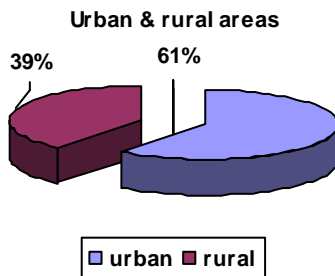


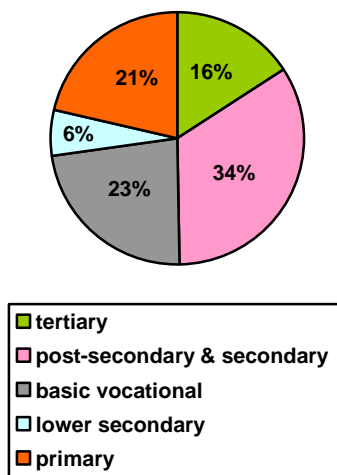
REPORT ON THE MUSIC MARKET IN POLAND

COUNTRY DATA

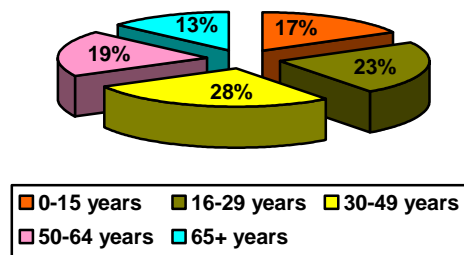
Population (in thous.): 38116¹
 Median age: 37 years
 Currency: Zloty (PLN)
 USD Exchange Rate (2007): 3.77
 Average monthly wages (in PLN): 2888.20



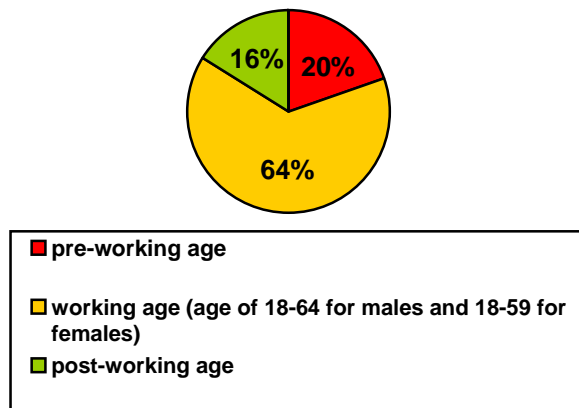
Population aged 13 and more by educational level (2006)



Age structure



Working and non-working age population



DIGITAL INDICATORS

Internet users (in thous.): 14100
 Broadband lines (in thous.): 3400
 Cellular telephone subscribers (in thous.): 41510
 3G subscribers (in thous.): 700
 Average expenditure (per one person in PLN):
 on the Internet via stationary phone 28.2
 on other Internet services (apart from telephone): 44.1

¹ All the data in this report refer to 2007, unless specified otherwise

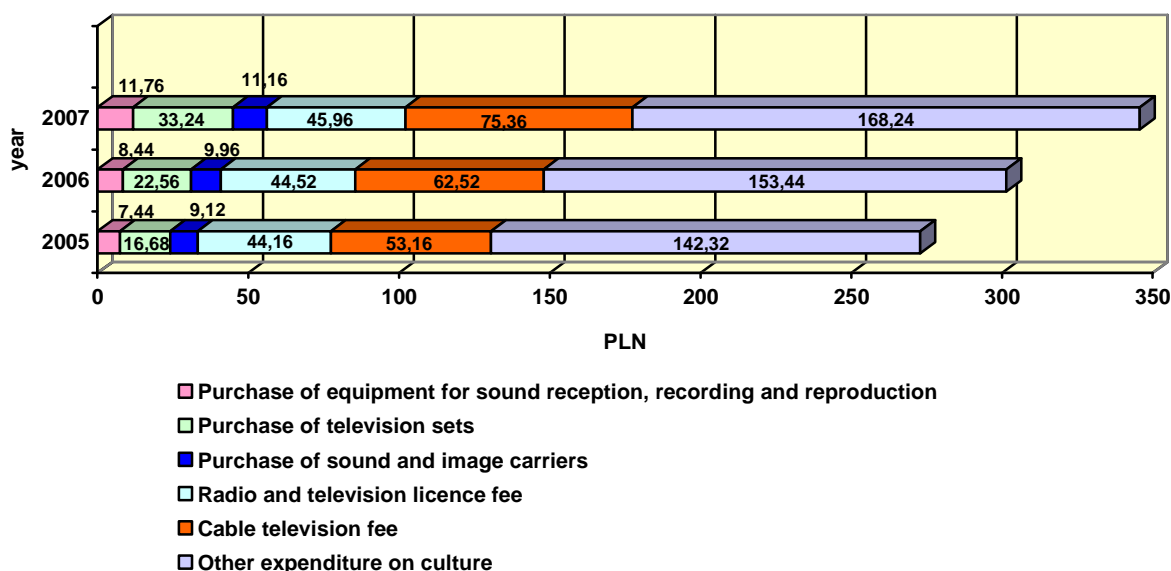
CULTURAL INDICATORS

Expenditure from the state and local self-government entities' budgets on culture and the protection of national heritage

