MUSIC MARKET DATA 2006

Total Music Sales By Market 2006 (physical and digital, value, millions)

	Trade Values 2006					Retail Values 2006	
	US$	Local Currency		% Change	% Digital	US$	Local Currency
US	6,497	USD	6,497	-7%	17%	11,501	11,501
Japan	3,563	JPY	414,381	1%	11%	5,273	613,270
UK	2,054	GBP	1,109	-7%	6%	3,252	1,756
Germany	1,411	EUR	1,129	-3%	5%	2,091	1,673
France	1,126	EUR	901	-10%	6%	1,700	1,360
Canada	530	CAD	599	-9%	6%	719	813
Australia	403	AUD	537	-4%	5%	621	825
Italy	383	EUR	306	-11%	6%	598	478
Spain	327	EUR	261	-11%	5%	497	398
Mexico	236	MXP	2,572	-10%	4%	374	4,082
Netherlands	233	EUR	186	-5%	4%	396	317
Brazil	222	BRL	484	-25%	2%	333	726
Russia	210	RUB	5,710	4%	0%	407	11,053
Switzerland	182	CHF	228	-12%	3%	237	297
Belgium	162	EUR	130	0%	6%	331	264
South Africa	154	ZAR	1,043	3%	2%	248	1,676
South Korea	153	KRW	145,971	*not comparable*	56%	248	236,971
Sweden	141	SEK	1,037	-6%	6%	229	1,687
Austria	130	EUR	104	-6%	5%	266	213
Norway	120	NOK	769	-10%	4%	227	1,456
Other	1,350			-6%	8%	2,265	
Total	**19,587**			**-5%**	**11%**	**31,813**	

Source: IFPI

Notes:
Physical sales include: audio formats (singles, LPs, cassettes, CDs, DVD Audio, SACD, MiniDisc) and music video formats (DVD, VHS, VCD).

Digital sales include: single track downloads, album downloads, music video online downloads, streams, master recording ringtones, full track audio download to mobile, ringback tunes, music video downloads to mobile and subscription income. Excluded from these figures are monophonic and polyphonic ringtones and non-music content to mobile.

Figures were collected from IFPI members (physical sales), major record companies (digital sales) and include an estimate for non-reported sales, effectively representing 100% of the market.

Retail figures are estimates based on an estimated retail markup. They represent combined physical and digital sales.

Regional and world growths are based on fixed US$ using 2006 IMF average annual exchange rates.

IFPI figures represent sales of recorded music in physical and digital formats. IFPI does not track revenue streams such as licensing income, synchronisation or revenues generated from advertising-supported business models.

For publicly reported national statistics see below. Note that some differences in reported figures may arise due to slight methodology differences.

US – Digital sales grow

Source: RIAA

Digital music formats again demonstrated growth in 2006, with 586m digital singles downloaded in 2006, representing a 60% increase, and 28m albums downloaded, a 103% increase. Revenues from various mobile formats grew 84% to $775m and subscription service revenues were $206m, a 38% increase versus the prior year. The growth in digital revenues partially compensated for the decline in physical sales.

The overall retail value of the US record industry was $11.5 billion in 2006, a 6.2% decline compared to 2005. There were 615m CDs shipped, a 12.8% drop from the previous year.

2006 TOP TEN SELLING ALBUMS

	Title/Artist	Units Sold
1	Soundtrack / High School Musical	3,719,071
2	Me and My Gang / Rascal Flatts	3,479,994
3	Some Hearts / Carrie Underwood	3,015,950
4	All the Right Reasons/ Nickelback	2,688,166
5	Futuresex/Love … / Justin Timberlake	2,377,127
6	Back to Bedlam / James Blunt	2,137,142
7	B'day / Beyonce	2,010,311
8	Soundtrack/ Hannah Montana	1,987,681
9	Taking the Long Way/ Dixie Chicks	1,856,284
10.	Extreme Behavior/ Hinder	1,817,350

