

EUROPEAN PUBLISHING MONITOR
UNITED KINGDOM

MEDIA GROUP TURKU SCHOOL OF ECONOMICS AND KEA
EUROPEAN AFFAIRS

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1 INTRODUCTION

European Publishing Monitor is a 12 month project analysing the publishing industries in selected European countries. It is being undertaken on behalf of the European Commission's DG Information Society and Media by a team led by the Turku School of Economics and Business Administration (Media Group) in Finland with a substantial contribution from the KEA European Affairs in Belgium. The project will help the European Commission understand the challenges faced by the publishing industry in selected countries.

A *market analysis* will comprise qualitative and quantitative data covering market segmentations of all publishing sub-industries in each country chosen for economic and legal analysis. The market analysis will produce the quantitative analysis on production sales and consumption on publications nationally, where applicable to each sub-industry. The analysis will include the annual title production, sales and circulation data on publications. The data will be broken down by categories such as consumer and business to business, dailies, non-dailies, and free sheets, printed vs. electronic publishing, fiction, non-fiction, and education when the available national data provides for such subcategories. The production and consumption data will be adjusted to the national population.

The market analysis will also include the advertising market of the country with separate information on the development of the total advertising market and the development by media (inclusive of audiovisual and Internet).

The primary sources of data that will be used are European and national statistics on production and consumption of published media, National and international advertising statistics, and publications providing statistical information.

Circulation figures and sales revenues from both circulation and advertising demonstrate market trends, and can be linked to important economic and social trends that determine the market size for individual product types such as newspapers.

The industry structure analysis will provide a description and financial quantification of the newspaper publishing, magazine publishing, book publishing and directory publishing industries. The analysis will include the volume, number of firms and growth of operating income and employment, contribution to the national economy, the development of profitability of operations, the development of employee and real productivity. The figure for corporate turnover is a valid one for the analysis of competitiveness factors such as value-added, margins or employment costs. Although turnover is related to measures such as circulation and sales, it looks at the total firm and therefore includes revenues from other businesses that the firm might own.

The analysis will also include information of each country's major companies in respective industries. The major company analysis also includes a mapping of the ownership of these companies based on the latest published information. .

The major sources for the data for financial analysis are the Eurostat NewCronos database and national statistical offices. Annual statements of individual companies will be used for the analysis of the major players and to supplement of the national statistical data.

We should also emphasise that the data collected by national statistical organisations, trade associations and others is intended to give a general picture rather than a firm basis for business decision-making, and this is how we have used it here. Any user of this report considering a business decision should use the data as a starting-point only, and would be advised to carry out their own detailed research, including field research if necessary. Similarly, the data can be used to identify areas where the EC may be interested in acting, but as before additional detailed research may be required to confirm the information and to determine the detailed causes of patterns or aberrations in the statistics.

Information on the UK's legal framework has been collected mainly through desk research by KEA – an internal check and verification has been made within KEA through review by senior lawyer Philippe Kern.

External control has been implemented through the assistance of UK-based legal experts. One legal expert has been indicated by FEP and works for the UK Department for Trade and Industry, the other legal expert has been indicated by ENPA and works for the UK trade

federation of newspapers publishers (The Newspaper Society, <http://www.newspapersoc.org.uk>). KEA also contacted the UK trade federation of books publishers (The Publishers Associations, <http://www.publishers.org.uk>).

The three experts reviewed the report prepared by KEA and provided useful suggestions and comments which have been integrated into the final report.

2 EXECUTIVE SUMMARY

According to Euro stat Newsrooms database the total number of publishing companies (newspaper, magazine and book publishing) in 2003 was approximately 5 300. Majority of them (52 %) were book publishers. The total number of companies in the publishing industries has declined almost 15 per cent since 1996.

The total number of employees in the publishing industries in UK was almost 141 000 in 2003. Even though the total number of companies in the publishing industries has declined the total number of employees was approximately 7 per cent higher in 2003 than in 1996. The growth of real employment costs has been eminent over the past decade.

In 2003 the combined turn over of the publishing industries in UK was close to 24,5 billion Euros. The total turn over of the publishing industries has increased 50 per cent since 1996. The combined reported value added was approximately 11,3 billion Euros. In 2003 the publishing industries' contribution to the GDP was 0,89 per cent (0, 77 % in 1996).

Newspaper publishing

Circulation of paid-for daily newspapers has been steadily declining for a decade. In 1995 the total circulation of paid-for dailies was over 19,7 million copies. By 2004 the total circulation had declined 16,5 per cent to approximately 16,5 million copies. The total number of paid-for daily newspaper titles (approximately 100 titles) has been very stable during the last decade.

The total circulation of paid-for non-daily newspapers was approximately 5,9 million copies in year 2004. The total circulation of paid-for non-daily newspapers has declined 10,4 per cent between since 1995. The total circulation of paid-for Sunday newspapers has followed similar pattern.

The percentage share of advertising revenue captured by newspapers is closely related to their circulation per thousand populations. In UK the share of newspaper advertising has been declining slowly since the Millennium. Despite this development newspapers still have the biggest share (38,8 % in 2004) of media advertising. Falling circulations

accompanied with a fall in the share of advertising revenues is still one of the major challenges of the newspapers in UK.

There has been a general long-term trend towards increasing dependence on advertising rather than circulation revenues in most EU Member States since 1995. In 2000 and 2001, this trend either reversed or flattened in many member countries. Similar development took place in UK too. Since year 2000 the share of advertising revenues has declined from 64,4 per cent to 62 per cent.

The total employment in the newspaper publishing industry is growing. The number of journalists working in the newspaper publishing industry is also growing. At the same time average personnel costs per person employed have been declining.

Total turn over of the newspaper publishing industry was rising until 2001 and has been declining after that. In 2003 the total turn over of the newspaper publishing industry in UK was 8,9 billion euros. The average operating margin of newspaper publishing companies was 18,6 per cent in 2003. Value added in real terms in the newspaper publishing industries shows a stable increasing trend between 1996 and 2003. In 2003 the newspaper publishing industry's value added in real terms was 4 139 million Euros and the contribution to the GDP was 0,28 per cent.

Magazine and periodical publishing

The total number of magazine titles has varied quite a lot over the past decade. The total number of magazine titles was growing until the Millennium. After that the total number of titles started to decline. In 2004 the total number of magazine titles was again increasing. In 1995 the total number of magazine titles was 2 200. In 2004 the number of magazines titles was 3 324 titles.

Annual circulation volume of consumer magazines has been steadily increasing since the Millennium. In 2000 the total annual circulation volume of consumer magazines was over 1 305 million copies. By the year 2005 the total annual circulation volume of consumer magazines was increased 10 per cent to 1 438 million copies.

In UK almost 90 per cent of magazine distribution is through single copy sales. The percentage share of advertising revenue captured by magazines has been either declining since the mid 1990's. In 2004 the share of magazine advertising was 14,3 per cent. There haven't been any major changes in the revenue structure of the consumer magazines during the last ten years. Since 1995 the share of advertising revenues has been close to 37 per cent.

The total employment in the magazine publishing industry was increasing until 2000. After that the total employment in the magazine publishing industry has been declining. At the same time average personnel costs per person employed have been increasing.

The total turn over of magazine publishing industry was growing until the end of the last century. After that the total turn over has been declining. In 2003 the total turnover of the magazine publishing industry declined 10 per cent to 9,8 billion euros. The average operating margin of magazine publishing companies in UK was 22,6 per cent in 2003. In 2003 the magazine publishing industry's total value added in real terms was 4 709 million Euros and the contribution to the GDP was 0,32 per cent.

Book publishing

Number of published titles has been growing during the ten years. In 2004 the total number of published titles was 161 000. In 2004 the value of book sales was over 4,8 billion euros (3,4 billion pounds). More than half of the books (58 per cent) in UK are sold through specialized bookshops.

The number of book publishing companies is quite stable. In 2003 the total number book publishing companies was 2 738. The industry is very fragmented and majority of the book publishing companies are small. The average number of published titles per book publishing company per year is 47,5 titles.

The number of books in public libraries provides an indicator of the free availability of literature to the public. In 2004 the number of books in public libraries per capita was 1,9. The intensity of the public use is measured by loans per capita. Number of loans per capita has been

declining since 1995. In 2004 number of loans per in public libraries was 5,8.

The number of people employed in the book publishing industry has been declining during the last couple of years. In 2003 the total number of employees in the book publishing industry was 28 777. Personnel costs per person employed in the book publishing industries show a growing trend.

The average operating margin in the book publishing industry was 18,4 per cent in 2003. There is no clear upward or downward trend in development of profitability of the book publishing industry in UK. In 2003 the book publishing industry's value added in real terms was 2 447 million Euros and the contribution to the GDP was 0,28 per cent.

3 NEWSPAPER PUBLISHING

3.1 Market analysis

3.1.1 Definition of the sector

Several terms are used within the report with very specific meaning to define sub-sectors of the industry. It is essential for any understanding of the report that the definitions used for these sub-sectors are also understood. These definitions follow the NACE data collection categorisation used by Eurostat (which makes the definitions effectively immutable from the point of view of reporting on the newspaper sector at the European level). Category 22.12 covers newspaper publishing. Newspapers are considered in four categories:

Daily newspapers include those published between four and seven times each week.

- National newspapers are available throughout a country, but are not always high in circulation: in some countries, the leading regional papers can sell more than some national papers.
- Regional daily newspapers are a significant force in several European countries. For example in Italy they have larger combined circulations than the national papers. They are usually supported by extensive classified advertising as well as income from circulation.

The definition of "regional" can vary and in some cases a "regional" paper might serve a very small market and be considered as "local" rather than "regional." For the purposes of this report, such differences are disregarded in the statistical information. Although there is a large number of such papers, some are little more than differently-labelled editions of the same newspaper, perhaps with slightly different local content.

Non-daily newspapers are, for the most part, weekly local papers, with strong classified advertising content as well as local news. They are published between one and three times a week.

The term “free sheets” covers a diverse category of newspapers. It includes weekly local free newspapers of the type published widely as advertising-based "shopping papers", as well as daily "commuter" newspapers such as the Metro newspapers published in several European cities and often distributed at transport nodes. The business models and performance indicators for these categories are very different, and the category could usefully be split into two (daily free sheets and weekly free sheets) to make it more useful in future.

Some European markets (notably Italy, France and Spain) sustain newspapers dedicated to sport. These have been classified with daily or weekly papers according to frequency.

3.1.2 Circulation related measures

The total circulation of paid-for daily newspapers was approximately 17,5 million copies in year 2004. The total circulation of daily papers has declined 8,7 per cent between since year 2000. The development of circulation has been parallel for national and regional newspapers. Between years 2000 and 2004 the total circulation on daily national newspapers was decreased by 7,8 per cent. At the same time the total circulation of paid-for regional and local dailies was decreased by 19,6 per cent.

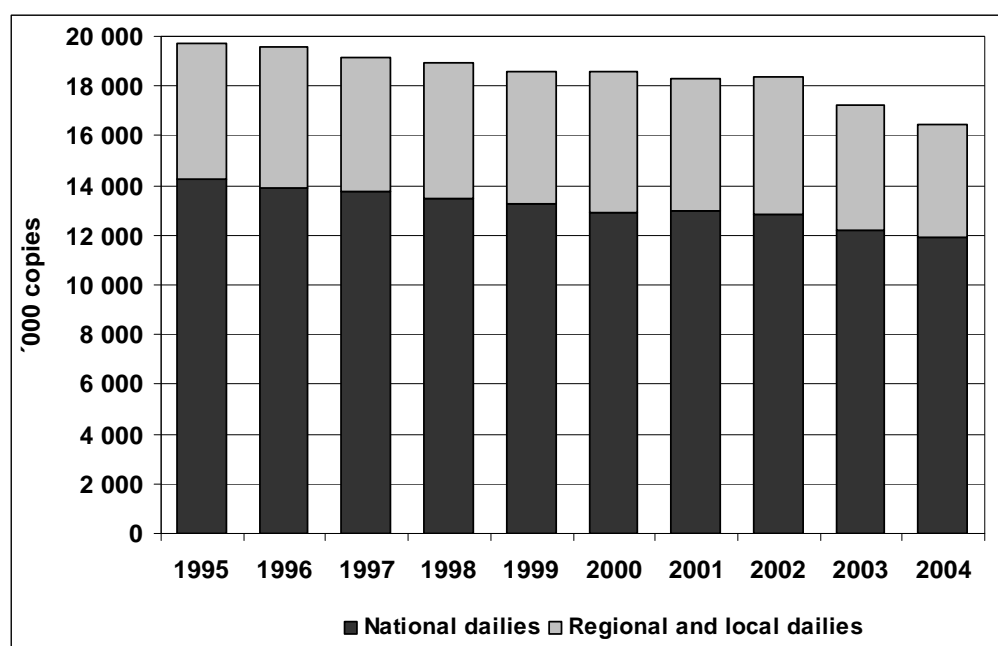


Figure 1 Total circulation of paid-for daily newspapers 1995 to 2004 (Source: Newspaper Society Database, ABC/VFD, and Advertising Association)

The total circulation of free dailies was one million copies year 2004. The total circulation of free daily papers grew rapidly after they were launched to the UK market in the late 1990's.

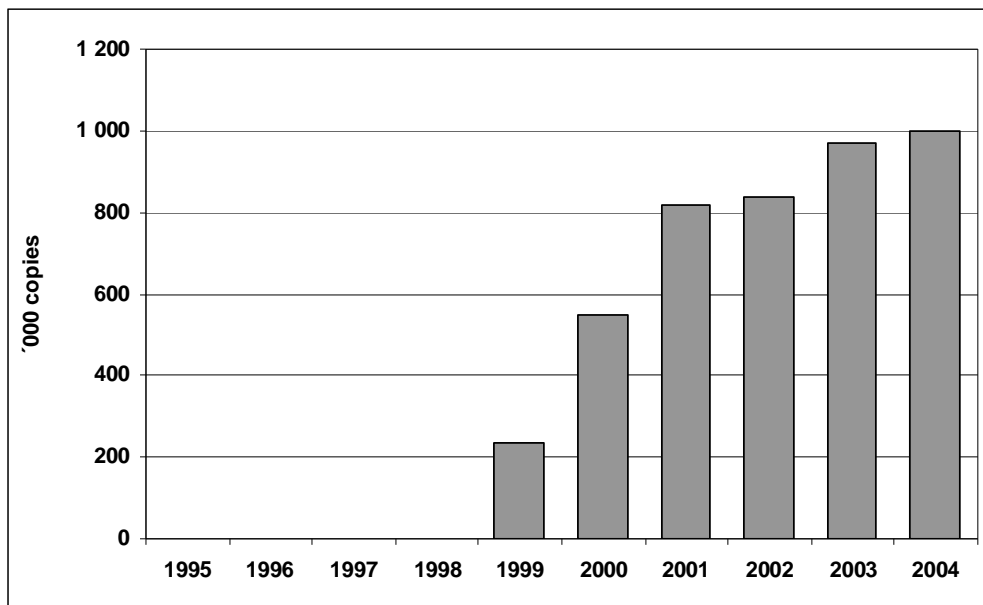


Figure 2 Total circulation of free daily newspapers 1995 to 2004 (Source: Newspaper Society Database, ABC/VFD, and Advertising Association)

The total circulation of paid-for non-daily newspapers was approximately 5,9 million copies in year 2004. The total circulation of non-daily newspapers has declined 5,4 per cent between since year 2000.

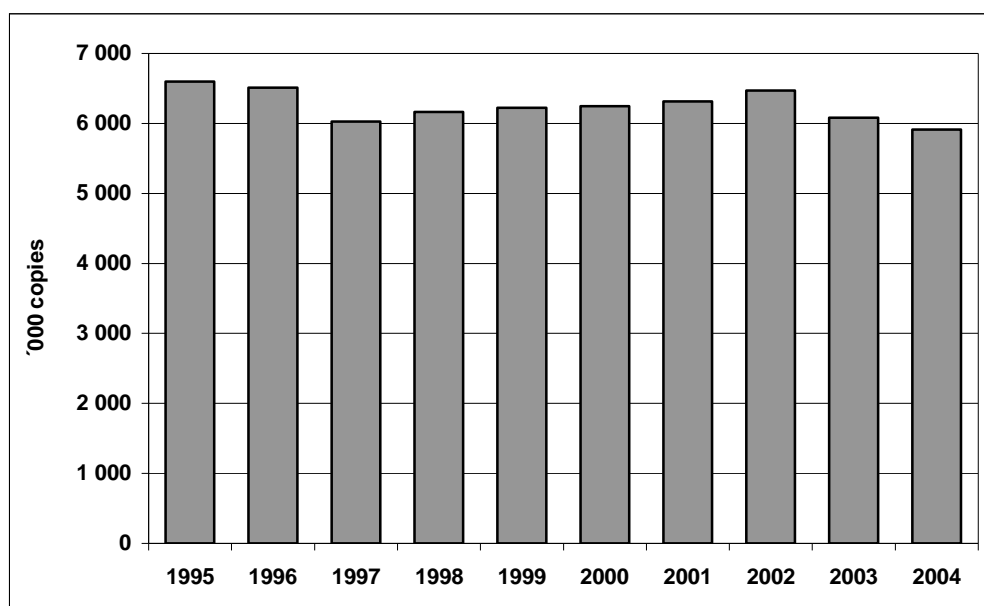


Figure 3 Total circulation of paid-for non-daily newspapers 1995 to 2004 (Source: Newspaper Society Database, ABC/VFD, and Advertising Association)

The total circulation of free non-daily newspapers was approximately 24,4 million copies in year 2004. The total circulation of free non-daily newspapers has declined 13,4 per cent between since year 2000.

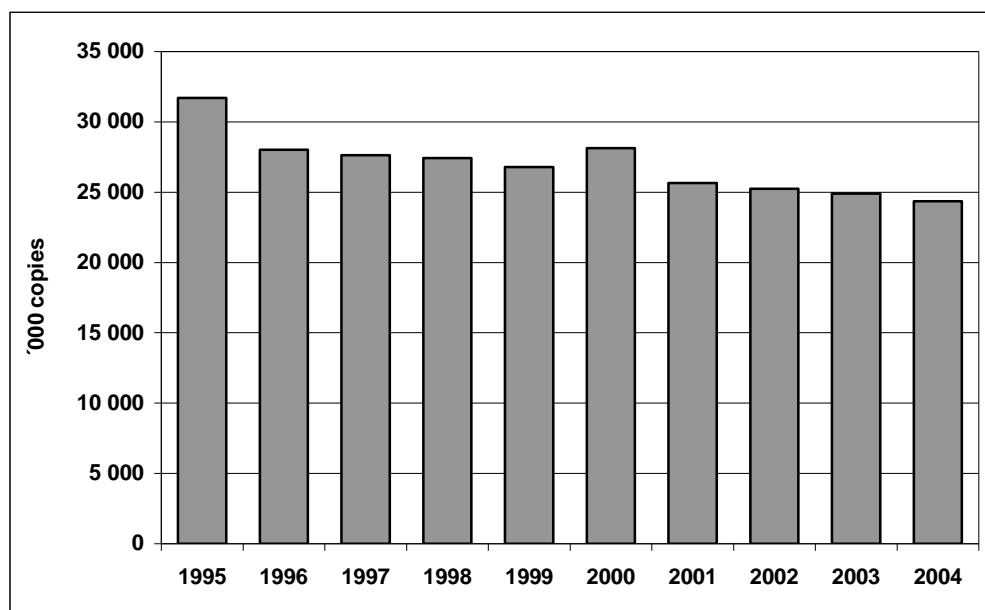


Figure 4 Total circulation of free non-daily newspapers 1995 to 2004 (Source: Newspaper Society Database, ABC/VFD, and Advertising Association)

The total circulation of paid-for Sundays was approximately 14,4 million copies in year 2004. The total circulation of daily papers has declined 8,4 per cent between since year 2000. The development of circulation has been parallel for national and regional Sundays. Between years 2000 and 2004 the total circulation of national Sundays was decreased by 6,6 per cent. At the same time the total circulation of regional and local Sundays was decreased by 21 per cent.

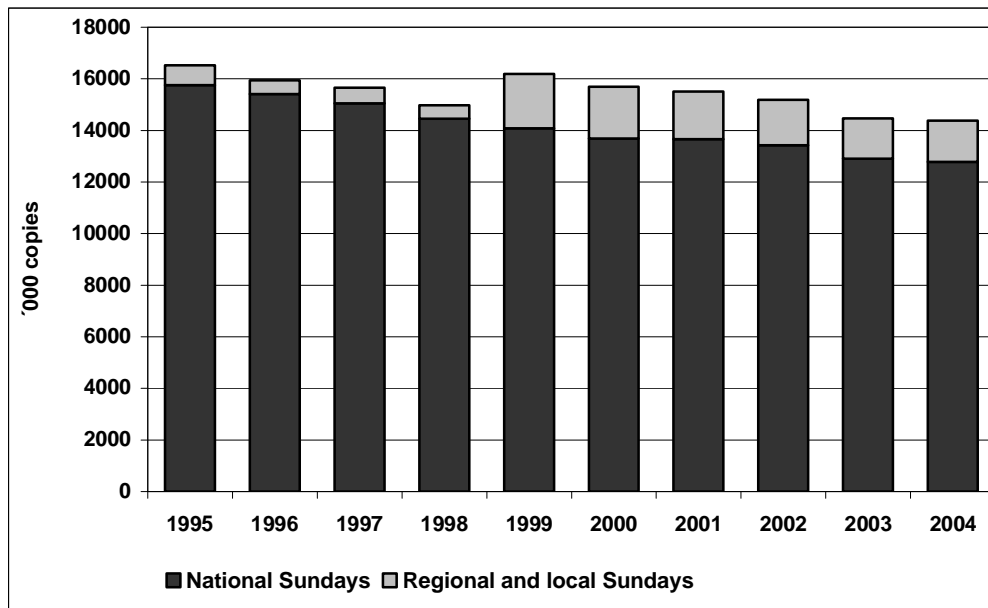


Figure 5 Total circulation of Sundays 1995 to 2004 (Source: Newspaper Society Database, ABC/VFD, and Advertising Association)

The number of newspaper readers per 1000 population is an important factor in terms of both revenue generated from selling newspapers and their ability to command advertising revenue. There is a relationship between daily circulation per 1000 population and the share of total advertising revenue taken by newspapers. The circulation of daily newspapers per 1000 population has been declining for the last ten years. In year 2000 the circulation of daily newspapers per 1000 population was 317 copies. By the year 2004 the circulation per 1000 population had dropped to 276 copies. In year 2004 the circulation of non-daily newspapers per 1000 population was 99 copies. The circulation of Sundays per 1000 population in 2004 was 240 copies.

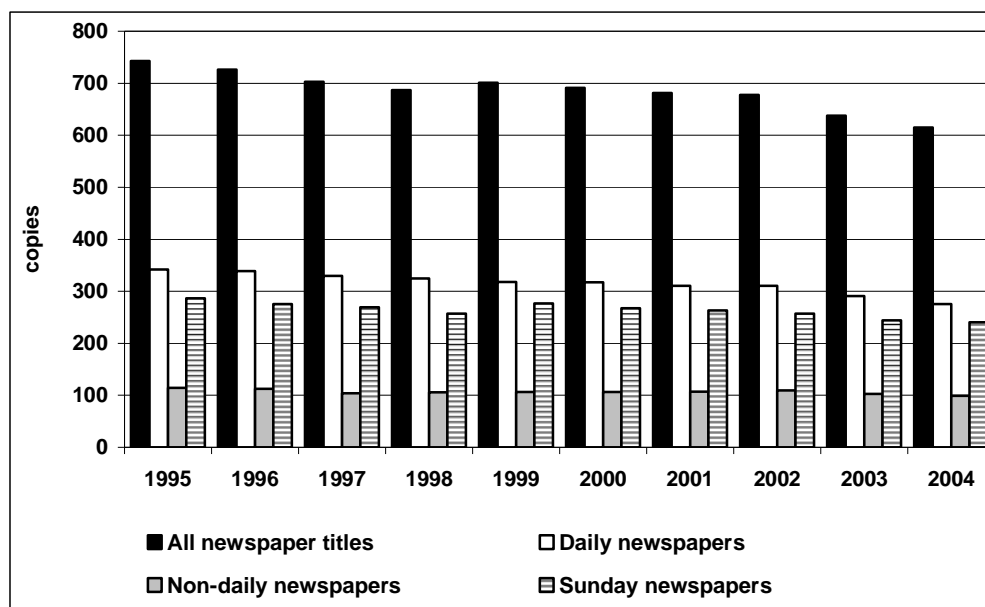


Figure 6 Circulation of newspapers per 1000 population (Source: World Press Trends and Statistics Finland, World in Figures)

In year 2000 the average circulation of a daily newspaper was 182 400 copies. By the year 2004 the average circulation had declined by 10,5 per cent to 162 300 copies. During the same time period the average circulation of the non-daily newspapers was dropped from 13 400 copies to 12 700 copies (-5,4 %). The average circulation of a Sunday newspaper was 653 400 copies in 2004.

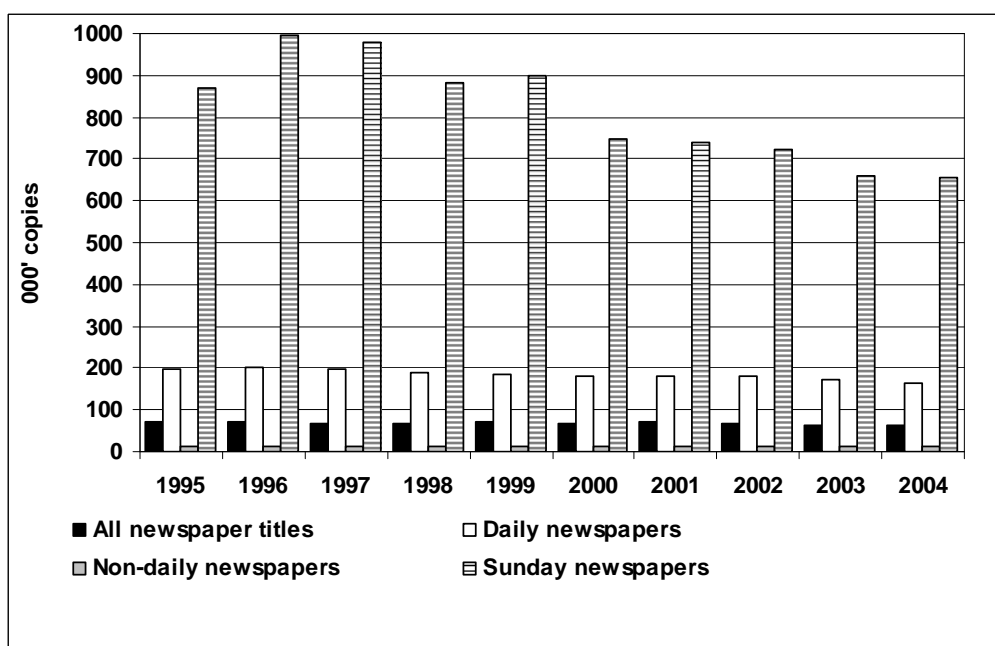


Figure 7 Average circulation of different types of newspapers 1995 to 2004 (Source: World Press Trends)

The total annual sales of an individual newspaper are calculated by multiplying circulation with annual number of issues. The total annual sales of newspapers are calculated by adding up individual newspapers total annual sales. The total annual sales volume of paid-for daily newspapers was approximately 5,4 billion copies in year 2003. The total annual sales volume of daily papers has declined 5,4 per cent in since year 2000. Due the development of circulation the development of the annual sales volume has been very different for national and regional newspapers. Between years 2000 and 2003 the total annual volume of daily national newspapers was increased decreased 2,7 per cent. At the same time the annual sales volume of regional and local dailies was decreased by 11,7 per cent. The annual sales volume of free dailies was 217 million copies in year 2003. The annual sales volume of free daily dailies has been growing since they were introduced to the public in the late 1990's.

