



AUSTRALIAN RECORDING
INDUSTRY ASSOCIATION

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**Australian Recorded Music Sales for 6 Months to 30 June 2007
Digital music and local albums continue to perform strongly**

The Australian Recording Industry Association (ARIA) today reported wholesale recorded music sales for the six months to June 2007. While a decline in the physical market was recorded (as compared to the same period last year), there were once again impressive gains in the digital market. The overall volume of the market increased by 11% to over 36.6 million units during the period. However, the wholesale value of the market decreased by 13% against the same period last year to just under \$186 million.

As expected, digital music sales increased substantially over the period and now account for 9.75% of the recorded music market by value. This compares favourably to the 5.5% overall value reported for same period last year. In particular, sales of digital albums have increased by over 140% compared to the same period last year.

While digital sales have continued to enjoy significant and impressive gains, most physical formats declined in both value and volume over the period. Whilst this is in line with worldwide trends, ARIA does not regard this as indicative of the full year results. All key recording labels have significant releases scheduled for the second half of the year and ARIA is still expecting a good full year result for physical CD sales. The rest of the year will see new releases from a wide variety of local and international artists.

The further decline in the physical singles format appears to reflect the continued transition by consumers to digital singles. The significant growth of digital track sales, which includes full length track downloads to mobile phones, exceeded the value of the physical singles decline. Digital tracks now represent 46% of the value of the total digital market.

The results for the first half have again underscored the ongoing success of Australian artists. Retail sales of albums by local artists have grown to represent 34.8% of the Top 100 albums chart for the period, up from 31.8% in the same period last year. In particular, strong sales were reported by Australian artists including Missy Higgins, Silverchair, Damien Leith, Powderfinger and the John Butler Trio.

In summary, during the six month period to June 2007:

- Australian albums represented 34.8% of the Top 100 album chart sales for the period, up from 31.8% for the same period last year. Australian acts took 34 of the top 100 album spots including 5 of the Top 10, up from 27 top 100 album spots last year:

| | | |
|-------|---------------|-----------------------------------|
| No. 3 | Missy Higgins | On A Clear Night. |
| No.4 | Silverchair | Young Modern |
| No.6 | Damien Leith | The Winners Journey |
| No.9 | Powderfinger | Dream Days At The Hotel Existence |
| No.10 | John Butler | Grand National |

- Digital music sales increased 90% by volume and 47% by value.
- There is a strong new release schedule for the remainder of 2007 which will include new titles from:

- | | |
|-------------------|-------------------------|
| - Shannon Noll | - Operator Please |
| - Delta Goodrem | - Rogue Traders |
| - Kanye West | - High School Musical 2 |
| - The Cat Empire | - Keith Urban |
| - 50 Cent | - Foo Fighters |
| - Vanessa Amorosi | - Spice Girls |
| - James Blunt | - Ben Lee |
| - Matchbox 20 | - The Waifs |
| - The Veronicas | - Damien Leith |
| - Kylie Minogue | - Westlife |
| - Ben Harper | |

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