



NARM Town Hall Meeting

May 15, 2010

Speaker

David Bakula

SVP Analytics and Client Relations

Topics

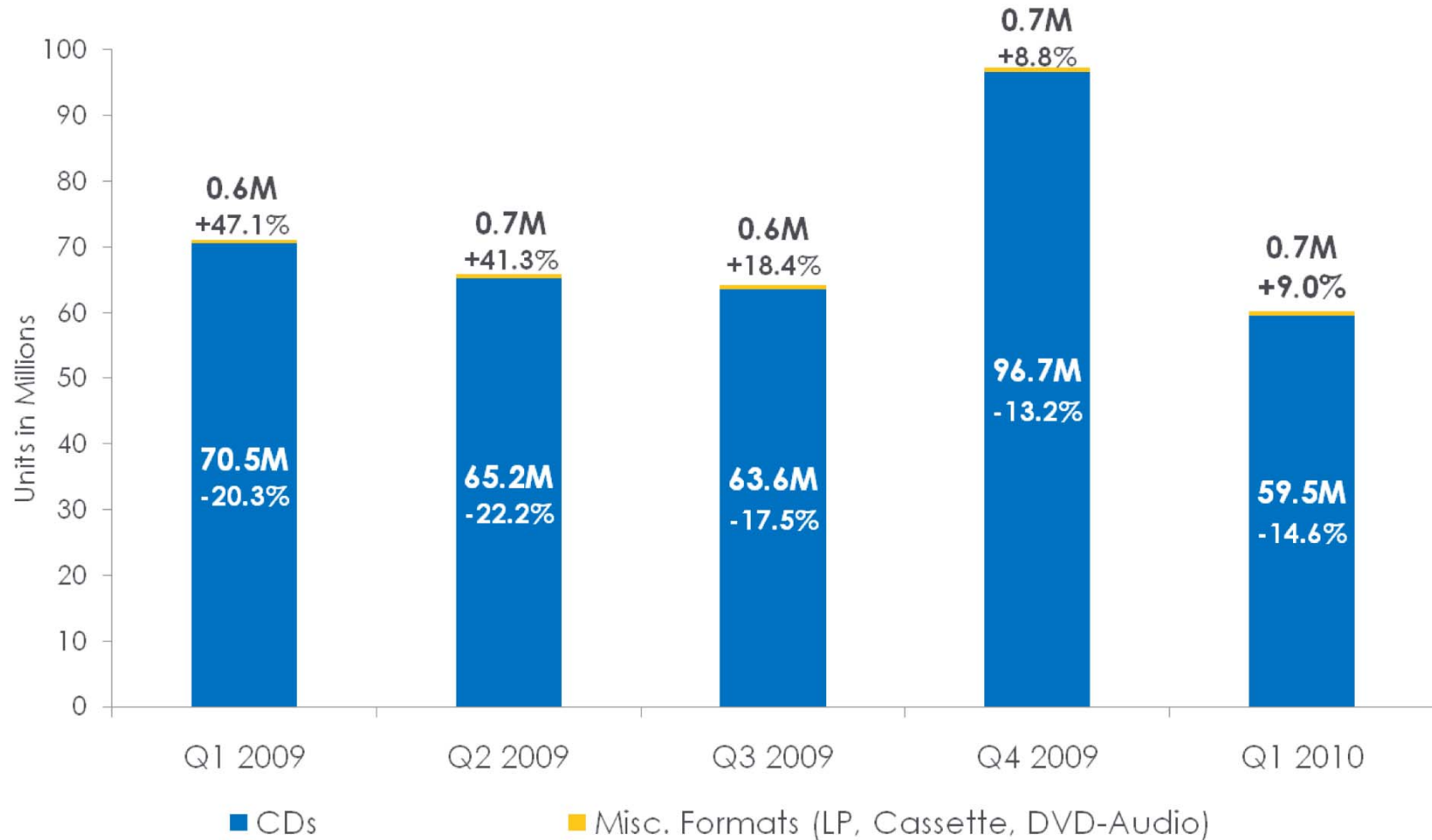
- 2010 Music Sales through week 18
- Physical Sales Trend
- Album and Track Sales
- Physical New and Catalog
- Genre: Physical Share of Total Albums
- Genre: Physical YOY Change

