM Publishing (Brasil) Edições Musicais Ltda. Sony Music Edições Musicais Ltda. Wanessa Godói De Camargo Wanessa Godói De Camargo Buaiz

The most played songs in radio per region - Southeast

1	Take a Bow	Universal Music Publishing MGB Brasil Ltda.
2	Borboletas	Vitor Chaves Zapala Pimentel
3	1 Minuto	Dalto Francisco da Silva Carreiro, Leonardo de Araújo Teixeira, Universal Music Publishing Ltda., Vinicius Cardoso de Abreu
4	Cedo ou Tarde	Diego José Ferrero, Leandro Franco da Rocha, Midas Estúdio S/C Ltda.
5	Bye Bye	SM Publishing (Brasil) Edições Musicais Ltda. Sony Music Edições Musicais Ltda. Universal Music Publishing Ltda.
6	With You	SM Publishing (Brasil) Edições Musicais Ltda. Sony Music Edições Musicais Ltda.
7	Mina do Condomínio	Cafuné Produções Artísticas e Editoriais Ltda. Copyrights Consultoria Ltda., Gabriel de Moura Passos, Jorge Mario da Silva, Pierre Albert Aderne Faria Neves, Universal Music Publishing Ltda.
8	Faz um Milagre em Mim	Joselito Tulio Antônio Garcia, Kelly Regina Ferreira de A. Danese Silveira, MC Distribuição e Edição Musical Ltda.
9	Ainda Gosto Dela	Infernal Produções Artísticas S/C Ltda, José Fernando Gomes dos Reis
10	Forever	Universal Music Publishing Ltda.
11	No Air	Universal Music Publishing Ltda e Universal Music Publishing MGB Brasil Ltda.
12	No One	Universal Music Publishing Ltda.
13	Amado	Marcelo Jeneci da Silva, Vanessa Sigiane da Mata Ferreira, Vanessa Sigiane da Mata Ferreira Editora Me.
14	Right Now	SM Publishing (Brasil) Edições Musicais Ltda.
15	Disturbia	SM Publishing (Brasil) Edições Musicais Ltda. Universal Music Publishing Ltda.
16	Insegurança	Deck Produções Artísticas Ltda. Valter de Jesus Adão
17	Burguesinha	Cafuné Produções Artísticas e Editoriais Ltda., Copyrights Consultoria Ltda., Gabriel de Moura Passos, Jorge Mario da Silva, Universal Music Publishing Ltda.
18	Love in This Club	SM Publishing (Brasil) Edições Musicais Ltda. Sony Music Edições Musicais Ltda. Universal Music Publishing Ltda.
19	Give it 2 Me	Warner Chappell Edições Musicais Ltda.
20	4 minutes	Universal Music Publishing MGB Brasil Ltda. e Warner Chappell Edições Musicais Ltda. Warner Chappell Edições Musicais Ltda.

The most played songs in radio per region - North

1	Borboletas	Vitor Chaves Zapala Pimentel
2	Ainda Gosto Dela	Infernal Produções Artísticas S/C Ltda., José Fernando Gomes dos Reis
3	Meu Amor	SM Publishing (Brasil) Edições Musicais Ltda.
4	1 Minuto	Dalto Francisco da Silva Carreiro, Leonardo de Araújo Teixeira, Universal Music Publishing Ltda., Vinicius Cardoso de Abreu
5	Cedo ou Tarde	Diego José Ferrero, Leandro Franco da Rocha, Midas Estúdio S/C Ltda
6	Beijar na Boca	Universal Music Publishing Ltda.
7	Sem Ar	Marcio Felipe Barroso Nascimento, Universal Music Publishing Ltda., Vinicius Cardoso de Abreu
8	Você é o Cara	Sigem-Sistema Globo De Edições Musicais Ltda.
9	Burguesinha	Cafuné Produções Artísticas e Editoriais Ltda. Copyrights Consultoria Ltda., Gabriel de Moura Passos, Jorge Mario da Silva, Universal Music Publishing Ltda.
10	Tem que ser você	Vitor Chaves Zapala Pimentel
11	Insegurança	Deck Produções Artísticas Ltda., Valter de Jesus Adão
12	Cadê Dalila	SM Publishing (Brasil) Edições Musicais Ltda.
13	Eu Vou Seguir	SM Publishing (Brasil) Edições Musicais Ltda., Sony Music Edições Musicais Ltda., Universal Music Publishing Ltda.
14	Me Abrace	SM Publishing (Brasil) Edições Musicais Ltda., Sony Music Edições Musicais Ltda., Wanessa Godói de Camargo, Wanessa Godói de Camargo Buaiz
15	Amado	Marcelo Jeneci da Silva, Vanessa Sigiane da Mata Ferreira, Vanessa Sigiane da Mata Ferreira Editora Me.
16	Pode Chorar	Universal Music Publishing Ltda.
17	Mina do Condomínio	Cafuné Produções Artísticas e Editoriais Ltda., Copyrights Consultoria Ltda., Gabriel de Moura Passos, Jorge Mario da Silva, Pierre Albert Aderne Faria Neves, Universal Music Publishing Ltda.
18	Se Quiser	SM Publishing (Brasil) Edicoes Musicais Ltda., Sony Music Edições Musicais Ltda.
19	Lama	Marjori Vieira Guarnieri Stock, Na Moral Prod. Art. Empresariais Ltda.
20	Amigo Fura Olho	Warner Chappell Edições Musicais Ltda.

The most played songs in radio per region - Northeast

1	Borboletas	Vitor Chaves Zapala Pimentel
2	Amado	Marcelo Jeneci da Silva, Vanessa Sigiane da Mata Ferreira, Vanessa Sigiane da Mata Ferreira Editora Me.
3	A Fila Anda	Geovany Bernardes de Sousa, SM Publishing (Brasil) Edições Musicais Ltda, Universal Music Publishing Ltda.
4	1 Minuto	Dalto Francisco da Silva Carreiro, Leonardo de Araújo Teixeira, Universal Music Publishing Ltda., Vinicius Cardoso de Abreu
5	Tem Que Ser Você	Vitor Chaves Zapala Pimentel
6	Faz um Milagre em Mim	Joselito Tulio Antonio Garcia, Kelly Regina Ferreira de A. Danese Silveira, MC Distribuição e Edição Musical Ltda.
7	Carry You Home	Kobalt Music Publishing Limited
8	Me Abrace	SM Publishing (Brasil) Edições Musicais Ltda., Sony Music Edições Musicais Ltda., Wanessa Godói de Camargo, Wanessa Godói de Camargo Buaiz
9	Cadê Dalila	SM Publishing (Brasil) Edições Musicais Ltda.
10	Beijar na Boca	Universal Music Publishing Ltda.
11	Insegurança	Deck Produções Artísticas Ltda. e Valter de Jesus Adão
12	Ainda Gosto Dela	Infernal Produções Artísticas S/C Ltda., José Fernando Gomes dos Reis
13	Diga Sim pra Mim	Isabella Maria Lopes Leite, Universal Music Publishing Ltda.
14	Boa Sorte (Good Luck)	Vanessa Sigiane da Mata Ferreira, Vanessa Sigiane da Mata Ferreira Editora Me
15	O Que Vai Ser de Nós	Savit Gravações e Edições Musicais Ltda Severino José dos Santos Filho, SM Publishing (Brasil) Edições Musicais Ltda.
16	Eu Aposto	Universal Music Publishing Ltda., Warner Chappell Edições Musicais Ltda.
17	Sem Ar	Marcio Felipe Barroso Nascimento, Universal Music Publishing Ltda., Vinicius Cardoso de Abreu
18	Amigo Fura Olho	Warner Chappell Edições Musicais Ltda.
19	Chega	SM Publishing (Brasil) Edições Musicais Ltda., Sony Music Edições Musicais Ltda.
20	Mina do Condomínio	Cafuné Produções Artísticas e Editoriais Ltda., Copyrights Consultoria Ltda., Gabriel de Moura Passos, Jorge Mario da Silva, Pierre Albert Aderne Faria Neves, Universal Music Publishing Ltda.

