

MEXICO RECORDED MUSIC 2005

Snapshots[®] Series

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EXECUTIVE SUMMARY

Market Size

Mexican recorded music sales fell by -11.1% in value in 2004. Total sales for 2004 were Mx Peso 2,585.6 million.

Market Segmentation

CDs, representing 89.1% of the market by value, constituted the largest segment of the Mexican recorded music market in 2004.

Market Shares

In 2004, the largest Mexican recorded music company by value was Sony Mexico, with a 20.0% share of the market.

Market Forecast

In 2009, the Mexican recorded music market is forecast to decline to Mx Peso 1,780.0 million in value, representing a CAGR of -5.1% since 2005.

CATEGORY DEFINITIONS

Recorded Music

The recorded music report covers albums and singles in all audio and music video formats. Market value is based on legitimate sales.

m

million

Mx Peso

Mexican Pesos

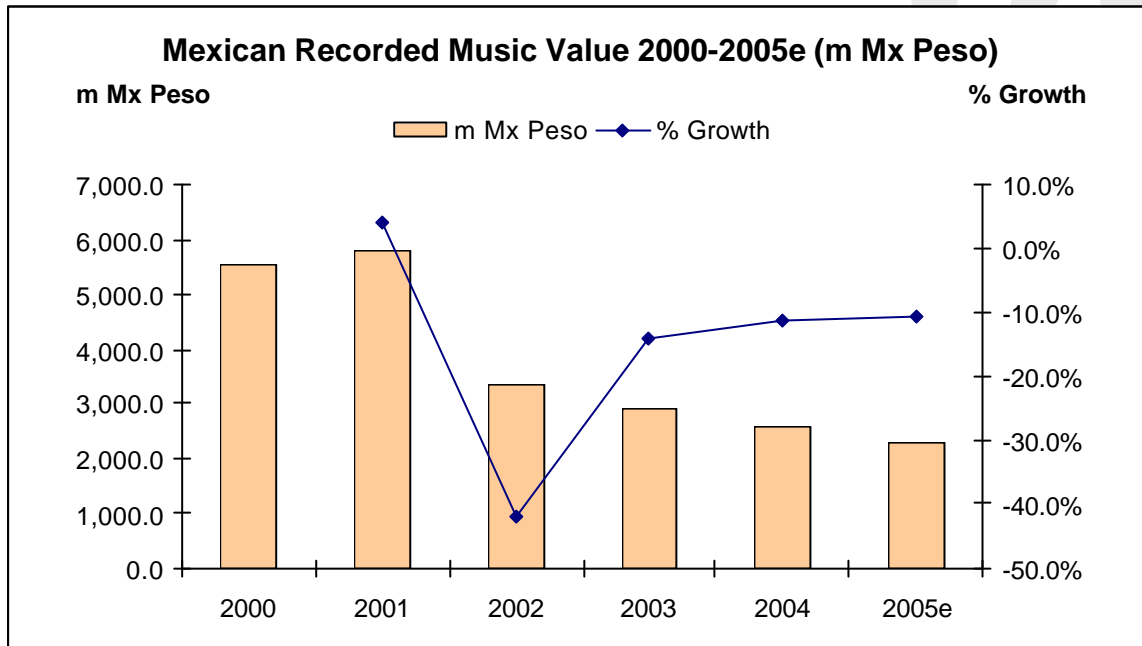
US\$

US Dollars

sample

MARKET SIZE BY VALUE (2000-2004)

- Mexican recorded music sales fell by -11.1% in value in 2004. Total sales for 2004 were Mx Peso 2,585.6 million.
- Compound annual growth rate for the period 2000-2004 was -17.5%.
- The strongest growth was in 2001, with a rate of 4.1%.