Expenditure on culture and the protection of national heritage amounts to 0.52% of state budget expenditure and 3.66% of the total of local self-government entities' budgets

Specification	state budgetary expenditure		local self-government entities' budgetary expenditure	
	in thous. PLN	percentage	in thous. PLN	percentage
On culture and the protection of national heritage	1313661	100	4729925	100
Radio and television projects	16911	1.29	-	-
Music theatres, operas and operettas	141546	10.77	637100	13.47
Philharmonics, orchestras and choirs	42674	3.25	159574	3.37

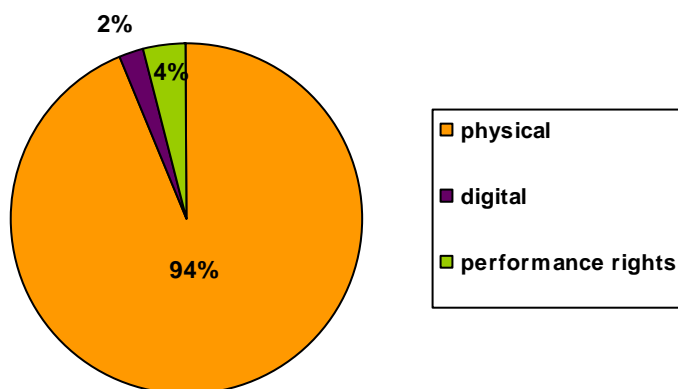
Average per capita expenditure on culture in households



Households' equipment with selected audio-visual articles	
Television set	98.5%
Equipment for the reception of satellite or cable television	51.8%
Radio tuner	57.5%
Radio with cassette recorder	29.8%
Equipment for sound reception, recording and reproduction	44.9%
MP3 or MP4 player	21.8%
CD player	13.8%
Stereo system with radio, cassette player and CD player	28%
Personal computer incl. with Internet access	50.1% 36.6%

THE MUSIC MARKET IN POLAND: GENERAL DATA

Total music market revenues by sector



The Polish music market is of little significance to the world or European markets. In comparison with leading world markets, such as the USA, Japan, the UK, Germany or France, the value of the Polish market is small. In the World Ranking run by the International Federation of the Phonographic Industry (IFPI), Poland is 24th with regard to physical sales value, 36th as far as digital sales are concerned, and 28th with respect to performance rights.

THE MUSIC RECORD MARKET

Certification Award Levels

Albums:

Domestic repertoire

Gold: 15000

Platinum: 30000

Diamond: 150000

International repertoire

Gold: 10000

Platinum: 20000

Diamond: 100000

Music videos:

Gold: 5000

Platinum: 10000

Taxes on Sound Recordings

Sales tax: 22%

Import tax: 22%

Top Independent Labels (alphabetical)

Dux (www.dux.pl)

Fonografika (www.fonografika.pl)

Metal Mind Production

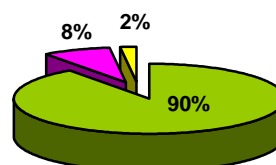
(www.metalmind.com.pl)

Polskie Nagrania

(www.polskienagrania.com.pl)

Reader's Digest (www.digest.com.pl)

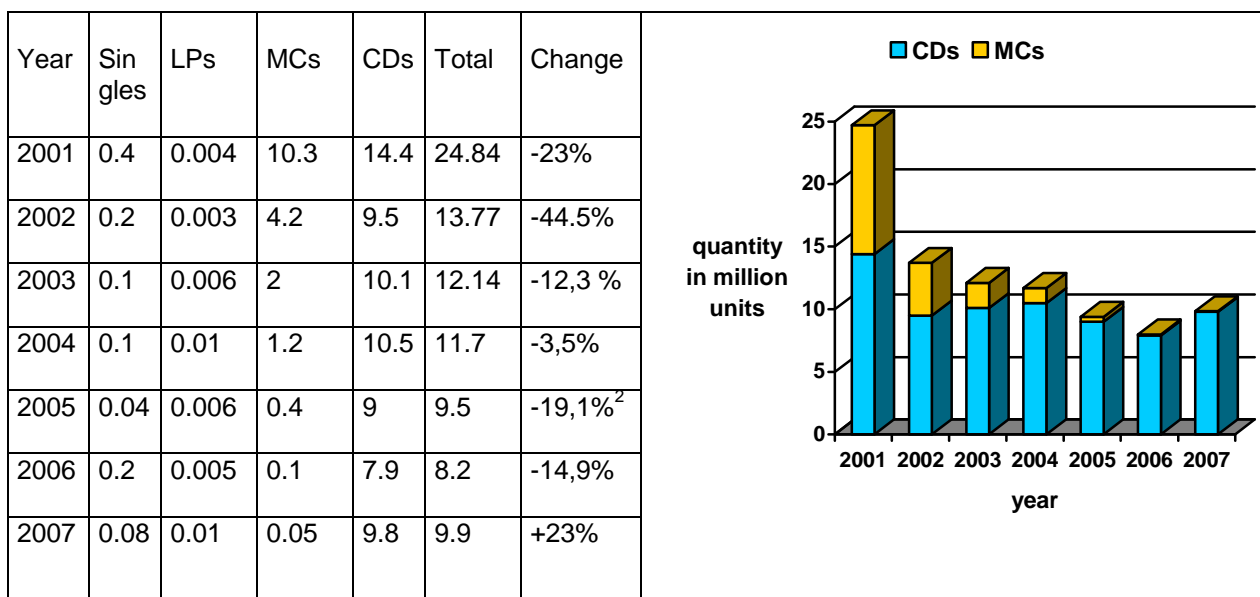
Physical Sales by Format (value)