2010 Music Sales through week 18

	Units (Millions)				% Total w/TEA	
	2010	2009*	% Chg.	+/- Chg.	2010	2009
Physical Total	80.2	96.4	-16.8%	-16.2	52.8%	58.6%
Digital Sales						
Digital Albums	29.6	25.7	+15.2%	+3.9	19.5%	15.6%
Digital TEA	42.2	42.4	-0.6%	-0.2	27.8%	25.8%
Digital Tracks Units	422.0	424.5	-0.6%	-2.5		
Digital Total w/TEA	71.8	68.1	+5.4%	+3.7	47.2%	41.4%
Total Sales						
Album Total	109.8	122.1	-10.1%	-12.3	72.2%	74.2%
Total w/TEA	152.0	164.5	-7.6%	-12.6	100.0%	100.0%

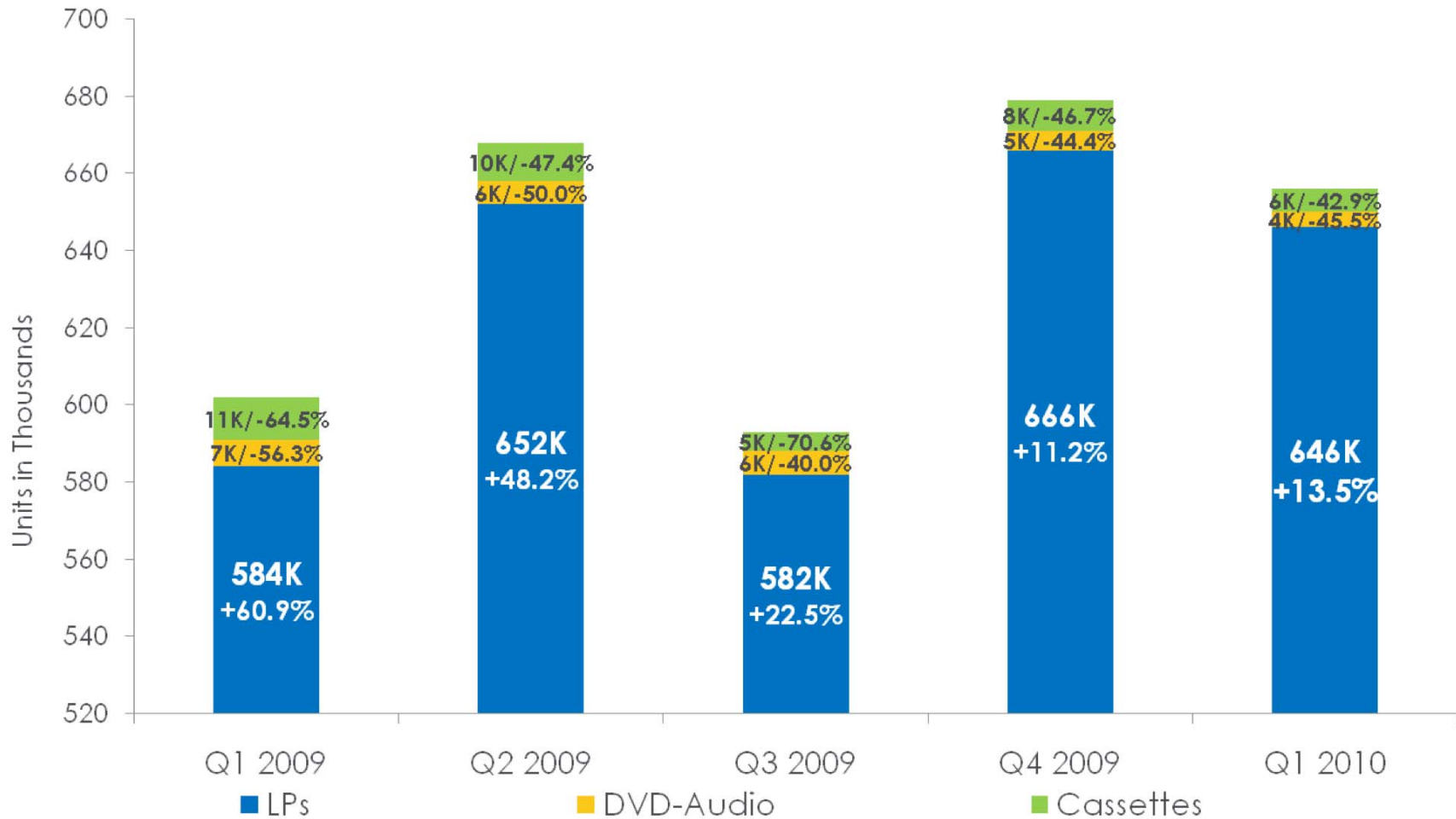
Note: 2010 represents the 18 weeks ending 5/9/2010. 2009 represents the 18 weeks ending 5/10/2009.