Source: Instituto Mexicano de la Propiedad Industrial (IMPI), company information, Snapdata Research

Table 1: Mexican Recorded Music Value 2000-2005e (m Mx Peso)

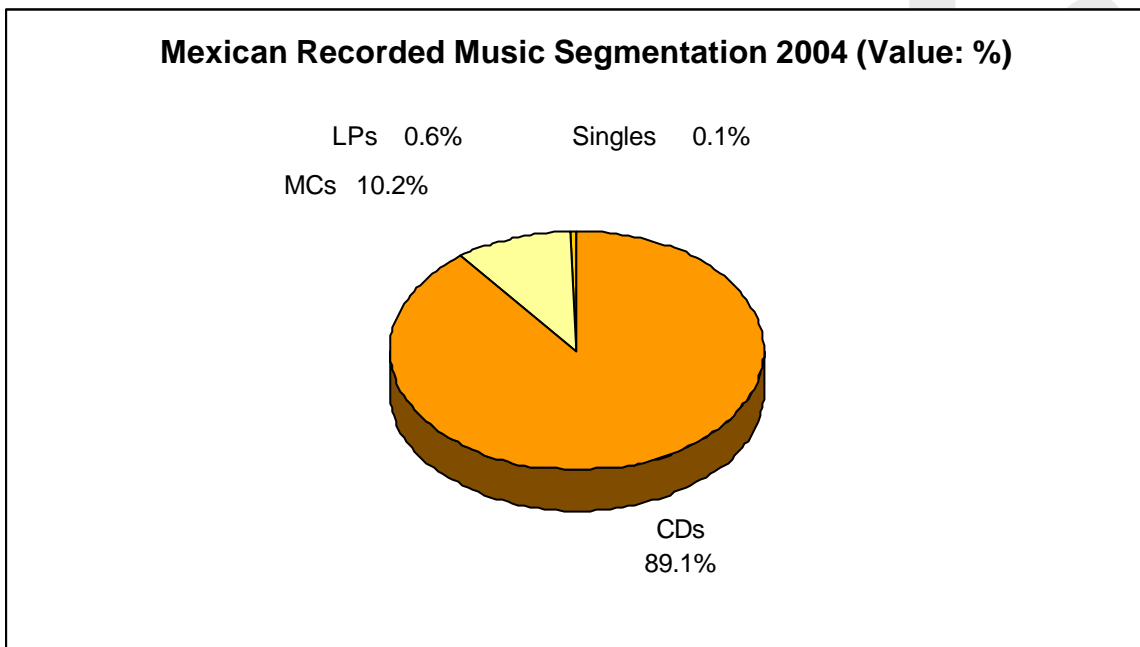
| Year | m Mx Peso | % Growth | m US\$ |
|-------------------------|---------------|----------|--------|
| 2000 | 5,581.3 | | 590.3 |
| 2001 | 5,812.5 | 4.1% | 622.2 |
| 2002 | 3,379.2 | -41.9% | 350.0 |
| 2003 | 2,908.1 | -13.9% | 269.5 |
| 2004 | 2,585.6 | -11.1% | 231.2 |
| 2005e | 2,308.6 | -10.7% | 206.5 |
| CAGR [2000-2004] | -17.5% | | |

Source: Instituto Mexicano de la Propiedad Industrial (IMPI), company information, Snapdata Research

Market size is based on legitimate market size excluding CD-R pirate trade

MARKET SEGMENTATION BY VALUE

- CDs, representing 89.1% of the market by value, constituted the largest segment of the Mexican recorded music market in 2004.