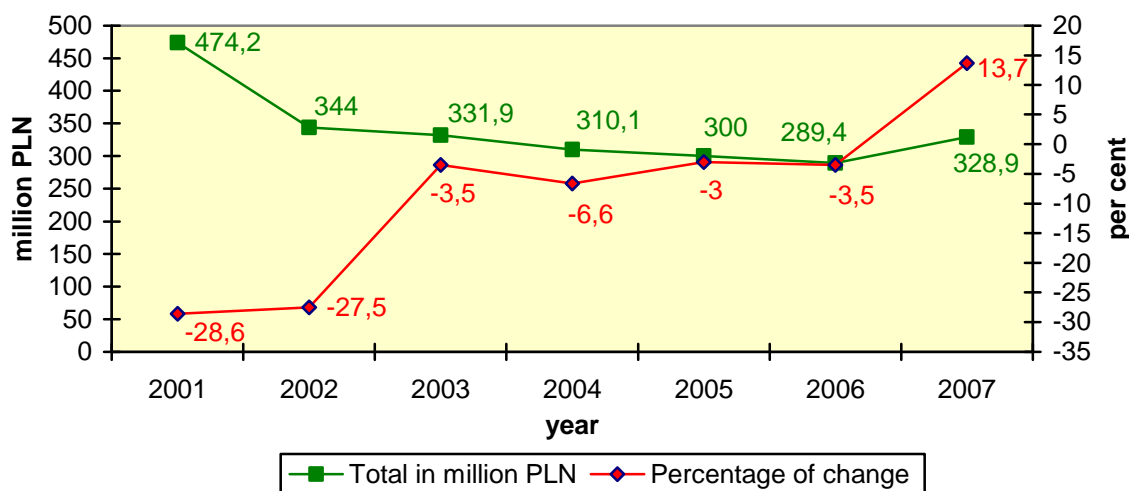
The Polish music record market is dominated by four main music corporations (majors), whose combined share in the market totals approximately 75%. These are: Universal Music Poland, EMI Music Poland, Sony BMG Music Entertainment and Warner Music Poland. In this respect, the Polish market mirrors the world music market. The competitors of these corporations are several hundred small local record labels with limited budget for promotion and small catalogues of performers. Many of these small labels do not possess their own system of distribution, and are therefore dependent on distribution by the majors, which allows the latter to take control over the distribution of many independent labels. Only a few of the Polish record companies can boast markets shares exceeding 1%.

It is a characteristic feature of the Polish market that record sales are increasing, which is contrary to the global trend. Worldwide, record sales are continually falling, while digital music sales are rising.

Recorded music sales by format (in million units)



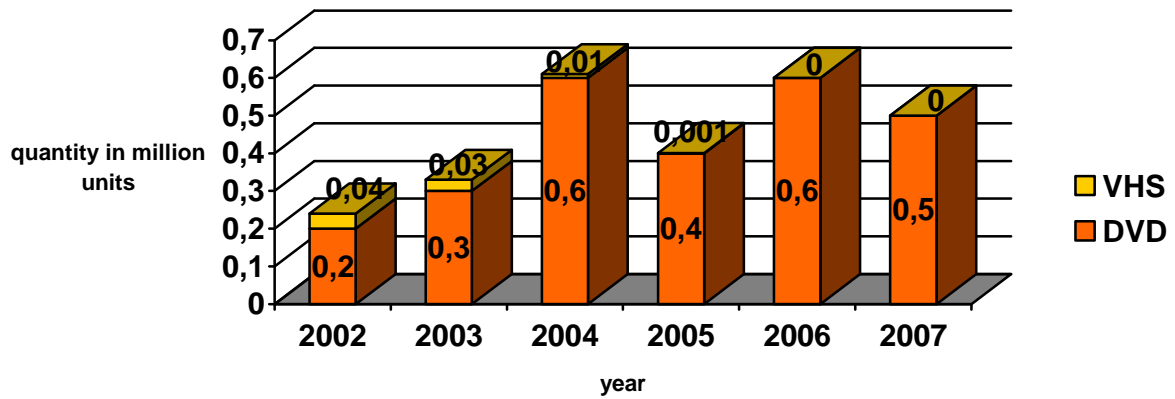
Recorded music sales by retail sales value