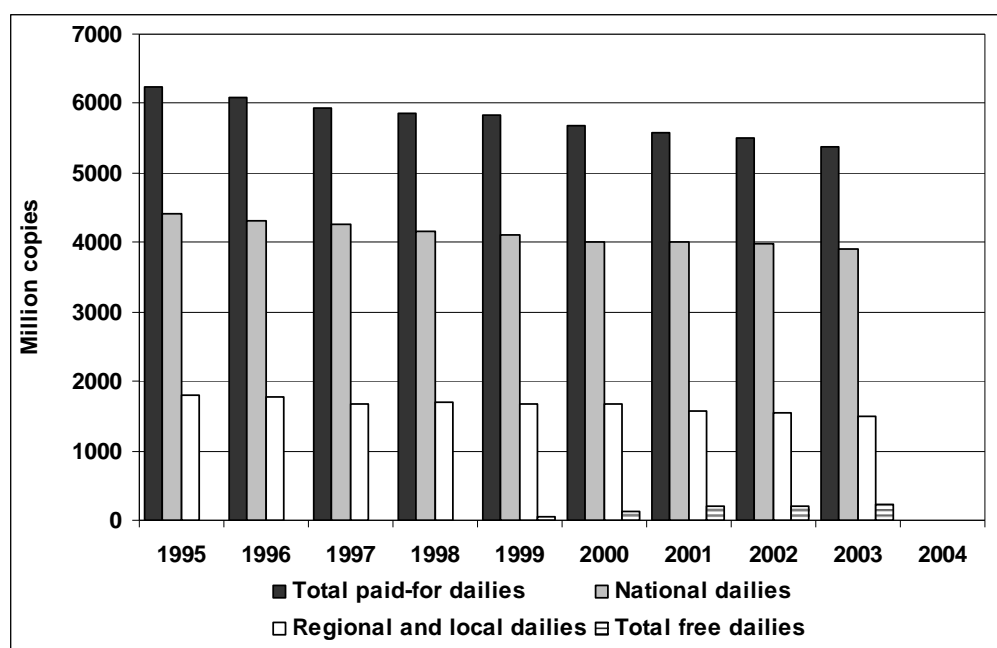


Figure 8 Annual sales of daily newspapers and free sheets 1995 to 2004, million copies (Source: Newspaper Society Database, ABC/VFD, and Advertising Association)

The total annual sales volume of paid-for non-daily newspapers was 338 million copies in year 2003. The total annual sales volume of daily papers has increased 5,3 per cent in since year 2000. At the same time the annual sales volume of free non-dailies was decreased by 10, 5 per cent. The annual sales volume of free non- dailies was approximately 1,3 billion copies in year 2003.

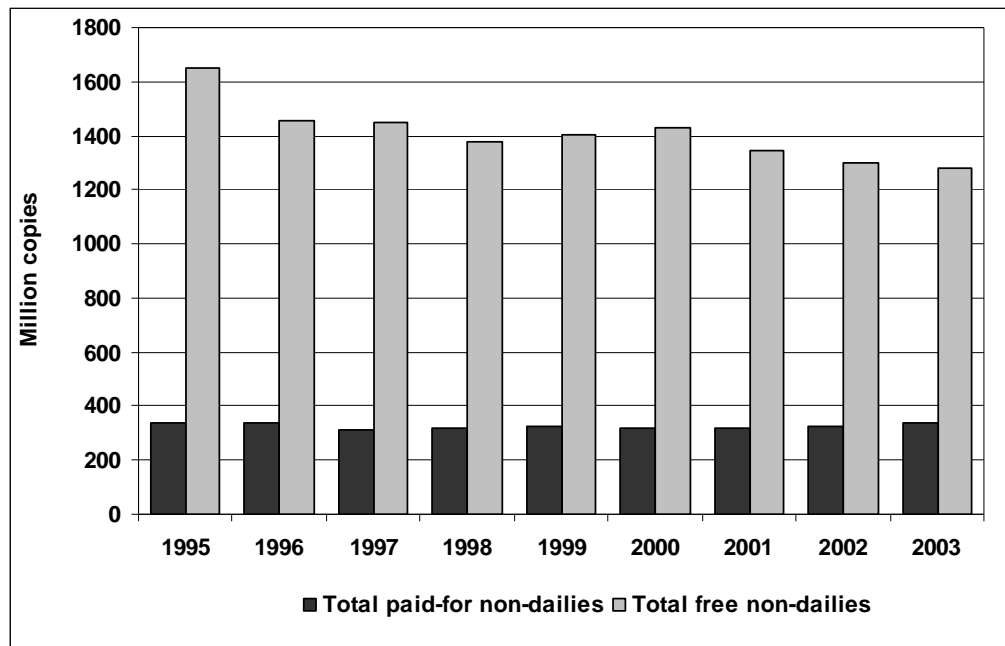


Figure 9 Annual sales of non-dailies 1995 to 2004, million copies (Source: Newspaper Society Database, ABC/VFD, and Advertising Association)

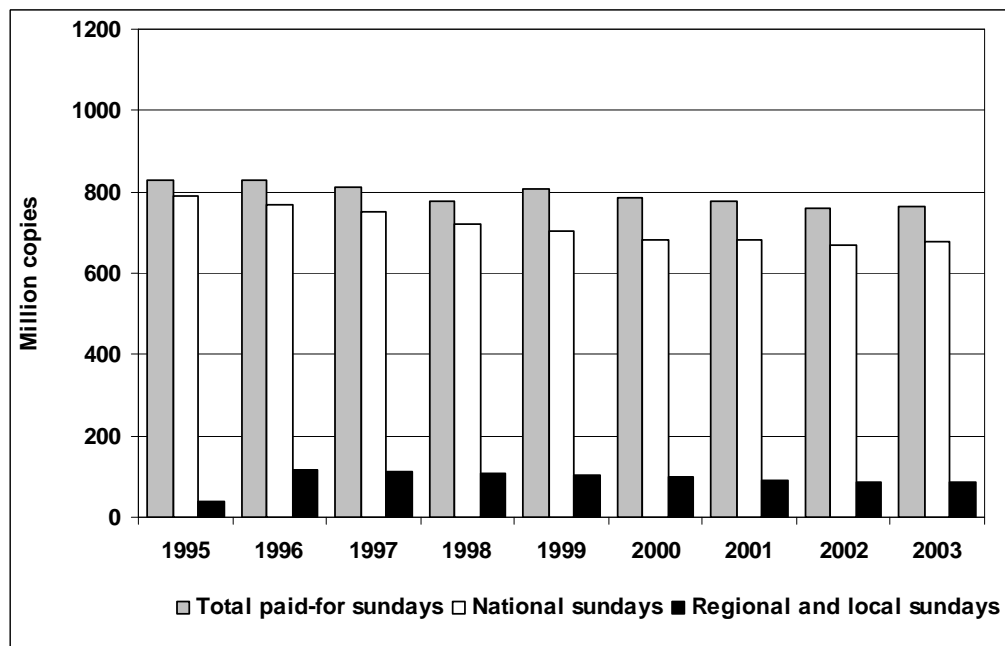


Figure 10 Annual sales of Sundays 1995 to 2004, million copies (Source: Newspaper Society Database, ABC/VFD, and Advertising Association)

3.1.3 Number of titles published

The total number of paid-for daily newspaper titles has not changed significantly over the last decade and the total number of paid-for dailies has been close to 100 titles. In year 2004 the number of free dailies was eight.

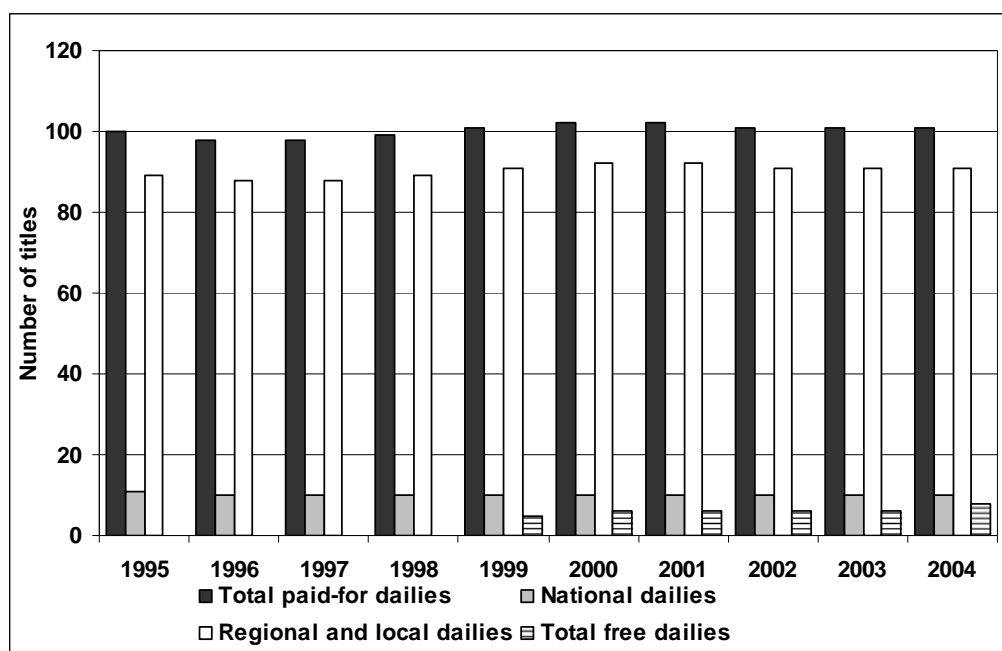


Figure 11 Number of daily newspaper and free-sheet titles 1995 to 2004 (Source: Newspaper Society Database, ABC/VFD and Advertising Association)

The total number of paid-for non-daily titles has been quite stable over the last decade. In 2004 the total number of paid-for non-dailies was 467 titles. The development in the number of free non-daily titles has been quite different. The total number of free non-daily titles has declined with 27 per cent from 713 titles to 521 titles during the last ten years.

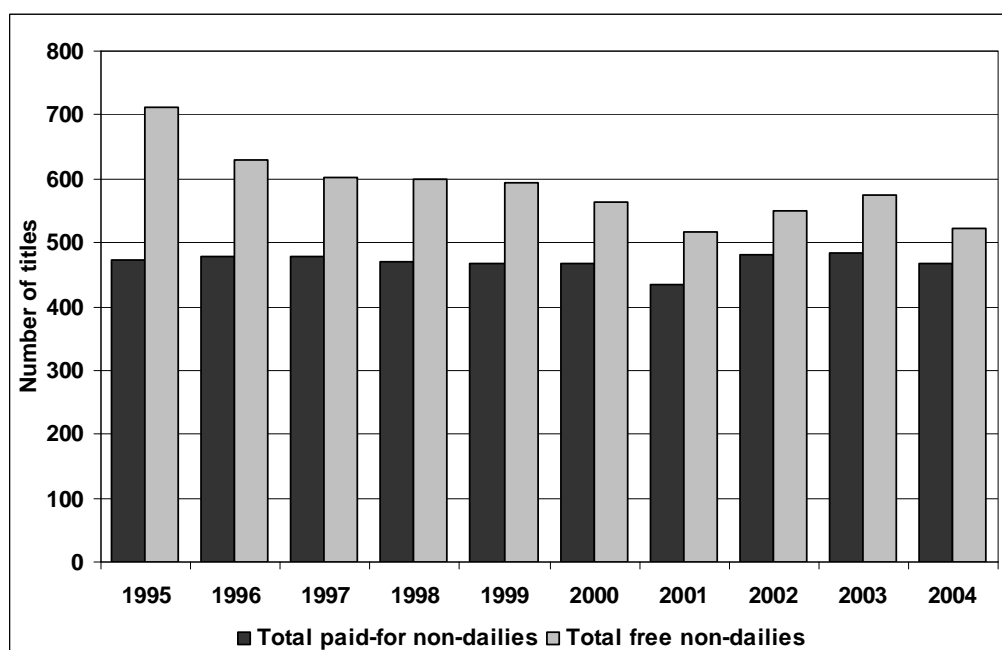


Figure 12 Number of non-daily titles 1995 to 2004 (Source: Newspaper Society Database, ABC/VFD, and Advertising Association)

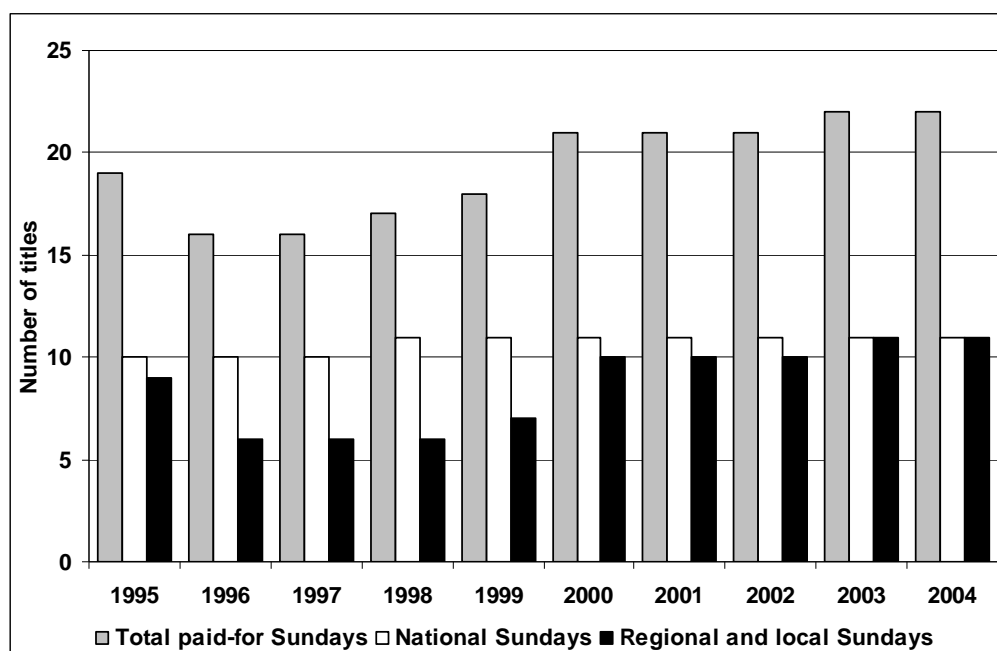


Figure 13 Number of Sunday titles 1995 to 2004 (Source: Newspaper Society Database, ABC/VFD, and Advertising Association)

The number of titles published per million populations gives a general indication of the intensity of competition for market share. The smaller countries have a higher density of titles per million populations. In UK the number of titles published per million populations is relatively high. In year 2004 the number of paid-for newspaper titles published per million populations was 9,9.

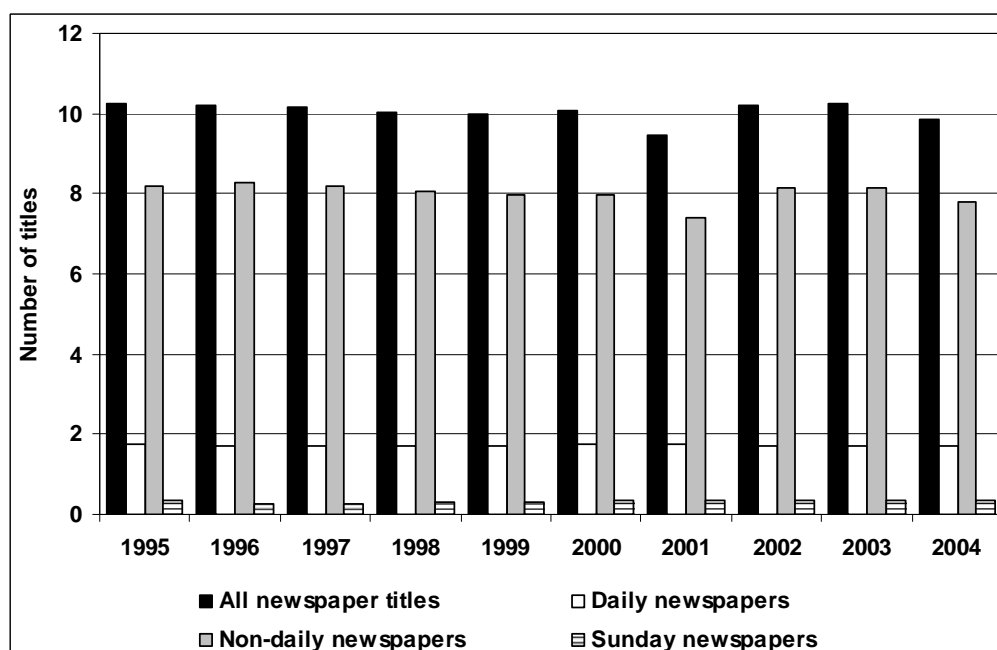


Figure 14 Number of paid-for newspaper titles per million populations 1995 to 2004 (Source: World Press Trends and Statistics Finland, World in Figures)

The number of titles published can be assessed according to area. A higher number of titles may be an indication of intensity of competition among the regional press and that in urban centres. Newspapers which operate in countries with a high ratio of titles to area are likely to encounter more competitive conditions. In UK the number of paid-for newspaper titles published per 1000 km² is high. In year 2004 the number of titles published per 1000 km² was 2,4.

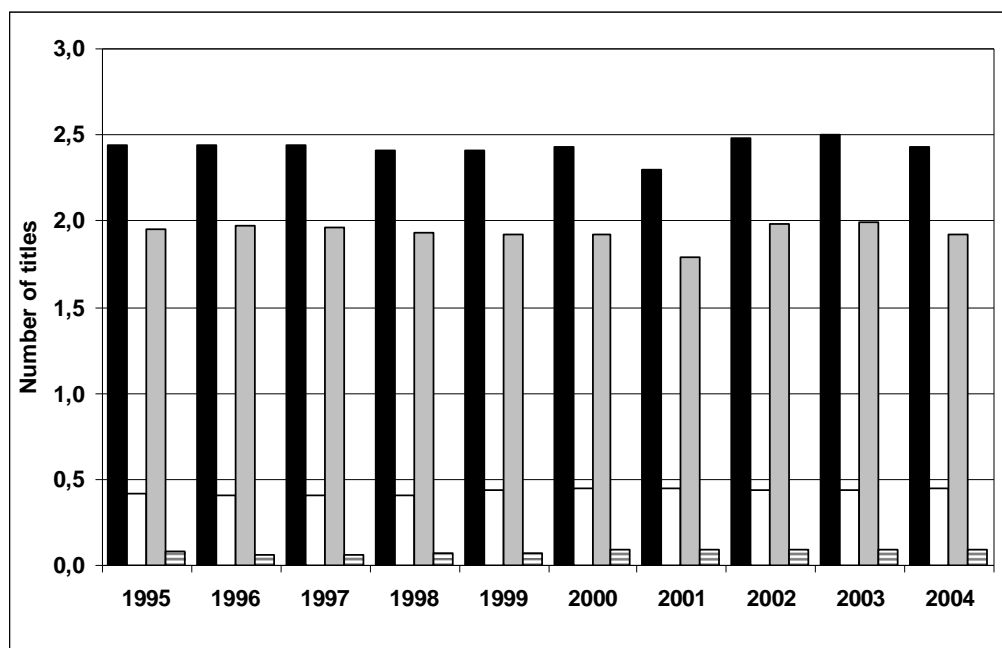


Figure 15 Number of paid-for newspaper titles per 1000 km² 1995 to 2004 (Source: World Press Trends and Statistics Finland, World in Figures)

Table 1 Top 20 newspapers in United Kingdom based on circulation in year 2004 (Source: The Newspaper Society and Audit Bureau of Circulations)

Rank	Newspaper	Circulation
1.	The Sun	2 419 000
2.	The Daily Mail	2 093 000
3.	Daily Mirror	1 597 000
4.	Daily Express	720 000
5.	Daily Star	705 000
6.	Daily Record	497 000
7.	The Times	485 000
8.	The Daily Telegraph	483 000
9.	Evening Standard	390 000
10.	The Guardian	288 000
11.	The Independent	179 000
12.	Express & Star	163 000
13.	Manchester Evening News	148 000
14.	Liverpool Echo	135 000
15.	Birmingham Evening Mail	104 000
16.	Financial Times	101 000
17.	Glasgow Evening Times	95 000
18.	Belfast Telegraph	95 000
19.	Newcastle Evening Chronicle	92 000
20.	Leicester Mercury	90 000

* Circulation in the UK and Republic of Ireland only

The Internet was introduced in the mid 1990's and UK paid-for dailies moved quite rapidly to the Internet. By the year 2002 all daily newspapers had an online edition.

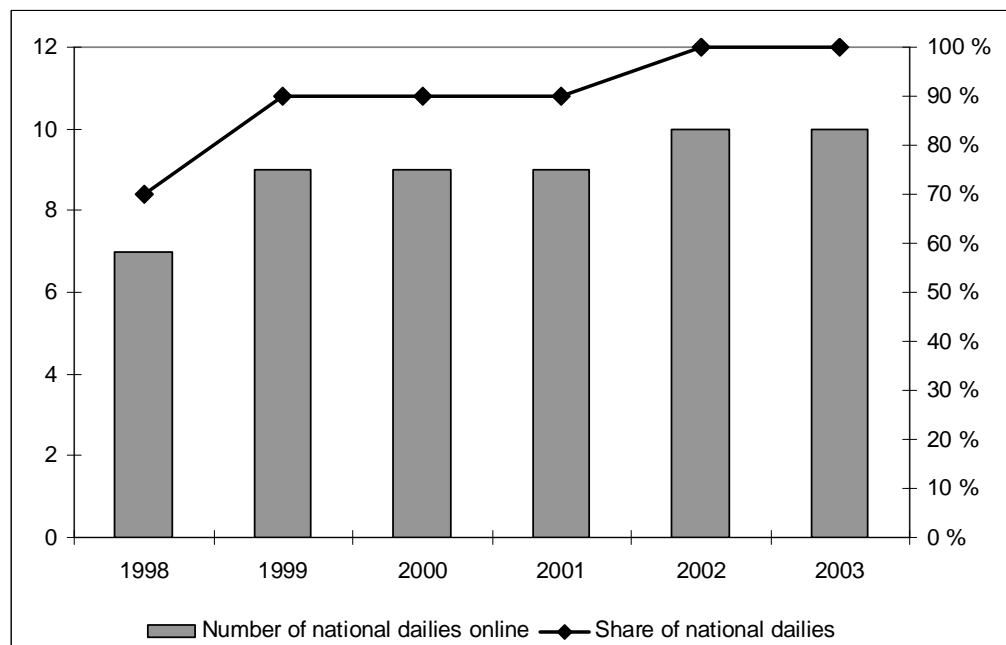


Figure 16 Number of paid-for national daily newspapers online 1998 to 2004 (Source: Newspaper Society and Zenith Optimedia)

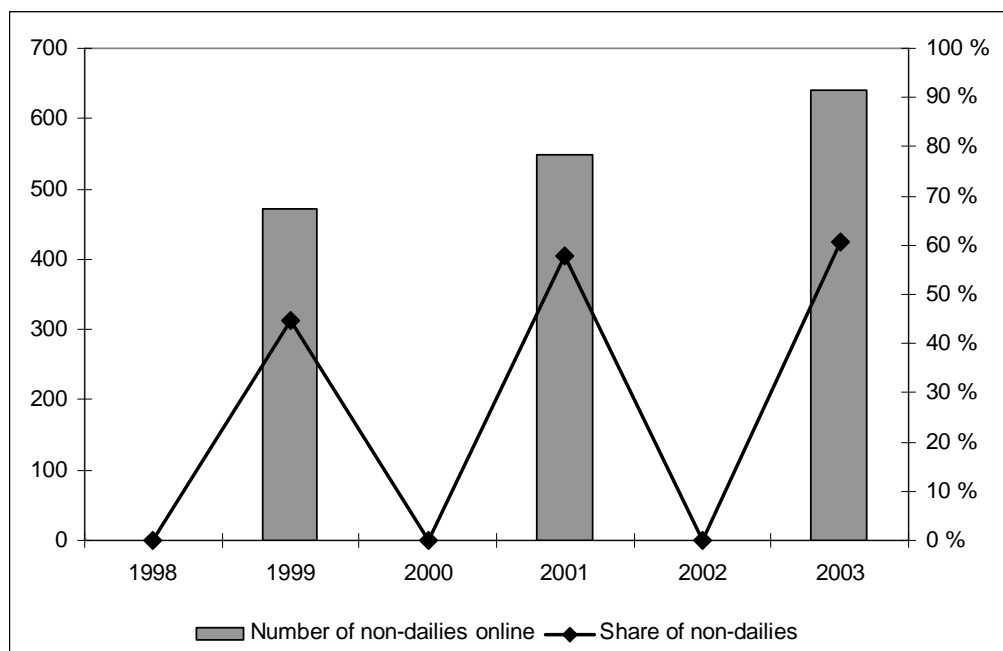


Figure 17 Number of non-daily newspapers online 1998 to 2004 (Source: Newspaper Society)

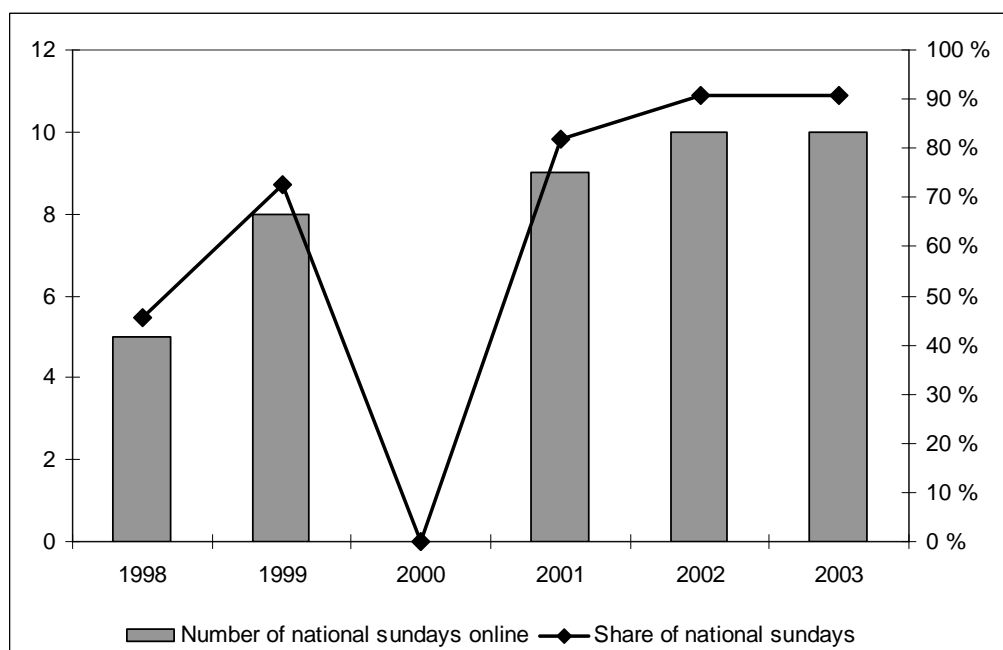


Figure 18 Number of paid-for national Sunday newspapers online 1998 to 2004 (Source: Newspaper Society and Zenith Optimedia)

3.1.4 Revenue related measures

In year 2000 newspaper advertising was 8,0 billion euros (5,0 billion £). By the year 2003 the value of newspaper advertising had declined to 6,5 billion euros (4,6 billion £). In year 2004 newspaper advertising was increased to 6,7 billion euros (4,7 billion £).