The most played songs in radio per region - Midwest

1	Borboletas	Vitor Chaves Zapala Pimentel
2	1 Minuto	Dalto Francisco da Silva Carreiro, Leonardo de Araújo Teixeira, Universal Music Publishing Ltda., Vinicius Cardoso de Abreu
3	A Fila Anda	Geovany Bernardes de Sousa, SM Publishing (Brasil) Edições Musicais Ltda., Universal Music Publishing Ltda.
4	Tem que Ser Você	Vitor Chaves Zapala Pimentel
5	Eu Aposto	Universal Music Publishing Ltda., Warner Chappell Edições Musicais Ltda.
6	Amado	Marcelo Jeneci da Silva, Vanessa Sigiane da Mata Ferreira, Vanessa Sigiane da Mata Ferreira Editora Me.
7	Carry You Home	Kobalt Music Publishing Limited
8	O Que Vai Ser de Nós	Savit Gravações e Edições Musicais Ltda., Severino José dos Santos Filho, SM Publishing (Brasil) Edições Musicais Ltda.
9	Coisa de Pele	Rodrigo de Freitas Herculano, Warner Chappell Edições Musicais Ltda.
10	Me Abrace	SM Publishing (Brasil) Edições Musicais Ltda., Sony Music Edições Musicais Ltda., Wanessa Godói de Camargo, Wanessa Godói de Camargo Buaz
11	Bala de Prata	Universal Music Publishing Ltda.
12	Beijar na Boca	Universal Music Publishing Ltda.
13	Não Tente me Impedir	SM Publishing (Brasil) Edições Musicais Ltda., Universal Music Publishing MGB Brasil Ltda.
14	De Tanto te Querer	Universal Music Publishing MGB Brasil Ltda.
15	Você Sabia	Leonardo Chaves Zapala Pimentel Vitor Chaves Zapala Pimentel
16	Pode Chorar	Universal Music Publishing Ltda.
17	Ainda Gosto Dela	Infernal Produções Artísticas S/C Ltda., José Fernando Gomes dos Reis
18	Sem Ar	Marcio Felipe Barroso Nascimento, Universal Music Publishing Ltda., Vinicius Cardoso de Abreu
19	Amor e Paixão	Universal Music Publishing MGB Brasil Ltda.
20	Sufoco	Adiel Martins Rodrigues

Collective Management in Brazil

Music authors' rights management in Brazil is conducted differently than in many countries. There are 10 associations in the country that manage neighbouring and authors' rights and work with a central office (ECAD – Escritório central de Arrecadação e Distribuição – Central Collection and Distribution Office) which performs all their collections and distributions.

Decisions of this area are taken in a general assembly and although the vote is weighted in proportion to the market share of each association, the decisions generally are made by consensus.

Distribution by ECAD is conducted on a monthly basis but some headings such as radio and TV are paid out quarterly. In the event of audiovisual amounts, distributions are made every six months. All schedules and regulations used for collection and distribution are defined at the General Assembly. The amounts usually distributed according to the rule of 2/3 for authors' rights and 1/3 for neighbouring rights, but there are exceptions and differences in specific cases.

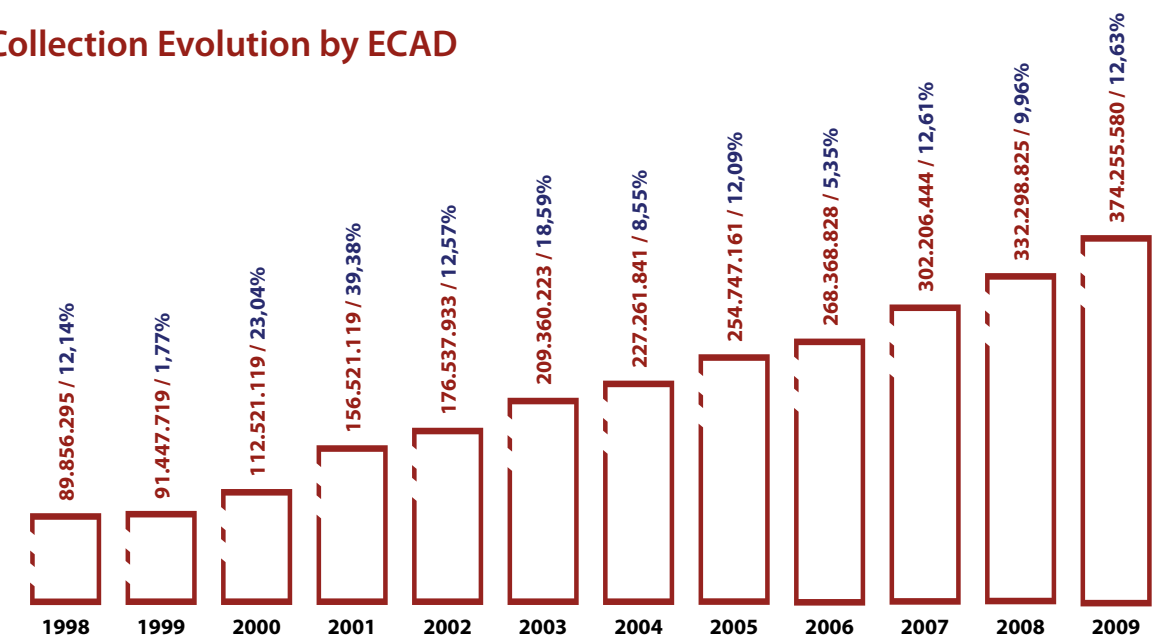
Of the amount collected, 17% is the ECAD FEE, 7.5% goes to the association and 75.5% goes to the authors' rights holder. In the case of ABRAMUS, the entity grants 0.5% more to the authors' rights holder in the form of a bonus, just one more advantage and benefit for associates.

The administrative fee is necessary, owed to the high default payment rates in Brazil today. Nearly 50% of the radio stations are in default. The leading open TV stations do not pay the stipulated amount correctly. The General Users find it difficult to understand why they need to pay for the authors' rights at events held and in their commercial establishments.

Nevertheless, despite the negative panorama, collections have grown by nearly 13% per year, thanks to the awareness measures taken with the public in relation to the importance of respecting Authors' rights. ABRAMUS does its part by sponsoring presentations throughout Brazil explaining the bases for authors' rights and collective management as a way to contribute towards the work of ECAD.

In 2009, ECAD celebrated 33 years and ABRAMUS its 27 years, and the firm handling of the entity in its search for continued improvement are responsible in a large part for the enhanced performance of the Office and management in the country over the years. The association closed out last year with indicators above 20% when the number of works and phonograms of the general database of the office are analyzed, a result which attests to the intense documentation work. The association for the second year in a row also closed 2009 as the largest in the sector, a sure sign that the staff is on the right track. The objective is clear: respect for the art of music and the author.

Collection Evolution by ECAD



ECAD – Superintendent's Report

In an analysis of 2009, one marked by the effects of the serious worldwide economic crisis and the decrease in the Brazilian GDP, collections were successful owed to new contracts signed with music stores and movie theaters chains, not just in relation to recovering debts, but guaranteeing the payment of monthly fees. On the other hand, the number of shows and events collected surpassed those of the prior year by nearly 10%. Equally important are the strategies for collection of sports events and users of new media.

In turn, our organizational units located throughout Brazilian territory, not only established the ECAD collection network, they also turned in record growth, driven by the over 20,000 new registrations. The year also witnessed implementation of the Telecollection Project for the purpose of centralizing and optimizing operations procedures of all units resulting in the simplification and standardization of operations. All these successful efforts have overcome the problems stemming from default on the part of television stations as well as making ECAD less dependent on this segment. Owing to the aforementioned efforts and despite the world economic crisis R\$ 374,255,579.82 was collected reflecting an increase of 12.63% in relation to 2008, the highest percentage collection increase in the last six years.

Inasmuch as concerns the distribution of authors' rights, 2009 was marked by significant investments in improving processes in associate services, in the consolidation of distribution standards, training employees in the area and in restructuring the organization. All these efforts have culminated in the distribution of R\$ 317.806.081,02 to the owners and associations, recording a growth of 17.06% in relation to 2008. By intensifying contact with the associates and responding to 19,767 occurrences, the area not only surpassed the previous year's performance but also improved understanding of the pressing needs of the associations and their holders.

