

For Immediate Release

Women in Driver's Seat as Digital Music Market Doubles

iPod increases its dominance with a 10:1 margin over nearest competitor

Toronto (July 13, 2006) – As Microsoft prepares to take on the iPod in the digital music space by the end of the year, a new research study shows that the digital music market has experienced remarkable growth in the past year. Women aged 15-49 emerge as the hot growth demographic.

Among key highlights of the research:

- ▶ 28% of Americans aged 12+ (an estimated 67 million) now own a digital music player, more than double the 12% figure in 2005.
- ▶ The Pink iPod? Ownership of digital music players *tripled* among women from a mere 8% in 2005 to 27% in 2006. Among men, it's up to 28% from 18%.
- ▶ While young demographics lead in overall use, the biggest growth in the past year came from Gen Xers and younger Boomers – among those 30-49, ownership is now 33% up from a mere 12% a year ago.
- ▶ Apple continues to dominate and has increased its share of all digital music players from 53% to 68% in one year. Creative Labs is a distant number two with 6% of the market. RCA, Samsung and Sony each register a 2-3% share of the market.
- ▶ As digital music players grow in popularity, so do the number of Americans who download music from the Internet. Nearly half of all American Internet users (45%) downloaded music at some point in the past from pay sites or p2p sources, up from 31% only a year ago.
- ▶ Number of Americans who *paid* for a song download also increased significantly due to the digital music player boom. In 2005, only 8% of Internet users paid for digital music online at some point. In 2006, this was up significantly to 23% (translating to an estimated 39 million people 12+).
- ▶ Consistent with above-average growth in their use of digital music players, three times as many female Internet users are now 'regular' paid downloaders of music (14% of women Internet users paid for a song online in the past month in 2006 versus only 4% in 2005).

"Women are more likely to be driven by acute time poverty and the iPod/iTunes combination offers an easy-to-use, hassle-free digital entertainment experience compared to p2p and other alternatives," said Kaan Yigit, director of the study.

The information for this release comes from a random national sample of 1,016 interviews conducted in the U.S. via telephone in June 2006 tracking a similar survey done in the same time period in 2005 among 1,062 respondents. The survey is part of a series of North American syndicated tracking research programs by Toronto-based Solutions Research Group – *Digital Life America* in the U.S. and *Fast Forward™* in Canada. To maintain an unbiased perspective, the company funds its own syndicated research.

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The sample for the survey statistically reflects the regional and age/sex composition of the U.S. population. The results of the overall survey are accurate to ± 3.0 points, 19 times out of 20.

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