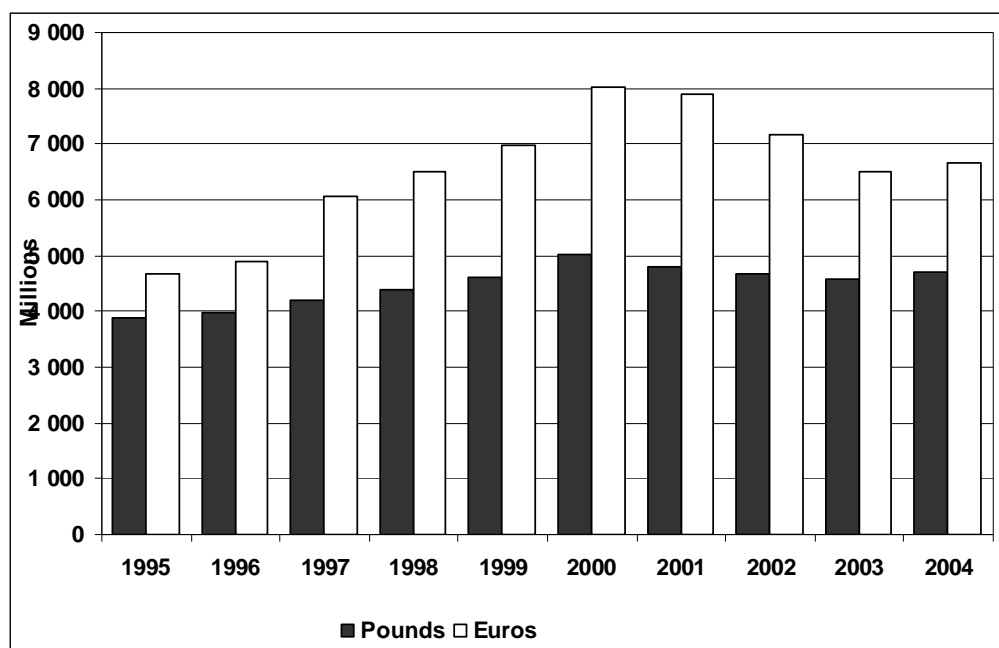


Figure 19 Newspaper advertising 1995 to 2004, constant 2000 prices (Source: The Advertising Association; European Advertising & Media Forecast 2005, WARC)

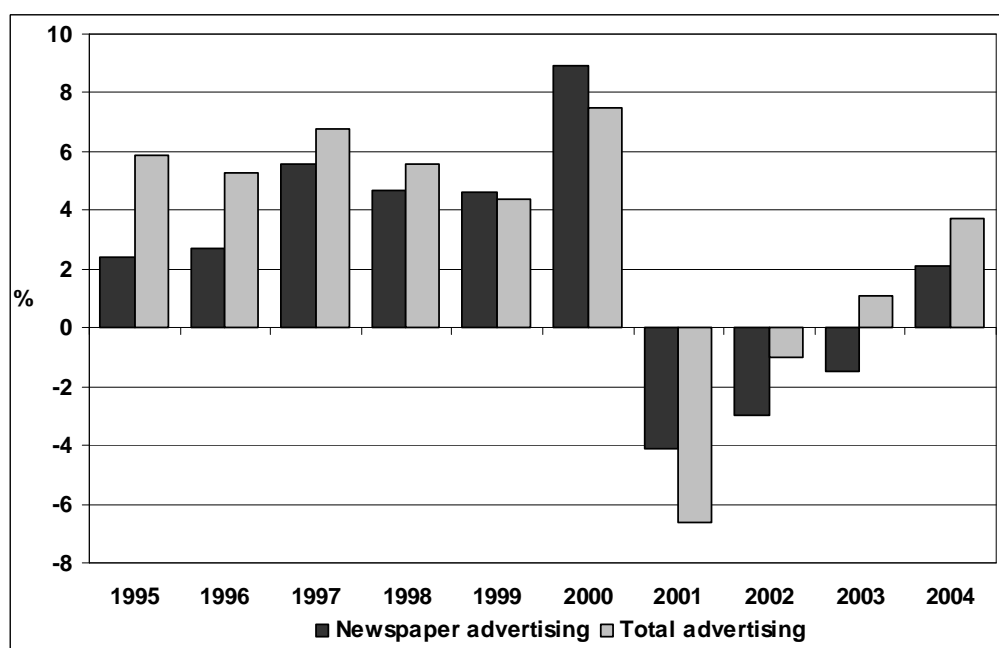


Figure 20 Annual change of newspaper and total advertising at constant prices 1995 to 2004, constant 2000 prices (Source: The Advertising Association; European Advertising & Media Forecast 2005, WARC)

The share of advertising revenue is closely related to the number of copies circulated per thousand populations. The newspapers in countries where circulation per thousand is high tend to command a higher percentage share of the total advertising market. In UK the share of newspaper advertising is still high. In 2004 the share of newspaper advertising was 38,8 per cent. Advertising growth in the newspaper industry fell slightly behind growth in advertising overall. This means that newspapers are losing share to other media.

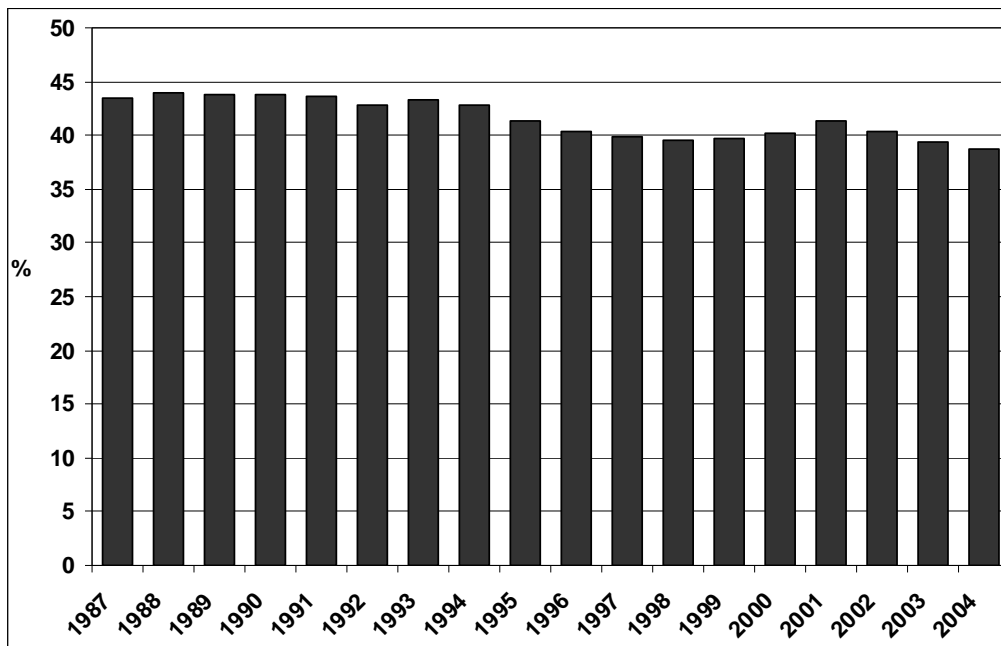


Figure 21 Share of newspaper advertising of total advertising (Source: The Advertising Association; European Advertising & Media Forecast 2005, WARC)

There has been a general long-term trend towards increasing dependence on advertising rather than circulation revenues in most EU Member States since 1995. In 2000 and 2001, this trend either reversed or flattened in many countries. Similar development took place in UK too. Since year 2000 the share of advertising revenues has declined from 64,4 per cent to 62 per cent.

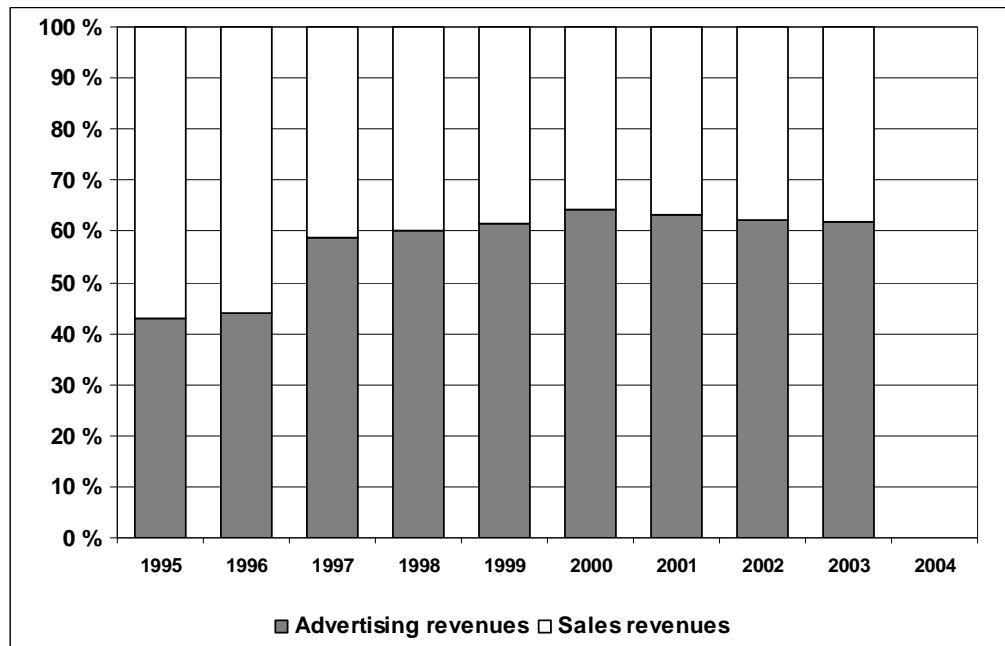


Figure 22 Revenue split between advertising and sales revenues (Source: World Press Trends)

Advertising expenditure will normally rise in line with a country's GDP. If advertising expenditure is rising faster it will create a gradually bigger market. In UK newspaper advertising per GDP was 0,41 per cent in 2004.

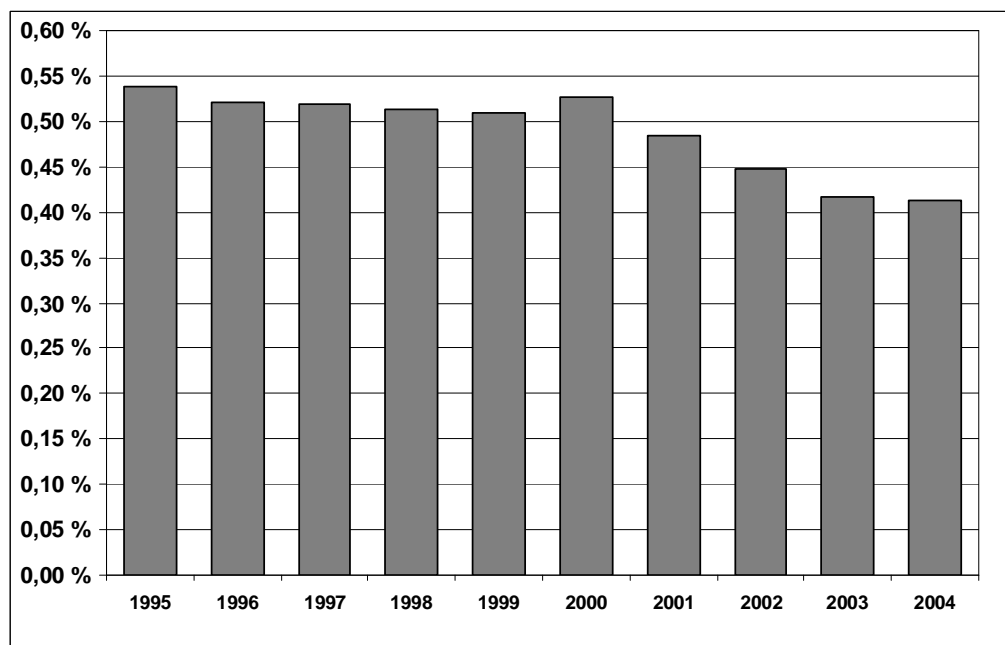


Figure 23 Newspaper advertising per GDP (Source: The Advertising Association; European Advertising & Media Forecast 2005, WARC)

3.2 Industry structure analysis

3.2.1 Number of companies

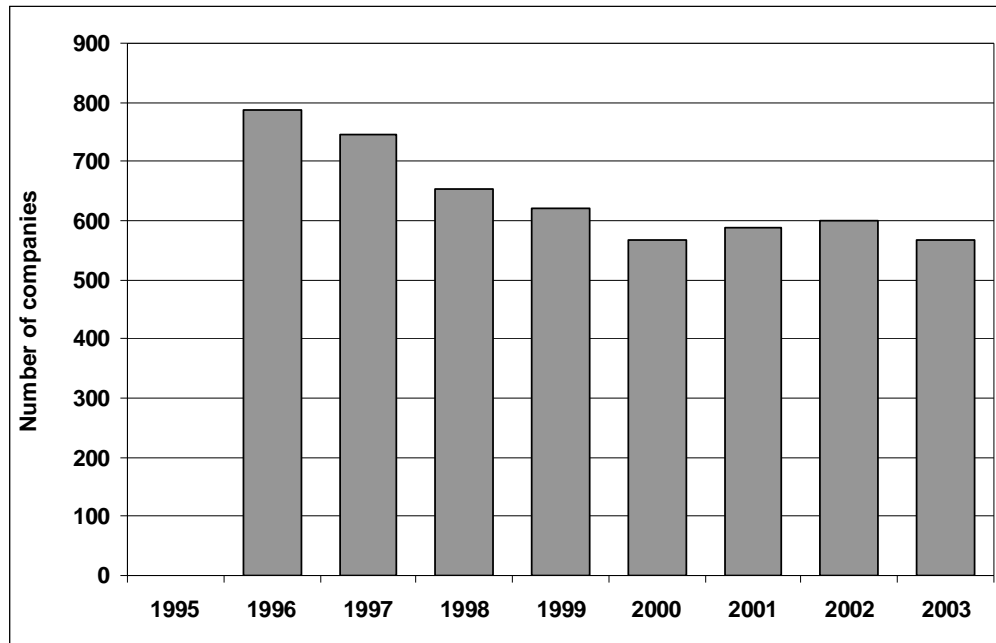


Figure 24 Number of companies in the newspaper publishing industry (Source: Eurostat NewCronos database)

3.2.2 Biggest newspaper publishers

Table 2 Top ten national newspaper publishing companies in United Kingdom based on circulation in year 2004 (Source: Zenith Optimedia)

Rank	Company
1.	News International
2.	DMGT
3.	Trinity Mirror
4.	Northern & Shell
5.	Barclay Brothers
6.	Guardian Media Group
7.	Independent Newspapers
8.	Pearson
9.	Gannett
10.	Sport Newspapers

Table 3 Top 20 regional newspaper publishing companies in United Kingdom based on circulation in year 2005 (Source: Newspaper Society intelligence unit 4 January 2006, ABC/VFD/Independently audited figures)

Rank	Group Name	Total		Dailies Paid & Free		Sundays Paid & Free		Weekly Paid		Weekly Free	
		Titles	Weekly circulation	Titles	Weekly circulation	Titles	Weekly circulation	Titles	Weekly circulation	Titles	Weekly circulation
1.	Trinity Mirror Plc	230	14 356 106	14	6 958 206	4	762 415	73	963 203	139	5 672 282
2.	Johnston Press Plc*	283	10 195 565	19	4 548 426	3	173 524	145	1 719 306	116	3 754 309
3.	Newsquest Media Group *	216	10 156 153	18	3 954 464	1	61 678	71	982 705	126	5 157 306
4.	Northcliffe Newspapers Group Ltd	113	8 738 425	20	5 687 544	1	1 266	29	464 183	63	2 574 038
5.	Associated Newspapers Ltd	9	6 743 760	9	6 743 760	-	-	-	-	-	-
6.	Archant*	80	2 915 023	4	960 522	-	-	30	357 125	46	1 597 376
7.	Guardian Media Group Plc	44	2 596 537	2	957 331	1	-	15	217 869	26	1 421 337
8.	The Midland News Association Ltd*	19	2 108 827	2	1 420 584	-	-	4	45 387	13	642 856
9.	Iliffe News & Media*	31	1 165 447	2	288 408	6	26 822	6	100 554	17	508 265
10.	D.C. Thomson & Co Ltd	3	1 089 340	2	607 573	1	481 767	-	-	-	-
11.	Kent Messenger Limited	22	853 577	-	-	-	-	10	155 567	12	69 801
12.	Independent News & Media	6	775 844	1	56 457	1	84 082	-	-	4	127 192
13.	Tindle Newspapers Ltd*	43	556 567	-	-	2	27 705	23	237 202	18	29 166
14.	Observer Standard Newspapers Ltd	14	545 484	-	-	-	-	-	-	14	545 484
15.	C N Group Ltd	10	488 107	2	275 988	-	-	5	93 201	3	118 918
16.	North Wales Newspapers Ltd	11	447 104	1	128 115	-	-	3	37 127	7	281 862
17.	Clyde & Forth Press Ltd	14	302 927	1	11 292	-	-	10	88 987	3	10 102
18.	Irish News Ltd	1	289 668	1	289 668	-	-	-	-	-	-
19.	Guiton Group	5	227 916	2	227 916	-	-	2	-	1	-
20.	Hirst Kidd & Rennie Ltd	2	219 079	1	12 884	-	-	-	-	1	90 239
Total Top 10 publishers		1156	64 771 456	101	33 854 835	20	1 872 051	426	5 462 416	609	23 582 154
Total other publishers		145	2 280 664	2	170 408	1	117 195	105	721 557	37	1 271 504
Total all publishers		1299	66 833 041	102	33 896 403	21	1 989 246	531	6 183 973	645	24 763 419

* Based on total weekly circulation of regional and local newspapers published at least weekly and listed on the Newspaper Society database; audited circulations only.

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
DAILY MAIL AND GENERAL TRUST P L C	FIDELITY INVESTMENTS LIMITED via its funds	1,84	1,97	DAILY MAIL AND GENERAL HOLDINGS LIMITED
	GILLESPIE T S	-	n.a.	DAILY MAIL AND GENERAL INVESTMENTS PLC
	HBOS PLC via its funds	-	1,31	ADAM NEWSPAPERS LIMITED
	AMVESCAP PLC via its funds	-	0,9	ALDERTON LIMITED
	F&C ASSET MANAGEMENT PLC via its funds	-	0,85	ASSOCIATED NEWSPAPERS (IRELAND) LIMITED
	HSBC HOLDINGS PLC via its funds	-	0,85	ASSOCIATED NEWSPAPERS LIMITED
	PRUDENTIAL PLC (IFRS) via its funds	-	0,61	B & S LIMITED
	JPMORGAN CAZENOVE HOLDINGS via its funds	-	0,52	BARGAIN PAGES MEDIA LIMITED
	BARCLAYS GLOBAL INVESTORS, NATIONAL ASSOCIATION via its funds	-	0,51	BRISTOL UNITED PRESS LIMITED
	NORGES BANK via its funds	-	0,43	BRITISH PATHE LIMITED
	ROYAL LONDON GROUP via its funds	-	0,37	CENTRAL INDEPENDENT NEWSPAPERS LIMITED
	JULIUS BAER HOLDING LTD via its funds	-	0,31	CHEL TENHAM NEWSPAPER COMPANY LIMITED(THE)
	LEGAL & GENERAL FINANCIAL SERVICES LIMITED via its funds	-	0,24	CLEVEDON NEWSPAPERS LIMITED
	RUSSELL INVESTMENT GROUP via its funds	-	0,24	CORNWALL & DEVON MEDIA LIMITED
	UBS AG via its funds	-	0,24	COURIER PRINTING AND PUBLISHING COMPANY LIMITED(THE)
	COMMERZBANK INTERNATIONAL SA via its funds	-	0,22	DAILY MAIL INTERNATIONAL LIMITED
	SOCIETE GENERALE via its funds	-	0,21	DERBY DAILY TELEGRAPH LIMITED
	VANGUARD GROUP INC via its funds	-	0,2	DMG ANGEX LIMITED
	ABBEY NATIONAL PLC via its funds	-	0,14	DMG ANTIQUES FAIRS LIMITED
	LLOYDS TSB GROUP PLC via its funds	-	0,13	DMG BROADCASTING LIMITED
	SCHRODERS PLC via its funds	-	0,12	DMG INFORMATION LIMITED
	SEI INVESTMENTS COMPANY via its funds	-	0,11	DMG INFORMATION, INC
	SINCLAIR C J F	0,11	n.a.	DMG INVESTMENT HOLDINGS LIMITED
	DACRE P M	0,07	n.a.	DMG MEDIA INVESTMENTS LIMITED
	WILLIAMS J P	0,06	n.a.	DMG RADIO (ADELAIDE) PTY LTD
	DUTTON D M M	0,03	n.a.	DMG RADIO (AUSTRALIA) PTY LIMITED
	CODAN TRUST COMPANY LTD & CODAN TRUSTEES (BV) LTD	-	n.a.	DMG RADIO COASTAL PTY LIMITED
	CODAN TRUST COMPANY LTD & ROTHSCHILD TRUST (BERMUDA) LTD	-	n.a.	DMG RADIO HOLDINGS PTY LTD
	GRAY, S. M.	-	n.a.	DMG RADIO INVESTMENTS PTY LTD
	HEMINGWAY, J G	-	n.a.	DMG TELEVISION LIMITED
	PARK, I. G.	-	n.a.	DMG WORLD MEDIA (NEW ZEALAND) LIMITED
	THE VISCOUNT ROTHERMERE	-	n.a.	DMG WORLD MEDIA (AUSTRALIA) PTY LIMITED
				DMG WORLD MEDIA (CANADA) INC
				DMG WORLD MEDIA (DUBAI) LIMITED
				DMG WORLD MEDIA (UK) LIMITED
				DMG WORLD MEDIA (VIC) PTY LIMITED
				DMG WORLD MEDIA LIMITED
				EDR LANDMARK INFORMATION GROUP LTD
				ENVIRONMENTAL DATA RESOURCES INC
				ESSEX CHRONICLE SERIES LIMITED(THE)
				EXPRESS & ECHO PUBLICATIONS LIMITED
				FESTIVAL CITY BROADCASTERS PTY LIMITED
				FIND A PROPERTY LIMITED
				G-TOUT HOLDING SAS
				GLOUCESTERSHIRE MEDIA LIMITED
				GRIMSBY & SCUNTHORPE NEWSPAPERS LIMITED
				HARMSWORTH QUAYS LIMITED
				HARMSWORTH QUAYS PRINTING LIMITED
				HERALD EXPRESS PUBLICATIONS LIMITED
				HOBSONS AUSTRALIA PTY LIMITED
				HOBSONS FRANCE
				HOBSONS GMBH
				HOBSONS PLC
				HOBSONS, INC.
				HULL DAILY MAIL PUBLICATIONS LIMITED
				JOB SITE UK (WORLDWIDE) LIMITED
				LAPCOM LAPKADÓ ES NYOMDAIPARI KFT.
				LEICESTER MERCURY GROUP LIMITED
				LEWITAN TECHNOLOGIES, INC
				LINCOLNSHIRE PUBLISHING COMPANY LIMITED(THE)
				LOOT LIMITED
				METROPRESS LIMITED
				NEW ERA TELEVISION LIMITED
				NORTHCLIFFE FLEET SERVICES LIMITED
				NORTHCLIFFE NEW MEDIA HOLDINGS LIMITED
				NORTHCLIFFE NEWSPAPERS GROUP LIMITED
				NORTHCLIFFE PRESS (BRISTOL) LIMITED
				NORTHCLIFFE REAL ESTATE LIMITED
				NORTHCLIFFE RETAIL LIMITED
				NOTTINGHAM POST GROUP LIMITED
				NOVA 100 PTY LIMITED
				NOVA 106.9 PTY LTD
				NOVA 91.9 PTY LIMITED
				NOVA 96.9 PTY LTD
				POST & TIMES SERIES LIMITED
				PROPERTY & PORTFOLIO RESEARCH INC
				RMS PRIVATE LTD
				RNS - AVIZO HOLDING INTERNATIONAL AS
				SANBORN MAP COMPANY INC
				SOUTH WEST WALES PUBLICATIONS LTD
				STAFFORDSHIRE SENTINEL NEWSPAPERS LIMITED
				STAR 104.5 PTY LTD
				STUDY GROUP AUSTRALIA PTY LIMITED
				STUDY GROUP INTERNATIONAL LIMITED
				STUDY GROUP US INC
				TAUNTON NEWSPAPERS LIMITED
				TELETEXT LIMITED
				THE NORTHCLIFFE PRESS LIMITED
				TREPP, LLC
				VEGA 91.5 PTY LTD
				VEGA 95.3 PTY LTD
				W.H.Y PUBLICATIONS LIMITED
				WESSEX NEWSPAPERS
				WESTCOUNTRY PUBLICATIONS LIMITED
				WESTERN GAZETTE COMPANY LIMITED(THE)
				WESTERN MORNING NEWS COMPANY LIMITED(THE)
				WESTERN NEWSPAPERS LIMITED
				ASSOCIATED METRO LIMITED
				ASSOCIATED NEWSPAPERS COMMUNICATIONS LIMITED
				BIG BLUE DOG LIMITED
				DMGT TRUSTEES LIMITED
				EX TIM LIMITED
				EXLUM LIMITED
				TEXTS LIMITED
				DMG WORLD MEDIA (USA), INC
				RISK MANAGEMENT SOLUTIONS, INC
				DOLPHIN SOFTWARE INC
				ADHESION ET ASSOCIES SA
				ENGEL PUBLISHING PARTNERS
				EUROMONEY INSTITUTIONAL INVESTOR PLC
				EUROMONEY PUBLICATIONS (JERSEY) LIMITED
				EUROMONEY TRAINING INC
				GULF PUBLISHING COMPANY
				HEDGEFUND INTELLIGENCE LIMITED
				INSTITUTIONAL INVESTOR INC
				LATIN AMERICAN FINANCIAL PUBLICATIONS, INC
				MIS TRAINING LLC
				MONDIALE CORPORATION LIMITED
				THE PETROLEUM ECONOMIST LIMITED
				COALTRANS CONFERENCES LIMITED
				INTERNET SECURITIES INC
				INFORMATION MANAGEMENT NETWORK, LLC
				UNDER ONE ROOF LIMITED
				A-Z AGENTIA DE PUBLICITATE SA
				BRISBANE FM RADIO PTY LIMITED
				DMG RADIO (PERTH) PTY LIMITED
				OYO RMS CORPORATION
				GEORGE LITTLE MANAGEMENT LLC
				CENTURION HOLIDAY GROUP LIMITED
				WESTERN EXHIBITORS LLC
				INDEPENDENT TELEVISION NEWS LIMITED
				SHOPCREATOR PLC
				ASSOCIATED NEWSPAPERS (HUNGARY) LIMITED
				OFFICE RECRUIT LIMITED
				ZAMBEASY LTD