2006 TOP TEN SELLING DIGITAL SONGS

	Title/Artist	Units Sold
1	Bad Day / Daniel Powter	2,015,594
2	Promiscuous / Nelly Furtado	1,709,274
3	Sexyback / Justin Timberlake	1,657,798
4	Crazy / Gnarls Barkley	1,629,467
5	You're Beautiful / James Blunt	1,623,417
6	Over My Head (Cable Car) / Fray	1,570,207
7	How to Save a Life / Fray	1,559,704
8	Temperature / Sean Paul	1,533,362
9	Ridin' / Chamillionaire	1,417,178
10.	Hips Don't Lie / Shakira	1,410,237

Note: combines all versions of the same song

TOP TEN SELLING DIGITAL ALBUMS

	Artist	Units Sold
1	How to Save a Life / Fray	198,371
2	Continuum / John Mayer	176,522
3	FutureSex/LoveSounds / Justin Timberlake	141,809
4	Curious George… / Jack Johnson & Friends	134,611
5	Back to Bedlam / James Blunt	131,434
6	Soundtrack / High School Musical	123,280
7	Stadium Arcadium / Red Hot Chili Peppers	122,274
8	Taking the Long Way/ Dixie Chicks	122,075
9	Fever You Can't Sweat… /Panic! At the Disco	109,997
10.	Me and My Gang / Rascal Flatts	105,808

Source: Nielsen SoundScan, point-of-purchase sales of recorded music product for the 52-week period January 2 through December 31, 2006.

UK artists' sales hit 10 year high

Source: BPI
http://www.bpi.co.uk/stats

- UK acts claimed a 61.9% share of best selling albums in 2006
- Domestic UK album market topped 150m sales for the 4th year running, representing the most successful year for British talent for at least a decade
- Snow Patrol top end of year chart (1.5m units)
- 14 UK debut albums reach top 100
- Digital accounted for 79% of singles sales
- The digital albums market saw 2.2m units sold between April and December 2006; digital sales now comprise 1.4% of the overall album market
- Overall album sales decline 2.5% to 155.1m units
- Singles market grew by 39.7%, fuelled by growth in downloads

Figures are sales registered 'over the counter', through retail outlets in the UK, recorded by The Official UK Charts Company.

Japan – Digital sales figures

Source: RIAJ

Physical sales down 10% in volume and 4% in value. Audio volume down 4% in units and 4% in value. Music video volume up 14% in units and 3% in value.

Japan digital sales figures 2006

('000s)	Units	% Change	Value (JPY)	% Change
Single Track	22,369	149%	3,523,915	155%
Album	1,132	207%	1,387,079	206%
Other	402	333%	115,815	730%
Total Online	23,903	153%	5,026,809	172%
Ringtunes	226,753	16%	24,608,867	18%
Ringback tunes	45,602	95%	2,687,678	118%
OTA track	55,824	146%	17,951,800	150%
Total Mobile	344,140	33%	48,240,139	49%
TOTAL	**368,063**	**37%**	**53,478,142**	**56%**

These figures represent digital music sales income derived from license or consignment sales by 42 RIAJ member companies.

Germany – Internet is the future

Source: IFPI Germany
http://www.ifpi.de

- Download sales rise by 40%
- Downloads and mobile combined make up 5% of sales
- Internet is second most important distribution channel for CD sales

Download sales in 2006 rose by 40% to €42m and sales of CDs over the internet are becoming ever more important. With a 17.9% share (16.8% in 2005) of sales, the web is now the second most important distribution channel after electrical stores with 30% (30.8% in 2005).

Since the download market has not yet been able to compensate for the decrease in sales of traditional sound carriers, record sales overall decreased slightly compared with the previous year by 2.4% to €1.706 billion.