Source: Instituto Mexicano de la Propiedad Industrial (IMPI), Snapdata Research

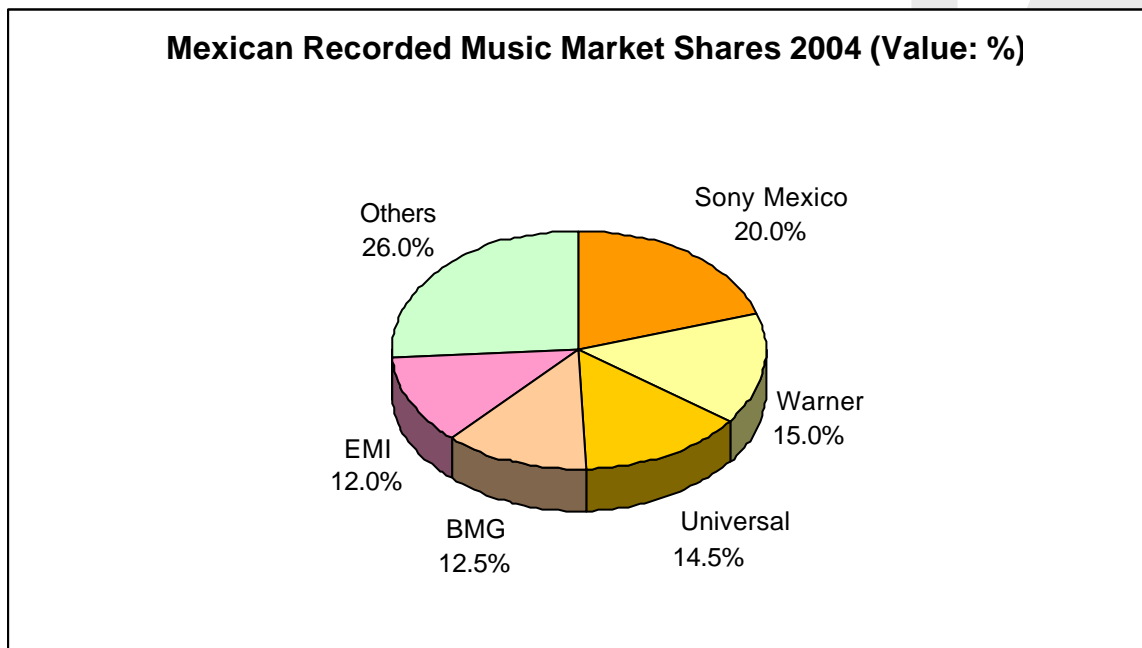
Table 2: Mexican Recorded Music Segmentation 2004 (Value: %)

| Segment | % Share |
|--------------|-------------|
| CDs | 89.1% |
| MCs | 10.2% |
| LPs | 0.6% |
| Singles | 0.1% |
| Total | 100% |

Source: Instituto Mexicano de la Propiedad Industrial (IMPI), Snapdata Research

MARKET SHARES BY VALUE

- In 2004, the largest Mexican recorded music company by value was Sony Mexico, with a 20.0% share of the market.
- The two main players were Sony Mexico and Warner. They accounted for 35.0% of the market by value.



Source: company information, Snapdata Research

Table 3: Mexican Recorded Music Market Shares 2004 (Value: % Share)

| Company | 2004 % Share |
|--------------|--------------|
| Sony Mexico | 20.0% |
| Warner | 15.0% |
| Universal | 14.5% |
| BMG | 12.5% |
| EMI | 12.0% |
| Fonovisa | 6.0% |
| Others | 20.0% |
| Total | 100% |

Source: company information, Snapdata Research

COMPANY WEBSITES (MAIN PLAYERS)