On the other hand, by creating the audiovisual sector, the area enhanced the offering of songs played on television stations programming, reaching the desired performance. The year was also notable for the creation of a new distribution heading – party venues – for the purpose of including owners of songs played specifically in these places. This new operation attested to the continual concern of the associations and ECAD to make ever increasingly fair distributions.

Participation of the ECAD legal area was decisive in the struggle against default in general and especially in that identified among large users. Significant advances were made in ongoing legal processes against ECAD debtors. On the other hand, the area invested in announcing, in all Brazilian states, the application of article 105 of the Authors' Rights Law achieved significant results. It also intensified decisions in suits based on the violations and illegal acts and not merely on rights collection actions.

We would also like to emphasize the effective technology input in all our internal procedures. In 2009, in addition to the successful introduction of the Telecollection center, Ecadtec.som (sound) and Ecadtec were enhanced. Mobile use was increased in our operating activities. This expertise has decisively influenced maximization of the results achieved by all areas. The work method most often used by the area caused all ECAD in 2009 to begin working on a project oriented methodology, focusing on greater control of all stages and activities involved in implementing new solutions. In this same line, the strategic planning area was created focused on monitoring the several ECAD strategic actions for the purpose of insuring that the measures planned are effected and the needs to achieve forecast results are fulfilled.

In general, we gently ask everyone's attention to the significant amount of activities from all areas of Ecad, who overcame in pursuit of the goals of the organiza-

tion, creating conditions that are decisive for achieving the outcomes detailed throughout this Annual Report. The sum of all these efforts resulted in 2009, despite the world crisis, a Brazilian management model personified by ECAD and which is also capable of providing a higher percentage (0.5%) of the amounts shared with the rights holders.

We believe that despite the final yearend deficit of R\$ 288,927.05, the positive results achieved by all areas of the association reflect the continual search for improved operations. Collection and distribution of rights for public performances is centralized at ECAD and the

Brazilian collective management associations have shown the world to what extent the Brazilian model is both interesting and modern, ennobling our work as teams in the several areas of the Central Office.

Therefore, we are delighted, together with the General Assembly, about the good results and we end the presentation of the 2009 Annual Report thanking all for the respect and confidence in our team and we remain at your disposal.

Gloria Braga
Executive Superintendent



Collections in numbers

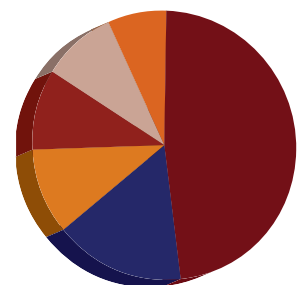
ECAD - COLLECTION

Segment	2009
General Users	R\$ 127,971,725
Shows and Live Events	R\$ 99,843,139
Open Television	R\$ 84,424,995
Cable Television	R\$ 5,932,753
Radio	R\$ 55,543,622
Internet	R\$ 539,344
Total	R\$ 374,255,578

GROWTH IN RELATION TO THE PRIOR YEAR

Segment	2007	2008	2009
General Users	17.34%	19.88%	18.68%
Shows and Live Events	16.34%	23.60%	9.73%
Open Television	2.71%	0.99%	14.13%
Cable Television	164.18%	-60.86%	-28.22%
Radio	-10.07%	15.44%	9.13%
Internet	89.42%	80.45%	58.41%
Total	12.61%	9.96%	12.63%

Highlight on the work performed by ECAD in the general user segment which in certain niches turned in substantial growth:



- Amusement parks: **97%**
- Ambiance sound: **32,3%**
- Gyms: **20,7%**
- Restaurants and the like: **19,8%**
- Commercial stores: **18,8%**
- Shopping malls / Terminals / Condominiums: **14,3%**

Another segment that merits highlighting is new media, which reflected growth of 58.4%. The number of users also increased nearly 50% and this helped this surge. The amounts although small represent a very promising segment of the market and will show more positive results in the upcoming years.

Collections in the movie segment are owed to the good work conducted by the ECAD staff and an increase of 37.5% in relation to the previous year.

ABRAMUS Documentation Numbers

TOTAL NUMBERS – WORKS REGISTERED

MANUAL INCLUSION	CWR
99.485	119.951

TOTAL NUMBERS – PHONOGRAMS REGISTERED

INCLUSION	CHANGE
64.944	20.260

TOTAL NUMBERS – CUE SHEET

INCLUSION
3.704

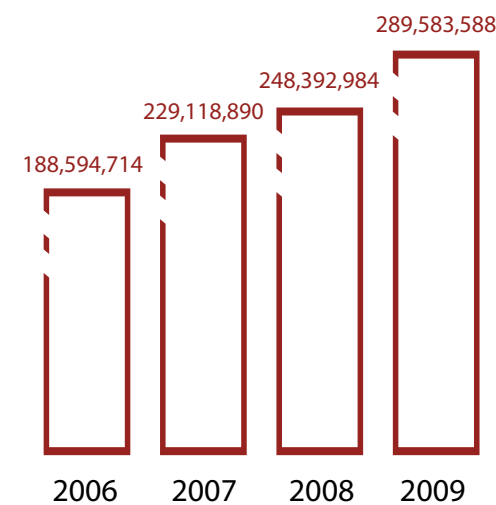


Number of ABRAMUS Holders by Category

AUTHOR / COMPOSER	PERFORMER	NON FEA-TURED ARTIST	RECORD COMAPNY	PUBLISHER
20.175	20,048	20,341	9,980	692

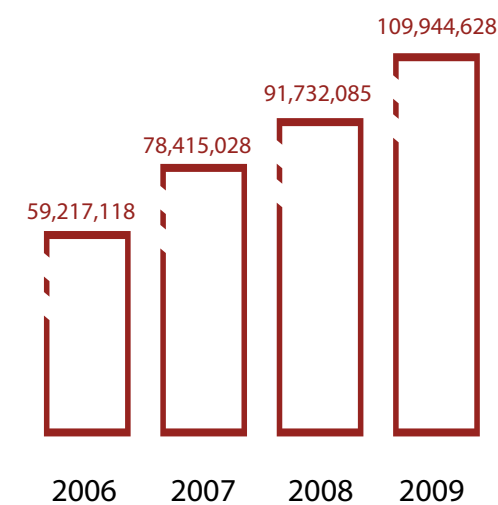
Amounts distributed to owners in Brazilian Reais (R\$)

by ECAD

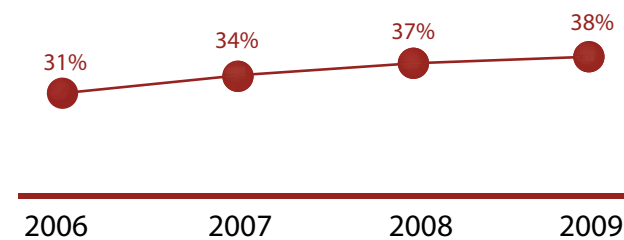


Amounts distributed to owners in Brazilian Reais (R\$)

by ABRAMUS



ABRAMUS Share of Brazilian Market



International Report - Authors

The world today is connected. Frontiers, if not falling, are becoming closer and technological advances have provided us with greater interactivity, but at the same time require that we be prepared. We at ABRAMUS are aware of this and are improving and making the International Department's work more efficient since it is the communications channel between the association and foreign entities.

In 2009, representation contracts were finalized with associations in Israel (ACUM), Norway (TONO), South Africa (SAMRO), Hungary (ARTIJUS), Finland (TEOSTO) and Peru (APDAYC). As a result, we have increased our power of representation in addition to assuring that the owner is represented throughout the world. We have 55 contracts in place, 42 of which are unilateral and 13 bilateral. We have dedicated our work to protect the repertoire of our associates abroad to insure respect of their rights in the world outside their countries. Likewise we have worked to improve treatment and security of the staff assigned to assure that their rights are protected here in Brazil.