Physical Sales Trend



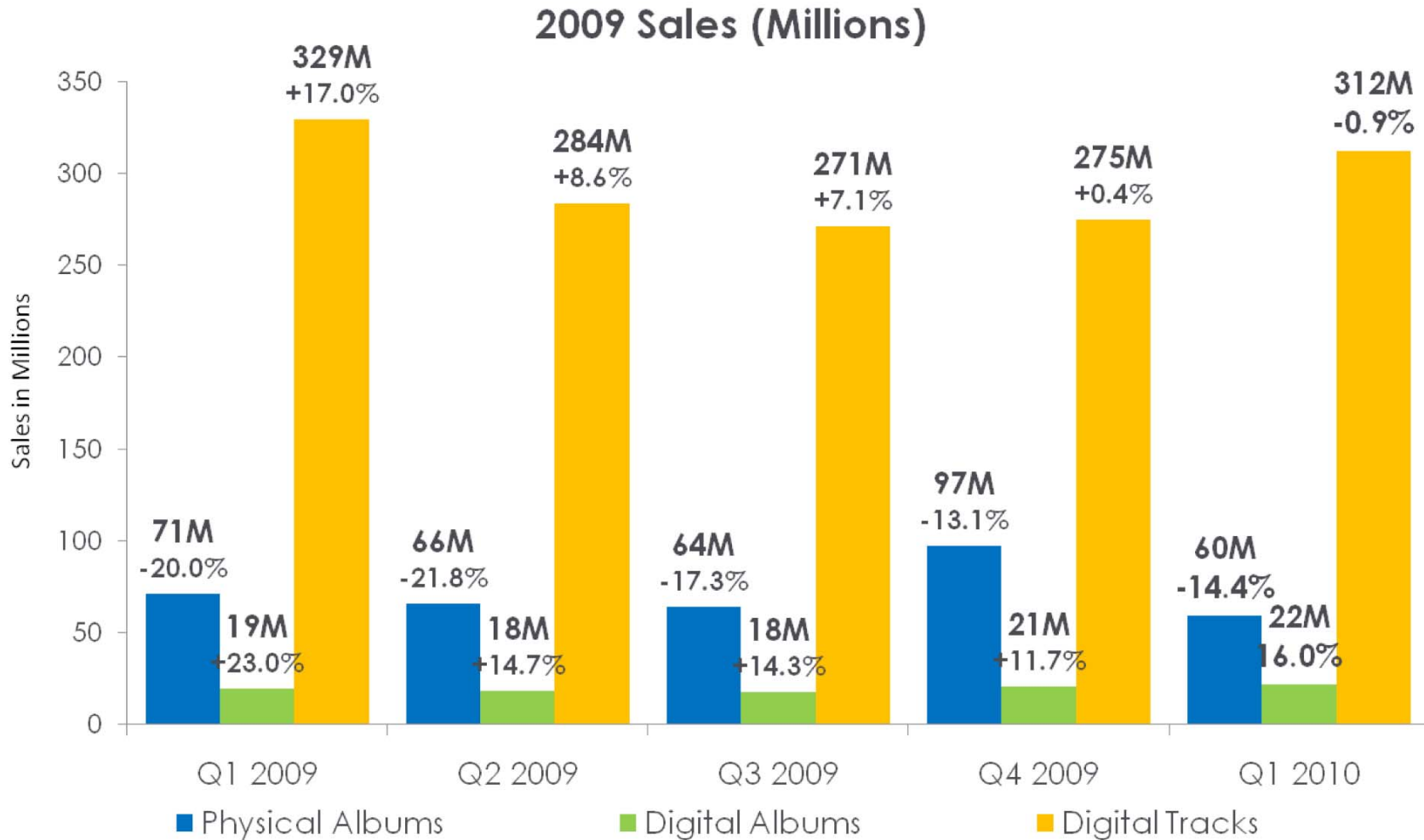
The 53rd week of 2009 is excluded from Q4 sales.