Universal

<http://www.universal.com.mx>

Sony Mexico

<http://www.sonymusic.com.mx>

BMG

<http://www.bmgmusicservice.com>

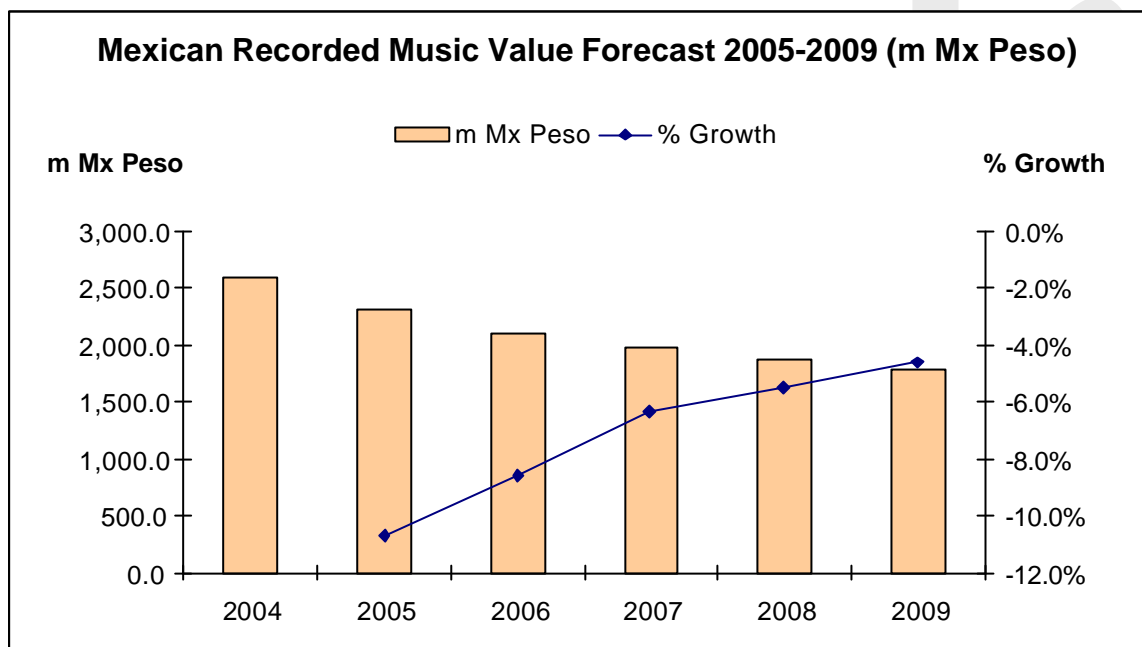
Warner

<http://www.aoltimewarner.com>

sample

MARKET FORECAST BY VALUE (2005-2009)

- In 2009, the Mexican recorded music market is forecast to decline to Mx Peso 1,780.0 million in value, representing a CAGR of -5.1% since 2005.



Source: Snapdata Research

Table 4: Mexican Recorded Music Value Forecast 2005-2009 (m Mx Peso)

| Year | m Mx Peso | % Growth |
|-------------------------|--------------|----------|
| 2005 | 2,308.6 | -10.7% |
| 2006 | 2,109.0 | -8.6% |
| 2007 | 1,975.0 | -6.4% |
| 2008 | 1,866.0 | -5.5% |
| 2009 | 1,780.0 | -4.6% |
| CAGR [2005-2009] | -5.1% | |

Source: Snapdata Research

Snapdata Research market forecasts are based on statistical forecasting techniques, using historical data supplemented with qualitative parameters such as industry expectation and opinion, and socio-economic drivers. Some fast-moving markets are more difficult to predict accurately due to their volatility. Your attention is drawn to the notes at the end of this report regarding data accuracy.

SOCIO-ECONOMIC DATA FOR MEXICO

Table 5: Mexico Size of Population 2000-2004 (Pop m)

| Year | Pop m | Growth % |
|------|-------|----------|
| 2000 | 98.9 | 1.5% |
| 2001 | 100.4 | 1.5% |
| 2002 | 101.8 | 1.4% |
| 2003 | 103.3 | 1.5% |
| 2004 | 104.7 | 1.4% |

Table 6: Mexico Nominal GDP, at current market prices 2000-2004 (US\$ bn)

| Year | US\$ bn | Growth % |
|------|---------|----------|
| 2000 | 481 | |
| 2001 | 581 | 20.8% |
| 2002 | 624 | 7.4% |
| 2003 | 637 | 2.1% |
| 2004 | 594 | -6.8% |

Table 7: Mexico Consumer Price Index (% change) 2000-2004

| Year | Rate % |
|------|--------|
| 2000 | 16.6 |
| 2001 | 9.5 |
| 2002 | 6.4 |
| 2003 | 5.0 |
| 2004 | 4.6 |

Table 8: Mexico Exchange Rate 2000-2004 (Mx Peso/US\$)

| Year | Mx Peso/US\$ |
|------|--------------|
| 2000 | 9.56 |
| 2001 | 9.46 |
| 2002 | 9.34 |
| 2003 | 9.66 |
| 2004 | 11.00 |

Source: Economist Intelligence Unit

SOURCES FOR FURTHER RESEARCH

Instituto Mexicano de la Propiedad Industrial (IMPI)

Periferico Sur Nro 3106, piso 7, Col Jardines del Pedregal, 01900 Mexico DF

Tel: +52 55 5624 0400

Fax: +52 55 5624 4730

Web: <http://www.impi.gob.mx/>**Related Snapshots Series reports available from Snapshots International:**

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