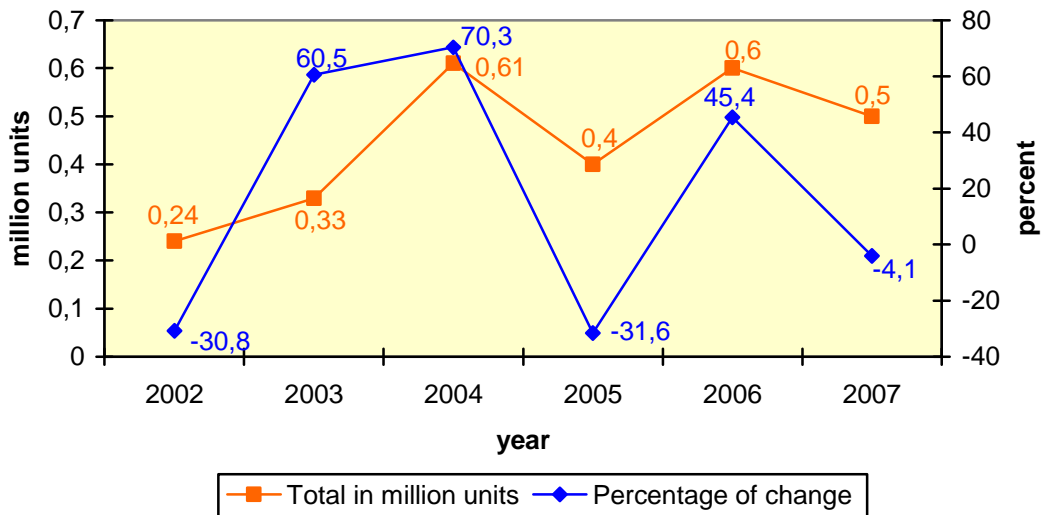
² All numerical data from 2005 are given in packages, so they are not comparable.



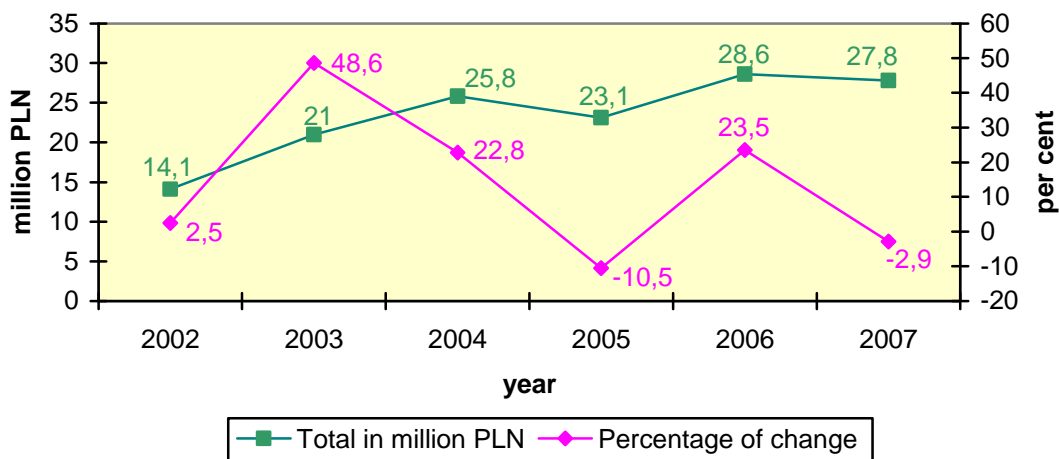
The video market by format



The video market by quantity

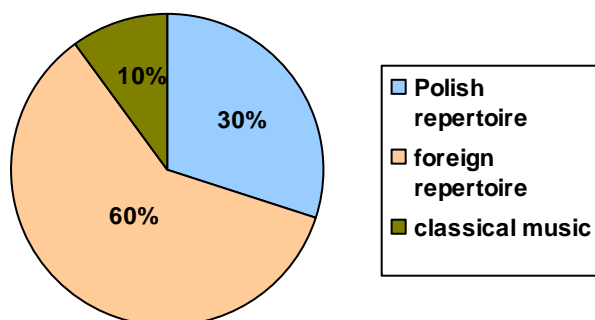


The video market by retail sales value



CLASSICAL MUSIC ON THE POLISH RECORD MARKET

Physical Sales by Repertoire (value)



Classical music recordings constitute 10% of the total value of all recordings sold in Poland. In comparison with the general situation on the Polish record market, the classical music sales are less concentrated. For the majors, it is the weakest segment of the market. Despite the domination of the market by the majors, local producers in the classical segment offer strong competition, unlike in the popular Polish and foreign music segment, or in the market for medleys and soundtracks.

Main labels publishing classical music in Poland

- Acte Préalable Sp. z o.o. (www.acteprealable.com)

Acte Préalable Music Publishers was founded in 1997. In the 11 years since its inception, Acte Préalable has released 200 albums, mostly dedicated to forgotten Polish compositions. 150 of these albums consist partly or entirely of works never recorded or even printed before. Many of the albums are dedicated to Polish contemporary music. In 2008, Acte Préalable released 32 CD albums.