Physical Sales Trend: Misc. Formats



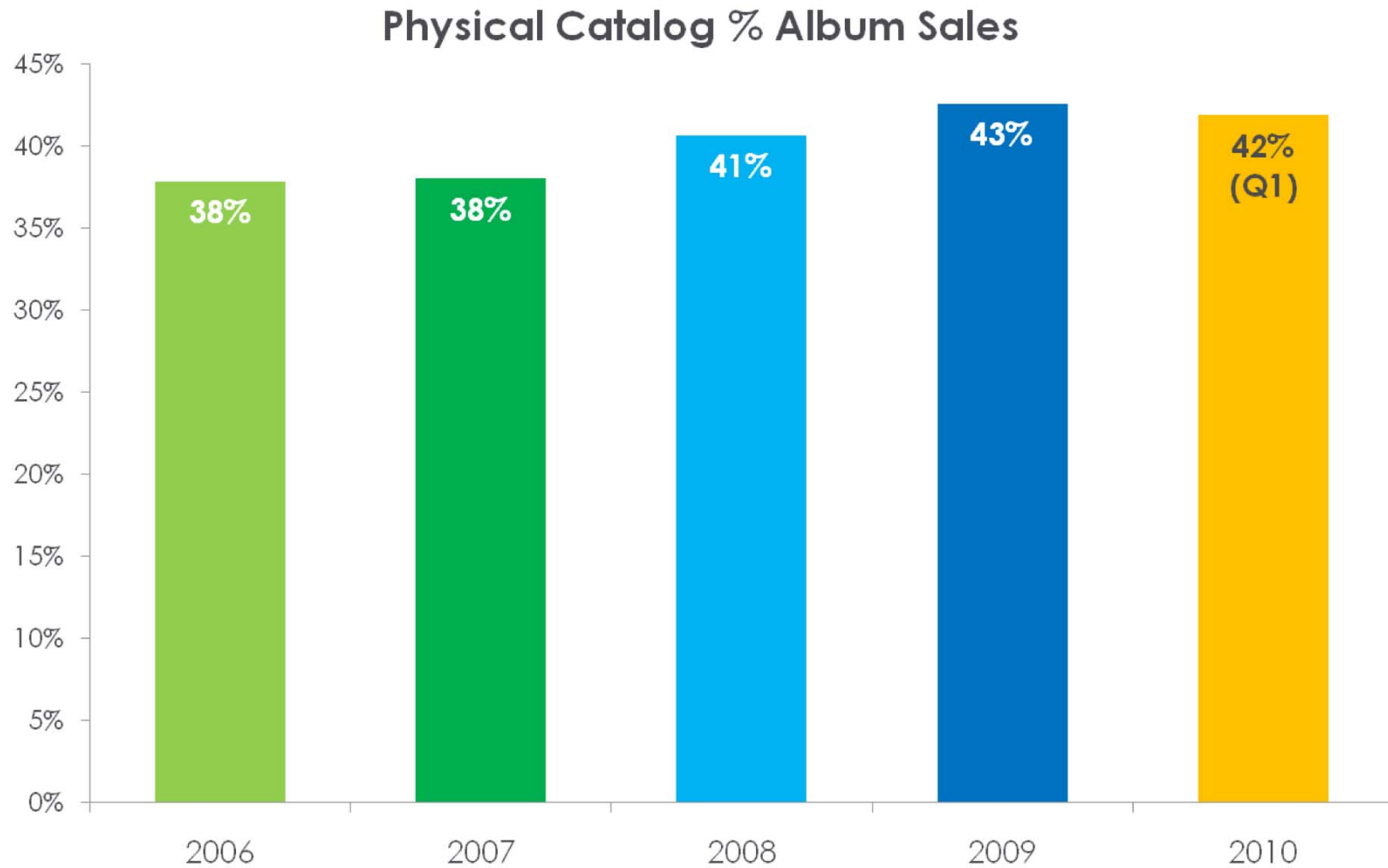
The 53rd week of 2009 is excluded from Q4 sales.

Album and Track Sales



The 53rd week of 2009 is excluded from Q4 sales.