Throughout last year, 4,651 members joined ABRAMUS in the author category and all have received their IPI codes. By March 2010, electronic exchange with the Swiss authors' rights management association, SUIISA database will be ready which will enable us to have a database of all the holders in the associations that we represent. Another constant concern of the association in 2009 was in relation to communications. Proof of this is the amount of information that circulated during the period: nearly 1,800 communications were relayed abroad.

In relation to the amounts derived from public performance of works, we received from abroad R\$ 910,973.29 as opposed to R\$ 429,655.48 in 2008. We forwarded R\$ 1,809,382.47 compared to R\$ 1,687,034.65 in 2008. This is a result of our increased work which is a point of pride for us. This increase was achieved in a year scarred by the serious world crisis. It is worthwhile mentioning as

well the participation of ABRAMUS in committees and events organized by CISAC, since it is an opportunity to improve our work and increase contact with people who work with the associations with which we have contact.

In 2010, we expect to consolidate the work performed in 2009, seeking technological solutions to enhance communications and optimize time, so as to offer more efficient services. We also hope to increase receivables from abroad and the amounts of the remittances, satisfying our owners and the associations we represent.

Roseany Fagundes

International Department Authors Supervisor

TITLE

1	Você me Apareceu
2	Amor Eterno
3	Charlie Brown
4	É o Tchan
5	Paz na Cama
6	Fico Assim sem Você
7	Feliz de Novo
8	Esperança
9	Tormento D'Amore
10	Tive Razão
11	Berimbau
12	Tem que Valer
13	Cidade de Deus (CUES)
14	O Barquinho
15	Beatriz
16	O Tempo Não Para
17	Meu Sonho
18	E Depois
19	Bicicleta
20	Boa Sorte (Good Luck)

Contracts - Author Rights

Sociedade	País	Contrato
ACDAM	Cuba	Unilateral
ACUM	Israel	Unilateral
AEPI	Greece	Unilateral
AGADU	Uruguay	Bilateral
AKKA-LAA	Latvia	Unilateral
AKM	Austria	Unilateral
APA	Paraguay	Unilateral
APDAYC	Peru	Bilateral
APRA	Australia	Unilateral
ARMAUTHOR	Armenia	Bilateral
ARTISJUS	Hungary	Unilateral
ASCAP	USA	Unilateral
BMI	USA	Unilateral
BUMA	Netherlands	Unilateral
CASH	Hong Kong	Unilateral
COSCAP	Barbados	Bilateral
COSOTA	Tanzania	Bilateral
COTT	Trinidad y Tobago	Unilateral
GEMA	Germany	Unilateral
HDS-ZAMP	Croatia	Bilateral
IMRO	Ireland	Unilateral
JASRAC	Japan	Unilateral
KODA	Denmark	Unilateral
LATGA-A	Lithuania	Unilateral
MACP	Malaysia	Unilateral
MESAM	Turkey	Unilateral
OSA	Czech Republic	Unilateral
PRS	England	Unilateral
RAO	Russia	Unilateral
SABAM	Belgium	Unilateral
SACEM	France	Unilateral
SACM	Mexico	Unilateral
PRS	England Anguila Antigua and Barbuda Ascencion Bahamas Belize Bermuda Brunei Cyprus	Unilateral

	Diego Garcia Dominica Scotland Falkland Island South Gorgia Gana Gibraltar Granada Isle of Man Cayman Island Canal Island South Sandwich Island Virgin Island India Jamaica Quenia Malawi Malta Montserrat Nigeria Pitcairn Island England Saint Helena Saint Lucia San Cristobal y Nevis Saint Vicent and Grenadines Seychelles Tristan da Cunha Turks and Caicos Zambia Zimbabue	
PRS		Unilateral
SABAM	Belgium	Unilateral
SACM	Mexico	Unilateral
SACEM	France Polinesia New Caledonia Luxembourg Monaco Benim Tunisia Togo Senegal	Unilateral

SACEM	Níger	Unilateral
	Morocco	
	Mali	
	Madagascar	
	Guinea	
	Ivory Coast	
	Congo	
SACVEN	Central Africa	Unilateral
	Cameroon	
	Egypt	
SACVEN	Venezuela	Unilateral
SADAIC	Argentina	Bilateral
SAMRO	South Africa	Unilateral
SAYCE	Ecuador	Bilateral
SAYCO	Colombia	Unilateral
SCD	Chile	Unilateral
SGACEDOM	Dominican Republic	Bilateral
SGAE	Spain	Bilateral
SIAE	Italy	Unilateral
SOBODAYCOM	Bolivia	Unilateral
SOCAN	Canada	Unilateral
SOKOJ	Servia	Unilateral
SOMAS	Mozambique	Bilateral
SOZA	Eslovaquia	Unilateral
SPA	Portugal	Unilateral
SPAC	Panama	Unilateral
STIM	Sweden	Unilateral
SUISA	Switzerland	Unilateral
TEOSTO	Finland	Unilateral
TONO	Noruega	Unilateral
UACRR	Ukraine	Bilateral
UCMR-ADA	Romenia	Unilateral
UPRS	Uganda	Bilateral
ZAIKS	Poland	Unilateral

Amounts Releived from Other Societies

SOCIETY	AMOUNT	SOCIETY	AMOUNT
AEPI	R\$ 6,723.71	SADAIC	R\$ 22,687.75
AGADU	R\$ 6,469.83	SAYCO	R\$ 2,395.63
AKKA	R\$ 260.91	SCD	R\$ 6,249.20
ASCAP	R\$ 83,469.99	SGAE	R\$ 37,058.88
APDAYC	R\$ 2,343.89	SIAE	R\$ 184,712.86
BMI	R\$ 9,767.88	OSA	R\$ 612.08
CASH	R\$ 1,150.44	SPA	R\$ 113,216.42
GEMA	R\$ 66,010.88	SOCAN	R\$ 25,186.42
IMRO	R\$ 1,213.74	SAMRO	R\$ 2,541.13
JASRAC	R\$ 125,557.92	STIM	R\$ 22,809.10
PRS	R\$ 20,904.69	SUISA	R\$ 74,443.89
SACEM	R\$ 51,901.89	TONO	R\$ 14,501.12
SACM	R\$ 6,611.67	BUMA	R\$ 7,416.46
SACVEN	R\$ 14,754.37	TOTAL	R\$ 910,973.29



International Report – Neighbouring Rights

The International Neighbouring rights department commemorated in 2009 contracts signed with two associations located in very important territories that are highly important to Brazilian music, ACTRA PRS in Canada and ANDI in Mexico. Both associations have expressed satisfaction with ABRAMUS work methods and have agreed to work jointly with the association on a bilateral basis, i.e., Brazilian performers are represented in these two countries, and foreign artists are likewise represented by ABRAMUS in Brazil.

This year we were able to introduce the SDEG Exchange format to optimize two-way information and remittance of payment amounts. The system is already in place, but obviously still needs tweaking which arises during use.

In 2009, ABRAMUS was officially allowed entry in the IPDA – International Performers Database Association. This is an association that manages a database of artists and their affiliations (similar to IPI for authors) which will also enhance exchanges between ABRAMUS and the associations with which it is in contact and it will no longer be necessary to forward long

and non standardized spreadsheets. Full integration is planned for mid-2010.

The idea for next year is to improve our system for distributing amounts received from abroad. Based on the expanded IT staff, new ideas and suggestions will arise and they will be discussed and implemented to better take advantage of resources and provide, at all times, greater transparency and simplification inasmuch as concerns remittances from abroad.

We also intend to advance contract negotiations with foreign associations in those countries in which ABRAMUS holders are not yet represented, to enable receipt of that to which our associates are entitled. Three territories are key to making this happen: Japan, France and Switzerland. They are the countries in which Brazilian music is performed on a broad basis but which collective management associations still put up a certain amount of resistance to firming up contracts.

