

MUSIC MARKET DATA 2007

US – Nielsen SoundScan volume figures

- Demand for music continues to grow. Unit sales (including online downloads and physical sales, but excluding mobile) totalled 1.37 billion, an increase of 14.7%
- CDs = 449.2m, down 19%
- Digital albums = 50m, up 54%, 10% of the album market in the US
- Single tracks = 844.1m, up 45%
- Best-selling album: Josh Groban's 'Noel' (3.7m)
- 3 of the top 5 best-sellers were released in Q4 2007
- Best-selling digital single: Soulja Boy 'Crank That' (2.9m)
- Best-selling digital album: Maroon 5 'It Won't Be Soon Before Long' (252k)
- Volume market share (distributor – last year's share in brackets): 31.9% UMG (31.6%), SBMG 25.0% (27.4%), WMG 20.3% (18.1%), EMI 9.4% (10.2%), Indies 13.5% (12.6%)
- Latin sales down 15.6%
- Rap/hip-hop sales continued to fall, dropping by 30%

Source: Nielsen SoundScan

UK - BPI releases 2007 retail sales figures

Single sales grew while album sales dipped in 2007, according to figures released by UK record companies association the BPI. The continued growth of download sales helped the singles market grow by 29.3% during 2007, which became the third biggest year on record for the format.

Album unbundling, copyright theft and difficult retail conditions contributed to a drop in album sales of 10.8% in 2007. But with 138.1 million albums sold, 2007 was still one of the Top 10 biggest years for album sales. The fall in sales comes off the back of a 34.4% growth in sales

throughout 2000-4 and sales remain 26% higher than those recorded ten years ago.

UK talent dominated the album charts in 2007 and for the second consecutive year more than 60% of the year's best-selling albums were by home-grown acts. Amy Winehouse's *Back To Black* was the year's best seller but Leona Lewis' *Spirit* came a close second despite only being released in November: with 375,000 first-week sales the title beat the record set by Arctic Monkeys in 2006 to become the UK's fastest selling debut.

Singles

2006 = 67.0m

2007 = 86.6m

Change = **+29.3%**

Albums

2006 = 154.7m

2007 = 138.1m

Change = **-10.8%**

TOP TENS

Singles

1. Leona Lewis: *Bleeding Love* (Syco)
2. Rihanna ft. Jay-Z: *Umbrella* (Def Jam)
3. Mika: *Grace Kelly* (Casablanca)
4. Leon Jackson: *When You Believe* (Syco)
5. Take That: *Rule The World* (Polydor)
6. Sugababes: *About You Now* (Island)
7. Timbaland ft Keri Hilson (Interscope)
8. Proclaimers/Brian Potter/Andy Pipkin: *(I'm Gonna Be) 500 Miles* (EMI)
9. Mark Ronson ft Amy Winehouse: *Valerie* (Columbia)
10. Kaiser Chiefs: *Ruby* (B Unique/Polydor)

Albums

1. Amy Winehouse: *Back To Black* (Island)
2. Leona Lewis: *Spirit* (Syco)
3. Mika: *Life In Cartoon Motion* (Casablanca/Island)
4. Take That: *Beautiful World* (Polydor)
5. Westlife: *Back Home* (S)

6. Eagles: Long Road Out Of Eden (Polydor)
7. Kaiser Chiefs: Yours Truly Angry Mob (B Unique/Polydor)
8. Arctic Monkeys: Favourite Worst Nightmare (Domino)
9. Timbaland: Shock Value (Interscope)
10. Rihanna: Good Girl Gone Bad (Def Jam)

Source: *The Official Charts Company/BPI*

Canada – Nielsen SoundScan Figures Confirm Canada's Weak Digital Music Market and the Sharp, Ongoing Decline in Overall Recorded Music Sales

According to Nielsen SoundScan, 1.98 million digital albums were sold in Canada last year, which amounts to just 4.5 percent of the 44.4 million total album sold. The figures show that modest digital sales in Canada fall far short of making up for the sharp, long-term decline in sales of physical formats.

In contrast with Canada's relatively undeveloped digital market, where digital downloads, subscription services and mobile music comprise just 12 percent of total sales, in the U.S. these channels comprise 29 percent of sales (source: IFPI, June 30, 2007).