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
NEWSCORP INVESTMENTS	NEWS CORPORATION	WO	WO	ADAMARCT LIMITED
	NEWS CORPORATION, INC.	-	WO	APPLIED DECISION SYSTEMS LIMITED
	MURDOCH RUPERT K FAMILY	-	n.a.	BROADSYSTEM LIMITED
	NEWS UK NOMINEES LIMITED	-	n.a.	CANTERPATH INVESTMENTS LIMITED
	THE NEWS CORPORATION LIMITED	-	n.a.	CANTERPATH LIMITED
				CENTRECORE LIMITED
				CONVOYS LIMITED
				CONVOYS PENSION TRUSTEES LIMITED
				CRAB LIMITED
				DELPHI INTERNET LIMITED
				DEPTFORD CARGO HANDLING SERVICES LIMITED
				EDUCATIONAL EXHIBITIONS LIMITED
				ERIC BEMROSE LIMITED
				ERIC BEMROSE STAFF PENSION TRUSTEES LIMITED
				ERIC BEMROSE WORKS PENSION TRUSTEES LIMITED
				FESTIVAL RECORDS INTERNATIONAL LIMITED
				FIORI LIMITED
				FIREUP.COM LIMITED
				HDM WORBOYS LIMITED
				HOMEGROUND MARKETING LIMITED
				INTEGRATED SOLUTIONS DEVELOPMENT LIMITED
				KIP LIMITED
				LEARNFREE LIMITED
				LYNTRESS LIMITED
				MEDIA DEBT COLLECTIONS LIMITED
				NEWS (UK) LIMITED
				NEWS 2026 LIMITED
				NEWS COLLINS HOLDINGS LIMITED
				NEWS COLLINS LIMITED
				NEWS COMMUNICATIONS (HK) LIMITED
				NEWS CORP EUROPE D.O.O.
				NEWS CORP EUROPE LIMITED
				NEWS CORP EUROPE S.R.L.
				NEWS GERMAN TELEVISION HOLDING GMBH
				NEWS GROUP NEWSPAPERS LIMITED
				NEWS INTERNATIONAL (ADVERTISEMENTS) LIMITED
				NEWS INTERNATIONAL ADVERTISEMENTS (IRELAND) LIMITED
				NEWS INTERNATIONAL ASSOCIATED SERVICES LIMITED
				NEWS INTERNATIONAL DISTRIBUTION LIMITED
				NEWS INTERNATIONAL LIMITED
				NEWS INTERNATIONAL NEWSPAPERS (IRELAND) LIMITED
				NEWS INTERNATIONAL NEWSPAPERS (SCOTLAND) LIMITED
				NEWS INTERNATIONAL NEWSPAPERS LIMITED
				NEWS INTERNATIONAL PENSION TRUSTEES LIMITED
				NEWS INTERNATIONAL PUBLISHERS LIMITED
				NEWS INTERNATIONAL SUPPLY COMPANY LIMITED
				NEWS INTERNATIONAL TELEVISION INVESTMENT COMPANY LIMITED
				NEWS JAPAN PROGRAMMING SERVICES
				NEWS MAGAZINES HOLDINGS LIMITED
				NEWS NCH
				NEWS NETHERLANDS BV
				NEWS NETWORK HOLDINGS LIMITED
				NEWS NETWORK LIMITED
				NEWS NOTES LIMITED
				NEWS OF THE WORLD LIMITED
				NEWS OMNIMEDIA LIMITED
				NEWS OPTIMUS LIMITED
				NEWS OUTDOOR LIMITED
				NEWS PROMOTIONS LIMITED
				NEWS PROPERTY ONE LIMITED
				NEWS PROPERTY THREE LIMITED
				NEWS PROPERTY TWO LIMITED
				NEWS PUBLISHERS LIMITED
				NEWS RETAIL SERVICES LIMITED
				NEWS SECURITIES BV
				NEWS SECURITIES BV
				NEWS TELEVISION JAPAN
				NEWS TIMES HOLDINGS LIMITED
				NEWS UK NOMINEES LIMITED
				NEWSCORP FINANCE LIMITED
				NEWSCORP NETHERLANDS ANTILLES N.V.
				NEWSCORP PREFERENCE LIMITED
				NGN EDITORIAL PENSION TRUSTEES LIMITED
				NGN EXECUTIVE PENSION TRUSTEES LIMITED
				NGN STAFF PENSION PLAN TRUSTEES LIMITED
				NI RADIO LIMITED
				NI SYNDICATION LIMITED
				NURSERY WORLD LIMITED
				ORDINTO INVESTMENTS
				RADIO PRODUCTIONS LONDON LIMITED
				SALCOMBE SECURITIES LIMITED
				SATELLITE MARKETING & ADVERTISING LIMITED
				SKY CHANNEL LIMITED
				SUN LIMITED (THE)
				SUNDAY TIMES LIMITED (THE)
				THE TIMES PENSION TRUSTS LIMITED
				TIMES CROSSWORDS LIMITED
				TIMES EDUCATIONAL SUPPLEMENT LIMITED (THE)
				TIMES HIGHER EDUCATION SUPPLEMENT LIMITED (THE)
				TIMES LIMITED (THE)
				TIMES LITERARY SUPPLEMENT LIMITED (THE)
				TIMES NEWSPAPERS HOLDINGS LIMITED
				TIMES NEWSPAPERS LIMITED
				TIMES NEWSPAPERS PRODUCTION COMPANY LIMITED
				TNL PENSION TRUSTEES LIMITED
				TOWER TRUSTEES LIMITED
				VIRGINIA THREE LIMITED
				VIRGINIA TWO LIMITED
				WORLDWIDE LEARNING LIMITED
				NEWS INTERNATIONAL HOLDINGS
				NEWS TELEVISION

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
TRINITY MIRROR PLC	BARCLAYS BANK PLC	12.82	n.a.	INSIDE COMMUNICATIONS LTD
	HARRIS ASSOCIATES L P	11.24	n.a.	MIRROR GROUP LIMITED
	CAPITAL GROUP COMPANIES INC, THE	-	11.07	PALDONSAY LIMITED
	AVIVA PLC (IFRS)	7.17	n.a.	TRINITY PUBLICATIONS LIMITED
	TWEEDY BROWNE COMPANY LLC	5.06	n.a.	AMRA LIMITED
	CAISSE NATIONALE DES CAISSES D'EPARGNE ET DE PREVOYANCE - CNCE via its funds	-	4.75	CHESTER CHRONICLE AND ASSOCIATED NEWSPAPERS LIMITED
	STANDARD LIFE INVESTMENTS LIMITED	4	n.a.	EXAMINER NEWS & INFORMATION SERVICES LIMITED
	LEGAL & GENERAL INVESTMENT MANAGEMENT LIMITED	3.86	n.a.	FINANCIAL JOBS ONLINE LIMITED
	BARCLAYS PLC	-	3.85	GAZETTE MEDIA COMPANY LIMITED
	AFFILIATED MANAGERS GROUP INC via its funds	-	3.6	MGH LIMITED
	BRANDES INVESTMENT PARTNERS, LP	3.09	n.a.	MIDLAND NEWSPAPERS LIMITED
	FIDELITY INTERNATIONAL LIMITED	3.03	n.a.	NEWCASTLE CHRONICLE AND JOURNAL LIMITED
	DEUTSCHE BANK AG	-	3.02	RACEFORM LIMITED
	FIDELITY INVESTMENTS LIMITED via its funds	-	2.77	SCOTTISH AND UNIVERSAL NEWSPAPERS LIMITED
	JP MORGAN CHASE & CO. via its funds	-	2.67	SCOTTISH DAILY RECORD AND SUNDAY MAIL LIMITED
	BARCLAYS GLOBAL INVESTORS, NATIONAL ASSOCIATION via its funds	-	2.04	SMART MEDIA SERVICES LIMITED
	MELLON FINANCIAL CORPORATION via its funds	-	1.7	THE HOTGROUP LIMITED
	BAILLIE GIFFORD & CO LIMITED via its funds	-	1.07	TRINITY MIRROR NORTH WEST & NORTH WALES LIMITED
	NORDEA BANK AB via its funds	-	1.04	TRINITY MIRROR PRINTING (BLANTYRE) LIMITED
	POWER CORPORATION OF CANADA via its funds	-	0.86	TRINITY MIRROR PRINTING (CARDIFF) LIMITED
	RIVERSOURCE DISTRIBUTORS LTD. via its funds	-	0.7	TRINITY MIRROR PRINTING (LIVERPOOL) LIMITED
	STANDARD LIFE via its funds	-	0.7	TRINITY MIRROR PRINTING (MIDLANDS) LIMITED
	UNIVERSAL INVESTMENT GESELLSCHAFT MBH via its funds	-	0.51	TRINITY MIRROR PRINTING (NEWCASTLE) LIMITED
	BESTINVER GESTION SA GESTORA DE INSTITUCIONES DE INVERSION COLECTIVA via its funds	-	0.5	TRINITY MIRROR PRINTING (OLDHAM) LIMITED
	TEACHERS INSURANCE AND ANNUITY ASSOCIATION-COLLEGE RETIREMENT EQUITIES FUND via its funds	-	0.49	TRINITY MIRROR PRINTING (SALTIRE) LIMITED
	HSBC HOLDINGS PLC via its funds	-	0.46	TRINITY MIRROR PRINTING (TEESSIDE) LIMITED
	AXA (IFRS) via its funds	-	0.45	TRINITY MIRROR PRINTING (WATFORD) LIMITED
	LLOYDS TSB GROUP PLC via its funds	-	0.43	TRINITY MIRROR PRINTING LIMITED
	INVESTEC LIMITED via its funds	-	0.42	WESTERN MAIL & ECHO LIMITED
	ABBIEY NATIONAL PLC via its funds	-	0.4	ASSOCIATED CATHOLIC NEWSPAPERS(1912)LIMITED(TH)
	NORGES BANK via its funds	-	0.4	BLACKMORE VALE PUBLISHING COMPANY LIMITED
	WESTERN ASSET MANAGEMENT COMPANY LIMITED via its funds	-	0.39	BUY SELL LIMITED
	SEI INVESTMENTS COMPANY via its funds	-	0.35	DAILY POST INVESTMENTS LIMITED
	RUSSELL INVESTMENT GROUP via its funds	-	0.34	HUDDESFIELD NEWSPAPERS LIMITED
	ROYAL LONDON GROUP via its funds	-	0.33	I.T. TRADE PUBLISHING LIMITED
	DIMENSIONAL FUND ADVISORS INC via its funds	-	0.29	LIVERPOOL WEB OFFSET LIMITED
	BAYERISCHE HYPO-LUND VEREINSBANK AG via its funds	-	0.28	LIVERPOOL WEEKLY NEWSPAPER GROUP LIMITED
	FAC ASSET MANAGEMENT PLC via its funds	-	0.27	MICROMART (UK) LIMITED
	VANGUARD GROUP INC via its funds	-	0.26	MIDLAND INDEPENDENT NEWSPAPER & MEDIA SALES LIMITED
	GRANTHAM, MAYO, VAN OTTERLOO & CO, LLC via its funds	-	0.22	MIDLAND NEWSPAPERS PENSION TRUSTEES LIMITED
	RAIFFEISENBANK KLEINWALSERTAL AG via its funds	-	0.22	MIDLAND WEEKLY MEDIA (BRIMINGHAM) LIMITED
	GOLDMAN, SACHS & CO via its funds	-	0.21	MIDLAND WEEKLY MEDIA (WOLVERHAMPTON) LIMITED
	LAZARD FRERES & CO LLC via its funds	-	0.17	MIN NO. 1 LIMITED
	ABN AMRO HOLDING NV via its funds	-	0.15	NORTH WALES INDEPENDENT PRESS LIMITED
	HANSBERGER GLOBAL INVESTORS, INC via its funds	-	0.14	QUIDS-IN (NORTH-WEST) LIMITED
	VIRGIN MONEY UNIT TRUST MANAGERS LIMITED via its funds	-	0.12	T.M DIRECTORS LIMITED
	CLOSE BROTHERS GROUP PLC via its funds	-	0.1	T.M SECRETARIES LIMITED
	BAILEY SILV	-	0.1	THE BURTON TRADER NEWSPAPER LIMITED
	BIRCH PETER	-	n.a.	THE DERRY TRADER NEWSPAPER LIMITED
	BIRD STEVE	-	n.a.	THE NOTTINGHAM TRADER NEWSPAPER LIMITED
	BLANK SIR VICTOR	-	n.a.	TH (PROPERTIES) LIMITED
	CAPITAL GUARDIAN TRUST COMPANY	-	n.a.	TH (TRUSTEE) LIMITED
	CAPITAL INTERNATIONAL INC	-	n.a.	TM REGIONAL NEW MEDIA LIMITED
	CAPITAL INTERNATIONAL LIMITED	-	n.a.	TRINITY LIMITED
	CAPITAL INTERNATIONAL SA	-	n.a.	TRINITY MIRROR DIGITAL LIMITED
	FULLAGAR NICK	<0.01	n.a.	TRINITY MIRROR DIGITAL MEDIA LIMITED
	MARLOW DAVID	-	n.a.	TRINITY MIRROR PENSION TRUSTEES LIMITED
	PENNY HUGHES	-	n.a.	TRINITY MIRROR REGIONAL NEWSPAPERS LIMITED
	PUSEY TONY	-	n.a.	TRINITY MIRROR REGIONALS PLC
	ROSS DAVID	<0.01	n.a.	TRINITY MIRROR SHARED SERVICES LIMITED
	VAGHELA VIJAY	-	n.a.	TRINITY NEWSPAPER GROUP LIMITED
	VICKERS PAUL	-	n.a.	TRINITY RETIREMENT BENEFIT SCHEME LIMITED
		-	n.a.	TRINITY WEEKLY NEWSPAPERS LIMITED
		-	n.a.	VIBRANT LIMITED
		-	n.a.	VIVID GROUP LIMITED
		-	n.a.	WIRRAL NEWSPAPERS LIMITED
		-	n.a.	TRINITY MIRROR ACQUISITIONS LIMITED
		-	n.a.	THE PRESS ASSOCIATION LIMITED
		-	n.a.	HIGH STREET DIRECT LIMITED
		-	n.a.	HOLDTHEFRONTPAGE.CO.UK LIMITED
		-	n.a.	QUARTET DATABASE DEVELOPMENT LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
ASSOCIATED NEWSPAPERS LIMITED	DAILY MAIL AND GENERAL TRUST P L C	100	100	BOCEANS LIMITED
	DAILY MAIL AND GENERAL HOLDINGS LIMITED	WO	WO	AN THOMAS LIMITED
		-	-	AN DISCS LIMITED
		-	-	ASSOCIATED ELECTRONIC HOTEL SERVICES LIMITED
		-	-	ASSOCIATED FREE NEWSPAPERS METRO LIMITED
		-	-	ASSOCIATED LONDON METRO LIMITED
		-	-	ASSOCIATED LONDON PUBLISHING LIMITED
		-	-	ASSOCIATED MEDABASE LIMITED
		-	-	ASSOCIATED NEW VENTURES LIMITED
		-	-	ASSOCIATED NEWSPAPERS (U.S.A.) LIMITED
		-	-	ASSOCIATED NEWSPAPERS DEVELOPMENT LIMITED
		-	-	ASSOCIATED NEWSPAPERS OVERSEAS LIMITED
		-	-	ASSOCIATED NEWSPAPERS SERVICES LIMITED
		-	-	DAILY MAIL LIMITED
		-	-	DUTCH LOOT
		-	-	EVENING STANDARD COMPANY LIMITED
		-	-	EX ANN LIMITED
		-	-	EXHW LIMITED
		-	-	FINANCIAL MAIL LIMITED
		-	-	HARMSWORTH QUAYS LIMITED
		-	-	IRELAND ON SUNDAY LIMITED
		-	-	JOB SITE UK (WORLDWIDE) LIMITED
		-	-	MAIL NEWSPAPERS LIMITED
		-	-	MAIL ON SUNDAY LIMITED(TH)
		-	-	NORTHCLIFFE INTERNATIONAL LIMITED
		-	-	NORTHCLIFFE PRINTING LIMITED
		-	-	PLAIN PAPER LIMITED
		-	-	THIS IS FINANCIAL SERVICES LIMITED
		-	-	THIS IS LONDON LIMITED
		-	-	THIS IS MONEY LIMITED
		-	-	THIS IS MONEY SHARE DEALING LIMITED
		-	-	UK MAIL INTERNATIONAL LIMITED
		-	-	WEEKEND PUBLICATIONS LIMITED
		-	-	ASSOCIATED METRO WEST MIDLANDS LIMITED
		-	-	ASSOCIATED NEWSPAPERS (IRELAND) HOLDINGS LIMITED
		-	-	OFFICE RECRUIT LIMITED
		-	-	ZAMBEASY.COM LTD
		-	-	NORTHPRINT MANCHESTER LIMITED
		-	-	THIS IS CLASSIFIEDS LIMITED
		-	-	THE NEWSPAPER LICENSING AGENCY LIMITED
		-	-	CENTURION HOLIDAY GROUP LIMITED
		-	-	ZOOM.CO.UK LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
GUARDIAN MEDIA GROUP PLC	B GLEDHILL	-	n.a.	GUARDIAN MEDIA GROUP JERSEY LIMITED
	G PROUDLER (TRUSTEES OF) & OTHERS	-	n.a.	CHANNEL M TELEVISION LIMITED
	GAVIN & OTHERS	-	n.a.	GREATER MANCHESTER NEWSPAPERS LIMITED
	J P SCOTT (TRUSTEES OF) & OTHERS	-	n.a.	GUARDIAN NEWSPAPERS LIMITED
	L ELLIOT (TRUSTEES OF) & OTHERS (TRUSTEES OF)	-	n.a.	HR INFORMATION LIMITED
	L FORGAN (TRUSTEES OF) & OTHERS (TRUSTEES OF)	-	n.a.	LEARNTHINGS LIMITED
	M J SCOTT (TRUSTEES OF) & OTHERS	-	n.a.	LEARNTHINGS SOUTH AFRICA (PTY) LIMITED
	RULEGAL NOMINEES LIMITED	-	n.a.	REAL RADIO (SCOTLAND) LIMITED
	SCOTT TRUST (TRUSTEES OF)	-	n.a.	REAL RADIO (YORKSHIRE) LIMITED
	W HUTTON (TRUSTEES OF) & OTHERS (TRUSTEES OF)	-	n.a.	REAL RADIO LIMITED
				SMOOTH FM LIMITED
				SMOOTH FM LONDON LIMITED
				SURREY & BERKSHIRE NEWSPAPERS LIMITED
				TRADER MEDIA (TV) GROUP LIMITED
				TRADER MEDIA GROUP LIMITED
				KARADEAN LIMITED
				DEANSGATE 1004 LTD.
				DEANSGATE 1005 LTD.
				DORMANTCO 1000 LIMITED
				DORMCO 1005 LIMITED
				GMG AUTO TRADER LIMITED
				GMG INVESTCO LIMITED
				GMG NATIONAL NEWSPAPERS LIMITED
				GMG RADIO HOLDINGS LIMITED
				GMG REGIONAL NEWSPAPERS LIMITED
				RAVINAM LIMITED
				THE OBSERVER LIMITED
				MANCHESTER EVENING NEWS LIMITED
				NORTHPRINT MANCHESTER LIMITED
				SEVEN PUBLISHING GROUP LIMITED
				DEVELOPMENT HELL LIMITED
				ALDERSHOT NEWS LIMITED
				BRUNSTOR LIMITED
				SURREY ADVERTISER LIMITED
				PAPER PURCHASE AND MANAGEMENT LIMITED
				TRAFFORD PARK PRINTERS LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
UNITED BUSINESS MEDIA PLC	LEGAL & GENERAL GROUP PLC (IFRS)	-	10.35	CMP ASIA LTD
	SCHROEDERS PLC	10.19	n.a.	CMP MEDIA LLC
	AVIVA PLC (IFRS)	-	8.12	CMPMEDICA ASIA PTE LTD
	SCOTTISH WIDOWS PLC	5.41	n.a.	CMPMEDICA HOLDING FRANCE
	LLOYDS TSB GROUP PLC	5.38	n.a.	EXPOCONSULT BV
	HERMES PENSIONS MANAGEMENT LIMITED	4.74	n.a.	LIGHT READING INC
	K&A (IFRS)	4.68	n.a.	MEDIZINISCHE MEDIEN INFORMATIONS GMBH
	BARCLAYS PLC	3.99	n.a.	NEBULAMART LIMITED
	LLOYDS TSB GROUP PLC via its funds	-	3.39	UNITED BUSINESS MEDIA FINANCE INC
	STANDARD LIFE GROUP LIMITED	2.98	n.a.	UNITED BUSINESS MEDIA GROUP LIMITED
	FMR CORP. AND FIDELITY INTERNATIONAL LIMITED	-	2.92	VIDAL (OYP) SA
	SCHROEDERS PLC via its funds	-	2.13	ABI BUILDING DATA LTD.
	MORGAN STANLEY SECURITIES LIMITED	<3.00	n.a.	CMP EUROPE LTD
	JP MORGAN CHASE & CO. via its funds	-	1.79	CMP INFORMATION (2004) LIMITED
	FIDELITY INVESTMENTS LIMITED via its funds	-	1.71	CMP GROUP LIMITED
	DEKABANK DEUTSCHE GIROZENTRALE via its funds	-	1.16	PR NEWSWIRE ASSOCIATION INC
	HSBC HOLDINGS PLC via its funds	-	1.15	PR NEWSWIRE EUROPE LIMITED
	HUGHES GARY	NG	n.a.	UNITED ADVERTISING PUBLICATIONS PLC
	SIDDELL ANNE	NG	n.a.	UNITED BUSINESS MEDIA (JERSEY) LIMITED
	LAZARD FRERES & CO LLC via its funds	-	0.92	UNITED BUSINESS MEDIA GROUP LIMITED
	STANDARD LIFE via its funds	-	0.79	UNITED FINANCE LIMITED
	ESOP TRUST	±0.70	n.a.	BLESSEMYTH LIMITED
	BNP PARIBAS via its funds	-	0.69	CMP HOLDINGS B.V.
	AMVESCAP PLC via its funds	-	0.61	HEALTHCARE DATA HOLDINGS
	NORGES BANK via its funds	-	0.6	MILLER FREEMAN WORLDWIDE LIMITED
	NATIONWIDE MUTUAL INSURANCE COMPANY via its funds	-	0.59	UN (OVERSEAS) LIMITED
	F&C ASSET MANAGEMENT PLC via its funds	-	0.57	UNITED BUSINESS MEDIA FINANCIAL SERVICES IRELAND
	ROYAL LONDON GROUP via its funds	-	0.56	UNITED BUSINESS MEDIA SHELFCO NO. 4 LIMITED.
	HBO5 PLC via its funds	-	0.52	UNITED FINANCE (JERSEY) LIMITED
	OLD MUTUAL PLC via its funds	-	0.47	UNITED MARKET RESEARCH SARL
	HENDERSON GROUP PLC via its funds	-	0.42	UNITED NEWS DISTRIBUTION BV
	SCOTTISH INVESTMENT TRUST PLC via its funds	-	0.34	UNITED TRUSTEES (NO 2) LIMITED
	TEACHERS INSURANCE AND ANNUITY ASSOCIATION-COLLEGE RETIREMENT EQUITIES FUN	-	0.33	UNM INVESTMENTS NO II SARL
	POWER CORPORATION OF CANADA via its funds	-	0.32	UPRN 1 SARL
	BWD RENSBURG LIMITED via its funds	-	0.3	CMP INTERMEDIATE HOLDINGS SARL
	LEGAL & GENERAL FINANCIAL SERVICES LIMITED via its funds	-	0.28	UNITED CONSUMER MEDIA SARL
	SOCIÉTÉ GÉNÉRALE via its funds	-	0.25	UNM FINANCE IRELAND
	BARCLAYS GLOBAL INVESTORS, NATIONAL ASSOCIATION via its funds	-	0.24	ANP PERS SUPPORT BV
	ABBEY NATIONAL PLC via its funds	-	0.23	CANADA NEWSWIRE LTD
	SKANDINAVISKA ENSKILDA BANKEN AB via its funds	-	0.23	CMP WEKA VERLAG GMBH
	BAYERISCHE HYPO-UND VEREINSBANK AG via its funds	-	0.21	CYBERMEDIA LLC
	RUSSELL INVESTMENT GROUP via its funds	-	0.21	EMEDIA ASIA LIMITED
	TRUSTEE OF UNITED BUSINESS MEDIA	0.21	n.a.	PAPERLOOP, INC
	MARTIN CURRIE LIMITED via its funds	-	0.19	CHANNEL 5 TELEVISION GROUP LIMITED
	LIONTRUST INVESTMENT FUNDS LIMITED via its funds	-	0.15	AXILOX SA
	RESOLUTION ASSET MANAGEMENT LIMITED via its funds	-	0.15	UBM AND COMPUGROUP'S JOINT VENTURE
	KREDIETBANK S.A. LUXEMBOURGEDISE KBL via its funds	-	0.13	NEWS LIMITED
	HANSANVEST HANSEATISCHE INVESTMENT- GMBH via its funds	-	0.12	FINET GROUP LTD
	VIRGIN MONEY UNIT TRUST MANAGERS LIMITED via its funds	-	0.12	BURNLEY CRICKET CLUB LIMITED
	NEW STAR ASSET MANAGEMENT HOLDINGS LIMITED via its funds	-	0.11	BAR SHOW
	OZ BANK INTERNATIONAL S.A. via its funds	-	0.1	COM
	GREGSON CHARLES	0.1	n.a.	LICENTIA STRATEGIES LIMITED
	TRUSTEE OF THE QUEST	0.06	n.a.	
	BOTTS JOHN	-	n.a.	
	CROW ANDREW	-	n.a.	
	ELKINGTON HENRY	-	n.a.	
	GRAY BERNARD	-	n.a.	
	HOLLICK OLIVE	-	n.a.	
	HYMAN CHRISTOPHER	-	n.a.	
	LEITCH SANDY	-	n.a.	
	LEVIN DAVID	-	n.a.	
	MARSHALL GARY	-	n.a.	
	NEWCUMB JONATHAN	-	n.a.	
	POWELL CHRIS	-	n.a.	
	STABLES JANE	-	n.a.	
	SUTTON PETER	-	n.a.	
	TURNER ADAR	-	n.a.	
	UNWIN GEOFFREY	-	n.a.	
	WALL MALCOLM	-	n.a.	
	WEITZNER STEVE	-	n.a.	
	WILSON NIGEL	-	n.a.	

Source: Bureau van Dijk Amadeus-database

3.2.3 Employment related measures

The number of employees measures the number of people involved in the operations of an industry. When this number is compared to total employment it indicates the relative importance of that industry in employment terms. This indicator should preferably be counted from the full-time equivalent number of employees. However, the number is rarely available from the statistical sources. In these tables, the number of employees includes temporarily employed and part-time employed in a given year. Since the late 1990's the total number of employees in the

newspaper publishing industry has been growing. In 2003 the total number of employees was 56 743.

