

**Guitar Center Announces Comprehensive Agreement
to Reduce Debt and Provide Significant Financing to Support Business Plan**

*Agreement Provides That All Financial Obligations to Vendors, Suppliers and Employees Will
Continue to Be Paid in Full in the Normal Course*

Business Operations Will Continue Uninterrupted

*Agreement Includes Up To \$165 Million In New Equity Investments to Recapitalize Company And
Reduce Debt by Nearly \$800 Million*

Provides for \$375 Million in Additional Near-Term Liquidity

Westlake Village, CA (November 13, 2020): Guitar Center, Inc., (the “Company”) the world’s leading musical instrument retailer, announced today that it has entered into a comprehensive Restructuring Support Agreement (the “RSA”) with its key stakeholders, including its equity sponsor, a fund managed by the Private Equity Group of Ares Management Corporation, new equity investors Brigade Capital Management and a fund managed by The Carlyle Group, as well as supermajorities of its noteholder groups. The RSA provides for a comprehensive transaction that will deleverage the Company’s balance sheet, enhance financial flexibility and provide additional liquidity to continue to support its vendors, suppliers and employees. The RSA positions the Company to return to the growth trajectory it had been on prior to the COVID pandemic.

Ron Japinga, CEO of Guitar Center, said: “Today we announced a very important and positive step forward to ensure the long-term financial strength of Guitar Center. This agreement will allow us to significantly reduce our debt and reinvest in our business in order to better serve our customers and deliver on our mission of putting more music in the world. With ten consecutive quarters of growth prior to the impact from COVID-19, we have been pleased with our resilient financial performance during these challenging times created by the pandemic. As a result of this financial restructuring process, we will be better equipped to execute on and invest in our strategic growth initiatives and we will continue delivering through the strength of our brands, availability of our stores, customer-focused associate relationships, innovative music education programs and our expanding digital solutions.”

The RSA is intended to allow Guitar Center and its related brands (including Music & Arts, Musician’s Friend, Woodwind Brasswind and AVDG) to continue to operate in the normal course while the transaction is implemented. As a result of the RSA, Guitar Center will continue to meet its financial obligations to vendors, suppliers, and employees, and intends to make payments in full to these parties without interruption in the ordinary course of business.

Guitar Center will continue to provide uninterrupted service to its customers through its existing channels, including its stores, websites, call centers and social media pages and will

continue to receive goods and ship customer orders as usual. All merchandise credits, prepaid lessons, rentals, gift cards, deposits, orders, financing and warranties will be honored. While Guitar Center is pleased with its overall store footprint, the Company has engaged A&G to explore opportunities to optimize its real estate portfolio and other agreements to focus on investments that best position the Company to return to its growth trajectory prior to COVID-19.

Other Information Regarding Reorganization Proceedings

To implement the financial restructuring plan (the "Plan") contemplated by the RSA, Guitar Center expects to file voluntary petitions for reorganization pursuant to Chapter 11 in the United States Bankruptcy Court. Currently, supermajorities of the Company's noteholder groups have signed up to the RSA and committed to vote in favor of the Plan, above the required support thresholds in the respective agreements to approve the Plan. Guitar Center expects the process to be completed before the end of 2020.

The contemplated transaction will be supported by up to \$165 million in new equity investments from a fund managed by the Private Equity Group of Ares Management Corporation, a fund managed by the Carlyle Group and Brigade Capital Management.

Guitar Center has negotiated to have a total of \$375 million in Debtor-In-Possession ("DIP") financing provided by certain of its existing noteholders and ABL lenders. In connection with the RSA, the Company currently intends to raise \$335 million in new senior secured notes. UBS Investment Bank will serve as the lead placement agent in connection with this effort.

The new senior secured notes have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any of the securities referred to herein, nor shall there be any sale of the new senior secured notes, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

Milbank LLP is serving as legal counsel to the Company and BRG is serving as restructuring advisor. Houlihan Lokey is serving as the Company's financial advisor.

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

Kirkland & Ellis LLP is serving as legal counsel to Ares Management Corporation

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

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

About Guitar Center:

Guitar Center is a leading retailer of musical instruments, lessons, repairs and rentals in the U.S. With nearly 300 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 200 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.

FOR MORE INFORMATION PLEASE CONTACT:

Media Contacts

Ira Gorsky
ira.gorsky@edelman.com
(732) 740-5872

Jordan Fisher
jordan.fisher@edelman.com
(573) 470-1803

Forward Looking Statements

This press release includes "forward looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements express our current expectations, opinion, belief or forecasts of future events and performance. A statement identified by the use of forward looking words including "may," "expects," "projects," "anticipates," "plans," "believes," "estimate," "will," "should," and certain of the other foregoing statements may be deemed forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, these statements involve risks and uncertainties that may cause actual future activities and results to be materially different from those suggested or described in this press release. By issuing forward looking statements based on current expectations, opinions, views or beliefs, the Company has no obligation and, except as required by law, is not undertaking any obligation, to update or revise these statements or provide any other information relating to such statements.