- BeArTon Record Company (www.bearton.pl)

A Polish classical music record company, producer and editor of the National Edition of Frederic Chopin's Works on CD. The company was founded in 1995 to record original projects and outstanding creations. One of the company's greatest achievements is the 12-CD National Edition of Frederic Chopin's Works, in which Chopin's works are performed, for the first time in the world, on the basis of the original scores in agreement with the composer's idea. This series has been selling in Poland and abroad in many thousand copies.

- CD Accord Music Edition Sp. z o.o. (www.cdaccord.com.pl)

CD Accord was founded in 1996. It records and releases both Polish and foreign music, dedicating much space to contemporary Polish music.

- DUX Recording Producers (www.dux.pl)

DUX was founded in 1992. Its main area of interest is the production and release of classical music. In this area, DUX is Poland's biggest company, with nearly 500 titles representing all styles and periods, from medieval to contemporary. 30 to 40 new titles are added to its catalogues each year. The company's offer is dominated by Polish repertoire performed by eminent Polish artists. It is the company's ambition to promote Polish music, especially – less known compositions.

- EMI Music Poland (www.emimusic.pl)

The company's beginnings can be traced back to 1990 – the release of Jacek Kaczmarski's songbooks and compact cassettes. In November 1990, "Pomaton" limited company was officially registered, and in June 1993, it signed an agreement with EMI Music, which gave the company an exclusive licence to represent EMI – one of the world's biggest record companies - in Poland. Since 1995, EMI Music Poland has been one of the biggest companies on the Polish music record market. It has recorded numerous Polish music stars. In the 17 years of its activity, the company has sold more than 40 million records, more than a half of which feature Polish performers. EMI Music Poland has released more than 800 albums by Polish artists and 12 000 albums by artists from the foreign catalogue.

- Pro Musica Camerata Foundation (www.promusicacamerata.pl)

The production section - Pro Musica Camerata Production – releases the greatest works of Polish early music on CDs.

- Musica Sacra Edition (www.musicasacra.com.pl)

The Musica Sacra Edition catalogue is dominated by religious music.

- Musicon (www.musicon.pl)

Musicon record company was founded in 1991 by graduates from the Sound Production Department of Warsaw's Music Academy in order to promote the most valuable aspects of Polish musical culture, which could not develop in co-operation with commercial labels. Musicon concentrates on the highest quality recordings with great artistic value -



mostly Polish music in performances by well known, celebrated Polish artists. A large section of the catalogue is dedicated to early music by composers of Polish nationality or in one or another way associated with Polish culture.

- **Polskie Nagrania (www.polskienagrania.com.pl)**

The name Polskie Nagrania "Muza" has been in existence since 1956. The company produces carriers with various types of music. Its catalogue lists classical, contemporary, folk and popular music, and the genres include pop, rock, jazz, metal, folk, blues, etc., as well as carols, audiobooks with fables and songs for children.

- **Polskie Radio Katowice S.A. (www.radio.katowice.pl/radio,101-wydawnictwa.html)**

CD production, which has developed since 1991, is a fulfillment of one of the state broadcaster's statutory aims - culture support and promotion. The Polish Radio Katowice catalogue includes recordings by the eminent organist Prof. Julian Gembalski, Wojciech Światała, The Silesian Quartet, The Silesian Opera, The Silesian Philharmonic and its Chamber Orchestra "Aukso", The "Camerata Impuls" Orchestra.

- **Polskie Wydawnictwo Audiowizualne / The Polish Audiovisual Publishers (www.pwa.gov.pl)**

Polish Audiovisual Publishers was established by the Minister of Culture in September 2005. Its main task is to make professional recordings of the most important artistic events in the country - mainly in the areas of music, theatre and the opera, but also graphic arts and literature – and to present these recordings in public and private media in Poland and abroad. PWA also produces TV and radio broadcasts related to culture, science and education in Poland. Another aspect of PWA's activity is to initiate and co-organise its own events in the areas listed above. The recordings made by PWA will help build up a video library of contemporary Polish culture.

- **Radiowa Agencja Fonograficzna / Radio Phonographic Agency - POLSKIE RADIO S.A. (www.polskieradio.pl/raf)**

The Polish Radio began to release CDs in 1996. Its catalogues include classical and popular music performed by the best Polish performers, as well as folk music, the spoken word and multimedia discs. The recordings come from the Polish Radio archive.

- **Selene Music Company (www.selenemusic.com)**

"Selene" Music Company was founded in 1991. Originally it focused on the world's great classical composers (Mozart, Beethoven, Tchaikovsky, etc.), but soon the owners decided that Polish music, especially forgotten works, can also be attractive to music lovers.

- **Sony & BMG Music Entertainment Poland (www.sonymusic.pl)**

Sony Music Entertainment Polska Sp. z o. o. is one of Sony Music's many national branches (the company's headquarters are in New York), part of the international Sony Corporation. It was established in 1995 in Warsaw as a result of the takeover of a local record company - MJM Music.