Ricardo Mello

International Department – Neighbouring Rights Supervisor

Amounts Received from Other Societies

PPL	R\$ 75,517.48
SAMI	R\$ 5,508.69
SENA	R\$ 21,867.76
The Sound Exchange	R\$ 31,416.26

Contracts - Neighbouring Rights

Society	Country	Type of Contract	Holders Represented
ACTRA PRS	Canada	Bilateral	Performer
HUZIP	Croatia	Bilateral	Performer
GRAMEX	Denmark	Bilateral	Performer
GRAMEX	Denmark	Bilateral	Record Produced
ZAVOD-IPF	Eslovenia	Bilateral	Performer
AIE	Spain	Unilateral (Spain)	Performer
Sound Exchange	USA	Unilateral (USA)	Performer
Sound Exchange	USA	Unilateral (USA)	Record Produced
APOLLON	Greece	Bilateral	Performer
SENA	Netherlands	Bilateral	Performer
SENA	Netherlands	Bilateral	Record Produced
ANDI	Mexico	Bilateral	Performer
SGP	Paraguay	Bilateral	Record Produced
STOART	Poland	Bilateral	Performer
PPL	United Kingdom	Bilateral	Performer
PPL	United Kingdom	Bilateral	Record Produced
ROUPI	Russia	Unilateral (Brazil)	Performer
RPA	Russia	Bilateral	Performer
RPA	Russia	Bilateral	Record Produced
SAMI	Sweden	Bilateral	Performer
OBERIH	Ukraine	Bilateral	Performer
UMA	Ukraine	Bilateral (Brazil)	Record Produced
UMA	Ukraine	Unilateral	Performer

Artistis & Repertoire

The Artistis & Repertoire (A&R) department of ABRAMUS is responsible for contacts between owners and the company engaged in solving problems, questions and needs. Service is personalized and priority is place on the satisfaction of the associates. Today the department is bearing fruit and recognition of this work, reaching a hallmark of over 25,000 owners in Brazil, including authors, performers, musicians, publishers and recording companies.

The fact that we are in a country of continental dimensions created a need to have offices in the main cities in Brazil and trained employees who in addition to understanding the music market, are specialists in musical traits and their own regions. These offices are strategically located to meet the associates' needs no matter where they are.

The department with the intention of approaching the association owners and thereby solve issues involved in the relationship, encourages them to visit the offices to further the development of the work and update information and registrations as well as pick up credits retained in the ECAD base. Some of the routine duties this department performs are:

- Personalized and distinctive services for our owners;
- Telephone support when requested;
- Fast, direct support at no cost by radio in Rio de Janeiro, São Paulo, Paraná, Salvador and in Porto Alegre and;
- Periodic search for credits retained in the ECAD base

In 2009, the work of ABRAMUS with the associates was excellent, culminating in representation of the biggest artists in Brazil. Some of these artists are: Leonardo, Ivette Sangalo, Gaúcho da Fronteira, Dorival Caymmi, Ivan Lins, Leoni, George Israel, Nando Reis, Caetano Veloso, Maria Gadú, Borguetinho, Seu Jorge and Victor & Léo to name a few. In 2010, we made a great effort to go beyond our limits and satisfy our members. We know that we have room to improve and grow further. This spirit will serve us to seek new challenges at all times. Authors' rights at ABRAMUS are handled by professionals and our associates know this and are always highly satisfied.

Fernando Viana e Gustavo Vianna
Artistis & Repertoire Supervisors



We began our operations in May 2004, with the implementation of the Big Rights Department, which has been renamed Theater & Dance. In 2009 we reversed the stance we used to take. Instead of contacting authors in Brazil we have brought foreign associations which at the time were dissatisfied with the management they had. The first one to sign on with us was SGAE, followed soon afterward by SACD. Today in addition to those we also have contracts with SIAE, SPA, AGADU, ATN, SSA, RAO and ARGENTORES. Based on this broad representation, Brazilian authors have migrated from their associations to ABRAMUS. Today, we have 200 domestic authors including Manuel Bandeira, Cecília Meireles, Carlos Drummond de Andrade, Luís Fernando Veríssimo, Ariano Suassuna and Nelson Rodrigues.

We have developed a work methodology over the years based on transparency and productivity. Nevertheless, we have continued to make improvements. Today ABRAMUS is an association of distinctive authors. It does not work only as a collection and rights distribution center but is engaged as an agent for authors as well. In this regard we publicize their works and research new texts to introduce to the domestic and international markets.

Based on this involvement the association achieved success in 2009 and should continue to do so in 2010.

Another area in which we were engaged last year was to develop closer relations with the theatrical class in Brazil. ABRAMUS, by means of the Theater & Dance department, was represented at a number of theater festivals in Brazil and made presentations regarding authors' rights. We hope to demystify the authors' association and portray it as a partner to authors and producers rather than as a repressive organization.

In 2009, the department invoicing increased 61% in comparison to 2008. In addition to amount of work involved in publicizing works, the Year of France in Brazil also helped towards reaching this success because there were a large number of productions having broad themes in the country. Inasmuch as concerns net authors' rights distributed, we paid out R\$ 558,829,84 to local authors and R\$ 565,299.38 to foreign authors. These numbers depict the growing domestic market in view of the fact that when we began operations we only represented foreign authors.

Guilherme Amaral

Theater & Dance Department Supervisor

AMOUNTS REPASSED IN 2009

January	R\$ 56,606.21
February	R\$ 59,164.89
March	R\$ 99,400.24
April	R\$ 143,763.60
May	R\$ 85,601.75
June	R\$ 167,937.52
July	R\$ 140,570.35
August	R\$ 125,054.17
September	R\$ 85,814.35
October	R\$ 77,688.31
November	R\$ 189,611.69
December	R\$ 83,017.11
Total	R\$ 1,314,230.19

LIST OF CONTRACTS

SACD - France
SGAE - Spain
SIAE - Italy
SSA - Switzerland
RAO - Russia
ATN - Chile
AGADU - Uruguay
SPA - Portugal
ARGENTORES - Argentina

In 2009 AUTVIS achieved a growth of 164% in relation to the previous year. Some of the actions that helped earn this increase are contacts made with Henri Matisse, Picasso and Roy Lichitznstein foundations. Today the department has 501 associates all of which belong to the IPI. To increase engagement of AUTVIS new communications materials have been prepared with artists and users implementing new clearer and more direct language.

A presentation was also made providing a portrait of Latin American for CIAGP associates in Madrid, Spain, where process unification tools and the sequence rights were discussed by associations from the world over. The

partnership with the Fine Arts Professional Association (APAP-SP) helped the department approach well known authors enabling greater clarification in relation to authors' rights to the class used to authorizing use without onus, in disrespect to their own rights.

AUTVIS also reformulated its site, to improve exposure of Brazilian artists and provide faster responses for users of their art works. Today the processes are being reviewed and the department system can assure greater simplification and time to spend attracting new business.

Andreia Andrade e Fabiana Garreta
AUTVIS Managers

DIRECT REPRESENTATION CONTRACTS

1	MATISSE	France
2	PICASSO - FOUNDATION	France
3	ROY LICHTZNSTEIN	USA

RECIPROCITY CONTRACTS

1	ADAGP	France
2	ADAVIS	Cuba
3	AGADU	Uruguay
4	AKKA/LAA	Latvia
5	APSAV	Peru
6	ARS	United States
7	ARTEGESTION	Ecuador
8	AUTORARTE	Venezuela
9	BONO	Norway
10	BUS	Sweden
11	COPY-DAN BILLEDKUNST	Denmark
12	CREAIMAGEN	Chile
13	DACS	England
14	HUNGART	Hungary
15	LATGA-A	Lithuania
16	LITA	Slovakia
17	OOA-S	Czech Republic
18	PICTORIGHT	Holland
19	PROLITTERIS	Switzerland
20	RAO	Russia
21	SABAM	Belgium
22	SAVA	Argentina
23	SIAE	Italy
24	SODRAC	Canada
25	SOMAAP	Mexico
26	SPA	Portugal
27	VAGA	USA
28	VBK	Austria
29	VEGAP	Spain
30	VG-BILDKUNST	Alemanha
31	VISCOPY	Australia



In 2009, the ABRAMUS audiovisual department, ABRISAN, made great strides such as the establishment of reciprocity contracts with associations in Switzerland and Spain, in addition to agreements with Brazilian organizations. This work is of the utmost importance since, although the authors of audiovisual works are protected by Law 9610/98, they do not receive any authors' rights payments for audiovisual works in Brazil.