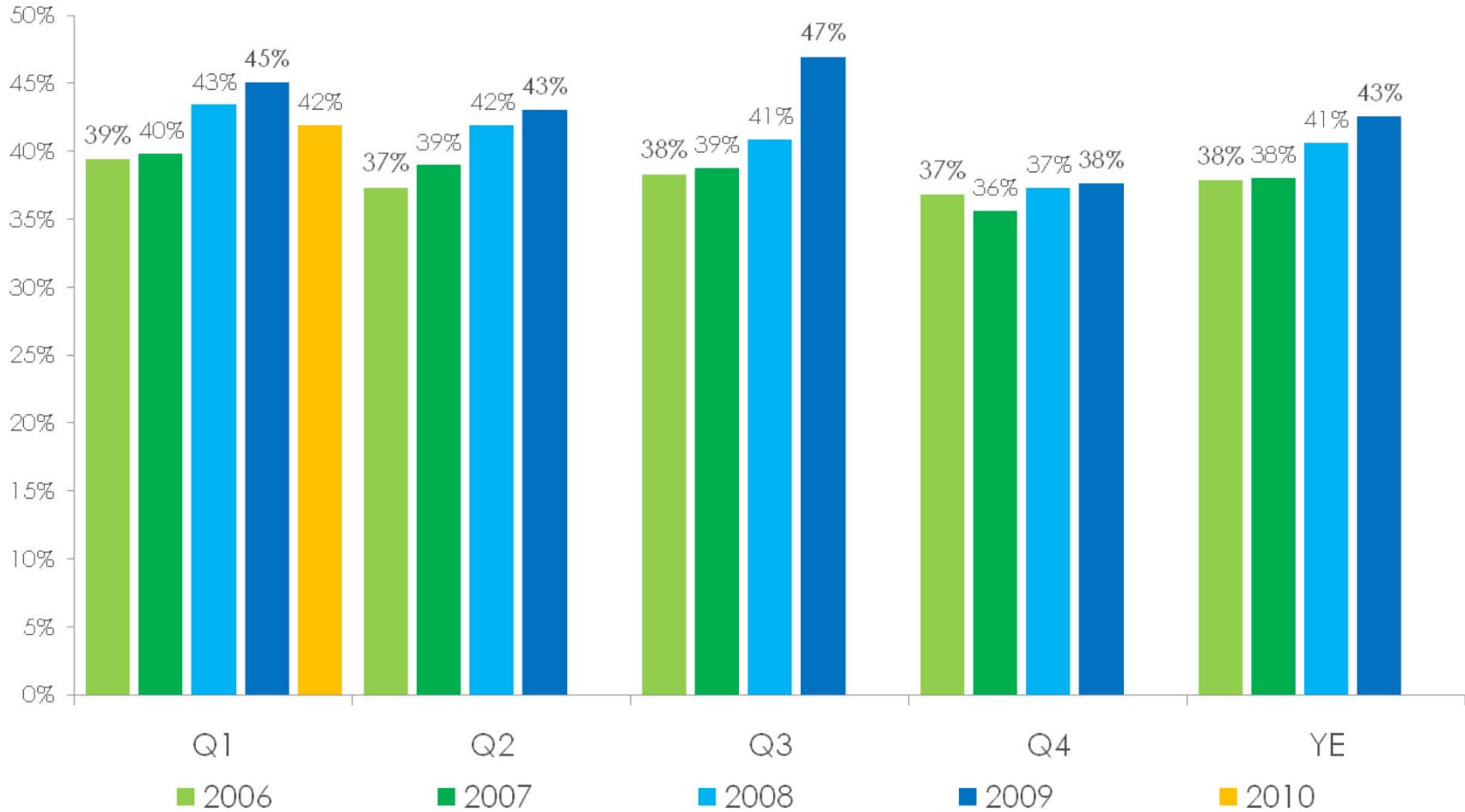
Physical New and Catalog by Year



The 53rd week of 2009 is excluded from Q4 sales.

