Market Leader

- Leading independent labels
- Over 1 million tracks in the catalogue
- Source content locally
- Supply all digital outlets
- Market, promote and sell locally and globally
27 Global Offices
Orchard Artists

Afrika Bambaataa
Alexander Shulgin
Anthony Braxton
Archie Shepp
Art Brut
Asha Bhosle
Astor Piazzolla
B.B. King
Bad Brains
Bay City Rollers
Beck
Ben Jelen
Benny Goodman
Big Country
Bill Laswell
Billie Holiday
Billy Bob Thornton
Bing Crosby
Black Flag
Black Uhuru
Blazin' Squad
Blink-182
Bo Diddley
Bob Marley
The Brand New Heavies
Bright Eyes
C&C Music Factory
Cab Calloway
Carl Perkins
Cecil Taylor
Charles Mingus
Charlie Parker
Chris de Burgh
Chuck Berry
Chuck Loeb
Coldplay
Count Basie
Curtis Mayfield
Daniel Johnston
Daniela Mercury
Dave Brubeck
Dead Kennedys
Death Cab for Cutie
Orchard Artists

Deep Purple  
Dinah Washington  
Dion  
Don McLean  
The Donnas  
Donna Summer  
Dr. John  
Duke Ellington  
Ella Fitzgerald  
Ennio Morricone  
Eric Dolphy  
Evan & Jaron  
The Fall  
Fats Domino  
Fito Paez  
Frank Sinatra  
George Carlin  
Glenn Miller  
Green Day  
Gregory Isaacs  
Hank Williams  
Harry Belafonte  
Helmet  
Herbie Hancock  
The Hives  
The Hold Steady  
Howlin' Wolf  
Ike & Tina Turner  
Immortal Technique  
The Jerky Boys  
Jerry Lee Lewis  
Jerry Seinfeld  
Jimmy Page  
Jody Watley  
John Cage  
John Coltrane  
John Denver  
John Fahey  
John Lee Hooker  
John Legend  
Johnny Cash  
Katatonia  
KC & the Sunshine Band
Orchard Artists

Keane
Kim Waters
King Sunny Ade
The Kingsmen
KRS-One
The Last Poets
Lata Mangeshkar
Laura Cantrell
Ladebelly
Lee “Scratch” Perry
Lightnin’ Hopkins
Little Richard
Los Lobos
Louis Armstrong
Mad Professor
Mahalia Jackson
Masta Killa
Medeski Martin & Wood
Melvins
Me’shell N’dgeocello
Mikis Theodorakis

Ministry
The Minutemen
Mojo Nixon
Motley Crue
Motorhead
Muddy Waters
Nancy Sinatra
Nat King Cole
Nina Simone
Norman Cook
Nusrat Fateh Ali Khan
Ofra Haza
Ohio Players
Ojos de Brujo
Ol Dirty Bastard
Paul Oakenfold
Perry Como
The Pharcyde
Pigface
Orchard Artists

Public Enemy
Ralph Stanley
Ravi Shankar
Ray Charles
Roger McGuinn
RZA
Sam & Dave
Screamin’ Jay Hawkins
Seu Jorge
The Silos
Simply Red
Sir Mix-A-Lot
The Skatalites
Sly & Robbie
Solomon Burke
Son House
Soulive
Soundgarden
Sublime
Sufjan Stevens

Sun Ra
Swing Out Sister
Taj Mahal
Ted Leo / Pharmacists
The Three Stooges
Tim Buckley
Tom Waits
Tone-Loc
Triumph
The Turtles
The Vandermark 5
Walter Beasley
The Wedding Present
Ween
Wilson Pickett
Yellowman
Young MC
Zakir Hussain
…and thousands more
Where Are We Going?

- DON’T examine the music business
- Understand the DIGITAL industry
- Tech has always driven the music business
  - 45
  - radio
  - CD
  - Ringtones
  - And now WEB 2.0
The Paradigm Shift

1. Space (location)
2. Time
3. Shape
4. Speed
5. Price
6. Power
Show Me the Money

- Replace physical revenue with digital
- Increase the overall size of the business
Sales dropped 26% in the last 6 years
  - $40 billion to $30 billion
US Physical sales down 20% in the Q1 07
2/3 of CD’s not sold in record shops
Retailers decreasing shelf space
Significant % of consumers shifting to digital
Number of record shops in US declined +50%
99 Cents a Download

- Over 1 billion tracks “shared” monthly
- $0.99 USD per track = $1 billion per month
- $1 billion x 12 = $12 billion per year
Advertising

- CPM’s – (cost per thousand page views) too low
- Streaming radio – fraction of a penny per stream
- Social Networking sites generated $280m per year in advertising in 2006
3 million subs worldwide
- 3m X $10 = $30m per month
- $360m annually

Increase by 10 times
- 30m X $10 = $300m per month
- $3.6b annually
IP Tax/Levy on Networks

- Internet Users - 1.1 billion
- Mobile Users - 2.6 billion

- Levy = $5 per month per account
- 20% for music = $1.00

- $3.7 billion per month
- $44.4 billion per year
Arguments Against the Tax

- Price sensitivity
- Legitimize piracy
- No business remains
Build Revenue Businesses On Top

- Sort and categorize
- Recommend
- Search
- Consistency, accuracy, security
- Interactivity with media/content
- Community
Summary

- Understand the digital landscape
- Create new biz models
- Resist dogmatic thought
- Web 3.0
- Simple tax or licensing scheme
Contact Info:

Scott Cohen
Founder and VP International
scott@theorchard.com

The Orchard
25 Floral Street
Covent Garden, London
WC2E 9DS
UK