Because of weak copyright rules that inhibit investment in legitimate digital services and their entry into the market, digital sales in Canada are failing to replace declining CD and music DVD sales at the same rate they do in markets like the U.S., Japan and the U.K. Canada's digital music market continues to significantly lag behind these other markets, which long ago updated copyright laws for the digital era and in keeping with their - and Canada's - commitments under international treaties.

Nielsen also found that unit album sales fell 9.5 percent from 2006 to 2007, mirroring sharp declines reported by CRIA members, which account for the vast majority of recorded music sold in Canada.

All of the Nielsen figures represent unit sales as opposed to dollar sales, which have declined at an even higher rate.

Net wholesale sales figures compiled by CRIA corroborate the dramatic decline reported by the over-the-counter Neilson figures. For the 11 months ended November 2007, net wholesale shipments of CDs, music DVDs, and other "physical" recorded music formats dropped 16 percent to 37.9 million units from 45.1 million units in the year-earlier period, while the related net wholesale value dropped 20 percent to \$382.4 million from \$476.3 million.

The figures vary with those of Nielsen in part because they do not represent the entire year, but also because the methods of calculation differ and, to a lesser degree, because they do not include digital sales.

Based on research conducted in 2006, Pollara conservatively estimates that there are more than 1.3 billion unauthorized downloads in this country per year, far overshadowing the estimated 20 million legitimate downloads in 2006 - a ratio of 65 unauthorized downloads for every legitimate download - as reported by survey respondents.

This finding indicates that the readiness of many Canadians to choose unauthorized file-sharing sites over legitimate digital services is fundamentally unchanged since the OECD in 2005 identified Canada as having the highest per capita incidence of online file-swapping in the world.

Source: *CRIA, www.cria.ca*

Spain – Music Sales 2007

According to a Promuscae 2007 was the sixth year in a row during which CD sales have fallen.

Spaniards spent a total of €284 million in 2007 on CDs, DVDS and other physical media, compared to the €367.3 million spent in 2006 - that's a drop of 21.7 percent, or some €83 million less, according to Promuscae.

The sale of digital media grew from €21.7 million in 2006 to €27 million, an increase of 24.3 percent.

In terms of the highest-selling artists, only five musicians managed to shift more than 100,000 copies of their albums in 2007, with Miguel Bosé topping the list with his latest release Papito, which sold around 250,000 copies .

<http://www.promusicae.org/espanol.html>

Ireland – Music Sales 2007

Shipments in 2007 fell 10% in volume, with trade revenues down 13%. Total shipments were 110m euros (\$161m). Leona Lewis, winner of U.K. reality TV show "X Factor," had the year's biggest-selling single and album with "Bleeding Love" and "Spirit" respectively (Syco Records). Four out of every five singles in Ireland are now bought as downloads, rather than as a physical release.

<http://www.irma.ie/best2007.htm>

Finland – Music Sales 2007

According to preliminary figures by the Finnish National Group of IFPI, sales of CDs fell by 4%-5% in Finland in 2007 from 2006. The average prices of records fell by EUR 0.50-0.70. An estimated 2.5mn music files were purchased online in Finland. Sales increased by the same amount as sales of CDs fell.

Argentina – Music Sales 2007

A total of 18.1 million units of physical product were sold in 2007, a 6% increase from the 17.2 million sold in 2006.

Digital sales, which include downloads as well as mastertone sales, were up by nearly 300%. However, digital accounts for only 4.1% of total music sales.

The monetary value of the Argentine marketplace grew by over 9%. This is the fifth consecutive year that the country's music market registers growth in value and units sold. The market plummeted in

2001 after recession hit Argentina and has been slowly recovering since. It is now the closest it has ever been to the 21.8 million units sold it registered at its height in 1997.

Source: CAPIF

France – Music Sales 2007

- Digital sales rose 16.6% to € 50.8 million
- Digital accounted for 7.4% of sales
- 17.4% fall in the wholesale value of shipments in 2007
- Trade value of all shipments fell to €712.9 million
- Physical shipments declined 19.2% to €662 million
- SNEP will launch a new chart later in 2008, which will combine both physical and digital sales

Source: SNEP

Japan – Music Sales 2007

See RIAJ website –

<http://www.riaj.or.jp/e/data/download/2007.html>