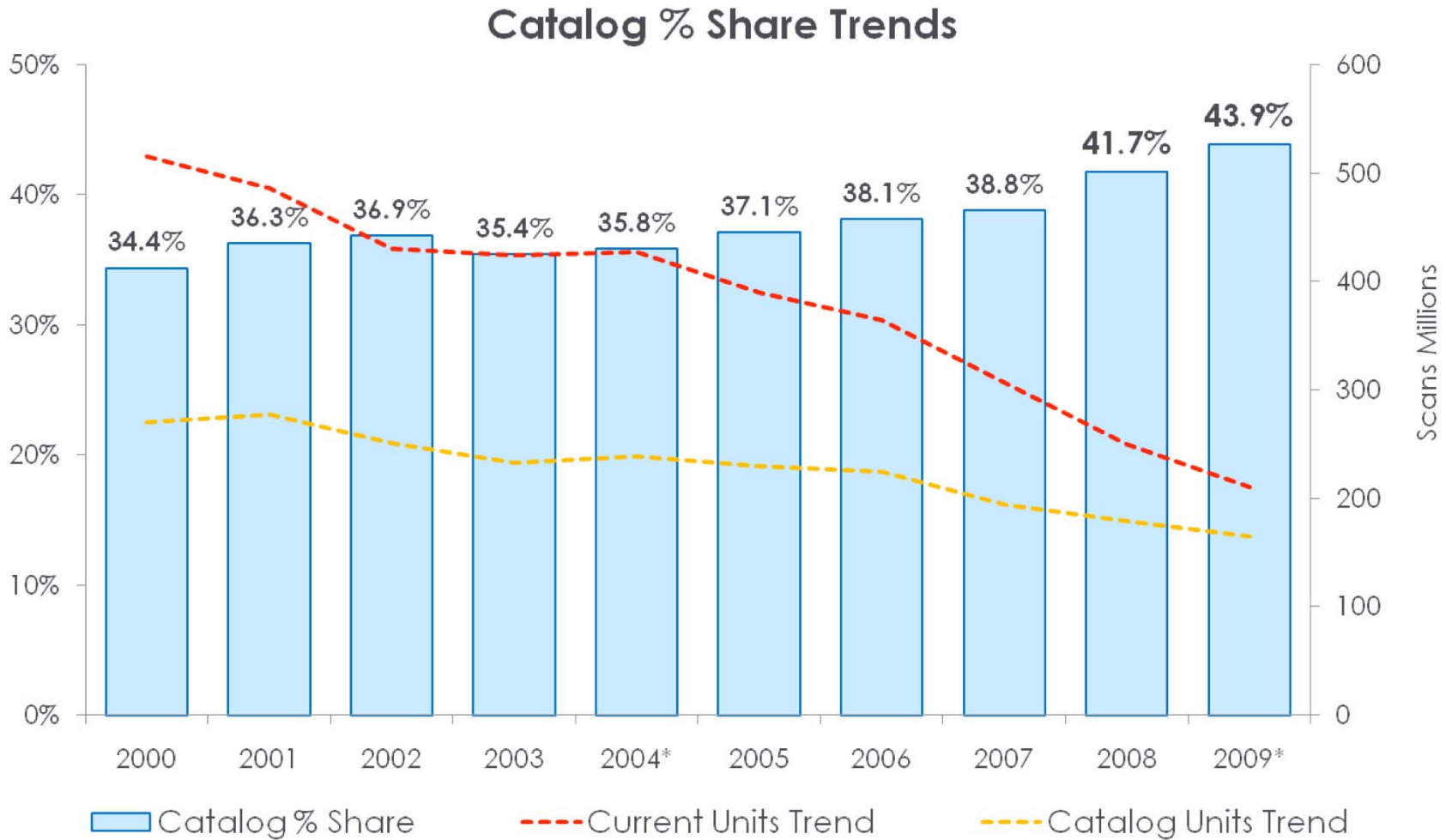
Physical New and Catalog by Quarter

Physical Catalog % Album Sales



The 53rd week of 2009 is excluded from Q4 sales.

Albums New vs. Catalog



Includes all album formats
 * 1998, 2004, and 2009 adjusted to 52 week years

Genre: Physical Share of Total Albums

Physical Album % Share						
Genre	2004	2005	2006	2007	2008	2009
Alternative	98.7%	95.7%	91.2%	84.6%	77.6%	69.8%
Classical	98.9%	97.4%	95.6%	93.0%	87.8%	83.8%
Country	99.6%	98.9%	97.4%	95.5%	92.5%	89.3%
Hard Rock	99.3%	97.6%	94.8%	90.6%	87.5%	81.3%
Jazz	98.8%	96.9%	93.1%	88.8%	84.0%	81.8%
R&B	99.6%	98.7%	96.7%	93.7%	89.7%	86.3%
Rap	99.6%	98.6%	96.5%	93.0%	87.7%	81.6%
Latin	99.9%	99.7%	99.2%	98.4%	97.5%	95.8%
Gospel	99.8%	99.4%	98.5%	96.1%	93.1%	90.3%
New Age	98.9%	97.2%	92.9%	89.0%	83.6%	77.7%
Rock	---	---	92.4%	86.9%	81.0%	75.1%
Electronic	---	---	89.7%	80.4%	72.1%	67.7%
All (Total)	99.2%	97.4%	94.5%	90.0%	84.6%	79.7%

