Digital Music Distribution

- Market Trends
- Worldwide Digital Distribution
- REBEAT Digital
- Q & A

International Music Council
Tunis, Tunisia

October 2009
World Market

Global Recorded Music Sales 2008 (US $ Millions)
Source: IFPI - RIN 2009

- Physical Sales 13.829 -15.4 %
- Digital Sales 3.784 +24.1 %
- Performance Rights 802 +16.2 %

Total 18.415 -8.3 %
World Rankings 2008

1. US 27.0 %
2. Japan 22.3 %
3. UK 10.0 %
4. Germany 8.8 %
5. France 5.7 %
6. Canada 2.5 %
7. Australia 2.1 %
8. Italy 1.8 %
9. Spain 1.6 %
10. Netherlands 1.5 %

Source: IFPI - RIN 2009
Digital Share

<table>
<thead>
<tr>
<th>YEAR</th>
<th>worldwide</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1,9 %</td>
</tr>
<tr>
<td>2005</td>
<td>5,5 %</td>
</tr>
<tr>
<td>2006</td>
<td>10,7 %</td>
</tr>
<tr>
<td>2007</td>
<td>15,2 %</td>
</tr>
<tr>
<td>2008</td>
<td>20,5 %</td>
</tr>
</tbody>
</table>

Source: IFPI - RIN 2009

<table>
<thead>
<tr>
<th>Country</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>2,8 %</td>
</tr>
<tr>
<td>Turkey</td>
<td>3,0 %</td>
</tr>
<tr>
<td>Argentina</td>
<td>4,2 %</td>
</tr>
<tr>
<td>Germany</td>
<td>7,6 %</td>
</tr>
<tr>
<td>Australia</td>
<td>13,1 %</td>
</tr>
<tr>
<td>France</td>
<td>15,3 %</td>
</tr>
<tr>
<td>Canada</td>
<td>16,9 %</td>
</tr>
<tr>
<td>Japan</td>
<td>20,0 %</td>
</tr>
<tr>
<td>USA</td>
<td>35,8 %</td>
</tr>
<tr>
<td>South Korea</td>
<td>59,9 %</td>
</tr>
</tbody>
</table>
Top reasons for purchasing more digital music:

- People want to buy songs vs. albums.
- People want music for their portable player.
- People like to get music instantly.
The Digital Opportunities

- 2008: Physical down -15% vs. Digital up +24%
  => Do not miss the digital formats in recorded music!

- e.g. South Africa: digital share < 3% while worldwide > 20%
  => Many countries offer overproportional growth potential!

- e.g. Columbia = 0,2% of the world music market.
  => Digital offers a market increase by 500 times!
Change your view! Make the World …
... more colourful - with YOUR Music!
REBEAT Digital

- Rebeat started 2003 as a (physical) distribution company.
- Headquarter is located in Tulln/Austria
- REBEAT Digital GmbH formed in 2006
- Music Distribution Software: Released in September 2007
- MLconsult joined early 2008
- Currently REBEAT is serving:
  - 300 shops worldwide, incl. iTunes, Amazon, Napster, Nokia etc
  - >1200 Labels, >40 different countries, >100,000 tracks online
- Characteristics: Innovative, Open (Artistic freedom, Musician oriented, low entry), Do-It-Yourself, Fair
You upload your music

More than 300 stores worldwide

1. You upload your music

2. Rebeat converts your data and delivers to stores

3. Sales data, money

4. Money

Sales statements

Mechanical Royalties
The Music Distribution Software

Questions and Answers
Digital Music Distribution

Thank You

Manfred Lappé

ML consult - music | business | consulting
Lerchensgasse 22, 1080 Wien, Austria

Mobile: +43-664-2000.655
E-mail: office@MLconsult.at