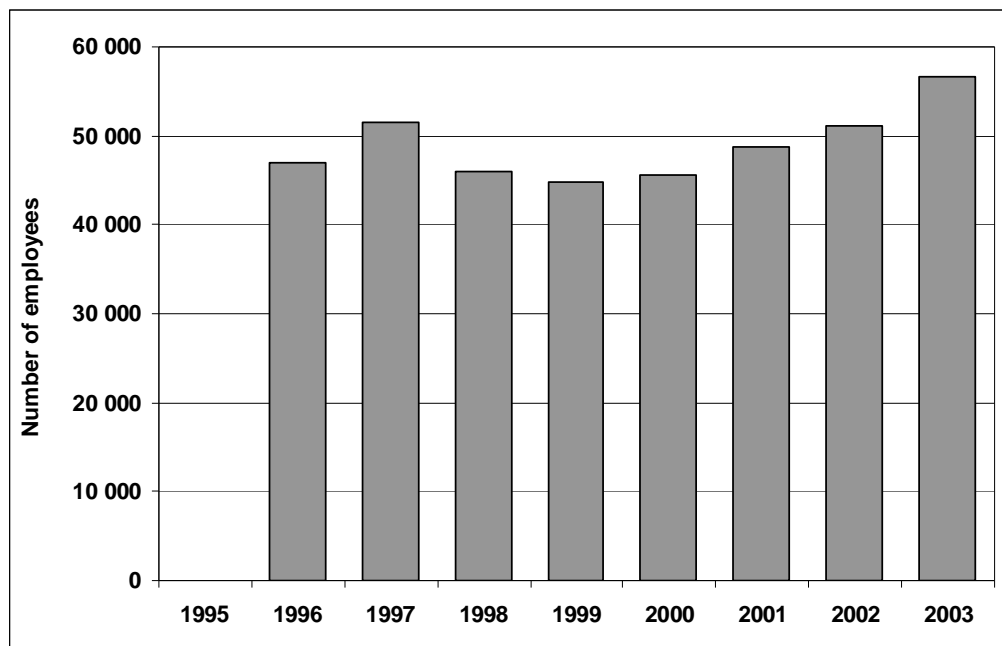


Figure 25 Employment in the newspaper publishing industry (Source: Eurostat NewCronos Database)

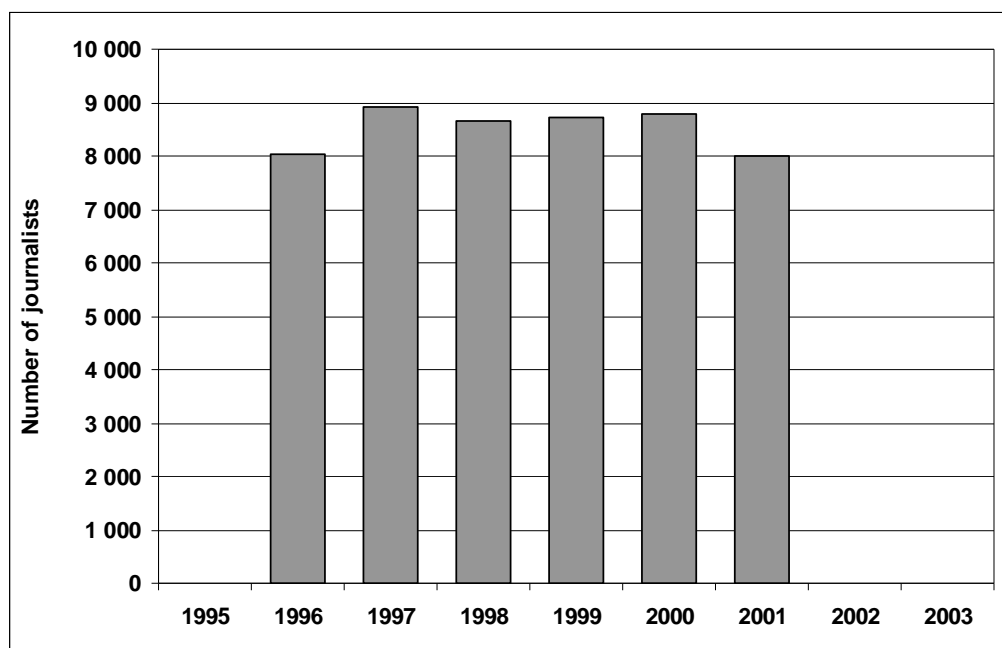


Figure 26 Number of journalists in the newspaper publishing industry (Source: The Newspaper society)

The cost of employing a person within the newspaper industry differs considerably between Member States. The highest-cost country is Italy, where employment costs in the industry have historically been high

(75 700 € in 2003). In UK the personnel costs per person were 43 700 euros in 2003.

Low per-employees costs are not necessarily beneficial: if an industry cannot pay good salaries to employees, it will not be able to recruit and retain good staff capable of operating the existing business well, responding to changing conditions and innovating as new ideas are required.

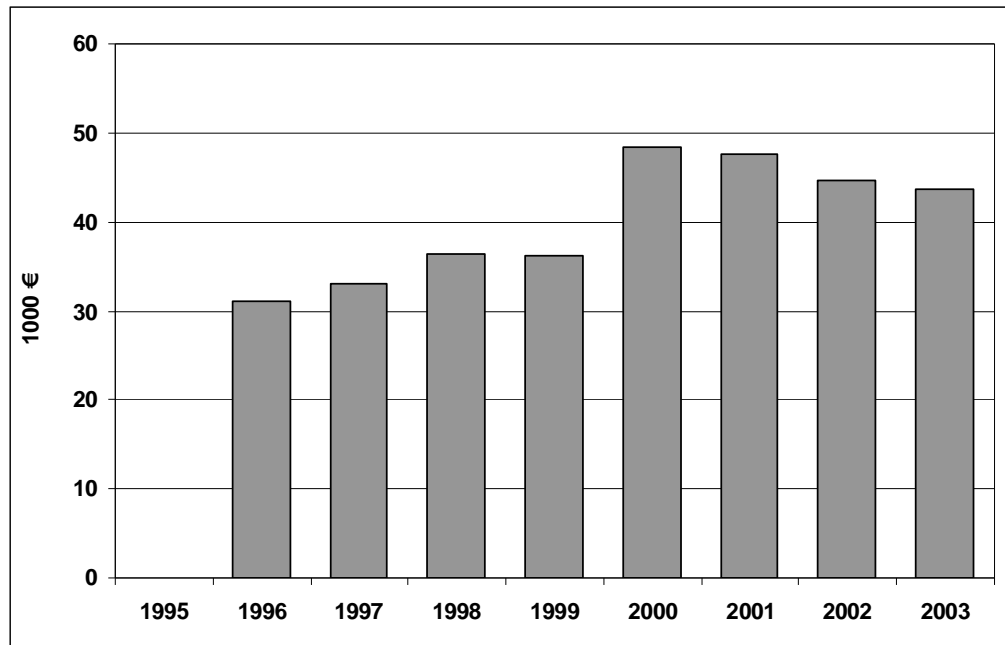


Figure 27 Personnel costs per person employed in the newspaper publishing industry (Source: Eurostat NewCronos Database)

3.2.4 Financial measures

Turnover

Turnover measures the industry's value of sales in a particular year, adjusted for stock changes. It measures the volume of operations, but overestimates an industry's contribution to national income because it includes the value of inputs produced by other industries.

In UK the total turnover of the newspaper publishing industry was growing until 2001. After that the total turnover of the newspaper industry has been declining slightly. In year 2003 the total turnover was approximately 8,9 billion euros.

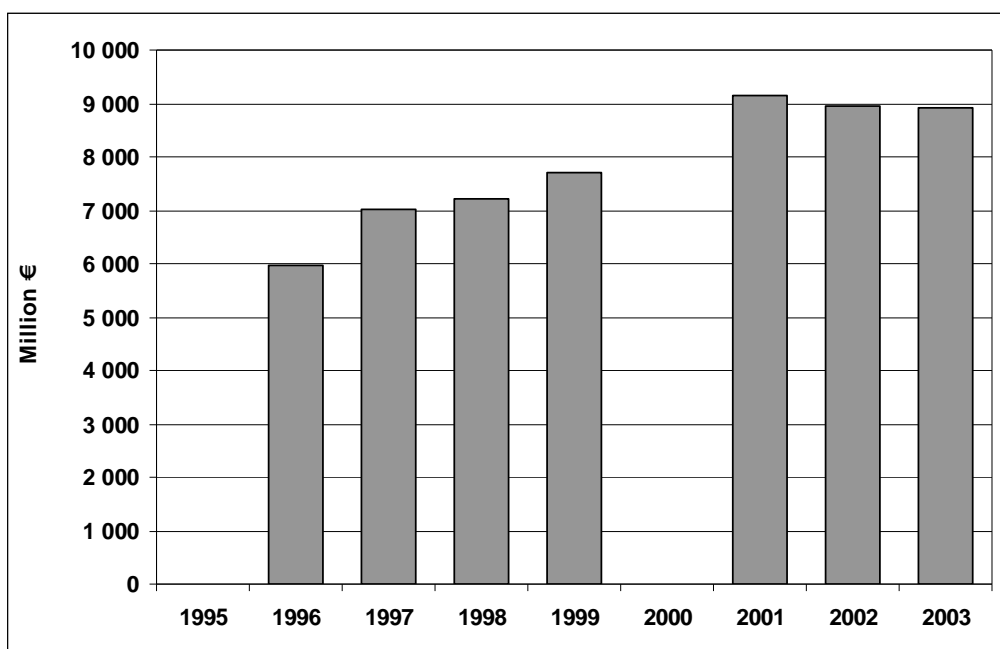


Figure 28 Total turnover of the newspaper publishing industry (Source: Eurostat NewCronos Database)

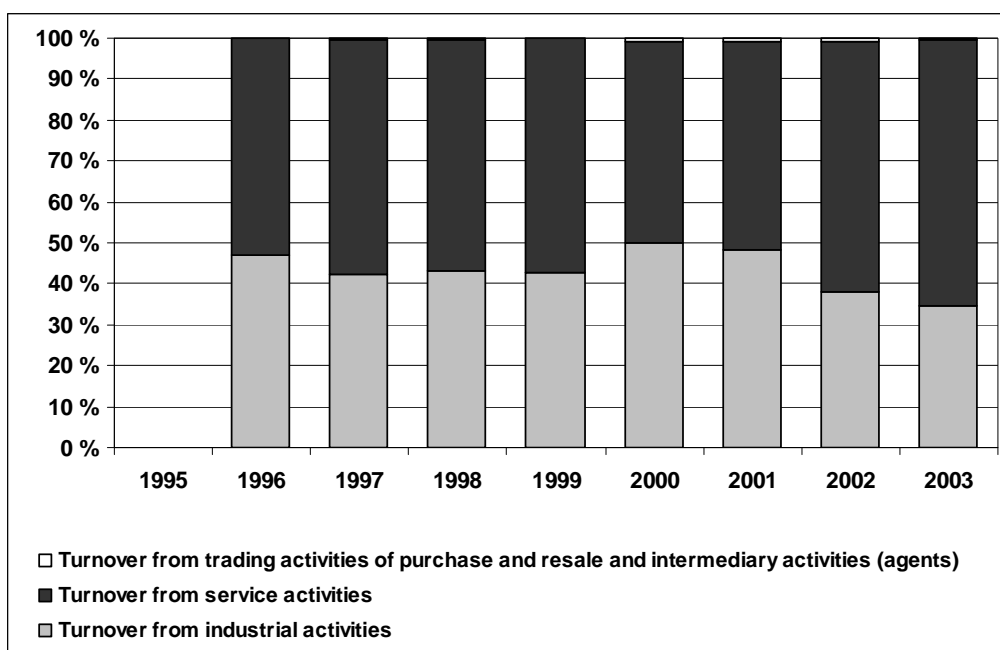


Figure 29 Distribution of turnover of the newspaper publishing industry by business activities (Source: Eurostat NewCronos Database)

Change in turnover

The procentual change in turnover in the newspaper publishing industry varied a great deal during 1996-2003. In 1998 the newspaper publishing industry saw the most rapid growth during the years under scrutiny, growing almost 18 per cent. In 2003 the total turnover on of the newspaper publishing industry declined -0,2 per cent.

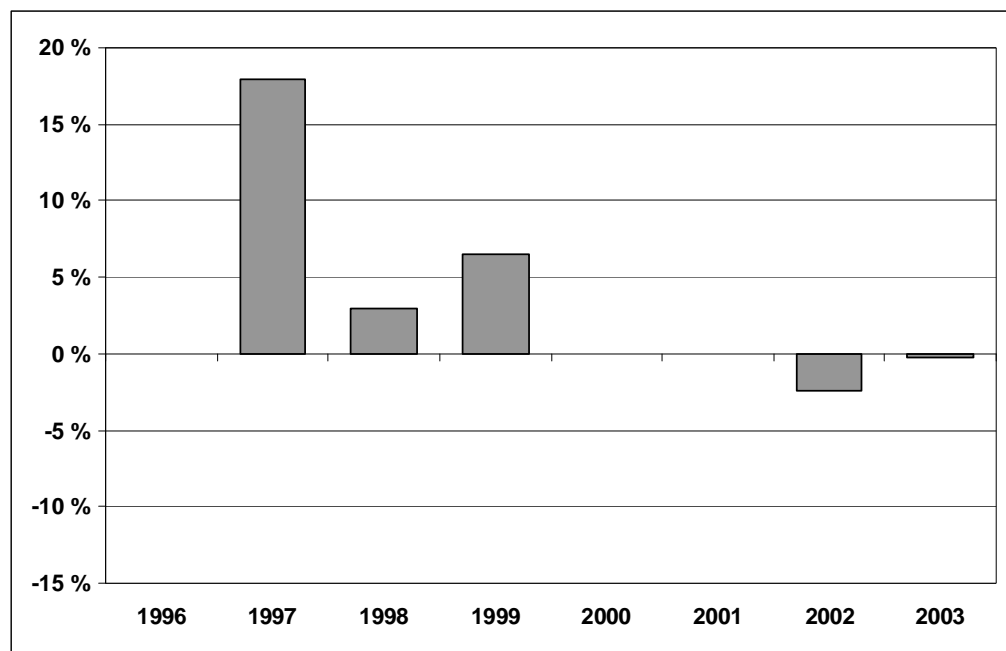


Figure 30 Change in turnover in the newspaper publishing industry (Source: Eurostat NewCronos Database)

Value added

Value added is the measure of the total annual output of goods and services produced by the residents of a particular country. This is the value of turnover less the value of inputs from other industries. On a single firm level it means the value that is created by the factors of production of that firm.

The sum of value added of all industries and households is equal to the Gross Domestic Product (GDP). Therefore the share of an industry's value added of a country's GDP measures directly that industry's contribution to the national economy. The newspaper publishing industry's has contribution to the GDP: 0,28 %.

Value-added is an important measure as it has a considerable impact on the ability of an enterprise to pay a workforce and generate a profit. These are hard to do with low value-added.

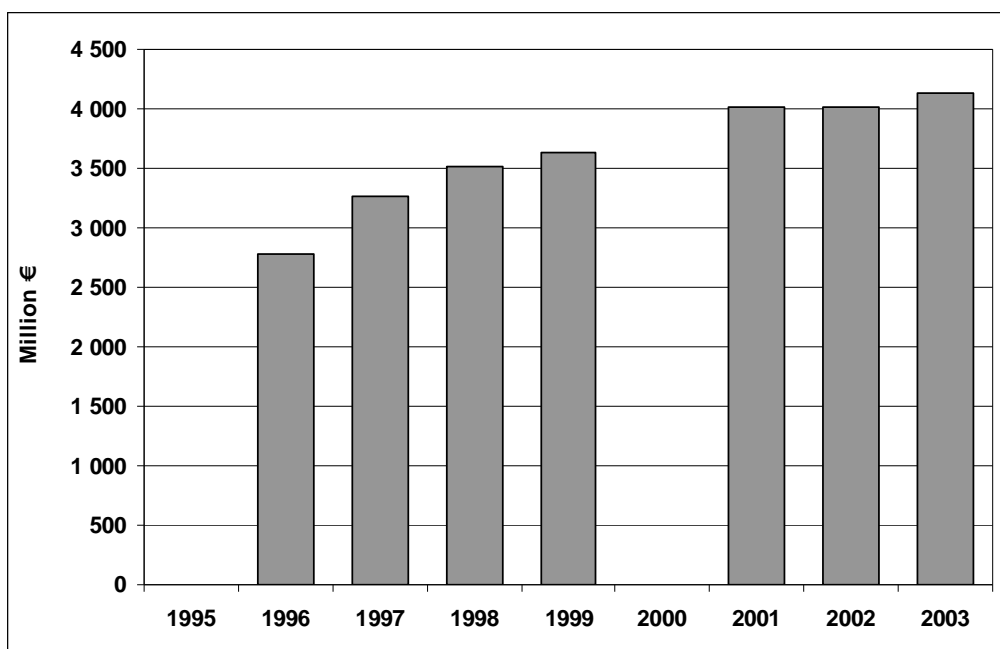


Figure 31 Total value added of the newspaper publishing industry at factor costs (Source: Eurostat NewCronos Database)

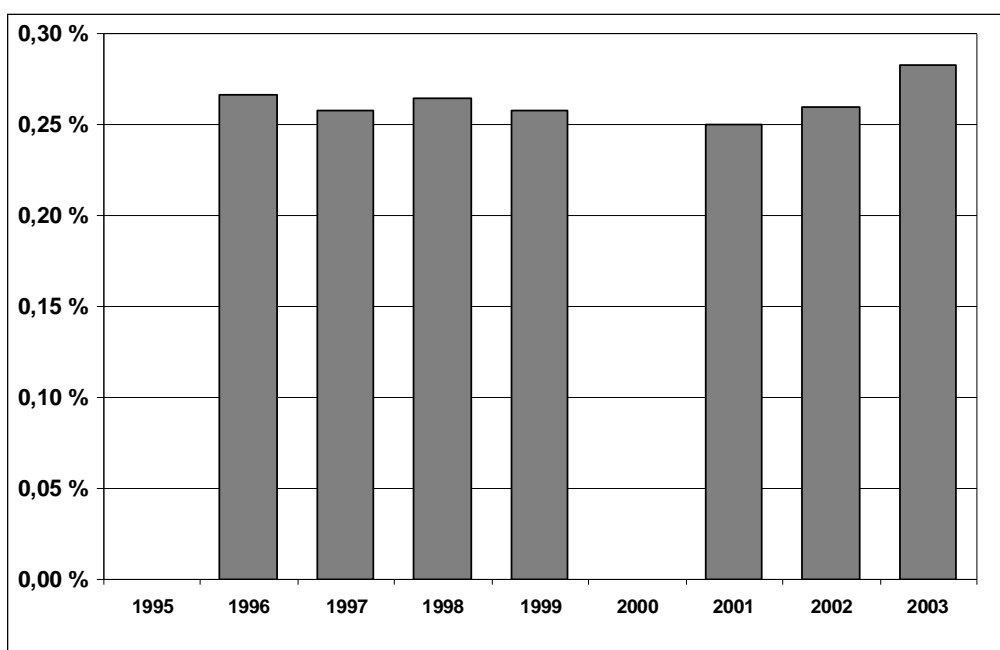


Figure 32 Value added to GDP (Source: Eurostat NewCronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed an increase in productivity during 1996-2001. After that value added per employee has been declining. In 2003 value added per employee was 72 900 euros.

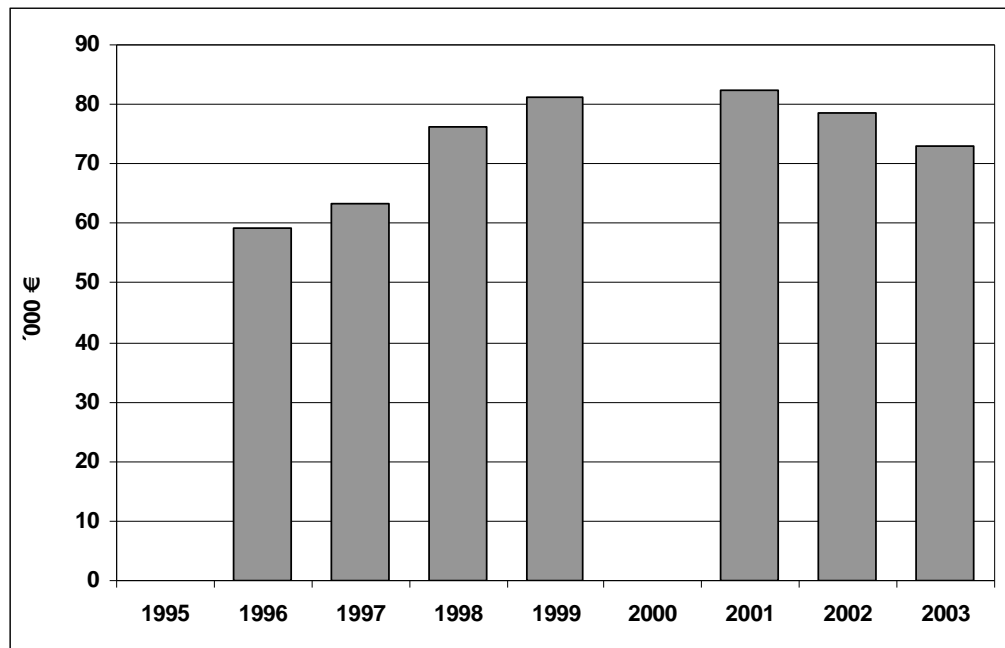


Figure 33 Value added per employee, 1000 €(Source: Eurostat NewCronos Database)

Value added per personnel costs

The ratio value added to personnel costs is an alternative way of looking at the relationship between costs of people employed in the industry and the value generated. It's a relative measure, and so not subject to distortions such as variation in exchange rates or inflation. Rather than being a direct measure of productivity, it is a measure of the effectiveness of the industry in the money it spend on employment, regardless of the number employed.

The critical vale for this is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2003 value added per personnel costs was 1,7.

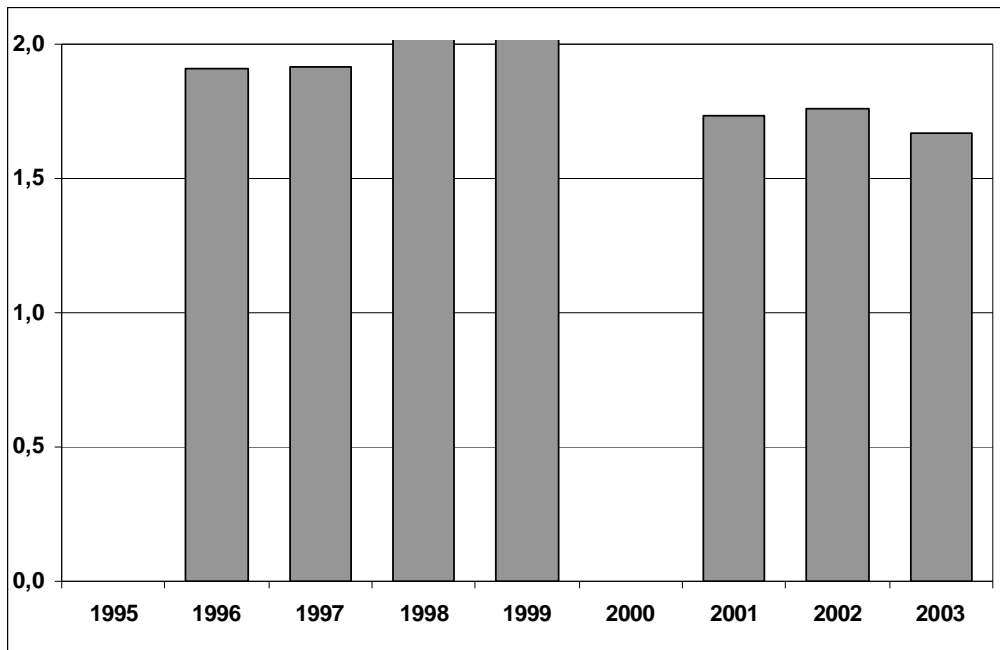


Figure 34 Value added per employee costs (Source: Eurostat NewCronos Database)

Turnover per employee

Turnover per employee in the magazine publishing industry was showed a clear positive trend between 1995 and 2001. Since 2001 turnover per employee has been declining. In 2003 turnover per employee was 157 000 euros.

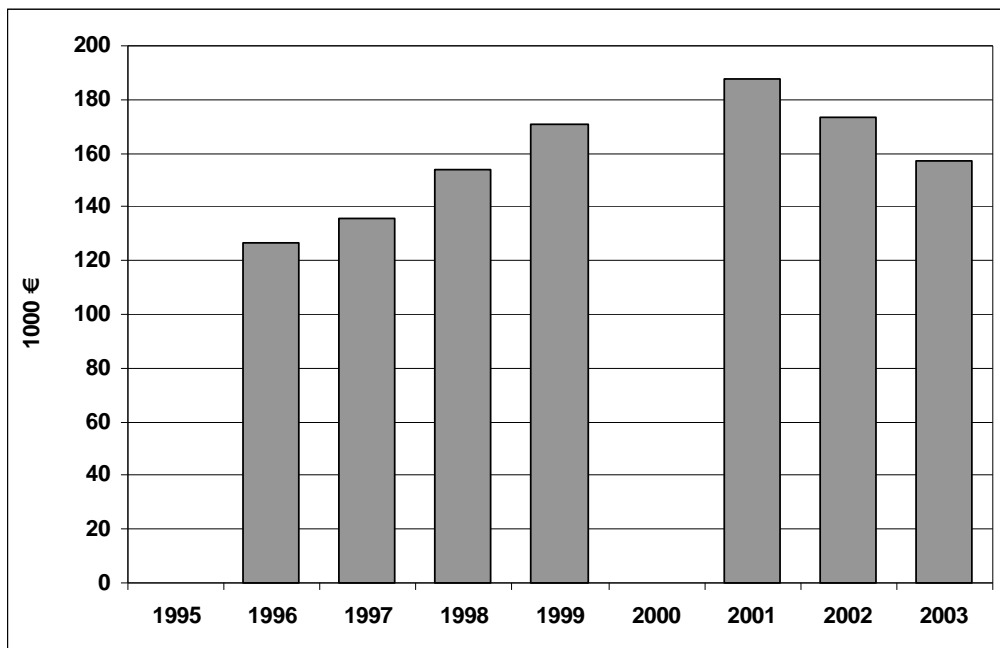


Figure 35 Turnover per employee (Source: Eurostat NewCronos Database)

Operating margin

This indicator measures the profit after operational costs (goods and services and personnel costs) as a percentage of the turnover. The need for operating profit depends largely on the investment intensity of the national industry. In countries where the printing facilities are largely integrated in the publishing firm, the need for operating profit in order to cover the depreciations and capital costs is higher than in countries where printing is largely outsourced.

The result of turnover, less value added and personnel costs is the operating profit. The operating margin of the newspaper industry remained on a high level in the late 1990's. The operating margin of the newspaper industry was 18,6 per cent.

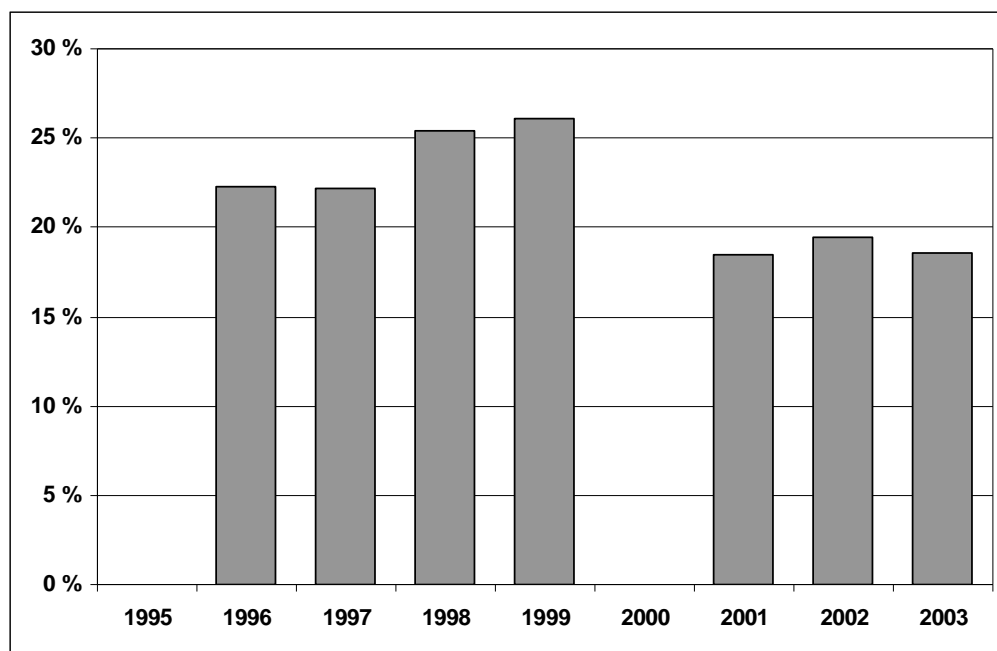


Figure 36 Operating margin of the newspaper industry (Source: Eurostat NewCronos Database)

4 MAGAZINE AND PERIODICAL PUBLISHING

4.1 Market analysis

4.1.1 Definition of the sector

Several terms are used within the report with very specific meaning to define sub-sectors of the industry. It is essential for any understanding of the report that the definitions used for these sub-sectors are also understood.

