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ARIA 2017 MUSIC INDUSTRY FIGURES SHOW 10.5% GROWTH

HIGHEST ANNUAL GROWTH SINCE 1996

The continued resurgence of the local recorded music industry was confirmed today with ARIA (Australian Recording Industry Association) announcing a 10.5% increase in the value of the Australian recorded music industry for 2017.

The increase in value to \$391 million was the largest increase the industry has experienced in its annual wholesale figures since 1996. This growth was driven by continued consumer uptake of streaming music services.

2017 was the first year that revenue from music streaming services (at \$213 million) accounted for over half (54%) of the overall market. The streaming category now includes revenues from subscription services (such as Apple Music, Deezer, Google Play and Spotify) and other non-subscription on-demand streaming services (such as YouTube and Vevo). This is a remarkable performance given the revenue from this segment of the market was negligible just five years ago.

Physical formats continue to play a vital part of the music business, accounting for a healthy 25% of the overall market. Sales from vinyl albums increased for the seventh consecutive year, increasing by 19% in 2017. The ongoing revival of vinyl demonstrates this format's enduring power of reinvention and popularity.

Denis Handlin AO, ARIA Chairman and Chairman and CEO of Sony Music Entertainment Australia and New Zealand and President, Asia, was enthusiastic about the positive results released today:

“We are delighted to see the industry in such a positive growth path and that this strong 2017 result follows the increasing revenues over the past two years.

“The industry continues to transform and change at a rapid pace and the results are a credit to the continued high quality work, innovation, development of local artists, as well as to the industry’s tenacious approach in marketing and delivering music to fans across the country.

“Although our industry is now on a pathway to recovery, it is absolutely critical that Australia retains a strong copyright framework to ensure that artists and labels can protect their work and earn their fair share in the growing digital market.”

ARIA CEO, Dan Rosen was also optimistic about the future of the local industry:

“The return to growth of the Australian recording industry is a wonderful story of resilience, hard work and innovation. Music fans today can access their favourite artists across a multitude of formats from vinyl in their local record store to streaming services on their phones and smart speakers.

“Our business will continue to evolve, and we must remain vigilant to ensure that the growth is sustainable in an increasingly global and digital marketplace.”

About ARIA

ARIA is a national industry association representing major and independent record producers, manufacturers and distributors. It acts as an advocate for the Australian music industry, administers the labeling code of practice, provides a ‘blanket’ non-exclusive licensing function for copyright users and compiles industry information and research. For more information please visit www.aria.com.au

2017 ARIA Yearly Statistics

Australian Recording Industry Association Ltd.

January - December 2016 vs January - December 2017
Net Wholesale Sales of Sound Recordings & Music Videos

Configuration	January - December 2017		January - December 2016		Percentage Change	
	Quantity*	Dollar Value	Quantity*	Dollar Value	Quantity*	Dollar Value
Singles	46,613	372,350	72,345	419,632	-35.57%	-11.27%
Vinyl Albums	786,735	18,110,563	655,301	15,160,458	20.06%	19.46%
CD Albums	8,025,166	74,669,245	9,152,722	87,243,176	-12.32%	-14.41%
Music Video/DVD	334,830	3,339,118	489,056	5,109,149	-31.54%	-34.64%
Other*	1,304	14,584	2,690	18,852	-51.52%	-22.64%
Total Physical	9,194,648	96,505,860	10,372,114	107,951,267	-11.35%	-10.60%
Digital Track		39,157,326		51,564,182		-24.06%
Digital Album		38,549,329		53,248,909		-27.61%
Ad Supported Streaming Models		19,499,567		11,864,096		64.36%
Video Streaming		23,775,107		16,102,786		47.65%
Subscription Services Income		169,576,919		109,526,678		54.83%
Digital Other**		3,950,889		3,652,976		8.16%
Total Digital	-	294,509,137	-	245,959,627	-	19.74%
Grand Totals		391,014,997		353,910,894		10.48%

* "Other" includes sales of DVD Albums, Mini Disks & SACD

** "Digital Other" includes sales of Digital Music Video, Mobile Master Ringtones, Mobile Ringback Tunes, Bundles, Unearned advances and one-off payments

• "Quantity" refers to unit of sale (eg a double CD is one sale)