- **Universal Music Polska Sp. z o.o. (www.universalmusic.pl)**

Universal Music Polska Sp. z o. o. is part of the international record company Universal Music Group, a branch of the media and telecommunications corporation VIVENDI-UNIVERSAL, established in December 2000. Universal Music Group consists of more than 100 labels worldwide, and records some of the most famous artists of today's World. It also boasts a vast record catalogue comprising all musical genres, with a separate section dedicated to classical and jazz music. Universal Music Polska is also the official distributor for CD Accord, a company specializing in Polish classical music.

DIGITAL MUSIC

In recent years, the digital music market in Poland has gradually gained more importance, but this growth is very slow in comparison with Western European markets and the USA. This difference results, on the one hand, from less universal access to the Internet, particularly – broadband, and, on the other, by a high level of Internet piracy.

Main Polish online music stores:

iplay.pl <http://www.iplay.pl>

Melo.pl <http://melo.pl>

mp3.pl <http://mp3.pl>

Muzodajnia <http://www1.plus.pl/muzodajnia>

Onetplejer <http://muzyka.onet.pl>

Soho.pl <http://www.soho.pl>



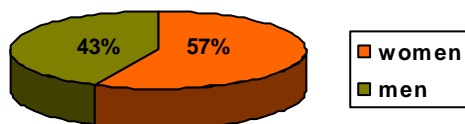
Digital Value by Format

Year	Online	Mobile	Subscriptions	Total (USD Millions)	Total (PLN Millions)	Change
2007	8%	92%	-	2.2	6.2	472,3%
2006	14%	85%	1%	0.4	1.1	-

Polish classical music is extremely poorly represented online. The opportunities created by the Internet are used by classical music authors and performers only to a very small extent. In the above listed Internet shops, one can buy Polish classical music, less commonly – contemporary works, but a successful search for a specific composition to purchase as a music file is virtually impossible.

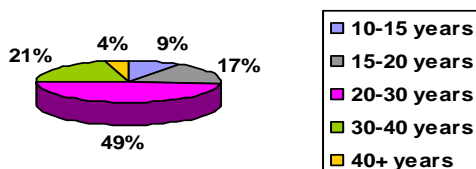
Mobile Music

Consumers of truetones/mp3 by sex

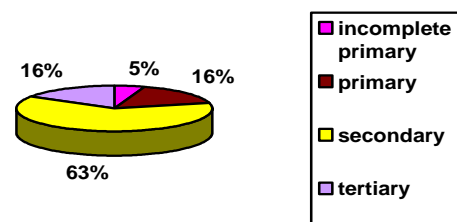


Downloading music to mobile telephones is definitely on the increase. This refers to TrueTones / RealTones, or, in other words, music and ringtones in mp3, WMA and other formats (while the download of mono- and polyphonic ringtones is systematically falling). The market share of sales in these categories has soared in the last two years. According to research conducted by Telecom Media on a representative sample of 32 thousand persons, women download more music than men (57%), and most music is downloaded by persons aged 20-30 (49%), with secondary education (63%), living in the country (34%). Most classical music is downloaded by consumers aged 30 to 40 (36%), with tertiary education (50%).

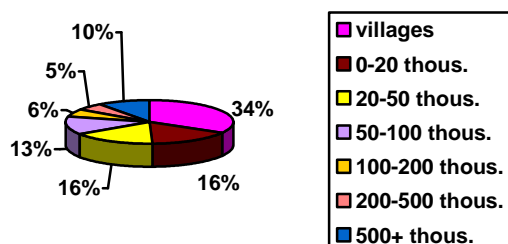
Consumers of truetones/mp3 by age



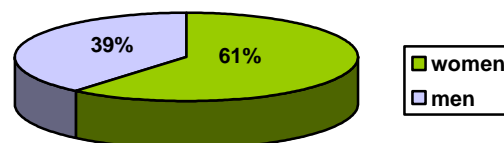
Consumers of truetones/mp3 by education



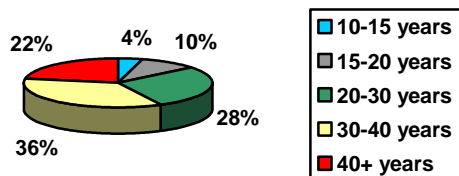
Consumers of truetones/mp3 by place of living



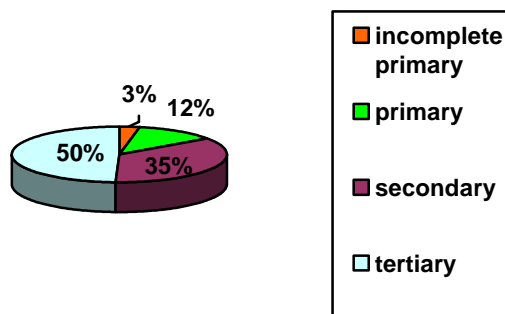
Consumers of classical music cellphone downloads by sex



Consumers of classical music cellphone downloads by age



Consumers of classical music cellphone downloads by education



COLLECTIVE MANAGEMENT OF COPYRIGHT & RELATED RIGHTS

- Association of Authors and Composers for the Stage ZAiKS (www.zaiks.org.pl)

The fundamental function of ZAiKS Authors' Association is to represent member authors' interests related to copyright. ZAiKS is also a collective management society, which means that, apart from its aims as an authors' association, it also performs for the entitled authors (both members and non-members) many tasks referred to jointly as collective management of copyright and related rights. ZaiKS has 2733 members, including 126 persons in the section of Musical Work Authors. The present number of non-members who have put their works under ZAiKS protection is 6929, including 423 classical music composers and 35 publishers (2006).