There is no accurate subdivision of the industry; the NACE classification scheme revision 1.1 covers includes “publishing of journals and periodicals” as a single category, distinguished from “publishing of books” and “publishing of newspapers” . As this defines the statistical base, we have not been able to provide a detailed statistical analysis at sub-sectoral level. However, as the business issues affecting the magazine and journals industries vary considerably between sub sectors we identify the following categories for more detailed analysis:

- Consumer magazines
- Business-to-business magazines
- Academic journals

Although most consumer magazines are relatively distinct from business-to-business magazines, the boundary is not a rigid one and some title (for example, some computer magazines, financial magazines and news and analysis titles) has elements of both consumer and business models. Similarly, the line between business-to-business magazines and academic journals is also not a sharp one and are titles that include elements of both, with peer-reviewed papers but also journalistic content and advertising. However, the large majority of publications are recognisable through business model and content as falling into one category or another.

Consumer magazines are aimed at individual buyers, usually with leisure or entertainment content. However, the sector also includes titles that concentrate on news, information and analysis. Consumer magazines are available both through subscription and through single-copy purchase (the proportion differing between Member States). Advertising makes up a significant proportion of the revenue for consumer magazines. Consumer magazines are almost entirely written by professional journalists.

Business-to-business magazines (also sometimes known as “trade press” or “trade journals”) are aimed at readers at work: they usually focus on a particular industry or business sector, occupation or profession. Content is usually based on industry news and features. The business model can include single copy sales, but is mainly composed of subscriptions and advertising. Some titles have only advertising revenue, and are sent to “qualified” readers. Some newsletter publishers have a subscription-only model. Business-to-business publishers sometimes use a key brand across channels such as exhibitions and directories as well as for a magazine.

For the most part, business-to-business magazines are written and edited by professional journalists but often include contributions from experts within the industry covered.

Academic journals are mainly sold to libraries in universities and colleges and to research departments of large companies. The most common content model is refereed papers contributed by researchers: the content is not paid for. Revenue comes almost entirely from subscriptions, although some leading titles carry a small amount of advertising.

Many industries also have hybrid technical magazines, containing articles written by industry experts as well as refereed papers, and with more advertising content.

A fourth category of magazines, customer magazines, is also growing in importance in some countries: these are magazines produced for large companies (or other large organisation) that are distributed free of charge to customers or users. These will typically include professionally written content driven by the marketing strategy of the organisation, and third party advertising as well as house advertising (for example, advertisers in

the customer magazines of mobile phone network operators include handset manufacturers, and food manufacturers advertise in supermarket magazines). These magazines are usually produced by specialist companies that may offer a full range of services including advertising sales as well as content development and production management. There is only limited statistical information about this sector available at present.

4.1.2 Circulation related measures

The total circulation volume of consumer magazines was approximately 1 438 million copies in year 2005. The circulation volume of consumer magazines has increased 10,2 per cent since year 2000.

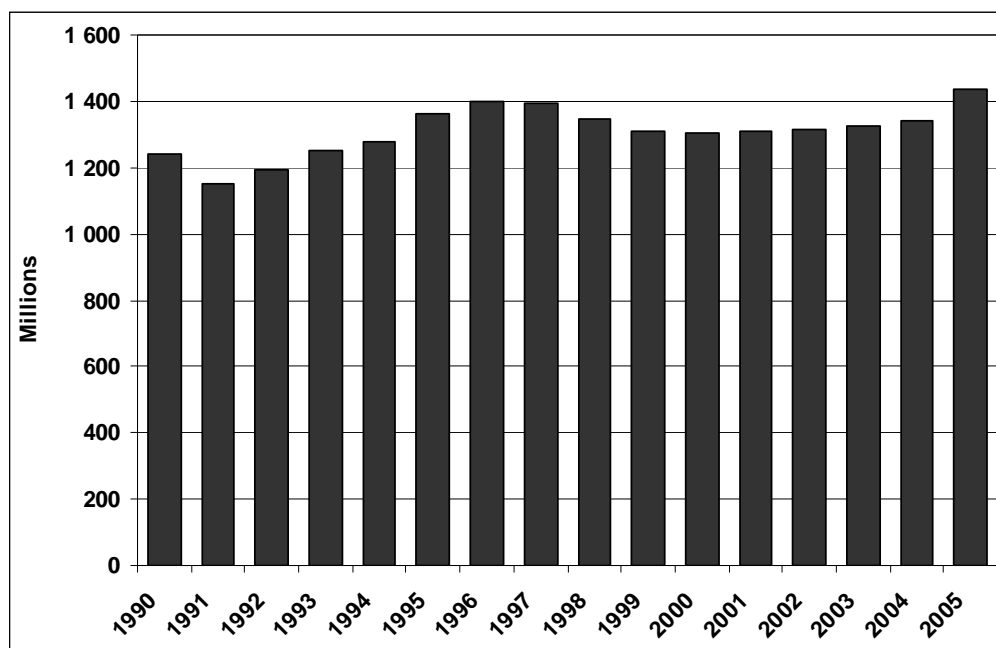


Figure 37 Annual circulation volumes of consumer magazines 1990 to 2005 (Source: Periodical Publishers Association)

In year 2000 the average circulation volume of consumer magazine was approximately 620 000 copies. By the year 2004 the average circulation volume had declined by 31,5 per cent to 403 000 copies. One of the reasons for this is that the number published titles have also increased.

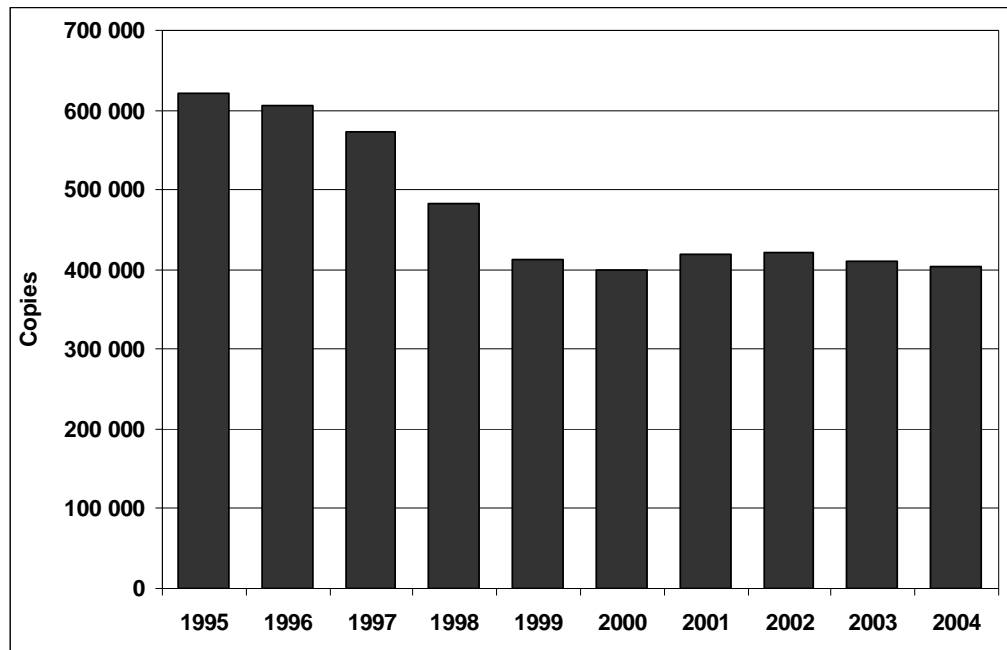


Figure 38 Annual circulation volumes per consumer magazine title 1995 to 2004
(Source: BRAD and Periodical Publishers Association)

4.1.3 Number of titles published

In 2001 the total number of magazine titles was close to 2 900 titles. After that the total number of magazine titles has been steadily declining. By the year 2004 the number of magazine titles had decreased by 10 percent to 2 582 titles. In 2004 the number of consumer magazine titles was 782 titles. This means that two thirds of the published magazine titles are business-to-business magazines.

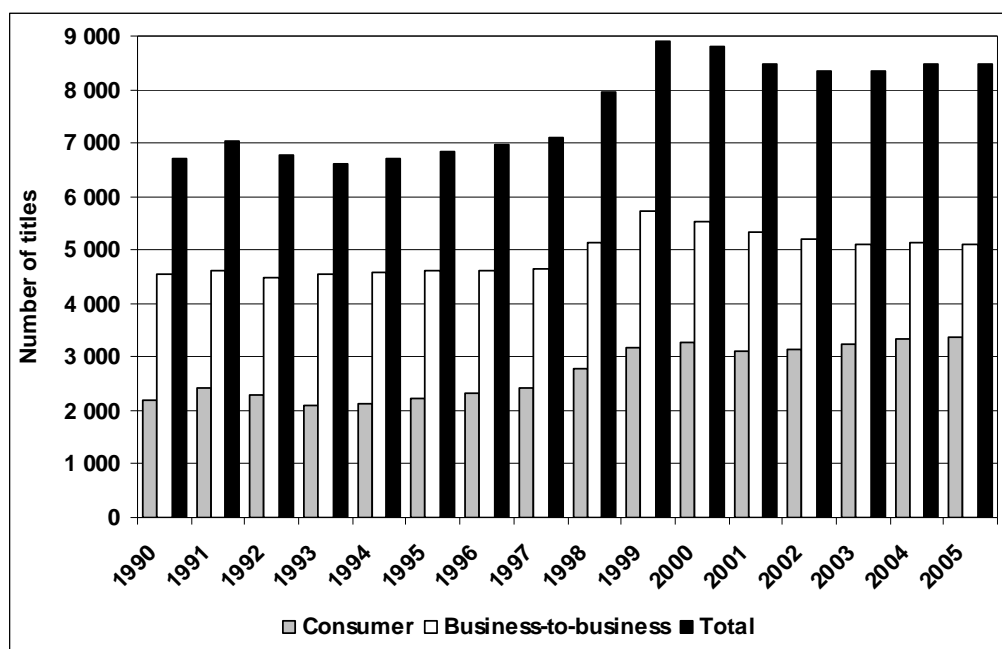


Figure 39 Number of published magazine titles (Source: BRAD)

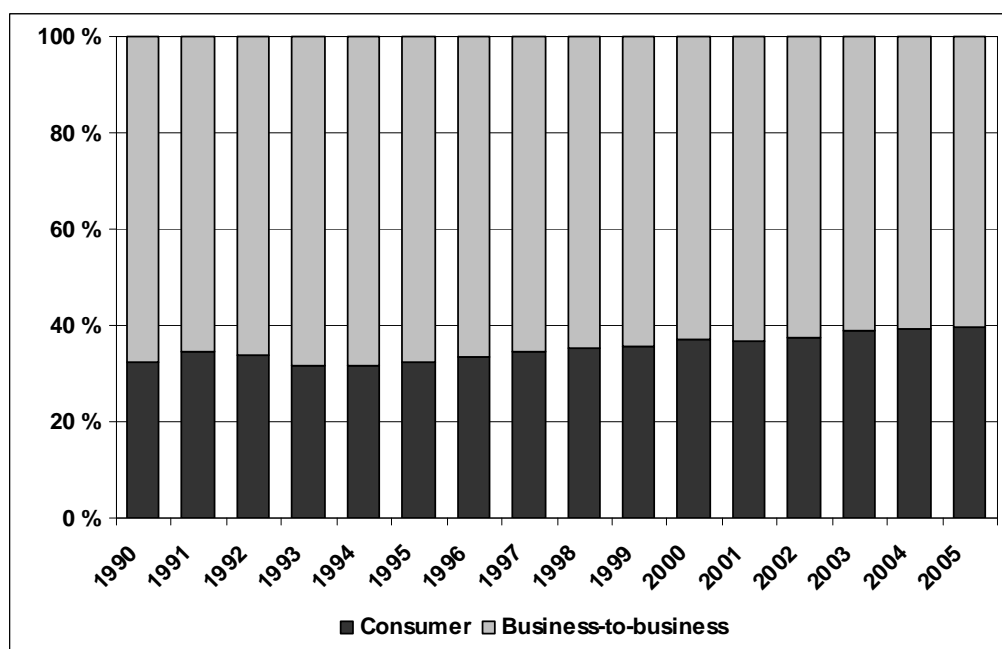


Figure 40 Magazine titles share between consumer titles and business-to-business titles (Source: BRAD)

The number of titles published per million populations is an indication of the activity publishers undertake to provide a market with the range of products that they believe the market is able to support. A lower number indicates that consumers have limited choice; conversely, a higher number may indicate that each title can only attain a limited market, which may suggest inefficiencies.

In 2000 the number of published consumer magazine titles per million populations was 55,8 titles. In 2004 the number of consumer magazine titles per million populations was to 55,6 titles. Number of business-to-business magazine titles per million populations was 141,6 titles.

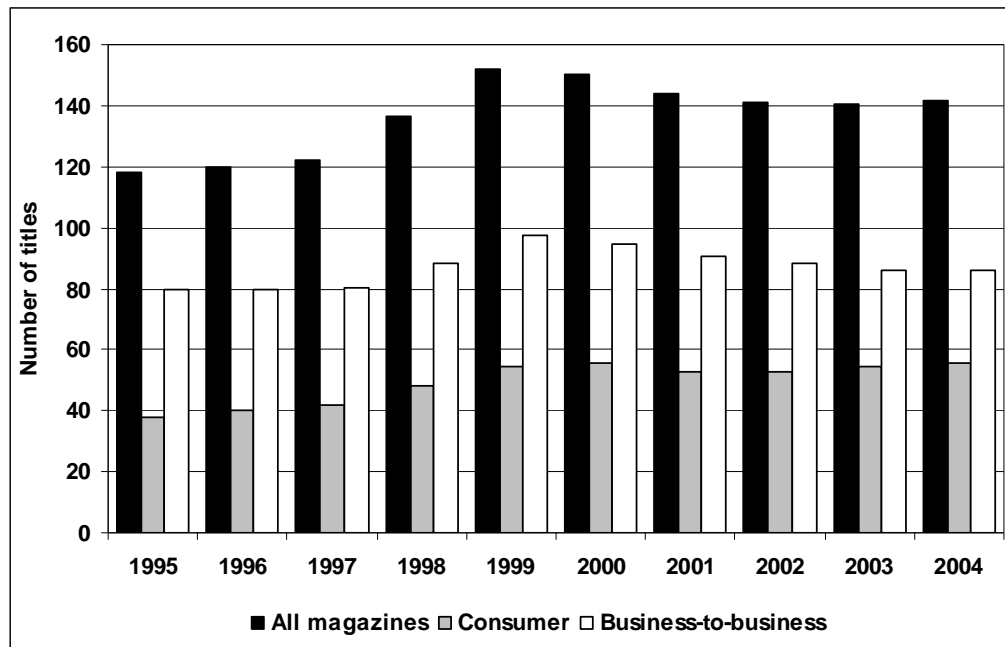


Figure 41 Number of magazine titles per million populations (Source: BRAD and Statistics Finland, World in Figures)

The number of titles published can be assessed according to area. A higher number of titles may be an indication of intensity of competition. Magazines which operate in countries with a high ratio of titles to area are likely to encounter more competitive conditions. In 2004 the number of published consumer magazine titles per 1000 km² was 13,7 titles. Number of business-to-business magazine titles per 1000 km² was 21,2 titles.

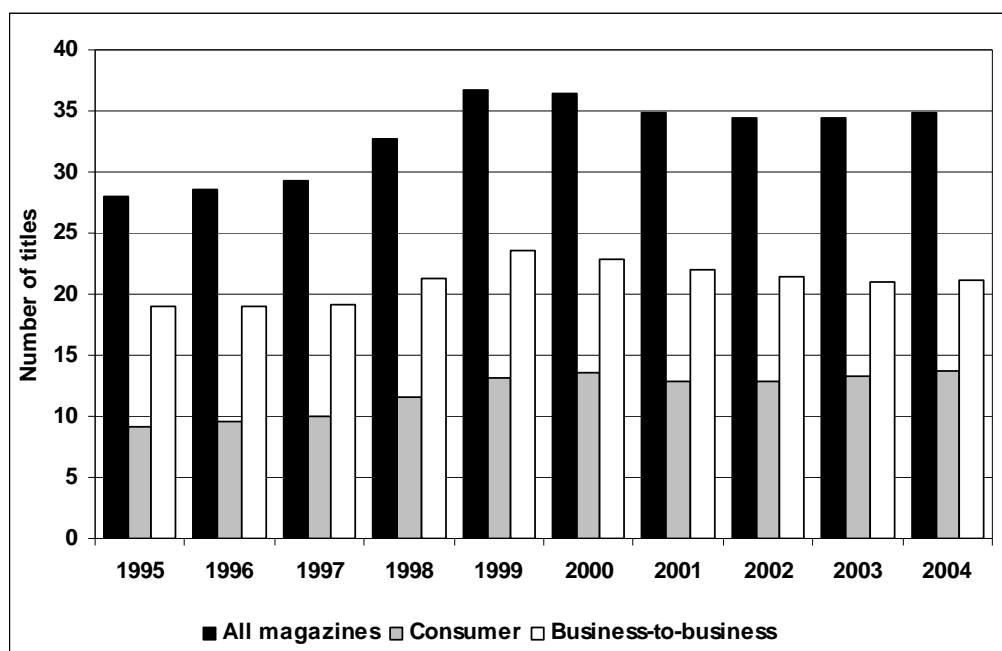


Figure 42 Number of magazine titles per 1000 km² (Source: BRAD and Statistics Finland, World in Figures)

There are quite large variations in the way magazines are distributed to consumers in the European Union. In the Central and Northern European nations most magazines are paid for by subscription and delivered to readers' homes by the national postal service. In Southern member states and in UK the distribution is mainly through single copy sales. In UK approximately 87 per cent of consumer magazine distribution is through single copy sales.

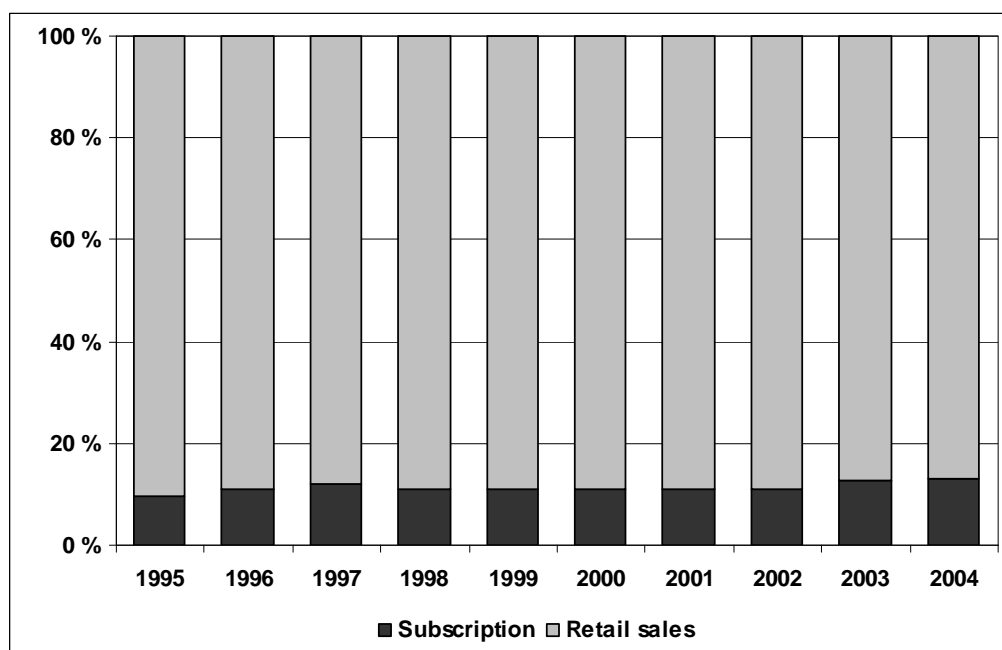


Figure 43 Sales distribution breakdown of the consumer magazines (Source: World Magazine Trends)

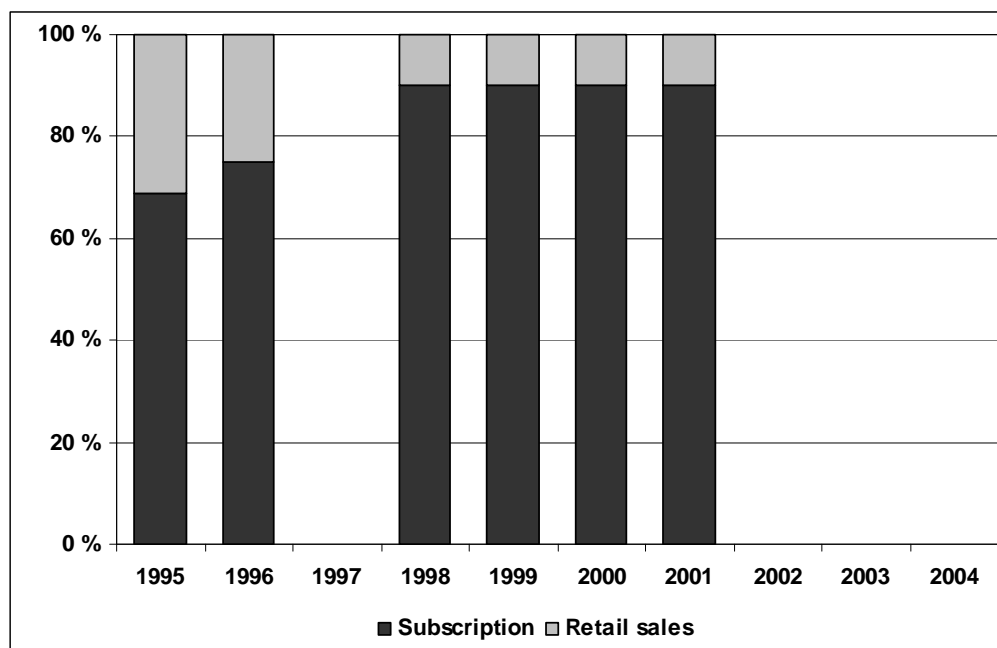


Figure 44 Sales distribution breakdown of the business-to-business magazines (Source: World Magazine Trends)

Table 4 Top 20 actively purchased magazines in UK based on circulation in 2005 (Source: ABC)

Rank	Magazine	Publisher	Total average net circulation	Actively purchased
1.	What's on TV	IPC Media Ltd	1 673 790	1 673 583
2.	Take a Break	H Bauer Publishing	1 200 397	1 190 712
3.	TV Choice	H Bauer Publishing	1 157 622	1 156 360
4.	Radio Times	BBC Worldwide	1 080 199	1 057 309
5.	BBC Pre-School Magazines (Group)	BBC Worldwide	929 452	928 319
6.	Reader's Digest	Reader's Digest Association Ltd	776 902	719 111
7.	Chat	IPC Media Ltd	609 163	600 098
8.	Glamour	Conde Nast Publications Ltd	609 626	565 827
9.	Now	IPC Media Ltd	591 795	578 750
10.	Saga Magazine	Saga Publishing Ltd	1 245 006	583 650
11.	That's Life	H Bauer Publishing	569 631	565 859
12.	Heat	EMAP Entertainment	560 438	552 197
13.	FHM	EMAP London Lifestyle Ltd	560 167	517 874
14.	Closer	EMAP Entertainment	540 044	536 663
15.	Pick Me Up	IPC Media Ltd	503 950	500 261
16.	Woman	IPC Media Ltd	485 463	474 824
17.	Good Housekeeping	The National Magazine Company Ltd	475 838	455 128
18.	OK! Magazine	Northern & Shell Plc	532 843	464 195
19.	Cosmopolitan	The National Magazine Company Ltd	462 943	399 045
20.	Time Magazine - EMEA Group	Time Warner Publishing BV	551 114	112 401

Table 5 Top 20 circulating magazines in UK based on circulation in 2005
(Source: ABC)

Rank	Magazine	Publisher	Total average net circulation	Actively purchased
1.	Sky the magazine	John Brown Citrus Publishing	6 783 581	0
2.	Asda Magazine	Publicis Blueprint	2 631 293	0
3.	Boots Health & Beauty	Redwood	1 765 387	0
4.	What's on TV	IPC Media Ltd	1 673 790	1 673 790
5.	U (Magazine for Unison members)	Unison	1 465 833	0
6.	Saga Magazine	Saga Publishing Ltd	1 245 006	585 399
7.	Take a Break	H Bauer Publishing	1 200 397	1 200 397
8.	TV Choice	H Bauer Publishing	1 157 622	1 157 622
9.	The Somerfield Magazine	Rare Publishing	1 134 364	0
10.	Radio Times	BBC Worldwide	1 080 199	1 060 518
11.	BBC Pre-School Magazines (Group)	BBC Worldwide	929 452	929 427
12.	Reader's Digest	Reader's Digest Association Ltd	776 902	723 362
13.	Debenhams Desire	Publicis Blueprint	745 126	0
14.	Glamour	Conde Nast Publications Ltd	609 626	608 734
15.	Chat	IPC Media Ltd	609 163	609 163
16.	Now	IPC Media Ltd	591 795	591 704
17.	That's Life	H Bauer Publishing	569 631	569 631
18.	Heat	EMAP Entertainment	560 438	560 438
19.	FHM	EMAP London Lifestyle Ltd	560 167	560 167
20.	Time Magazine - EMEA Group	Time Warner Publishing BV	551 114	440 879

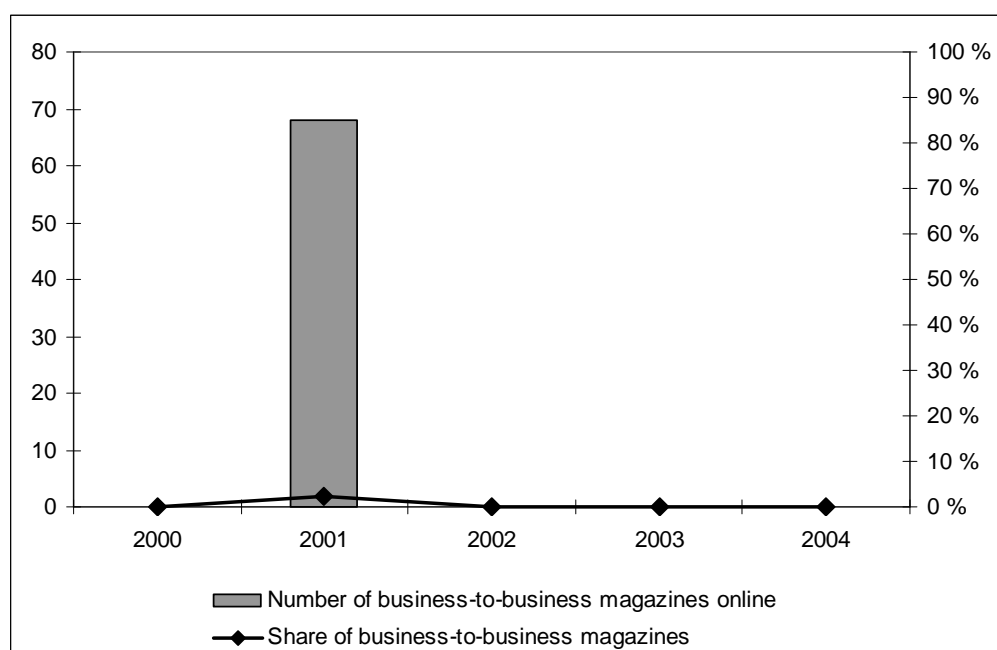


Figure 45 Number of business-to-business magazines online (Source: World Magazine Trends)

4.1.4 Revenue related measures

In year 2000 magazine advertising was 3,2 billion euros (2,0 billion £). By the year 2003 the value of newspaper advertising had declined to 2,4 billion euros (1,7 billion £). In year 2004 newspaper advertising was increased to 2,5 billion euros (1,7 billion £).