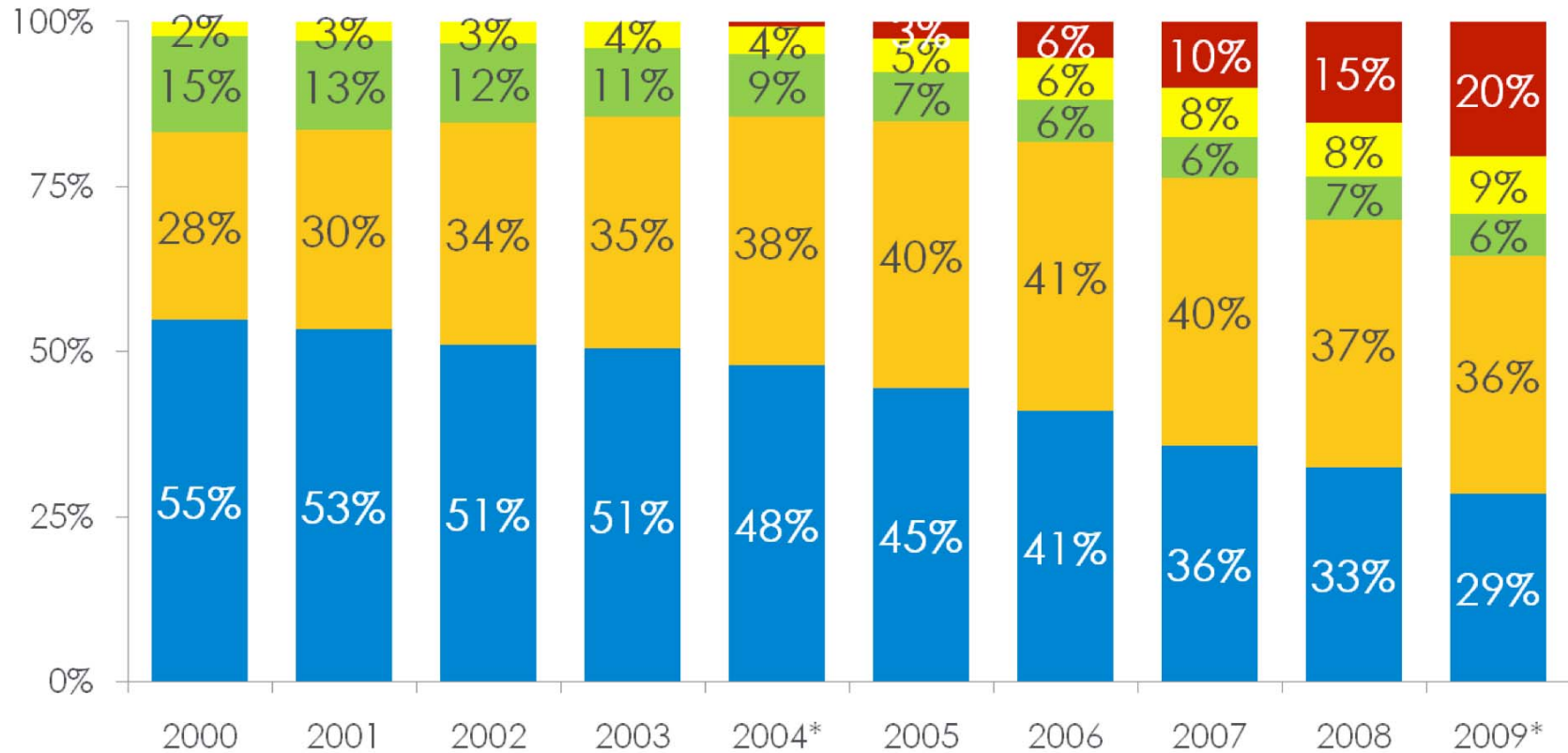
* 2004 and 2009 adjusted to 52 week years

Genre: Physical YOY Change

Physical Album Units Year-Over-Year % Change						
Genre	2005	2006	2007	2008	2009	3-Year Average
Alternative	-11.4%	-13.4%	-25.1%	-16.2%	-23.8%	-21.7%
Classical	-16.7%	20.2%	-9.7%	-30.3%	-12.5%	-17.5%
Country	-3.8%	-2.1%	-17.9%	-26.4%	-6.5%	-16.9%
Hard Rock	-15.6%	-7.3%	-17.8%	-8.0%	-28.3%	-18.0%
Jazz	-10.7%	-11.8%	-14.8%	-20.7%	-2.7%	-12.7%
R&B	-12.0%	-20.0%	-20.9%	-22.9%	-12.6%	-18.8%
Rap	-8.1%	-22.4%	-32.6%	-24.3%	-26.4%	-27.8%
Latin	12.8%	4.7%	-16.4%	-21.8%	-35.2%	-24.5%
Gospel	1.0%	-3.6%	-26.2%	-12.1%	-5.7%	-14.7%
New Age	-9.5%	-26.1%	-9.8%	-13.9%	-25.3%	-16.3%
Rock	---	---	-17.7%	-12.9%	-17.4%	-16.0%
Electronic	---	---	-40.2%	-0.3%	21.6%	-6.3%
All (Total)	-8.7%	-7.8%	-18.9%	-19.5%	-17.7%	-21.7%

