

MUSIC SALES DIP FURTHER IN 2010 BUT DIGITAL ALBUMS HIT THE MAINSTREAM

- Combined 2010 digital and physical album sales decline 7% overall in volume to 119.9m.
- Digital powers singles to third successive record high – 161.8m sold in 2010, up 5.9%.
- The digital album comes of age – 21.0m sold, representing 17.5% of 2010 album sales.

5th January 2011 - A third successive record year for singles and the emergence of a mainstream market for digital albums failed to halt a further overall decline in UK music sales in a market that remains heavily distorted by still-increasing levels of illegal downloading, new Official Charts Company data released today by the BPI confirmed.

Combined sales of digital and physical albums overall fell by 7.0% to 119.9m in 2010, with growth in digital sales failing to offset the decline in physical CD sales. Despite the encouraging digital albums sales of 21.0m, growing 30.6% on last year's sales of 16.1m, the market for CD albums declined 12.4% to 98.5m from 112.5m in 2009.

The singles market recorded an all-time sales high of 161.8m, 5.9% up on 2009's tally of 152.7m, reflecting the unparalleled choice and value on offer from the UK's burgeoning digital music retail environment. 5.2m tracks were downloaded in the final week of 2010 – the first time weekly sales have surpassed 5m. Sales of digital single tracks represented 98.0% of overall singles sales, with CD singles only accounting for 1.9m sales, down on last year's total of 2.5m.

Geoff Taylor, BPI Chief Executive, said, "2010 showed that the digital singles highs seen in the previous two years were no fluke – music fans continue to embrace the convenience, value and choice offered by legal download stores. The market for digital albums also went mainstream in 2010 with nearly a fifth of sales now coming from online services.

"Yet however encouraging it is to see the digital market grow, this must be seen against the bigger picture. Despite unprecedented demand for music, and strong innovation offering consumers new ways to access music online, legal downloads are unable to offset the decline in CD sales because they are dwarfed by illegal competition.

"We will continue to do everything we can to promote the legal market, but meaningful action to tackle illegal downloading remains absolutely critical if we are to stabilise British music sales, let alone return to growth. Without it, investment in new digital services and in British musical talent will begin to dry up."

Tony Wadsworth, BPI Chairman, added, "Consumer choice for recorded music has never been greater – both in depth of catalogue and the many ways to buy it. It is now crucial that action to stem illegal downloading, incentivising continued investment in this popular art form, is implemented decisively and urgently."

It was a solid year for British artists in the 2010 album charts. Take That's *Progress* was crowned overall year-end album chart champion, selling more than 1.8m copies during 2010. It was boosted in part by first week sales of almost 520,000, making it the fastest-selling album of this millennium.

Including Take That, The Official Charts Company end-of-year artist album Top 10 boasted five placings from new and established British talent, including Plan B's *The Defamation of Strickland Banks* (No.5), Paolo Nutini's *Sunny Side Up* (No.6), Florence & The Machine's *Lungs* (No.8) and Mumford & Sons' *Sigh No More* (No.10).

While Pop and Urban titles dominated the bestsellers list, there were also big successes for Classical artist André Rieu – who had two albums in the year-end Top 30 – and Michael Bublé, whose *Crazy Love* (classified as MOR / Easy) was the second-biggest selling UK album overall.

Eminem featuring Rihanna's *Love The Way You Lie* sold 854,000 copies to become the UK's No.1 single of 2010, narrowly seeing off a late challenge from X-Factor winner Matt Cardle's single *When We Collide* which ended 2010 as the second biggest-selling single. Tinie Tempah also featured in the year-end Top 10 with his breakout hit *Pass Out*.

UK record companies and retailers worked hard during 2010 to make CDs available to consumers in record numbers of outlets on the high street. The Entertainment Retailers Association (ERA) confirmed that over 6,600 stores stocked CDs in the run up to Christmas, compared to just over 4,600 at the beginning of 2010 - around 15% more than the 5,750 in 1999, music's previous boom year.

ENDS

NOTES FOR EDITORS

IMPORTANT: All figures quoted in this news release are sourced from The Official Charts Company. We would be extremely grateful if you could correctly reference The Official Charts Company when including the figures or tables in any report.

52 VS 53 WEEKS: The Gregorian calendar unfortunately does not allow for a perfectly repeated, precise pattern of 52 chart weeks in a 365-day year, so the entertainment industry has aligned on a system whereby every five years there is a year that everyone agrees contains 53 full weeks. 2009 was a 53 week year. With this in mind, chart positions and retail sales for 2010 were calculated on a 52-week basis, compared to the calculations for 2009 which included 53 full weeks of sales.

FOR FURTHER INFORMATION

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ALBUMS – UK MARKET VOLUMES BY FORMAT 2006 – 2010

Format	2006	2007	2008	2009	2010	2010 share	2010 +/-
CD	151.4m	131.4m	123.0m	112.5m	98.5m	82.2%	-12.4%
LP	0.251m	0.205m	0.209m	0.219m	0.234m	0.2%	+6.8%
Digital	2.8m	6.2m	10.3m	16.1m	21.0m	17.5%	+30.6%
Other*	0.277m	0.194m	0.154m	0.146m	0.104m	0.1%	-28.9%
TOTAL	154.7m	138.1m	133.6m	128.9m	119.9m		-7.0%

* 'Other' includes Cassette, MiniDisc, DVD Audio, DVD Video, DMD and 7" box set albums.