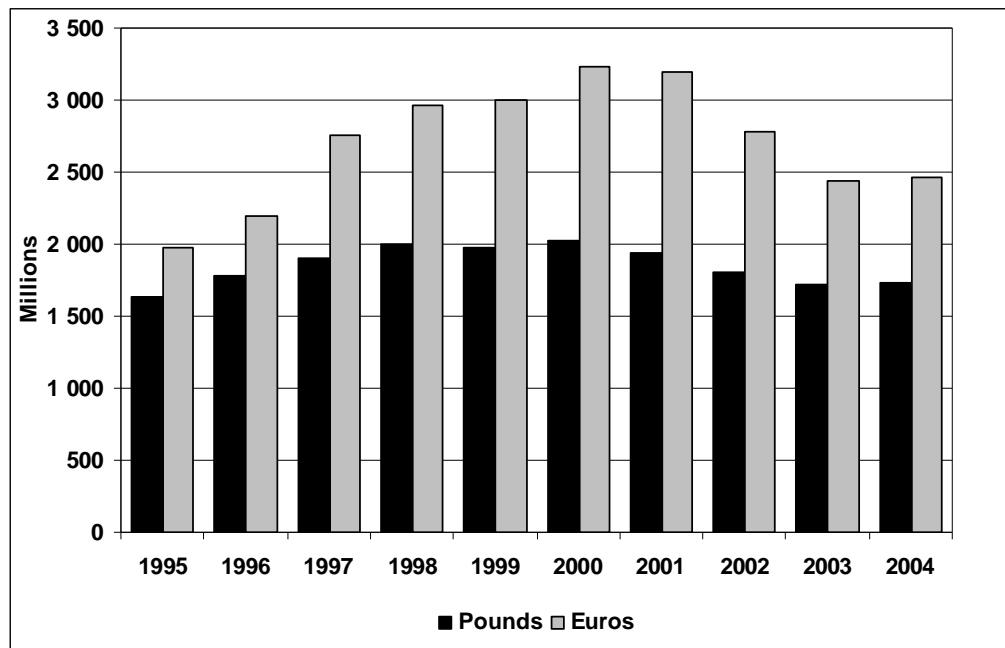


Figure 46 Magazine advertising 1995 to 2004, constant 2000 prices (Source: World Advertising Trends)

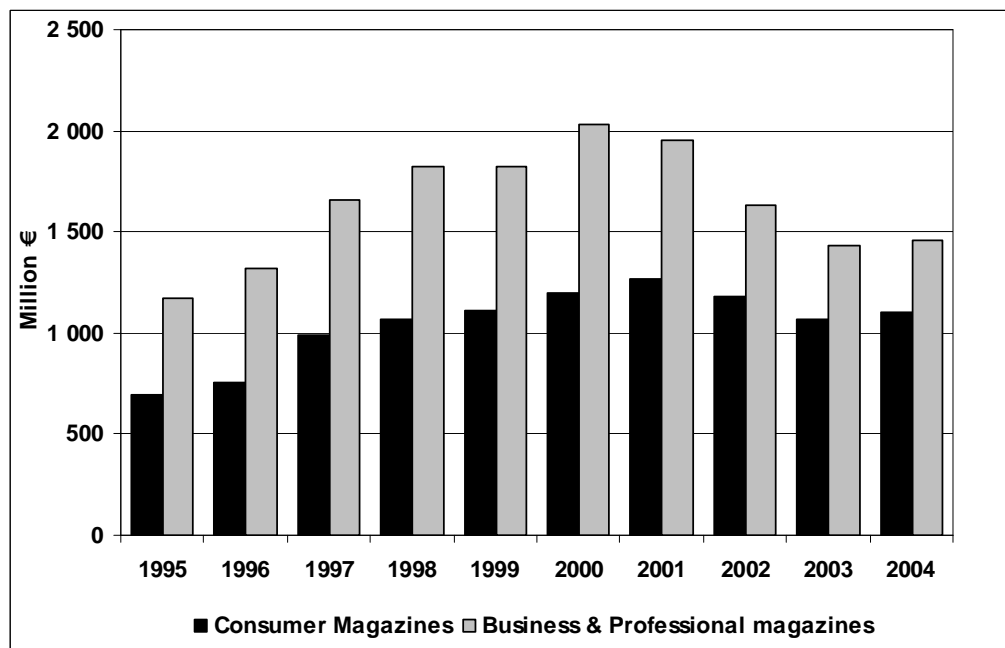


Figure 47 Consumer and business & professional magazine advertising 1995 to 2004, constant 2000 prices (Source: The Advertising Association)

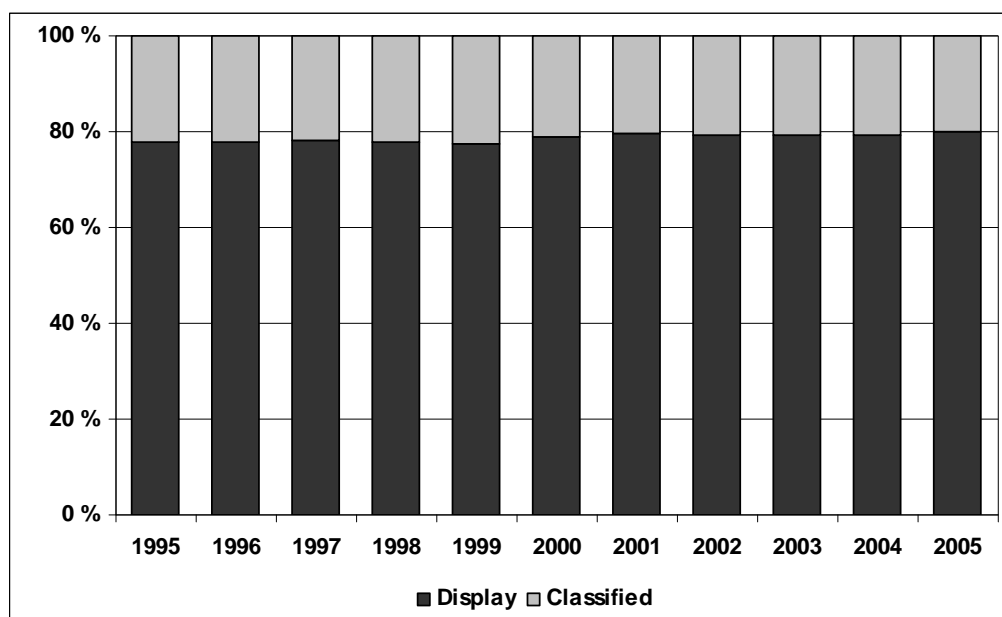


Figure 48 Breakdown of advertising expenditure in consumer magazines 1995 to 2005 (Source: PPA)

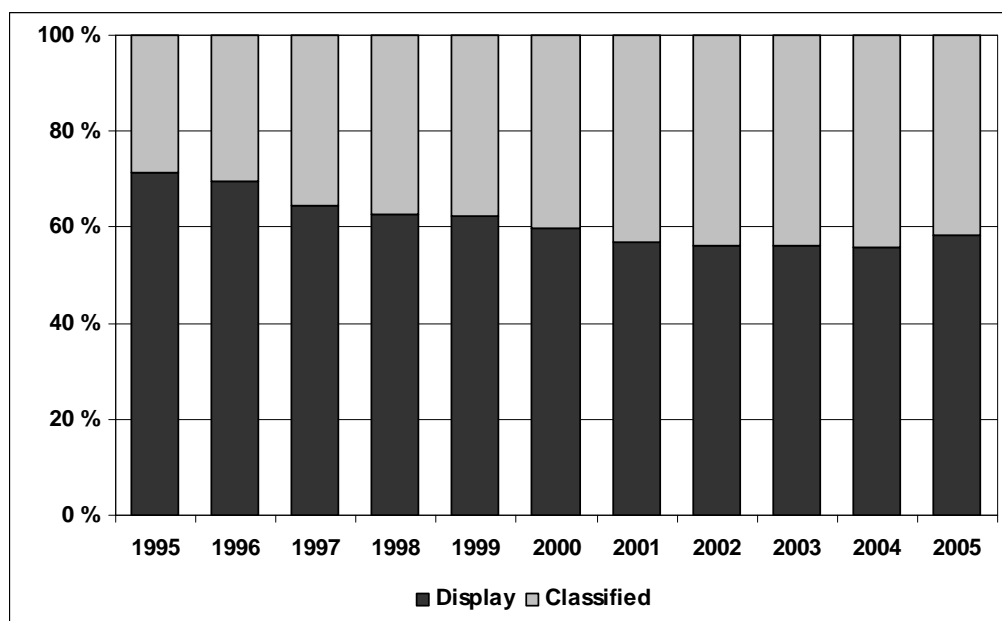


Figure 49 Breakdown of advertising expenditure in business and professional magazines 1995 to 2005 (Source: PPA)

The share of magazine advertising has been declining since the early 1990's. In 2004 the share of magazine advertising was 14,3 per cent.

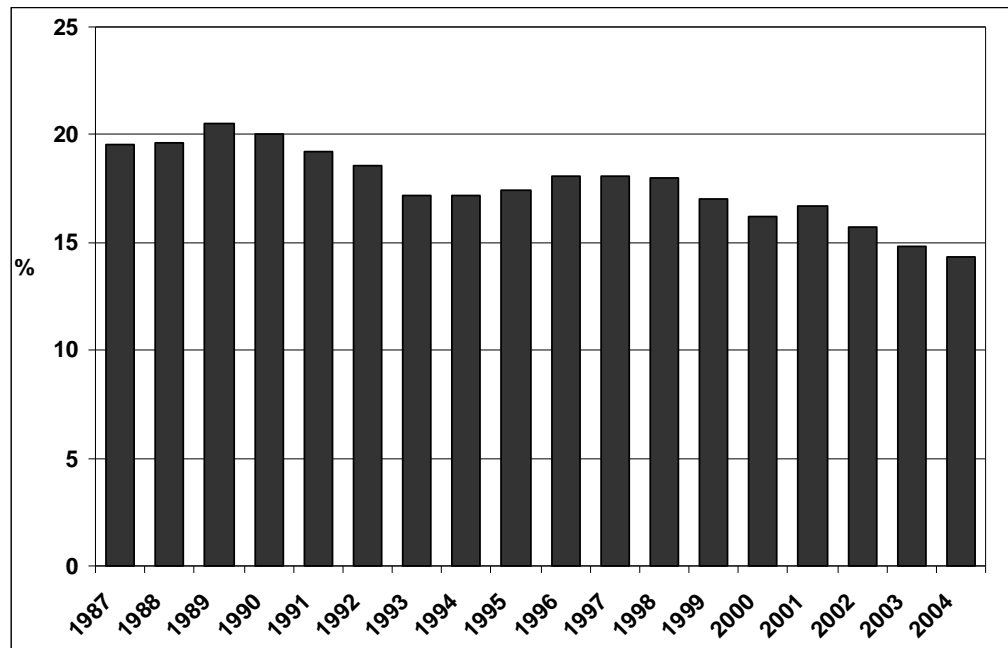


Figure 50 Share of magazine advertising of total advertising (Source: World Advertising Trends)

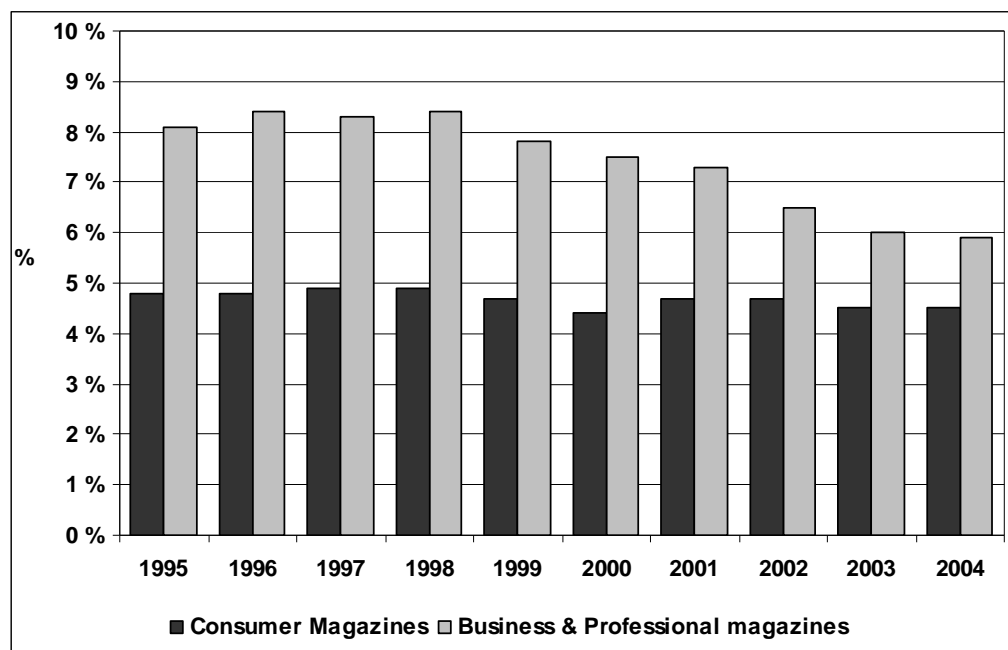


Figure 51 Share of consumer and business & professional magazine advertising of total advertising (Source: The Advertising Association)

There haven't been any major changes in the revenue structure of the consumer magazines during the last ten years. Since 1995 the share of advertising revenues has varied between 36 and 38 per cent. In 2004 the share of advertising revenues was 36,7 per cent.

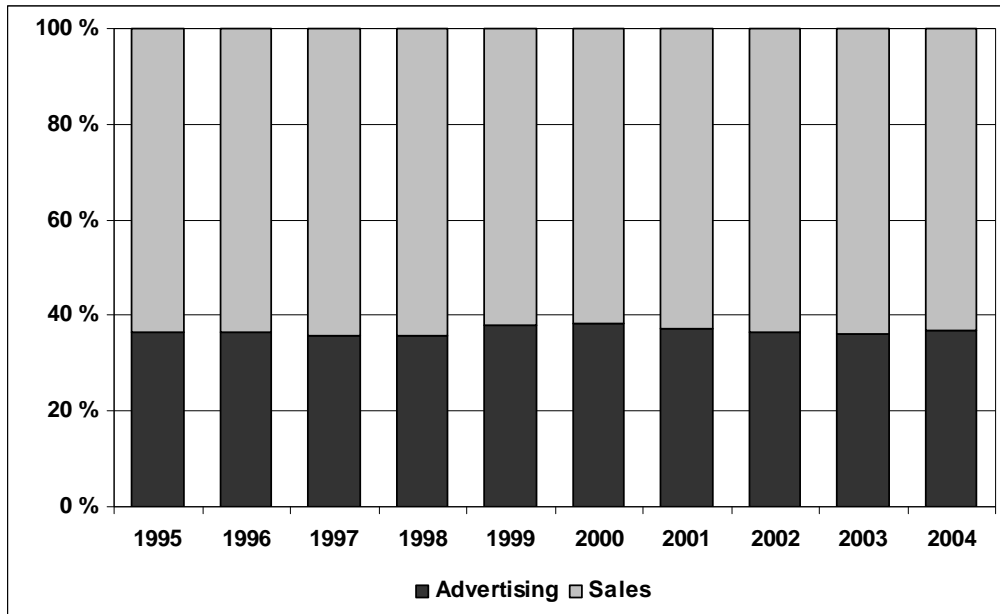


Figure 52 Revenue split between advertising and sales revenues, consumer magazines (Source: World Magazine Trends)

Advertising expenditure will normally rise in line with a country's GDP. If advertising expenditure is rising faster it will create a gradually bigger market. In 2004 magazine advertising per GDP was 0,17 per cent.

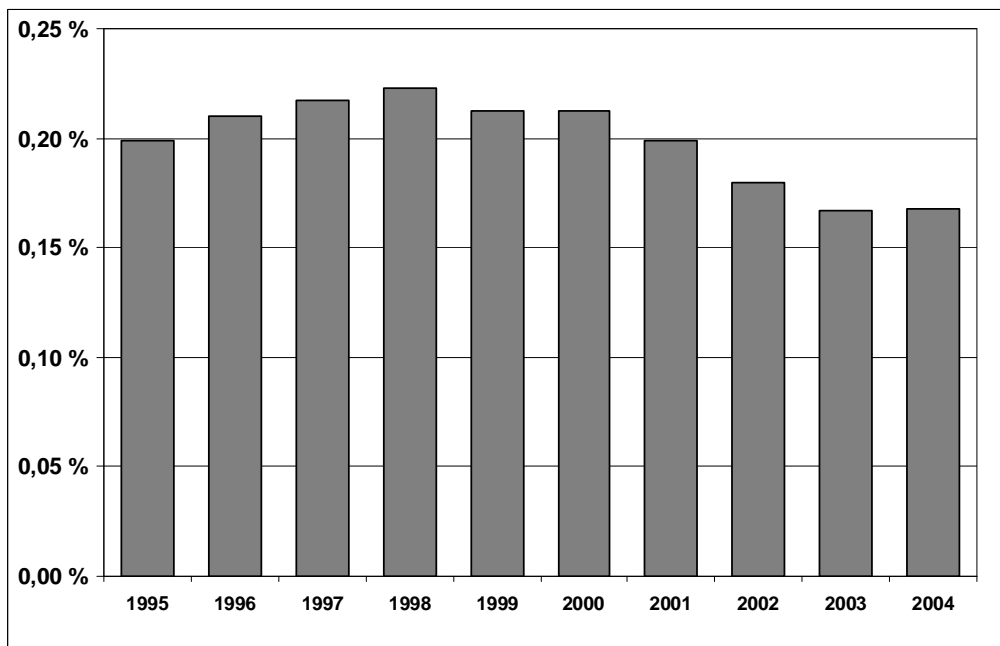


Figure 53 Magazine advertising per GDP (Source: World Advertising Trends)

4.2 Industry structure analysis

4.2.1 Number of companies

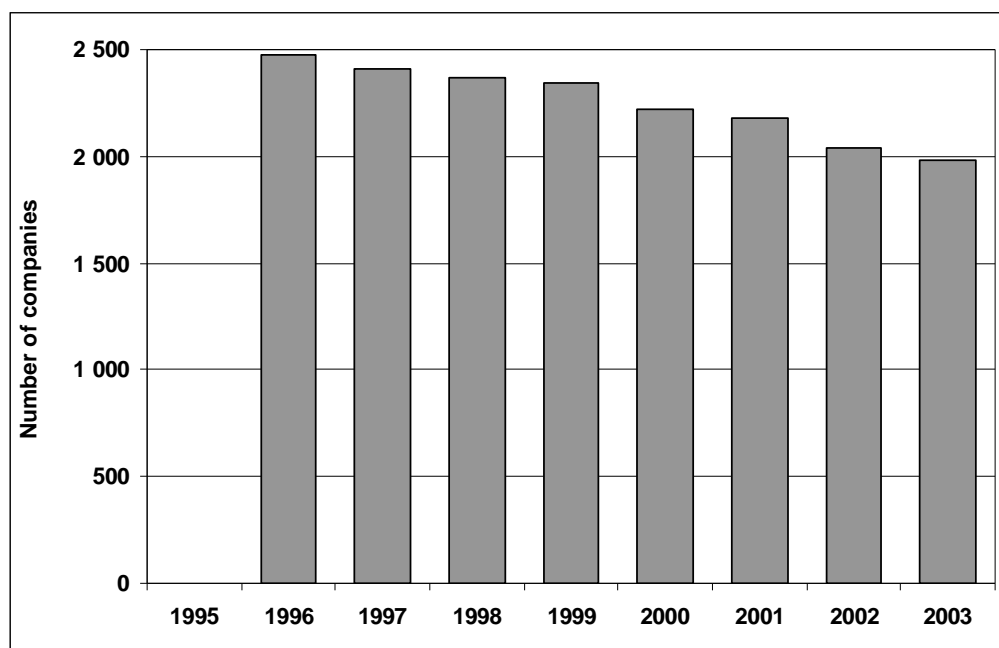


Figure 54 Number of magazine and periodical publishing companies (Source: Eurostat NewCronos Database)

4.2.2 Biggest magazine publishers

Table 6 Major consumer magazine publishers in UK based on circulation in 2004 (Source: ABC/World Magazine Trends)

Company	Total circulation
IPC Media Ltd	8 173 744
BBC Worldwide	5 411 099
EMAP	5 406 881
H Bauer Publishing	3 792 120
The National Magazine Company Ltd	2 922 742
Conde Nast Publications Ltd	1 450 460

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
IPC MEDIA LIMITED	IPC MAGAZINES HOLDINGS LIMITED TIME INC. TIME WARNER INC.	>50.10 - -	>50.10 MO n.a.	C. ARTHUR PEARSON LIMITED COUNTRY LIFE LIMITED INDEPENDENT TELEVISION PUBLICATIONS LIMITED IPC CONNECT LTD. IPC COUNTRY AND LEISURE MEDIA LTD. IPC ELECTRIC LIMITED IPC HOLDINGS LIMITED IPC IGNITE! LIMITED IPC MAGAZINES (OVERSEAS) LIMITED IPC MEDIA PENSION TRUSTEE LIMITED IPC SOUTHBANK PUBLISHING CO. LTD. IPC TELEMARKETING (INTERNATIONAL) LIMITED IPC TX LTD. MARKETFORCE (U.K.) LIMITED PERSUASION LIMITED PORTRAIT MAGAZINE LIMITED THE YACHTING MONTHLY LIMITED W.H.& L. COLLINGRIDGE LIMITED EUROPEAN MAGAZINES LIMITED CHAT PUBLICATIONS LIMITED COLLECTION AND LITIGATION SERVICES INTERNATIONAL LTD. GEORGE NEWNES LIMITED INDEPENDENT TELEVISION BOOKS LIMITED MAGAZINE PUBLISHING COMPANY LTD (THE) MAGAZINE PUBLISHING HOLDINGS LIMITED (THE) NEW MUSICAL EXPRESS LIMITED ODHAMS PRESS LIMITED OPTIONS MAGAZINE LIMITED THE ESSENTIALS PUBLISHING COMPANY LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
EMAP PLC	BARCLAYS PLC	10.27	n.a.	ADJ
	MORLEY FUND MANAGEMENT LIMITED	7.62	n.a.	ADVERTISING FILM FESTIVAL FINANCING LTD
	LEGAL & GENERAL GROUP PLC (IFRS)	3.9	n.a.	ADVERTISING FILM FESTIVAL LIMITED
	DEUTSCHE BANK AG	-	3.87	AGOR
	AXA (IFRS)	3.84	n.a.	BOUNTY SERVICES PTY LTD
	ZURICH FINANCIAL SERVICES	3.25	n.a.	BOUNTY SERVICES S PTE LTD
	FIDELITY INVESTMENTS	3.1	n.a.	BOUNTY SERVICES SDN BHD
	FIDELITY INVESTMENTS LIMITED via its funds	-	3.05	BOX TELEVISION LIMITED
	LEGAL & GENERAL INVESTMENT MANAGEMENT LIMITED	3.01	n.a.	DIANA SAS
	SCHROEDERS PLC via its funds	-	1.69	EDITIONS TAITBOUT COMMUNICATION
	RIVERSOURCE DISTRIBUTORS LTD. via its funds	-	1.35	EDITIONS TAITBOUT SA
	ABERDEEN ASSET MANAGEMENT PLC via its funds	-	1.31	EMAP 1 SAS
	LIONTRUST INVESTMENT FUNDS LIMITED via its funds	-	1.17	EMAP 2 SAS
	PRUDENTIAL PLC (IFRS) via its funds	-	1.14	EMAP ACTIVE LIMITED
	HSBC HOLDINGS PLC via its funds	-	0.77	EMAP AUSTRALIA PTY LTD
	AZIMUT SPA via its funds	-	0.74	EMAP AUTOMOTIVE LIMITED
	AMVESCAP PLC via its funds	-	0.73	EMAP COMMUNICATIONS (HOLDINGS) LIMITED
	MERRILL LYNCH & CO., INC. via its funds	-	0.55	EMAP COMMUNICATIONS BV
	BANCA INTESA SPA via its funds	-	0.52	EMAP COMMUNICATIONS LIMITED
	T. ROWE PRICE GROUP, INC via its funds	-	0.47	EMAP CONSTRUCT LIMITED
	F&C ASSET MANAGEMENT PLC via its funds	-	0.45	EMAP CONSUMER MEDIA (HOLDINGS) LIMITED
	HBOS PLC via its funds	-	0.44	EMAP CONSUMER MEDIA LIMITED
	NORGES BANK via its funds	-	0.43	EMAP CONTRACT PUBLISHING PTY LTD
	BARCLAYS GLOBAL INVESTORS, NATIONAL ASSOCIATION via its funds	-	0.38	EMAP DIGITAL (FRANCE)
	F&C GROUP (HOLDINGS) LIMITED via its funds	-	0.35	EMAP DIGITAL RADIO LIMITED
	THE EMAP PLC EMPLOYEE BENEFIT TRUST	0.35	n.a.	EMAP EAST LIMITED
	ROYAL LONDON GROUP via its funds	-	0.34	EMAP ESPRIT LIMITED
	JPMORGAN CAZENOVE HOLDINGS via its funds	-	0.33	EMAP FINANCIAL SERVICES LIMITED
	JP MORGAN CHASE & CO. via its funds	-	0.26	EMAP FRANCE
	VANGUARD GROUP INC via its funds	-	0.25	EMAP INTERBUILD LIMITED
	BANQUE DE LUXEMBOURG SA via its funds	-	0.23	EMAP INTERNATIONAL MAGAZINES S A S
	POWER CORPORATION OF CANADA via its funds	-	0.22	EMAP LONDON LIFESTYLE LIMITED
	CCLA INVESTMENT MANAGEMENT LIMITED via its funds	-	0.21	EMAP MACLAREN LIMITED
	AFA F&RSÖRNING via its funds	-	0.19	EMAP MALAYSIA SDN BHD
	DEXIA via its funds	-	0.19	EMAP MEDIA LIMITED
	ABBAY NATIONAL PLC via its funds	-	0.18	EMAP METRO LIMITED
	GENERALI ASSICURAZIONI SPA (IFRS) via its funds	-	0.15	EMAP METRO LLC
	RELIANCE UNIT MANAGERS LIMITED via its funds	-	0.15	EMAP PARTICIPATIONS
	HENDERSON GROUP PLC via its funds	-	0.14	EMAP PUBLIC SECTOR LIMITED
	LEGAL & GENERAL FINANCIAL SERVICES LIMITED via its funds	-	0.14	EMAP PUBLIC SECTOR MANAGEMENT LIMITED
	NEW STAR ASSET MANAGEMENT HOLDINGS LIMITED via its funds	-	0.14	EMAP PUBLICATIONS SAS
	OLD MUTUAL PLC via its funds	-	0.14	EMAP RADIO (HOLDINGS) LIMITED
	TEACHERS INSURANCE AND ANNUITY ASSOCIATION-COLLEGE RETIREME	-	0.13	EMAP RADIO LIMITED
	MELLON FINANCIAL CORPORATION via its funds	-	0.12	EMAP RETAIL LIMITED
	RESOLUTION ASSET MANAGEMENT LIMITED via its funds	-	0.12	EMAP SINGAPORE PTE LTD
	VIRGIN MONEY UNIT TRUST MANAGERS LIMITED via its funds	-	0.12	EXCELSIOR PUBLICATIONS S A
	WELLINGTON MANAGEMENT CO L.L.P. via its funds	-	0.12	GLENIGAN LIMITED
	MOLONEY TOM	0.11	n.a.	INTERNATIONAL ADVERTISING FESTIVAL LIMITED
	NATIONWIDE MUTUAL INSURANCE COMPANY via its funds	-	0.11	KERRANG! RADIO (WEST MIDLANDS) LIMITED
	RUSSELL INVESTMENT GROUP via its funds	-	0.11	KISS FM RADIO LIMITED
	CARTER DEREK	0.09	n.a.	MAGIC 105.4 LIMITED
	FINDLAY IAN	0.07	n.a.	METRO RADIO LIMITED
	DE PUYFONTAINE ARNAUD	0.06	n.a.	PECHE ET CHASSE SAS
	FORD DEE	0.04	n.a.	PICCADILLY RADIO LIMITED
	FOLLAND NICK	0.03	n.a.	RADIO AIRE LIMITED
	DUVALIER JENNIFER	0.01	n.a.	RADIO CITY (SOUND OF MERSEYSIDE) LTD
	KEENAN PAUL	0.01	n.a.	RADIO HALLAM LIMITED
	BROADBENT ADAM	-	n.a.	RED ROSE RADIO LIMITED
	CATHCART ALUN	<0.01	n.a.	SEYMOUR INTERNATIONAL LIMITED
	GARY HUGHES	-	n.a.	TARIF MEDIA
	GRIFFITHS IAN	-	n.a.	TFM RADIO LIMITED
	HARRISON ANDREW	-	n.a.	TRADE PROMOTION SERVICES LIMITED
	KAREN JONES	-	n.a.	VIKING RADIO LIMITED
	MISTRY DHARMASH	-	n.a.	CAP MOTOR RESEARCH LIMITED
	ROUGH DAVID	<0.01	n.a.	DELTA COLLECTION SERVICES (UK) LIMITED
				EMAP ADVERTISING LIMITED
				EMAP AMERICA (HOLDINGS) LIMITED
				EMAP AMERICA LIMITED
				EMAP APEX PUBLICATIONS LIMITED
				EMAP CABLEVISION LIMITED
				EMAP COMPUTING LIMITED
				EMAP DIGITAL LIMITED
				EMAP DORMANT 1 LIMITED
				EMAP DORMANT 2 LIMITED
				EMAP FLEXIPLAN TRUSTEES LIMITED
				EMAP HOLDINGS LIMITED
				EMAP IMAGES LIMITED
				EMAP INVESTMENTS LIMITED
				EMAP NATIONAL PUBLICATIONS LIMITED
				EMAP NEWSPAPERS LIMITED
				EMAP ONLINE LIMITED
				EMAP OVERSEAS INVESTMENTS LIMITED
				EMAP PENSION SERVICES LIMITED
				EMAP PENSION TRUSTEES LIMITED
				EMAP PROPERTIES LIMITED
				EMAP PURSUIT PUBLISHING LIMITED
				EMAP RADIO (NORTH EAST) LIMITED
				EMAP RADIO FINANCING LIMITED
				EMAP SUPPORT SERVICES LIMITED
				EMAP.COM LIMITED
				FHM (UK) LIMITED
				FRONTLINE LIMITED
				FRONTLINE PUBLISHING SERVICES LIMITED
				G.J. LIMITED
				GARDEN NEWS LIMITED
				KEY 103 LIMITED
				KISS (NORTH EAST) LIMITED
				KISS FM RADIO (MANCHESTER) LIMITED
				KISS TV LIMITED
				MELODY RADIO LIMITED
				MH HOLDINGS (UK) LIMITED
				MOTOR CYCLE NEWS LIMITED
				N.N.P. LIMITED
				OVER FIFTY CLUB LIMITED (THE)
				RADIO RADIO LIMITED
				SHIRE PR & MARKETING LIMITED
				SOUTH COAST RADIO LIMITED
				T.P.S. EXHIBITIONS LIMITED
				TRAFALGAR NEWSPAPERS LIMITED
				TRANS WORLD COMMUNICATIONS LIMITED
				WEST SUFFOLK NEWSPAPERS LIMITED
				WORTH GLOBAL STYLE NETWORK LIMITED
				EMAP PUBLISHING (NETHERLAND) BV
				SCOTTISH RADIO HOLDINGS LIMITED
				CONSTRUCTION RESEARCH COMMUNICATIONS LIMITED
				EMAS
				I & E LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
NATIONAL MAGAZINE COMPANY LIMITED	HEARST HOLDINGS INC	WO	WO	NATMAG INVESTMENTS LIMITED
	HEARST CORPORATION, THE	-	n.a.	CONDE NAST & NATIONAL MAGAZINE DISTRIBUTORS LIMITED
				NATMAG - RODALE LIMITED
				NATMAG SPECIALIST MEDIA (AIM) LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
CONDE NAST PUBLICATIONS LIMITED	CONDE NAST INTERNATIONAL INC ADVANCE PUBLICATIONS, INC	WO -	WO n.a.	CONDE NAST (CN) LIMITED GLAMOUR MAGAZINE (PUBLISHERS) LIMITED PHAROS PUBLICATIONS LIMITED TATLER PUBLISHING COMPANY LIMITED TELEVOGUE LIMITED VIDEOVOGUE LIMITED VOGUE DESIGN LIMITED VOGUE MODEL AGENCY LIMITED VOGUE STUDIO LIMITED WINE & FOOD PUBLICATIONS LIMITED MAGAZINE HOLDINGS LIMITED PUBLICATION VHIM SNC BUSINESS PEOPLE PUBLICATIONS LIMITED CONDE NAST & NATIONAL MAGAZINE DISTRIBUTORS LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
H. BAUER PUBLISHING LIMITED	HEINRICH BAUER VERLAG BETEILIGUNGS GMBH HEINRICH BAUER VERLAG KG	WO -	WO n.a.	FRONTLINE LIMITED

