

Alamy Growth Slows

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Alamy's growth slowed in the third quarter of 2008, with gross sales of \$8,186,000, up 9% compared to the same quarter in 2007 but down about 4% from the second-quarter high of \$8,520,000. Total revenue for the first three quarters of 2008 stands at \$24,803,000.

The company said the effects of the Sterling weakening against the Dollar exaggerated the decline in the quarter. Detailed statistics on the last two years of Alamy's operations are provided on its Web site.

Alamy has 14.28 million images on its site, up from 13.3 million at the end of the second quarter. The company has stopped providing revenue breakdowns relative to the number of rights-managed and royalty-free images. Alamy explained: "Due to a technical problem, which has affected the way those figures have been reported, there was a misrepresentation of numbers in some instances." They company stressed that other figures previously provided on its financial statements are accurate.

While Alamy revenue is increasing, suppliers should recognize that the average return per image has been going down, as is the case for virtually all image producers. In October 2007, Alamy had 10 million images; 4.28 million images have been added during 2008. While the average return per image for the third quarter of 2007 was \$0.75, it dropped by 24% to \$0.57 in the third quarter of this year.

Slightly over half (56%) of third-quarter revenue came from images submitted by photographers; 44% came from agencies. Most images licensed (79%) were rights-managed, with an average price of \$135, down from the previous quarter's average of \$147. The average price for a royalty-free image was also down to \$200 from the second-quarter average of \$224.

Undoubtedly, a major portion of these average-price drops is due to the weakening of the British Pound against the Dollar and not a major discounting in prices. On June 30, one Pound was worth \$1.99. By September 30, it dropped to \$1.82, and by December 12—to \$1.47.

The average prices of rights-managed images licensed for commercial and editorial uses were \$384 and \$117, respectively. Both figures are up by \$1 from the previous quarter. Gross rights-managed revenue was \$5,812,060, while gross royalty-free revenue was \$2,373,940. Rights-managed revenue included \$4,533,406 in editorial licenses and \$1,278,654 in commercial licenses.

Based on these numbers and average image pricing, some 38,747 rights-managed images were licensed for editorial use, and about 3,330 rights-managed images were licensed for commercial use. If considering both rights-managed and royalty-free, the approximate total of images licensed is 53,974 for the quarter—or less than 0.5% of all images in the Alamy collection.