- Polish Society of the Phonographic Industry ZPAV (www.zpav.pl)

SPAV acts on behalf of music producers. Today ZPAV is an association of nearly one hundred industry representatives (physical persons) and approximately 40 record companies (major international companies as well small independent businesses), and in value terms accounts for over 80% of the Polish music market.

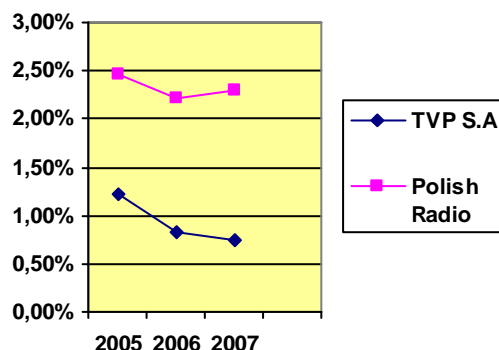
- Polish Musical Performing Artists' Society SAWP (www.sawp.pl)

SAWP's main aim is to execute and protect the rights of performing artists – singers and musicians, both soloists, studio musicians and conductors. SAWP collects, divides and pays royalties to the entitled artists on their recorded artistic performances. SAWP represents almost 1500 Polish and foreign musicians and vocalists who are members of SAWP and/or assigned their performing rights to the society.

- STOART Performing Artists Association (www.stoart.org.pl)

STOART is a union of performing artists representing all musical genres. It collects royalties from the use of artistic performances by broadcasters (radio and television) and other users (hotels, markets, discos, etc.)

Percentage of broadcasting time dedicated to repertoire protected by ZAiKS (classical music)



BROADCASTERS (RADIO AND TELEVISION)

The public sector

Public radio stations: 17

Public television departments: 16

The private sector

Concessions to broadcast radio and

television programmes: 255

television by local network: 7

television by cable network: 313

Concessions issued this year:

radio: 11

television by local network: 0

television via satellite transmission: 9

local television by cable network: 34

Radio subscribers in thous.: 7805

Radio subscribers per 1000 population: 205

Television subscribers in thous.:

7563 (wireless) 4309 (cable TV)

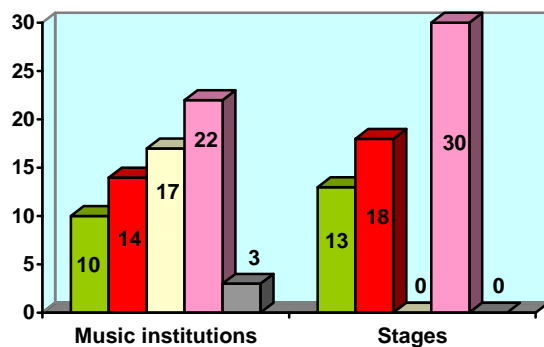
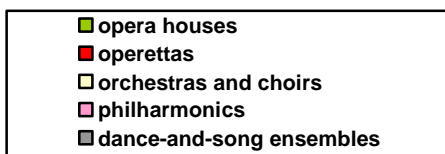
Television subscribers per 1000 population:

198

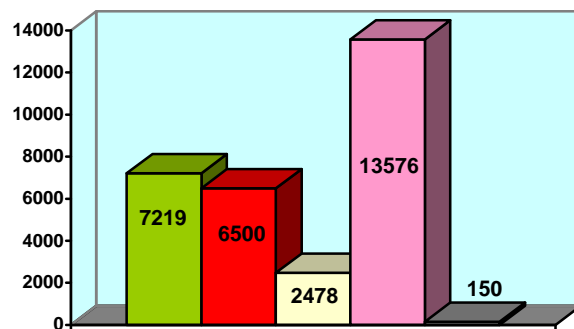
The low number of radio and television subscribers results not from the actual number of persons receiving radio and television programmes, but from the low effectiveness of subscription fee collection in Poland.

