

## iTunes Artist-Producer Royalty Calculation

### Artist:

\$0.99 download single song price to the consumer

*less* \$0.34 to Apple

*left*  $\$0.65 \times 130\%$  ( wholesale markup)  $\times 12\%$  (net artist net rate) = \$0.10

### Producer

\$0.99 download single song price to the consumer

*less* \$0.34 to Apple

*left*  $\$0.65 \times 130\%$  (wholesale markup)  $\times 3\%$  (producer rate) = \$0.025

### iTune Facts:

- All songs are \$0.99 each
- No Albums allowed if you cannot download each song individually
- Sells approx 500,000 songs per week-25 million total (as of Jan 04)
- 45% of sales are “Album sales” as opposed to “song sales”
- More than 75% of the songs have been sold at least once
- 90% of sales are “one click” downloads (i.e., repeat customers)
- Each sale is reported to Soundscan (i.e., if they sell an Album with 10 songs on it, then that is 10 songs reported).