* 2004 and 2009 adjusted to 52 week years

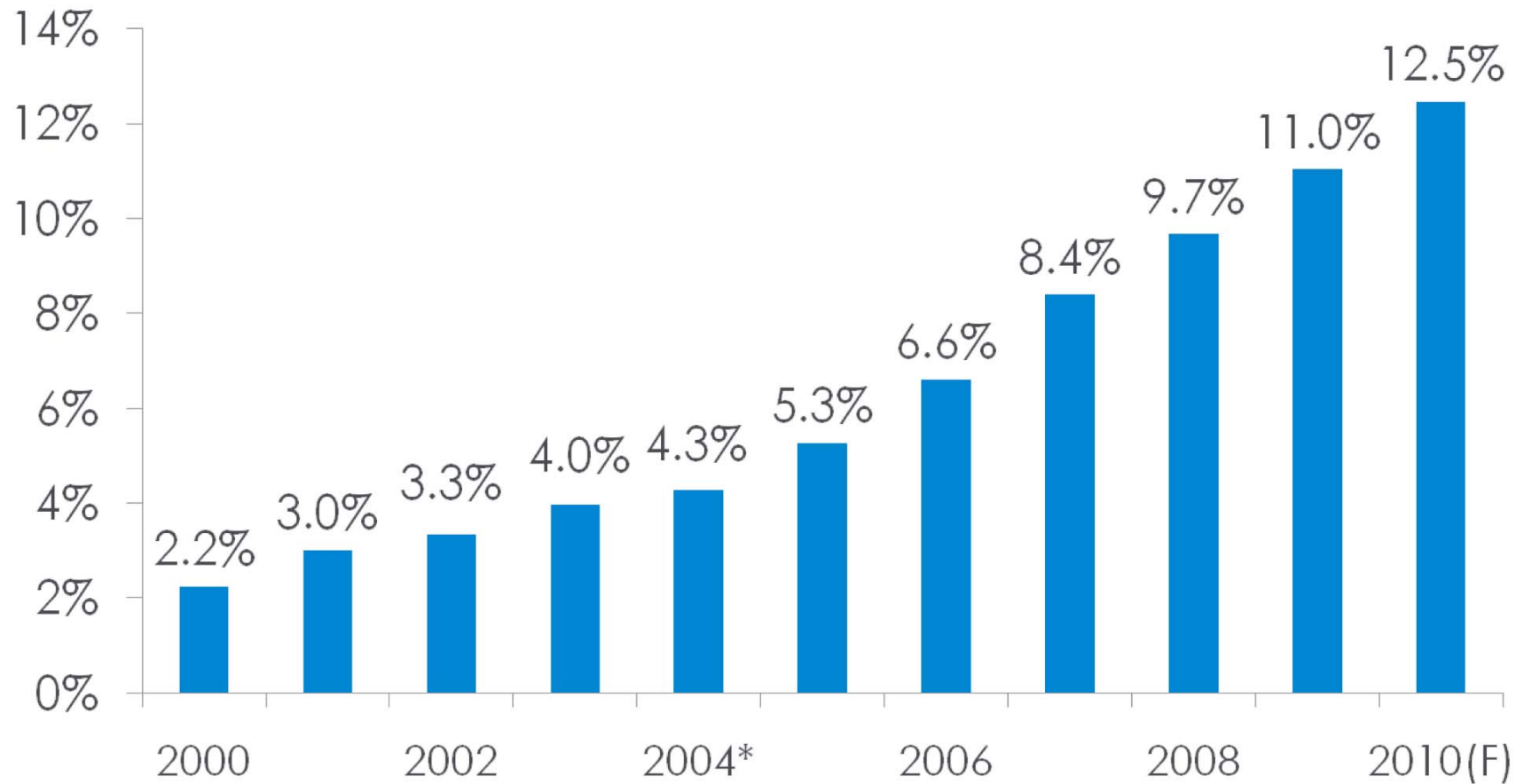
Strata Trend: Album Sales Share



■ Chain ■ Mass Merch ■ Independent
■ Non-Trad Physical ■ Digital Albums

Non-Traditional Physical share of Total Physical

Online/Internet, Mail-Order, and Venue Sales of Physical Product



Questions?

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