In 2009 ABRAMUS attended the CISAC Conventions in Cracow, Poland (April) and in Montreux, Switzerland (in October). It also participated in congresses held in December in Brazil by the Federação de Escritores e Directores Audiovisuais Latinoamericano (FEDALA) – comprising some entities and associations from a number of Latin American countries.

Representatives were from countries such as Uruguay, Argentina, Peru, Colombia, Ecuador and Brazil to name a few. ABRAMUS was invited by FEDALA to speak about the need for a collective audiovisual works management association and the importance of uniting all authors' rights holders to make this collective management possible.

ABRISAN, founded in 2007, is one of the agencies comprising the Working Group which works towards improving the Databank (ISAN database). Since it is experienced in working with a single databank, the department was asked to help.

ABRAMUS Audiovisual for 2010 has set an objective to close international contracts with associations throughout the world, thereby gaining strength to charge for the authors' rights of audiovisual works in Brazil. The target is to grow 30% in comparison to 2009 and reach new markets such as electronic games. Another department objective is to include the greatest names in audiovisual creation in the association's member roster, from the TV segment as well as Cinema. One new association feature in 2010 is that it will have direct access to International Documentation on Audiovisual Works (IDA) for consultation purposes.

Mônica Frese
ABRISAN Manager

Contracts in progress

- Argentina (Argentores)
- Australia (AWGACS)
- Chile (ATN)
- Colombia (SAYCO)
- Holland (VEVAM)
- England (DIRECTORS UK)
- Ireland (SDCSI)
- Italy (SIAE)
- Russia (RAO)
- Uruguay (AGADU)

International Reciprocity - Contracts Signed

- Switzerland (Suissimage / SSA)
- Spain (SGAE)

Agreements with Brazilian Associations

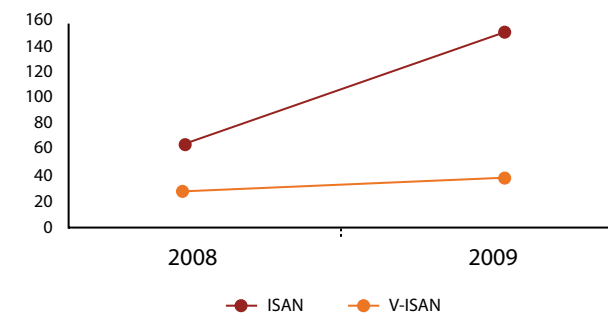
AR (Association of Script Writers) → According to the agreement, ABRAMUS will represent in 2010 all owners associated with AR in Brazil and the world.



ABRAMUS Presence at CISAC Conventions

DATE	EVENT / LOCATION
2007	
February	9th CIS Sessions – Santo Domingo, Dominican Republic
April	ICDLV – London, England
September	10th CIS Sessions – Seville, Spain
October	CTDLV - Punta Del Este, Uruguay
2008	
February	11th CIS Sessions - Kuala Lumpur, Malaysia
April	ICDLV – Rio de Janeiro
October	CTDLV – Barcelona
2009	
April	ICDLV – Cracow, Poland
October	CTDLV – Montreux, Switzerland

ABRISAN Growth



Today, we have important distributors which have adhered to ISAN including the increased releases in Blu-ray. ISAN can be found today on a number of film covers. This is one of the biggest achievements of ABRISAN because it is one of the only countries in the world that has ISAN and the code 2D printed on movie promotional materials.



Independent Auditors' Report

1. We have examined the balance sheet of ASSOCIAÇÃO BRASILEIRA DE MÚSICA E ARTES – ABRAMUS as of December 31, 2009 and the related statements of surplus, changes in net worth and cash flows for the year then ended, all prepared under the responsibility of the Management. Our responsibility is to issue an opinion on these financial statements.

2. Except for the limitations mentioned in paragraph 3, our examinations were conducted in accordance with auditing standards applicable in Brazil and included: a) work planning, taking into consideration the Entity's relevant balances, volume of transaction and accounting and internal control systems; b) verification, on a test-basis, of evidences and records supporting the amounts and accounting information disclosed; and c) evaluation of the most significant accounting practices used, and estimates made, by the Entity's Management, as well as the financial statements overall presentation.

3. At December 31, 2009, under the Entity's "Current Assets" were R\$ 3,352.753 referring to "Prepayments to Associates", and R\$ 1,572.577 referring to "Advances to Associates", and under its "Current Liabilities, was R\$ 7,799.034 referring to "Copyrights Payable". The balances are controlled based on an "Analytical Report on the Associates' Current Account", which showed unreconciled inconsistencies as compared to the related accounting

records. We were unable to perform auditing procedures to assess the nature of these inconsistencies.

4. In our opinion, except for possible effects of the matter discussed in paragraph 3, the financial statements referred to in paragraph 1 above present fairly, in all material respects, the financial position of ASSOCIAÇÃO BRASILEIRA DE MÚSICA E ARTES - ABRAMUS as of December 31, 2009, its operating surplus, the changes in its net worth and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

5. Previously, we audited the financial statements for the year ended December 31, 2008, which comprise the balance sheet, the statements of income and changes in net worth for that year. We issued an opinion thereon, which was qualified for the following: a) unreconciled differences in "Prepayments to Associates", in the amount of R\$ 3.242.319; b) failure to present the analytical report on "Copyrights Payable", in the amount of R\$ 16.612.054, both of which are the object of the limitation mentioned in item 3 hereof; and c) failure to present the Statement of Cash Flows for the year ended December 31, 2008.

Clóvis Ailton Madeira
CTCRC N° 1SP106895/O-1 "S"
31 de Janeiro de 2010

Directa
Auditores



BALANCE SHEETS AS OF DECEMBER 31, 2009 AND 2008 (In Reais)

ASSETS	2009	2008
Current Aculante		
Cash and Banks	438,662	305,470
Short-Term Investments in the Money Market (Note 3)	8,708,293	10,042,517
Copyrights Receivable (Note 4)	585,465	362,073
Advance to Suppliers	392,257	377,770
Prepayments to Associates (Note 7)	3,352,753	6,481,125
Advances to Associates	1,572,577	600,336
Other Credits	671,679	404,784
Total Current Assets	15,721,686	18,574,075
Non Current Assets		
Fixed Assets (Note 5)	740,549	592,449
Intangibles (Note 6)	121,356	76,565
Total Non Current Assets	861,905	669,014
Total do Assets	16,583,591	19,243,089

BALANCE SHEETS AS OF DECEMBER 31, 2009 AND 2008 (In Reais)

LIABILITIES	2009	2008
Current Liabilities		
Suppliers	25,697	64,759
Copyrights Payable (Note 7)	7,799,034	17,022,719
Advances from ECAD (Note 8)	4,870,538	-
Taxes and Contributions Payable (Note 9)	894,292	254,902
Advances from Third Parties	390,461	190,527
Anticipated Revenues (Note 8)	458,014	-
Provisions for Vacation Pay and Related Charges	574,392	456,837
Total Current Liabilities	15,012,428	17,989,744
Non Current Liabilities		
0 Long-Term Liabilities		
Loans and Financing	-	16,562
Total Non Current Liabilities	-	16,562
Net Worth (Note 12)		
Accumulated Surplus	1,253,345	319,209
Surplus for the Year	317,818	917,574
Total Net Worth	1,571,163	1,236,783
Total Liabilities and Net Worth	16,583,591	19,243,089

STATEMENT OF SURPLUS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008 (In Reais)

	2009	2008
Gross Operating Revenue		
Commissions on Copyrights (Note 10)	10,695,170	8,512,536
Other Revenues	47,121	244,042
Total Revenues	10,742,291	8,756,578
Operating Expenses		
Personnel Expenses	(6,378,619)	(4,609,560)
Office Expenses	(2,105,979)	(1,892,384)
Administrative Expenses	(1,752,952)	(1,510,524)
Tax Expenses	(78,240)	(173,354)
Financial Expenses	(136,012)	(164,360)
Financial Revenues	27,329	511,048
Other Operating Revenues (Expenses)	-	130
	(10,424,473)	(7,839,004)
Surplus for the Year	317,818	917,574