LIVE MUSIC SECTOR (CLASSICAL MUSIC)

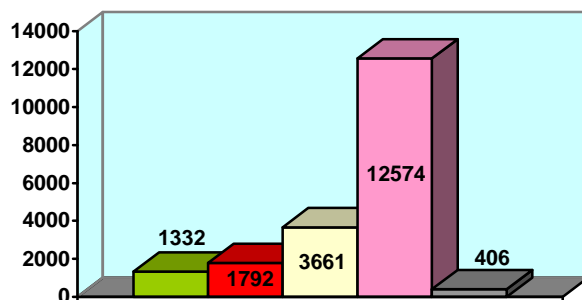
Total number of music institutions and stages in music institutions



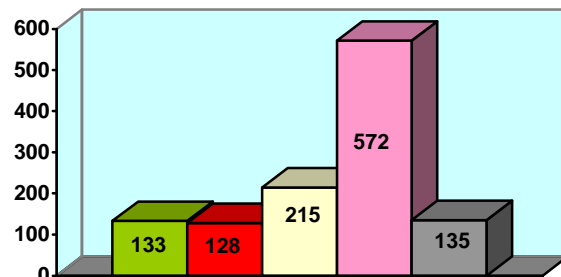
Total number of seats in permanent venues



Shows and concerts in total



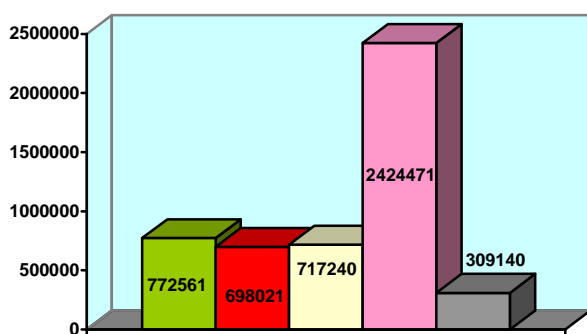
Shows and concerts per one institution



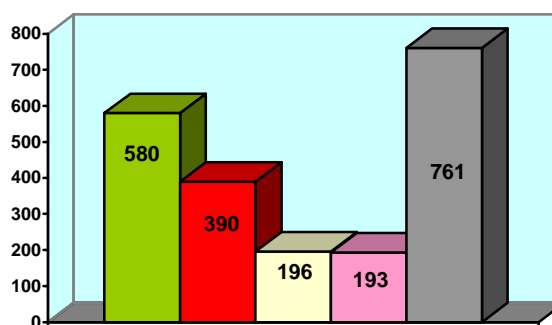
Music presentations in schools are included in the concert category and amount to 65% of the total number of concerts organized by philharmonics, orchestras and choirs.



Total numbers of spectators and listeners



Spectators and listeners per one show or concert



MAIN SCORE PUBLISHERS (CLASSICAL MUSIC)

- **Euterpe Music Publishing House (www.euterpe.pl)**

EUTERPE was founded in 1998. Originally, the company only imported scores by Western publishers to Poland. Since 2001, EUTERPE publishes its own scores, which at present can be divided into three categories: music from the past centuries by Polish composers or by foreign authors directly or indirectly associated with Poland; contemporary music by Polish composers; educational publications.

- **Pro Musica Camerata Foundation (www.promusicacamerata.pl)**

The publishing section of the foundation - Pro Musica Camerata Edition – publishes scores of Polish music from the Middle Ages to the end of the 19th century (by such composers as Wojciech Dankowski, Ignacy Feliks Dobrzyński, Józef Elsner, Franciszek Lilius, Marcin Mielczewski, Marco Scacchi) as well as facsimiles of the first editions of Polish music, including works by Frederic Chopin (several dozen titles).

- **Janusz Stokłosa Music and Score Publisher (www.stoklosa.art.pl/wydawnictwo.php)**

The publishing house was opened in 1992. "Stokłosa Editions" aims at publishing and promoting works by Polish contemporary composers, as well as interesting titles related to literature and music theory.

- **nuty.pl – Score Publisher (www.nuty.pl)**

This publishing house began its activity in 1990 and has about 500 titles in its catalogue to date. Nuty.pl offers approximately 12 thousand titles by co-operating Publisher. The publisher runs the Internet Score Shop at www.nuty.pl.

- **Polskie Wydawnictwo Muzyczne PWM SA / PWM Edition (www.pwm.com.pl)**

The oldest and largest music publisher in present-day Poland, set up in 1945, for many years - the only music publisher in the country. During its 64 years of activity, it has published an enormous number of scores of Polish works, both contemporary and from earlier periods, as well as books on music history and theory. Apart from books by Polish authors, it has also published translations from other languages as well as foreign language versions of Polish writings. For several years, PWM has also released CDs with Polish music. Of Polish contemporary composers, only a few have found other publishers abroad or among the recently founded new Polish companies. The vast majority of eminent artists have been published by PWM, a situation which still continues. PWM Edition also brings out scores by a small number of foreign composers.

SOURCES:

Concise Statistical Yearbook of Poland 2008, Central Statistical Office, Warsaw 2008

Culture in 2008, Central Statistical Office, Warsaw 2008

Central Statistical Office www.stat.gov.pl/gus

IFPI Recording Industry in Numbers 2008

Data from the Polish Society of the Phonographic Industry ZPAV

Report on competition in the national market for the production and distribution of music recordings, Office of Competition and Consumer Protection, Warsaw 2007

Data from ZAiKS Authors' Association

Data obtained directly from music institutions and publishers

Data from the Polish Music Information Centre

Łukasz Mroczek, Report Mobile Multimedia 2008, Telecom Media Sp. z o.o., 2008

