2008 Year-End Shipment Statistics

202-775-0101

Manufacturers' Unit Shipments and Retail Dollar Value
(In Millions, net after returns)

Digital		2007	2008	% CHANGE 2007-2008
(Units Shipped)	**Download Single**	809.9	1,033.0	27.5%
(Dollar Value)		801.6	1,022.7	27.6%
	Download Album	42.5	56.9	33.9%
		424.9	568.9	33.9%
	Kiosk[1]	1.8	1.6	-8.7%
		2.6	2.6	-1.2%
	Music Video	14.2	20.8	46.7%
		28.2	41.3	46.7%
	Total Units	**868.4**	**1,112.3**	**28.1%**
	Total Value	**1,257.2**	**1,635.4**	**30.1%**
	Mobile[2]	362.0	338.4	-6.5%
		880.8	816.3	-7.3%
	Subscription[3]	1.8	1.6	-15.0%
		201.3	188.2	-6.5%
	Digital Performance Royalties[4]	47.0	81.8	74.1%

Physical		2007	2008	% CHANGE 2007-2008
	CD	511.1	384.7	-24.7%
		7,452.3	5,471.3	-26.6%
	CD Single	2.6	0.7	-71.7%
		12.2	3.5	-71.3%
	Cassette	0.4	0.1	-62.8%
		3.0	0.9	-70.7%
	LP/EP	1.3	2.9	124.1%
		22.9	56.7	147.7%
	Vinyl Single	0.6	0.4	-30.9%
		4.0	2.9	-27.4%
	Music Video	27.5	12.8	-53.6%
		484.9	218.9	-54.9%
	DVD Video[5]	26.6	12.3	-53.8%
		476.1	215.7	-54.7%
	Total Units[6]	**543.9**	**401.8**	**-26.1%**
	Total Value[6]	**7,985.8**	**5,758.5**	**-27.9%**
	Total Retail Units	**464.4**	**348.7**	**-24.9%**
	Total Retail Value	**7,495.3**	**5,474.3**	**-27.0%**

Total Digital & Physical	2007	2008	% CHANGE 2007-2008
Total Units[7]	**1,774.3**	**1,852.5**	**4.4%**
Total Value	**10,372.1**	**8,480.2**	**-18.2%**

% of Shipments	2007	2008
Physical	77%	68%
Digital	23%	32%

Retail value is value of shipments at recommended or estimated list price

[1] Includes Singles and Albums

[2] Includes Master Ringtunes, Ringbacks, Music Videos, Full Length Downloads, and Other Mobile

[3] Weighted Annual Average

[4] Estimated payments in dollars to artists and record companies distributed by SoundExchange. Amounts based on prior year's collections and airplay

[5] While broken out for this chart, DVD Video Product is included in the Music Video totals

[6] Total includes Cassette Single, DVD Audio, and SACD shipments not broken out separately in this report

[7] Units total includes both albums and singles, and does not include subscriptions or royalties

News and Notes On 2008 RIAA Shipment Data

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Sales of digital music continued growing at a rapid pace in 2008, and now constitute 32 percent of the total market by value, and $2.7 billion in total shipments. Digital downloads grew 30 percent to $1.6 billion. Demonstrating the continuing maturation and adoption of the digital music download model, music fans are becoming increasingly comfortable buying full length albums online, with digital album growth rates exceeding those of digital singles. On a dollar basis, digital albums have grown from 25 percent of the download market in 2004 to 36 percent in 2008.

If digital singles are converted into an album equivalent (divided by ten) and added to both CDs and digital albums, the overall album unit decline in 2008 was 14 percent (635 million to 545 million).

Distributions for digital performance rights, which includes payments to artists and labels for webcasting, satellite radio, and other digital music services, increased 74 percent to $82 million in 2008. Though currently a small component of the overall market, performance revenues represent an increasingly important piece of the music industry landscape as fans shift listening habits to digital formats.

The increase in digital shipments only partially offset the decline in shipments of physical products, as overall shipments fell 18 percent year-over-year to $8.5 billion. The market for physical recorded music goods fell 28 percent to $5.8 billion. Both CDs and music videos experienced significant declines.

Vinyl continued to stage a comeback as the format more than doubled year-over-year to $57 million, the highest level since 1990. A favorite product of audiophiles and devout fans, shipments of vinyl were bolstered by the roll out of both new release and catalog material.

Mobile unit shipments (including ringtunes, ringbacks, and full length content) were down 7 percent year-over-year. Growth of 36 percent in full length (audio and video) mobile downloads and 18 percent in ringback tunes were offset by a 17 percent decline in ringtunes. Full length audio and video mobile downloads were 16 percent of the mobile market, and ringbacks accounted for another 16 percent of mobile shipments in 2008.

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