



ARIA releases 2009 wholesale sales figures

Digital sales continue to increase, delivering return to growth for recorded music

3rd February 2010 (SYDNEY) – For the first time since 2003, the Australian record industry is growing. After six years of decline, the market has turned a corner and appears to be returning to growth.

In line with the trends observed in the middle of 2009, the wholesale sales of sound recordings and music videos for the full year 2009 have demonstrated the Australian market's first annual period of growth since revenues peaked in 2003. Specifically, wholesale revenues over the full year increased almost 5% when compared to 2008. An increase in overall digital revenues was the key contributing factor to this growth, with digital albums demonstrating an increase of over 60% by revenue, more than offsetting the relatively modest decline in physical CD sales

Mr Ed St John, ARIA Chairman and President and CEO of Warner Music Australasia, commenting on the figures, said, *"Today's results prove beyond doubt that the Australian music industry is experiencing a healthy state of growth. The physical retail sector that sells CDs and DVDs has stabilised and sharpened its focus, whilst the digital retail sector continues to grow strongly. Music sales were very strong during the period of Christmas 2009 and they prove that music remains a key priority for many Australian consumers."*

Digital sales arrest physical decline

Sales of physical product continued to decline across last year, although the decline in the volume of CD album sales was slight (less than 1%) and was more than offset by the increase in digital album sales. Two of the year's biggest sellers, Susan Boyle's "I Dreamed A Dream" and Michael Buble's "Crazy Love", achieved the greater majority of their sales via traditional physical retail outlets, making a significant contribution to the volume of CD albums sold through the year.

Unlike the CD album market, sales of CD singles were down over 60% in both volume and value. However, this decline was more than offset by the substantial growth in digital track sales, now up to almost 36m in volume, an increase of nearly 44% on the previous year.

Consumers continued to demonstrate their growing adoption and acceptance of the digital music format, producing overall digital revenue growth of 46.23%. Digital track sales were up 42% in value and digital albums up over 66%. In addition, digital albums now account for 7.5% of overall album sales by volume, up from 4.35% across the same period last year.

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However, with respect to some artists, a substantially higher percentage of overall album sales are now occurring in the digital format. Examples during 2009 include La Roux's self-titled debut, Mumford and Sons' "Sigh No More" and Lisa Mitchell's "Wonder" (with more than 20% of their sales being generated in the digital format), and The Temper Trap's "Conditions", The Script's self-titled album, Paul Dempsey's "Everything Is True", Ladyhawke's self-titled release and Gossip's "Music For Men", all in excess of 15%.

The ARIA 2009 Top 100 Singles and Album Charts proved a boon for local artists, with 18 local artists making the top 100 singles chart for the year, and an incredible 26 local titles in the top 100 album chart, lead by Hilltop Hoods at #12 with "State Of The Art". The ARIA End Of Decade Charts featured Australian artists at the top of both the Top 100 Singles and Top 100 Album Charts, with Guy Sebastian's "Angels Brought Me Here" and Delta Goodrem's "Innocent Eyes" the highest selling releases respectively through the 2000's.

Commenting on what 2010 holds for the business, Ed St John was cautiously optimistic, saying "*We're pleased with the figures that we've seen today, but have a tremendous amount of work to do to stem the tide of illegal file sharing, which continues to erode profits and hamper investment into the local industry. We remain hopeful that the ISPs will work with us to address this pressing problem and help the growth of the legitimate market, something that will, of course, also be to their benefit. In the meantime, music fans can look forward to many exciting new releases this year from established artists and new names. As an industry, we have a lot to look forward to across the year.*"

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: <http://www.aria.com.au/>

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2009 ARIA Yearly Statistics

Australian Recording Industry Association Ltd.

January - December 2008 vs January - December 2009
Net Wholesale Sales of Sound Recordings & Music Videos

Configuration	January - December 2009		January - December 2008		Percentage Change	
	Quantity#	Dollar Value	Quantity#	Dollar Value	Quantity#	Dollar Value
CD Singles	507,694	1,314,185	1,307,283	3,570,079	-61.16%	-63.19%
Vinyl Albums	53,766	1,050,073	19,608	391,973	174.20%	167.89%
Cassette Albums	1,225	12,099	2,795	8,239	-56.17%	46.85%
CD Albums	28,091,253	320,900,138	29,032,844	323,799,935	-3.24%	-0.90%
Music Video/DVD	3,822,397	43,159,321	3,748,894	43,575,856	1.96%	-0.96%
Other *	28,464	432,150	10,166	101,572	179.99%	325.46%
Total Physical	32,504,799	366,867,966	34,121,590	371,447,654	-4.74%	-1.23%
Digital Track	35,965,840	38,533,667	24,995,677	27,087,248	43.89%	42.26%
Digital Album	2,279,581	21,846,583	1,321,939	13,149,744	72.44%	66.14%
Mobile Master Ringtones	3,640,924	6,306,368	4,733,050	8,249,023	-23.07%	-23.55%
Digital Other **		12,557,632		5,704,340		120.14%
Total Digital	41,886,345	79,244,250	31,050,666	54,190,355	34.90%	46.23%
Grand Totals	74,391,144	446,112,216	65,172,256	425,638,009	14.15%	4.81%

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

** "Digital Other" includes sales of Digital Music Video, Mobile Ringback Tunes, Streams, Subscriptions, ad-supported income, Unearned advances and one-off payments

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