France – Key market figures 2006

Source: SNEP
http://www.disqueenfrance.com/snep/dossiers/2007_01_02.asp

- Market down 10.7% in value to €862m. Physical sales -12.4% (€819m) and digital sales +42% (€43m)
- Repertoire: +13% classical, -12% local, -18% international
- Physical formats: -24% singles, -8.6% albums, -31% music video
- Digital sales split: online 39% and mobile 61%

Canada – sales down 4.7% in 2006

Source: Nielsen SoundScan

Overall Canadian album sales experienced a 4.7% drop in 2006 according to Nielsen SoundScan data. Album sales totalled 46.2m units in 2006, down from 48.5m in 2005. Digital tracks more than doubled to 14.9m units (+122%). Digital album sales reached 1.03m units, also an increase of 122%.

In terms of genre, classical and country grew 20.6% and 15.4% respectively. The largest genre, alternative, dropped 16.8%.

Australia – Digital music and strong Australian music sales buoy market

Source: Australian Recording Industry Association (ARIA)
http://www.aria.com.au/2006AustralianWholesaleRecordSales.htm

Strong results from digital music and increased sales of Australian repertoire are some of the key trends for the Australian music industry. 2006 also saw an increase it the volume of CDs sold. Although the value of the wholesale market for physical products declined, that decline was significantly offset by the growing digital market.

The Australian wholesale market increased more than 27% by volume, due in large part to the substantial growth of digital music. While the wholesale market is still dominated by physical formats (which account for approximately 95% of the value of the market), digital music helped offset the fall in value in the physical market in 2006, reducing the overall decline to just over 3%.

Wholesale digital music sales were up by more than 250% to $27.8 million. Digital music now accounts for 5.5% of total music sales by value, up from 1.5% at the end of 2005.

Spain – 2006 sales figures

Source: Promusicae

Spanish music sales fell in retail value in 2006 by 15.3% to €345m (US$445m).

Netherlands – 2006 sales figures

Source: NVPI
http://www.nvpi.nl/nvpi/home.asp?mktinfmode=0

	Retail Value (€ M)		Units (M)	
	2006	% Change	2006	% Change
Albums	247.9	-7%	19.5	-5%
Singles	6.4	-20%	1.7	-18%
Music Video	52.5	-18%	3.5	-24%
Total	306.8	-9%	24.7	-9%
Downloads	10.1	135%	10.1	135%
Total Audio	**316.9**	**-8%**		

Belgium – Download sales double and local repertoire up 20% in 2006

Source: IFPI Belgium

Belgium digital download revenues rose 90% year on year to €4.1m (US$5.2m), as close to 6m files were purchased. The digital music business now accounts for 4.5% of total music purchases in Belgium. Domestic productions accounted for 15% of overall album sales.

Sweden - Key market figures 2006

Source: IFPI Sweden
http://www.ifpi.se/statistics.aspx

- Market down 5.5% in value to SKR 941.5m (US$134.4m)
- Physical formats value: singles -26.7%, albums -9.7%, DVDs +6.7%
- Digital sales up 193% in value to SKR 61.9m (US$9.8m)
- Domestic repertoire accounted for 41% of total album sales

Austria – CD sales flat

Source: IFPI Austria
http://www.ifpi.at

- Market up 5% in units but down 6% in value
- Music DVDs rose 8% in units and 4.5% in value
- There was no change in the number of CD albums sold 2005-06
- Digital sales up 50% (market split 34% online, 66% mobile)

Denmark – Digital market doubles

Source: IFPI Denmark
http://www.ifpi.dk/index.php?pk_menu=11&PHPSESSID=c59b6bed41e0d915f8e5e44896222433

Trade revenues from Danish music sales have halved since 2000. For the first time in five years, however, 2006 saw a modest growth in revenues due to an estimated 100% increase in digital sales and an almost flat physical market. Digital sales increased to DEK 30.6m (US$5.1m) and physical sales fell slightly to DEK 612.4m (US$102.9).

Local releases continue to play an important role in the Danish market, with 46.9% of physical sales attributed to local artists, an increase of 2% compared to 2005. The power of local releases is also reflected in the fact that independent labels are estimated to account for almost a third of the overall recorded music market.