STATEMENT OF CHANGES IN NET WORTH FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008 (In Reais)

	ACCUMULATED SURPLUS	TOTAL
At December 31, 2007	319,209	319,209
Surplus for the Year	917,574	917,574
At December 31, 2008	1,236,783	1,236,783
Prior Years' Adjustment	16,562	16,562
Surplus for the Year	317,818	317,818
At December 31, 2009	571,163	571,163

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2009 (In Reais)

OPERATING ACTIVITIES	2009
Surplus for the Year	317,818
Items not Affecting Cash Depreciation/Amortization	218,314
Adjusted Surplus for the Year	536,132
(Increase) / Decrease in Assets	
Accounts Receivable	(223,392)
Prepayments to Associates	3,128,372
Advance to Associates	(972,241)
Other Credits	(281,381)
Increase / (Decrease) in Liabilities	
Fornecedores	(39,062)
Copyrights Payable	(9,223,685)
Taxes and Contributions Payable	639,390
Advances from Clients	199,934
Anticipated Revenues	458,013
Provision for Vacation Pay and Related Charges	117,555
Advances from ECAD	4,870,538
Cash flow used in operating activities	(789,827)
Investing activities	
Acquisition of Fixed Assets and Intangibles	(411,205)
Cash flow used in investing activities	(411,205)
Net decrease in cash and cash equivalents	(1,201,032)
Cash and cash equivalents at the beginning of period	10,347,987
Cash and cash equivalents at the end of period	9,146,955

1. Operations

Associação Brasileira de Música e Artes - ABRAMUS is a civil, not-for-profit partnership founded in 1982. Currently, this entity has over 25 thousand associates namely, authors, interpreters, musicians, publishers and producers.

The collection of the associates' copyrights relating to public presentation is the responsibility of ECAD – Central Office for Collection and Distribution of Copyrights (as stipulated under Law 5.988/73, and amendments introduced by the copyright law no. 9.610/98 of February 19, 1998) of which ABRAMUS is an effective administrative associate, with the following objectives:

- a. Administer, collect and distribute author's rights owned by its associates in connection with live public presentation and radio broadcasting, including cinematographic or audiovisual synchronization of musical work in which they performed, in line with legal provisions prevailing in Brazil and abroad;
- b. Represent its associates based on their membership with ABRAMUS to exercise, protect and collect their rights, as well as take any necessary judicial and/or extra-judicial actions for this purpose;
- c. Collect and distribute neighbouring rights and all related rights pertaining to phonographic production, also known as phonomecanic rights in Brazil and abroad;
- d. Collect and distribute author's rights and all related rights referring to performance of musical, literary-musical and poetic works, via the Internet and other similar means of delivering them, in Brazil and abroad;
- e. Represent its associates by managing, collecting and distributing copyrights arising from synchronization or inclusion in TV, audiovisual, phonographic,

video and phonographic supporting material, within the scope of electronic communications on the web or any other virtual sites;

- f. Enter into international agreements, contracts and arrangements for protection of its associates' copyrights abroad, on a formal mutual interchange or not;
- g. Protect its associates' interests before public agencies and entities, with a view to better adjusting their objectives to those of legal and regulatory provisions, in connection with performance of their activities, musical production and spread of the works dealt with in "a" above;
- h. Collect and distribute author's rights arising from literary, theatrical, dramaturgical, artistic and audiovisual works;
- i. Strive to protect copyrights inherent in any means or tangible or intangible supports already known or that come to be invented in the future, in accordance with art. 7 of the Federal Law 9.610 of February 19, 1988, that consolidates the legislation on this subject;
- j. Constantly participate in the Brazilian cultural and social activities, especially in the effort to strengthen the local dramaturgy;
- k. Provide assistance using the resources assigned thereto;
- l. Carry out the functions assigned thereto;
- m. Administer, receive and distribute visual art copyrights held by the entity's associates.

In order to carry out its activities, ABRAMUS receives a 7.5% commission on all rights collected and passed on by ECAD to ABRAMUS's associates.

2. Presentation of the Financial Statements

A. PREPARATION OF THE FINANCIAL STATEMENTS

The accounting practices used by the Entity for recording its operations and preparing its financial statements are in accordance with the legal provisions applicable to not-for-profit entities.

In preparing the financial statements, estimates are required as a basis for recording certain assets, liabilities and other transactions. Accordingly, the financial statements of the Entity include several estimates of the useful life of fixed assets, provisions for contingent liabilities and similar purposes. The actual results may differ from these estimates.

B. DETERMINATION OF SURPLUS FOR THE YEAR

The Entity's revenues and expenses are determined on the accrual basis. The revenues are represented by 7.5% of copyrights collected by ECAD - Central Office for Collection and Distribution of Copyrights on a monthly basis, and passed on to the Entity for distribution to its associates.

C. CURRENT ASSETS

Stated at cost or the realizable value including, where applicable, the related earnings.

D. FIXED ASSETS

Recorded at the acquisition cost. Depreciation is calculated on the straight-line method, at the rates mentioned in Note 5, and taking into consideration the estimated useful life of assets.

E. INTANGIBLES

Stated at the software acquisition cost. Amortization is calculated on the straight-line method, at the rates mentioned in Note 6, and taking into consideration the estimated useful life of these assets.

F. CURRENT AND LONG-TERM LIABILITIES

Stated at known or estimated amounts plus, where applicable, the related charges, monetary and exchange variations incurred up to the balance sheet date.

G. PROVISIONS

Recorded whenever the Entity has a legal obligation or one resulting from a past event, the settlement of which may require the use of economic resources.

H. NET WORTH

Comprises the historical surplus (deficit) amounts determined on an annual basis.

3. Short-Term Investments in the Money Market

	2009	2008
Bradesco S/A - CDB c/c 21.500-7	8,367,962	9,765,303
Banespa S/A - Super Fic DI Especial	104,573	4,194
Bradesco S/A - CDB c/c 21.990-8	192,421	100,690
Bradesco S/A - CDB	43,337	24,087
Bradesco S/A - Investment Account	-	139,808
Bradesco S/A - Investment Account	-	5,922
Bradesco S/A - c/c 21.501	-	2,513
	8,708,293	10,042,517

4. Copyrights Receivable

These are copyrights receivable from writing of plays for the theater, which will be passed on to the associated authors.

5. Fixed Assets

				2009	2008
	Depreciation Rate % p.a.	Cost	Depreciation	Net	Net
Furniture and Fixtures	10	375,636	(136,311)	239,325	146,868
Facilities	10	215,208	(116,400)	98,808	115,194
Data Processing Hardware	20	622,137	(338,838)	283,299	277,941
Telephone Installations	10	43,982	(15,891)	28,091	25,678
Machines and Equipment	10	28,813	(16,967)	11,846	7,029
Audio, Video and Telephone Equipment	10	2,832	(2,285)	547	367
Leasehold Improvements	20	246,064	(167,431)	78,633	19,372
		1,534,672	(794,123)	740,549	592,449

6. Intangibles

				2009	2008
	Depreciation Rate % p.a.	Cost	Depreciation	Net	Net
Software Licensing	20	175,834	(57,574)	118,260	73,469
Telephone Line Licensing	-	750	-	750	750
Trademarks and Patents	-	2,346	-	2,346	2,346
		178,930	(57,574)	121,356	76,565

7. Copyrights Payable and Prepayments to Associates

These comprise copyrights due to associates and recorded as "Copyrights Payable" under "Current Liabilities", which arise from public presentation of musical works and phonograms, being collected and passed on to the Entity by ECAD, on a monthly basis.

The Entity makes monthly prepayments of copyrights passed on by ECAD, the remainder being paid on a quarterly basis. The prepayments in question, totaling R\$ 3.352.753 (2008 – R\$ 6.481.125) are recorded as "Prepayments to Associates" under "Current Assets".