SINGLES – UK MARKET VOLUMES BY FORMAT 2006 - 2010

Format	2006	2007	2008	2009	2010	2010 share	2010 +/-
7"	1.046m	1,040m	0.486m	0.222m	0.152m	0.1%	-31.6%
12"	1.252m	0.803m	0.254m	0.110m	0.067m	0.0%	-39.1%
CD	11.3m	6.6m	4.1m	2.5m	1.9m	1.1%	-24.8%
Digital singles	52.5m	77.5m	109.8m	148.8m	158.6m	98.0%	+6.6%
Other*	0.809m	0.541m	0.556m	1.154m	1.142m	0.7%	-1.1%
TOTAL	66.9m	86.6m	115.1m	152.7m	161.8m		+5.9%

* 'Other' includes DVD, DMD, Digital Bundles and Cassette Singles.

UK 2010 TOP SELLING SINGLES

	<u>Title</u>	<u>Artist</u>	<u>Label</u>	<u>Company</u>
1.	Love The Way You Lie	Eminem ft Rihanna	Interscope	Universal Music
2.	When We Collide	Matt Cardle	Syco Music	Sony Music
3.	Just The Way You Are (Amazing)	Bruno Mars	Elektra	Warner Music
4.	Only Girl (In The World)	Rihanna	Def Jam	Universal Music
5.	OMG	Usher ft Will I Am	Laface	Sony Music
6.	Fireflies	Owl City	Island	Universal Music
7.	Airplanes	BOB ft Hayley Williams	Atlantic	Warner Music
8.	California Gurls	Katy Perry ft Snoop Dogg	Virgin	EMI Music
9.	We Speak No Americano	Yolanda Be Cool vs D Cup	AATW/Sweat It Out	Universal Music
10.	Pass Out	Tinie Tempah	Parlophone	EMI Music

UK 2010 TOP SELLING ARTIST ALBUMS

	<u>Title</u>	<u>Artist</u>	<u>Label</u>	<u>Company</u>
1.	Progress	Take That	Polydor	Universal Music
2.	Crazy Love	Michael Bublé	Reprise	Warner Music
3.	The Fame	Lady Gaga	Interscope	Universal Music
4.	Loud	Rihanna	Def Jam	Universal Music
5.	The Defamation Of Strickland Banks	Plan B	679 / Atlantic	Warner Music
6.	Sunny Side Up	Paolo Nutini	Atlantic	Warner Music
7.	The Element Of Freedom	Alicia Keys	J	Sony Music
8.	Lungs	Florence & The Machine	Island	Universal Music
9.	Recovery	Eminem	Interscope	Universal Music
10.	Sigh No More	Mumford & Sons	Gentlemen Of The Road / Island	Universal Music

UK 2010 TOP SELLING COMBINED ALBUMS (ARTIST AND COMPILATION)

	<u>Title</u>	<u>Artist</u>	<u>Label</u>	<u>Company</u>
1.	Progress	Take That	Polydor	Universal Music
2.	Crazy Love	Michael Bublé	Reprise	Warner Music
3.	Now That's What I Call Music 77	Various Artists	EMI Virgin / UMTV	EMI Music / Universal Music
4.	The Fame	Lady Gaga	Interscope	Universal Music
5.	Loud	Rihanna	Def Jam	Universal Music
6.	The Defamation of Strickland Banks	Plan B	679 / Atlantic	Warner Music
7.	Now That's What I Call Music 76	Various Artists	EMI Virgin / UMTV	EMI Music / Universal Music
8.	Sunny Side Up	Paolo Nutini	Atlantic	Warner Music
9.	The Element Of Freedom	Alicia Keys	J	Sony Music
10.	Lungs	Florence & The Machine	Island	Universal Music

About BPI

The BPI is the representative voice of the UK recorded music business. The BPI is a trade organisation funded by its members - which include hundreds of independent music companies and the UK's four major record labels. The BPI's members account for approximately 90% of all recorded music sold in the UK, and globally the UK's recorded music market is the third biggest.

The BPI also organises the annual BRIT Awards show as well as the Classical BRIT Awards show. The organising company BRIT Awards Limited, is a fully owned subsidiary of the BPI. Substantial proceeds from both shows go to the BRIT Trust, the charitable arm of the BPI that has donated almost £15m to charitable causes nationwide, since its foundation in 1989.

About the Official Charts Company

The Official Charts Company (OCC) is a joint venture between record labels' body the BPI and ERA, the Entertainment Retailers Association. The OCC is responsible for the commissioning, marketing, distribution and management of the UK's industry standard music and video charts and is endorsed by the BVA (British Video Association).

The Official Charts Company compiles its charts from sales information gathered across all key distribution (or entertainment) channels including all major high street retail chains, independent stores, supermarkets, mail order internet retailers and digital music service providers. This market research sample equates to 99% of the total UK Singles market; 98% of the total UK Albums market and 90% of the total UK DVD market.