

**PRESS RELEASE
*For Immediate Release***

**GUITAR CENTER CONCLUDES FAST-TRACK REORGANIZATION****, ELIMINATING NEARLY $800 MILLION** **OF DEBT AND** **STRENGTHENING ITS BALANCE SHEET**

**Westlake Village, California**, **December [22], 2020 —** Guitar Center, Inc. (“Guitar Center”) today announced that it has emerged from bankruptcy following the successful consummation of its plan of reorganization (the “Plan”) under chapter 11 of the U.S. Bankruptcy Code.

The Plan, which was confirmed on December 17, 2020, implements a series of previously announced recapitalizations, including exit financing and the extinguishment of all of Guitar Center’s pre-petition debt. Guitar Center emerges with a stronger balance sheet as a result of the elimination of nearly $800 million of debt and $165 million in new equity funding. In addition, the recapitalization transactions boost Guitar Center’s liquidity, supporting the company’s ongoing operations and enables it to invest in its strategic growth initiatives and execute its business plan.

CEO of Guitar Center, Ron Japinga said “We are excited to have gained the financial and operational flexibility we need to reinvest in our business and support our long-term sustainable growth, allowing us to deliver on our mission of putting more music into the world. I want to deeply thank all of our associates, customers, vendors, landlords and creditors who believed in our business and helped us get to this milestone. We look forward to strengthening our business and to building upon this momentum as we enter this next exciting chapter.”

Key elements of the recapitalization transactions include:

* Guitar Center’s indirect parent issued a new series of senior preferred equity plus cash to holders of Guitar Center’s prepetition secured notes and a new series of junior preferred equity to holders of Guitar Center’s unsecured notes in satisfaction of such holders’ respective claims;
* Guitar Center’s indirect parent received a $165 million common equity investment from a fund managed by Ares Management Corporation, funds managed by Brigade Capital Management and a fund managed by The Carlyle Group. These investors now indirectly own all of the common equity of Guitar Center;
* Guitar Center entered into a new secured asset based revolving financing facility that provides for borrowings of up to $375 million from time to time; and
* Release of the net proceeds from Guitar Center’s $350 million note issuance consummated on December 15, 2020, which were used to support the consummation of the recapitalization transactions.

Court filings and information about Guitar Center’s claims process are available at <https://cases.primeclerk.com/guitarcenter/>, by calling Guitar Center’s claims agent, Prime Clerk, toll-free 877-471-3505; Local/International: 347-919-5770 or by sending an email to guitarcenterinfo@primeclerk.com.

Milbank LLP served as legal counsel to Guitar Center. Houlihan Lokey served as Guitar Center’s financial advisor. BRG served as Guitar Center’s restructuring advisor.

Stroock & Stroock & Lavan LLP served as legal counsel to an ad hoc group of Secured Noteholders and Province served as financial advisor.

Kirkland & Ellis LLP served as legal counsel to Ares Management Corporation.

Debevoise & Plimpton LLP served as legal counsel to Brigade Capital Management and GLC Advisors & Co. served as financial advisor.

Paul, Weiss, Rifkind, Wharton & Garrison LLP served as legal counsel to The Carlyle Group.

**About Guitar Center**

Guitar Center is a leading retailer of musical instruments, lessons, repairs and rental instruments in the U.S. With more than 295 stores across the U.S. and one of the top direct sales websites in the industry, Guitar Center has helped people make music for more than 50 years. Guitar Center also provides customers with various musician based services, including Guitar Center Lessons, where musicians of all ages and skill levels can learn to play a variety of instruments in many music genres; GC Repairs, an on-site maintenance and repairs service; and GC Rentals, a program offering easy rentals of instruments and other sound reinforcement gear. Additionally, Guitar Center’s sister brands include Music & Arts, which operates more than 225 stores specializing in band & orchestral instruments for sale and rental, serving teachers, band directors, college professors and students, and Musician’s Friend, a leading direct marketer of musical instruments in the United States.

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*Guitar Center has included statements in this press release that constitute “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act, as amended, and Section 27A of the Securities Act of 1933, as amended. As a general matter, forward-looking statements are those focused on future or anticipated events or trends, expectations and beliefs including, among other things, Guitar Center’s expectations with respect to the amend and extend transaction described herein. Such statements are intended to be identified by using words such as “believe,” “expect,” “intend,” “estimate,” “anticipate,” “will,” “project,” “plan” and similar expressions in connection with any discussion of future operating or financial performance. Any forward-looking statements are and will be based upon Guitar Center’s then-current expectations, estimates and assumptions regarding future events and are applicable only as of the dates of such statements. Readers are cautioned not to put undue reliance on such forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected in this press release. Guitar Center undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*