The criteria underlying eligibility for these prepayments are as follows:

CATEGORY	%
Author	45
Version writers/composers	45
Publisher	55
Performer	40
Musician	60
Record Company	40 a 45
Sub-publisher	55

8. Advances from Ecad and Anticipated Revenues

These refer to R\$ 4.870.538 of copyrights received in December 2009 and payable in January 2010, as well as the corresponding revenue portion due to the Entity in the amount of R\$ 458.014, which will be appropriated to income in January 2010.

9. Taxes and Contributions Payable

	2009	2008
IRRF on Copyrights	489,789	-
IRRF – Salary Earners	112,271	79,841
FGTS	51,708	19,458
INSS	159,596	115,981
Other Taxes and Contributions	80,928	39,622
Total	894,292	254,902

10. Copyright Commissions

MONTH	TOTAL DEPOSITS MADE BY ECAD		ASSOCIATES COPYRIGHTS		COMMISSIONS COPYRIGHTS	
	2009	2008	2009	2008	2009	2008
January	9,872,631	7,431,730	9,018,980	6,785,866	853,651	645,864
February	11,081,565	7,715,783	10,147,365	7,056,718	934,201	659,065
March	10,397,374	6,673,377	9,563,585	6,106,091	833,789	567,286
April	7,739,345	8,390,206	6,958,620	7,697,397	780,725	692,809
May	12,584,266	7,377,078	11,455,416	6,752,710	1,128,850	624,368
June	10,695,036	8,745,897	9,741,810	7,996,704	953,225	749,193
July	7,093,180	7,351,305	6,481,586	6,740,853	611,594	610,452
August	9,104,933	9,660,821	8,295,944	8,853,999	808,989	806,822
September	10,649,312	9,335,552	9,728,772	8,616,970	920,540	718,582
October	7,596,012	7,696,486	6,917,072	7,063,819	678,941	632,667
November	9,877,299	8,205,347	9,003,773	7,555,085	873,526	650,262
December	14,528,066	13,988,897	13,286,941	12,833,731	1,241,125	1,155,166
Other	-	-	-	-	76,014	-
Total	121,219,019	102,572,479	110,599,864	94,059,943	10,695,170	8,512,536

11. Taxes Levied on Operations

As a not-for-profit entity, ABRAMUS is exempt from income tax and social contribution on its surplus. Among the other taxes levied on the entity's own operations, the following are worth stressing: (i) Contribution for Social Security Funding – COFINS – exempt as from February 1999, except in the case of financial revenues, on which tax at 3% has been paid by the entity; (ii) Social Integration Program – PIS – charged at 1% on the payroll amount;

(iii) IRRF on earnings from short-term investments in the money market; and (iv) Contributions to the National Social Security Institution – INSS – full payment of both employer's and employees' contributions.

The income tax returns for the last five years are open to assessment by the taxing authorities and so are those of other tax and social security contributions, for varied statutes of limitation.

12. Net Worth

a. Net Worth

The Entity's net worth is composed of tangible and intangible assets (art. 39 of its Articles of Association dated May 13, 1982).

b. Prior Years' Adjustment

This refers to a loan for acquisition of computers and peripherals, which was taken from the "Confederação Internacional de Sociedades de Autores e Compositores – CISAC (In-

ternational Confederation of Authors and Composers) and repaid in a single sum of money in prior years. However, this settled loan is pending write off from the Entity's liabilities.

c. Foundation's Extinction

Under the Entity's articles of association art. 66, in the event of dissolution, its remaining net work will be given to a charitable entity recognized by the competent authorities, as decided at a General Meeting.

13. Insurance Coverage

It is the Entity's policy to ensure assets subject to risks, for amounts deemed sufficient to cover possible disasters, always having in mind the nature of its activities. The nature of the risk assumptions followed for this purpose are not included in the scope of an audit of the financial statements, and accordingly, it was not examined by our independent auditors.

O Relatório Anual 2009 é uma publicação da Associação Brasileira de Música e Artes (ABRAMUS) e produzida pela Linhas Editora

Publishers: Fernanda Bulhões e Ederaldo Kosa

Chefe de Comunicação: Ricardo Mello

Coordenadores de Projeto:
Ana Beatriz Torres e Gustavo Gonzalez

Editora: Sonia Xavier

Diretor de Arte: Ricardo Mathias
Designers: Juliana Mendes e Philipe Tomaz

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Publishers: Fernanda Bulhões e Ederaldo Kosa

Communication Manager: Ricardo Mello

Project Managers:
Ana Beatriz Torres e Gustavo Gonzalez

Editor: Sonia Xavier

Art Director: Ricardo Mathias
Designers: Juliana Mendes e Philipe Tomaz

Translation (in English): GLOBAL TRANSLATIONS.BR - Diana Peters

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UNIDADES

São Paulo (sede)

Rua Boa vista, 186 - 4º andar
Centro - São Paulo - SP
Cep: 01014-000
Tel.: (11) 3636-6900 / (11) 3101-9597

Rio de Janeiro

Avenida das Américas, 500
Bloco 14 - sala 104
Barra da Tijuca Downtown
Cep: 22640-100
Tel.: (21) 3078-1391 e Fax: (21) 3078 -1392

Bahia

Avenida Tancredo Neves, 1632,
Sala 1807 - Salvador
Cep: 41820-021
Tel.: (71) 3113-2530

Paraná

Rua Nicolau Maeder, 881 - Curitiba
Cep: 80030-330 - Tel.: (41) 3352-1904

Rio Grande do Sul

Rua Saldanha Marinho, 33, Sala 803 Porto Alegre - Cep: 90160-240
Tel.: (51) 3232-2734

Goiás

R. João de Abreu, Dq. F8, Lt. 24E, sala B17, 1º andar, Edifício ATON, Setor Oeste de Goiânia - Goiânia - GO
Cep: 72120-110 - Tel.: (62) 3954-4544

AGENTES

Pernambuco
Rua Marquês do Herval, 167

sala 1209, 12º andar - Recife
Cep: 50020-030
Tel.: (81) 3424-2488

Santa Catarina

Moriel Adriano Costa
Tel.: (48)7811-7544 - id:55*84*109631
moriel.costa@abramus.org.br

Mato Grosso do Sul

Lincoln Ben Hur
Tel.: (67) 3341-0134 e (67) 8172-0073
lincoln.benhur@abramus.org.br

Piauí

Leandro Mello
Tel.: (86) 3321-1730 e (86) 9977-7150
leandro.mello@abramus.org.br



FALE COM A ABRAMUS:
E-MAIL: faleconosco@abramus.org.br
TEL: (11) 3636-6900
SITE: www.abramus.org.br

linhas
editora

www.linhaselaudas.com.br

OFFICES

São Paulo (sede)

Rua Boa vista, 186 - 4º andar
Centro - São Paulo - SP
Cep: 01014-000
Tel.: (11) 3636-6900 / (11) 3101-9597

Rio de Janeiro

Avenida das Américas, 500
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Rio Grande do Sul

Rua Saldanha Marinho, 33, Sala 803 Porto Alegre - Cep: 90160-240
Tel.: (51) 3232-2734

Goiás

R. João de Abreu, Dq. F8, Lt. 24E, sala B17, 1º andar, Edifício ATON, Setor Oeste de Goiânia - Goiânia - GO
Cep: 72120-110 - Tel.: (62) 3954-4544

AGENTS

Pernambuco
Rua Marquês do Herval, 167

sala 1209, 12º andar - Recife
Cep: 50020-030
Tel.: (81) 3424-2488

Santa Catarina

Moriel Adriano Costa
Tel.: (48)7811-7544 - id:55*84*109631
moriel.costa@abramus.org.br

Mato Grosso do Sul

Lincoln Ben Hur
Tel.: (67) 3341-0134 e (67) 8172-0073
lincoln.benhur@abramus.org.br

Piauí

Leandro Mello
Tel.: (86) 3321-1730 e (86) 9977-7150
leandro.mello@abramus.org.br



SPEAK WITH ABRAMUS:
E-MAIL: faleconosco@abramus.org.br
TEL: 55 (11) 3636-6900
SITE: www.abramus.org.br

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