



**PRESS RELEASE**  
*For Immediate Release*

## **GUITAR CENTER, INC. ANNOUNCES SETTLEMENT OF OFFER TO EXCHANGE AND CONSENT SOLICITATION**

**WESTLAKE VILLAGE, Calif., April 16, 2018** -- Guitar Center, Inc. (the "Company") today announced the final settlement of its previously announced exchange offer and consent solicitation (the "Exchange Offer") to eligible holders of its outstanding 9.625% Senior Unsecured Notes due 2020 (the "Existing Notes"). The Exchange Offer, which was made pursuant to the terms and subject to the conditions set forth in the Company's Amended and Restated Confidential Offering Memorandum and Consent Solicitation Statement dated March 21, 2018 (the "Amended Offering Memorandum"), consisted of an offer to exchange validly tendered Existing Notes for (i) the Company's newly issued 13% Cash/PIK Notes due 2022 (the "Exchange Notes") and (ii) warrants (the "Warrants" and, together with the Exchange Notes, the "New Securities") to purchase shares of common stock, par value \$0.01 per share, of Guitar Center Holdings, Inc., a Delaware corporation and the direct parent of the Company ("Holdings"). The Exchange Offer also consisted of an early tender premium payable in cash for Existing Notes tendered prior to the early tender date of March 23, 2018 (the "Early Tender Consideration").

At settlement, the Company issued \$317,957,000.00 in aggregate principal amount of Exchange Notes, paid an Early Tender Consideration of \$1,589,785.00 and support party fees totaling \$1,512,775.00 in cash and Holdings issued Warrants, in each case, in exchange for Existing Notes validly tendered and accepted for exchange pursuant to the Exchange Offer.

The New Securities 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.

In addition, as previously announced, in connection with the Exchange Offer, the Company received the requisite number of consents to approve certain proposed amendments to the indenture governing the Existing Notes, which, among other items, would eliminate or modify substantially all of the restrictive covenants relating to the Company and its subsidiaries, certain reporting obligations, certain events of default and related provisions. The Company and the trustee for the Existing Notes have entered into a supplemental indenture to give effect to the proposed amendments. Such amendments are operative with respect to the Existing Notes that remain outstanding after giving effect to the Exchange Offer.

### **About Guitar Center**

Guitar Center is a leading retailer of musical instruments, lessons, repairs and rental instruments in the U.S. With more than 280 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 150 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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*The Company 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, the Company'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 the Company'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 for reasons, among others, (i) the ability of the Company to satisfy the conditions to the Exchange Offer, (ii) the availability of alternative transactions, (iii) economic trends, the competitive environment, weather, trends in operating performance, merchandise mix, SG&A costs, liquidity and capital expenditures and (iv) those reasons described in the Offering Memorandum and in the reports and other documents the Company provides to its noteholders from time to time and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections contained in the Company's annual report for the fiscal year ended December 31, 2016 and quarterly report for the 2017 third fiscal quarter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*