4.2.3 Employment related measures

The number of employees measures the number of people involved in the operations of an industry. When this number is compared to total employment it indicates the relative importance of that industry in employment terms. Employment in the magazine publishing industry was declining until 2001. After that it has been increasing. In 2003 the total number of employees in the magazine publishing industry was approximately 55 100.

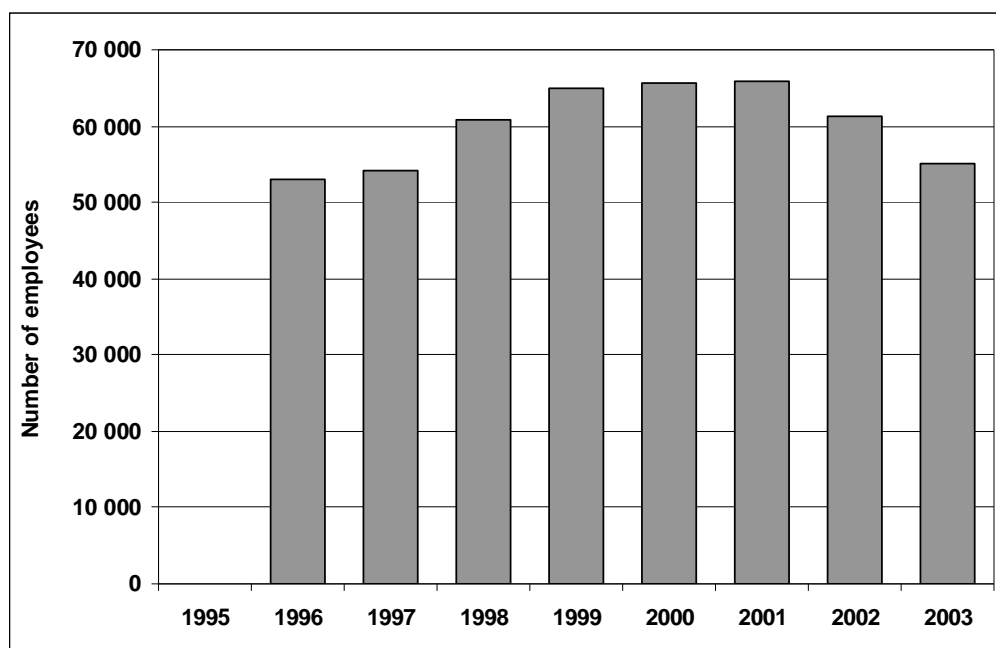


Figure 55 Employment in the magazine publishing industry (Source: Eurostat NewCronos Database)

The cost of employing a person within the newspaper industry differs considerably between Member States. In UK the personnel costs per person were 45 400 euros in 2003.

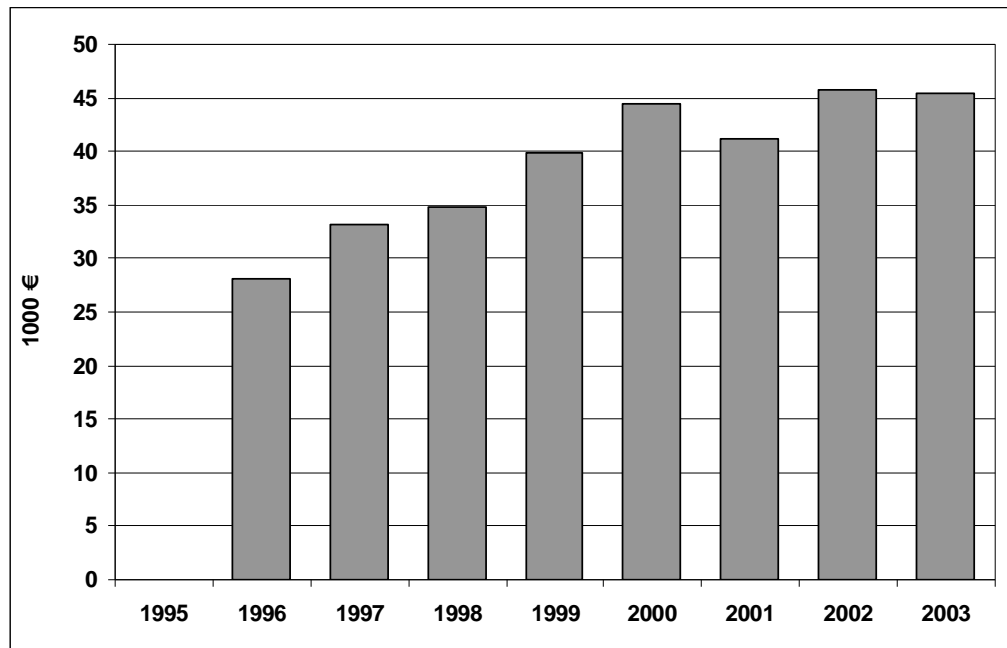


Figure 56 Personnel costs per person employed in the magazine industry (Source: Eurostat NewCronos Database)

4.2.4 Financial measures

Turnover

The total turnover of the magazine publishing industry declined steadily until year 2000, starting at 6 181 million euros in 1996 and ending in 11 013 million euros in 2000. After that the total turnover of the magazine publishing industry started to decline. By year 2003 the total turnover of the magazine publishing industry had declined to 9 755 million euros.

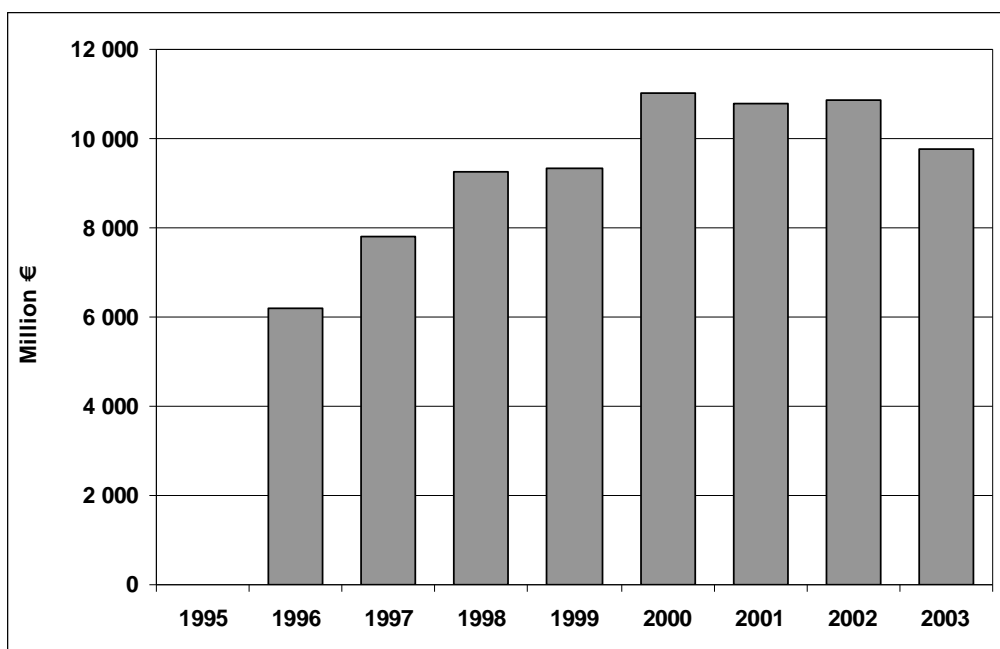


Figure 57 Total turnover of the magazine publishing industry (Source: Eurostat NewCronos Database)

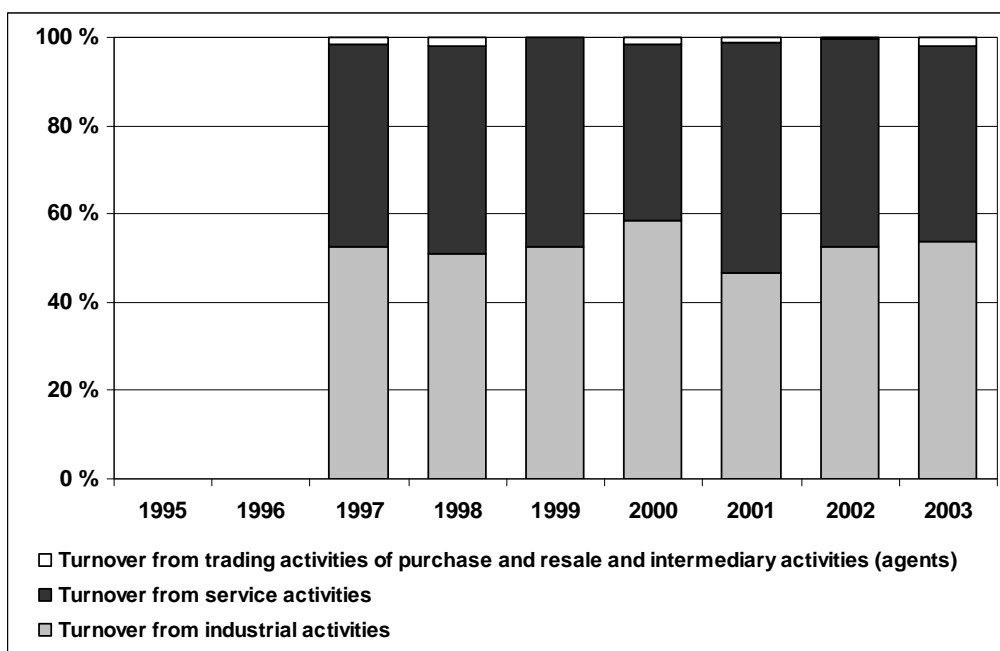


Figure 58 Distribution of total turnover of the magazine publishing industry by business activities (Source: Eurostat NewCronos Database)

Change in turnover

The change in turnover in the magazine publishing industry varied a great deal during 1996-2003. In 1997 the magazine publishing industry saw the most rapid growth during the years under scrutiny, growing over 25 per cent. In 2003 the total turnover on of the magazine publishing industry declined by 10 per cent.

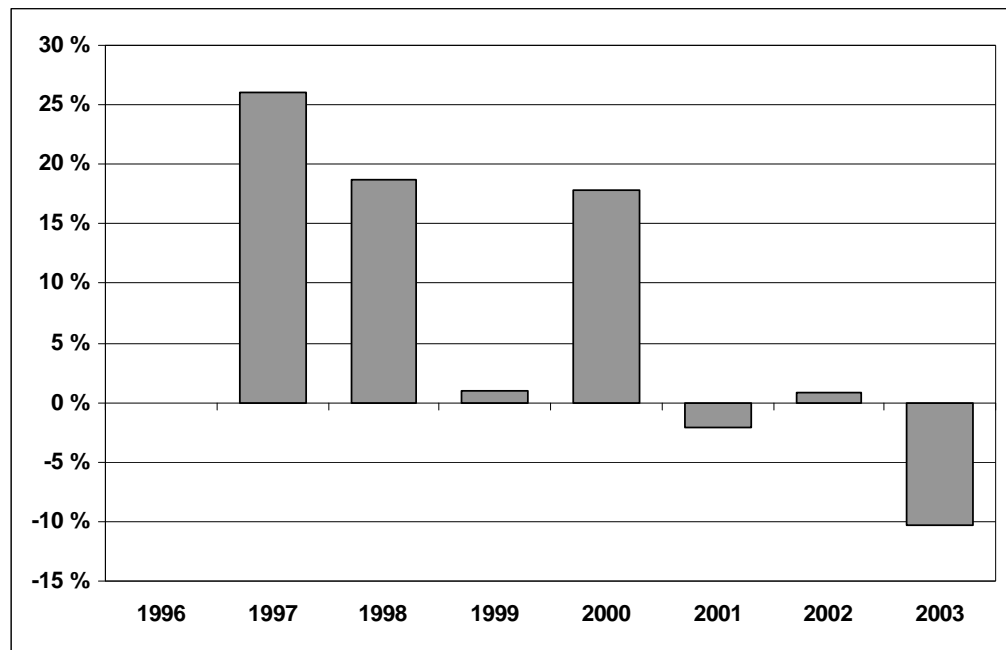


Figure 59 Change in turnover (Source: Eurostat NewCronos Database)

Value added is the measure of the total annual output of goods and services produced by the residents of a particular country. This is the value of turnover less the value of inputs from other industries. On a single firm level it means the value that is created by the factors of production of that firm.

The sum of value added of all industries and households is equal to the Gross Domestic Product (GDP). Therefore the share of an industry's value added of a country's GDP measures directly that industry's contribution to the national economy. The magazine publishing industry's has contribution to the GDP: 0,32 %.

Value added is an important measure as it has a considerable impact on the ability of an enterprise to pay a workforce and generate a profit. These are hard to do with low value-added. In 2003 the total value added of the magazine publishing industry was 4 709 million euros.

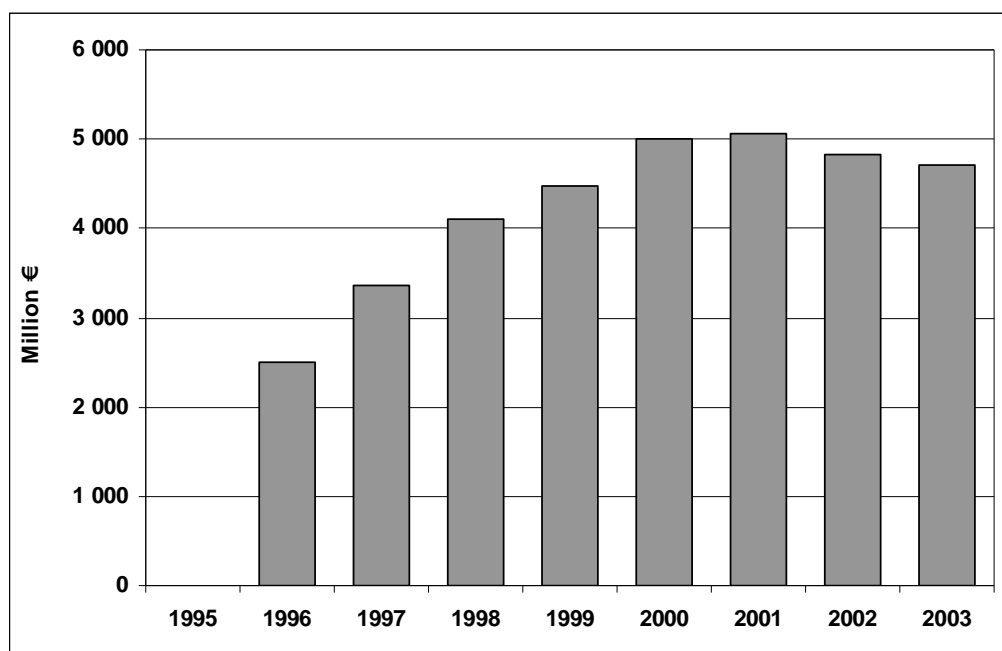


Figure 60 Total value added of the magazine publishing industry at factor costs (Source: Eurostat NewCronos Database)

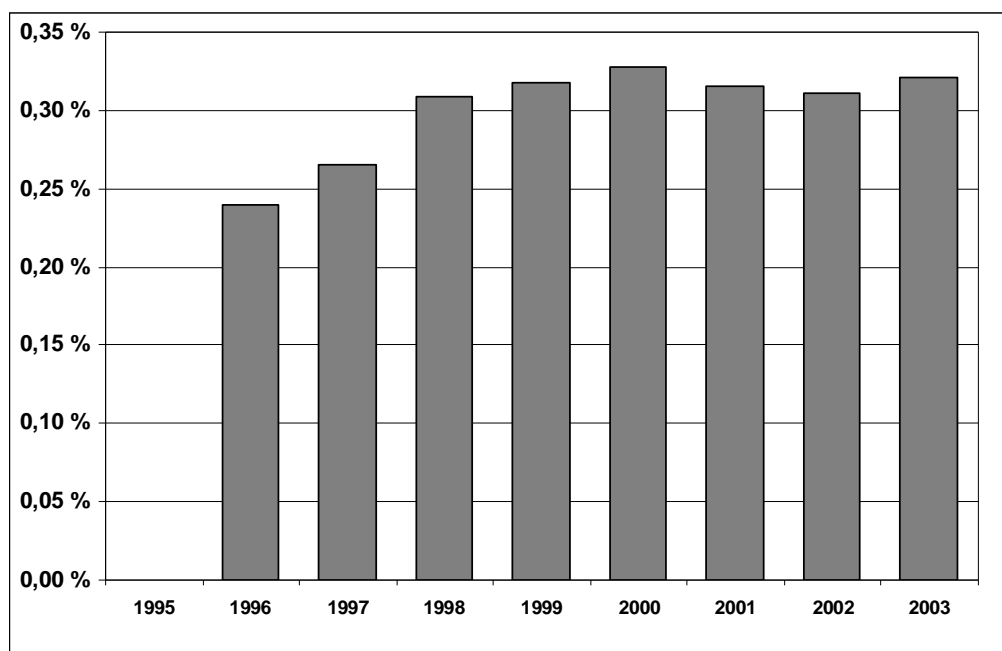


Figure 61 Value added to GDP (Source: Eurostat NewCronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed an increase in productivity during 1996-2003. In 2003 value added per employee was 85 400 euros.

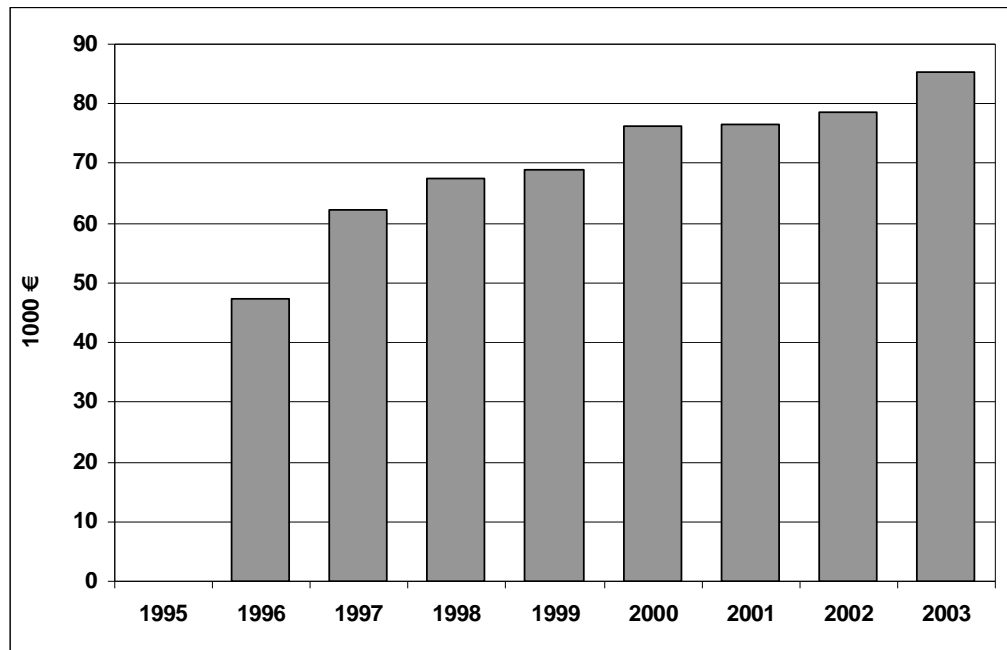


Figure 62 Value added per employee, 1000 €(Source: Eurostat NewCronos Database)

Value added per personnel costs

The ratio value added to personnel costs is an alternative way of looking at the relationship between costs of people employed in the industry and the value generated. It's a relative measure, and so not subject to distortions such as variation in exchange rates or inflation. Rather than being a direct measure of productivity, it is a measure of the effectiveness of the industry in the money it spend on employment, regardless of the number employed.

The critical vale for this is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2003 value added per personnel costs was 1,9.

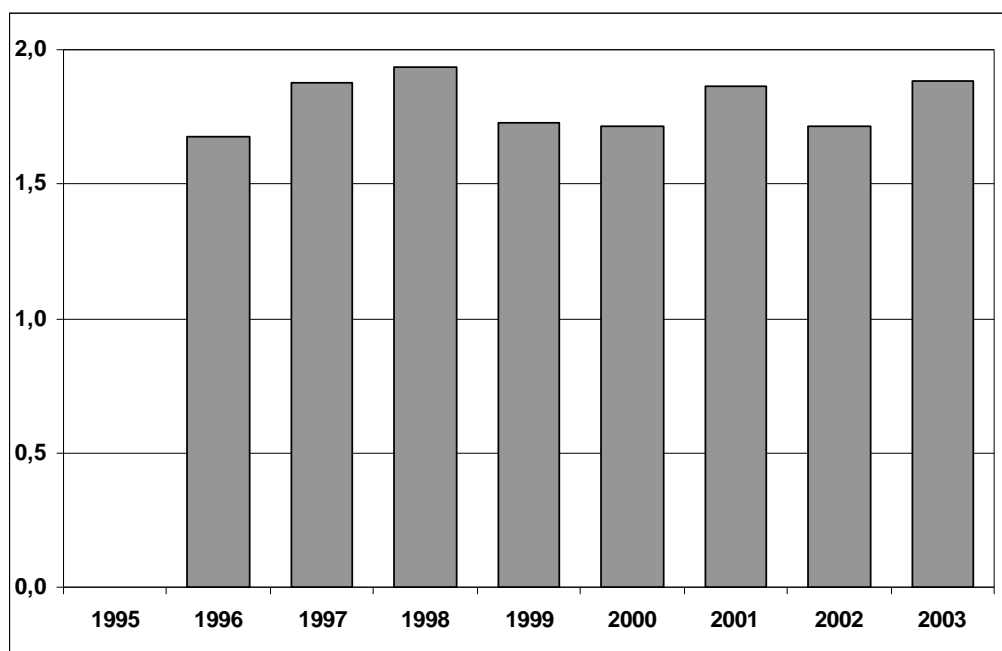


Figure 63 Value added per employee costs (Source: Eurostat NewCronos Database)

Turnover per employee

Turnover per employee in the magazine publishing industry was showed a clear positive trend between 1996 and 2002. Turnover per employee declined to 172 200 euros in 2003.

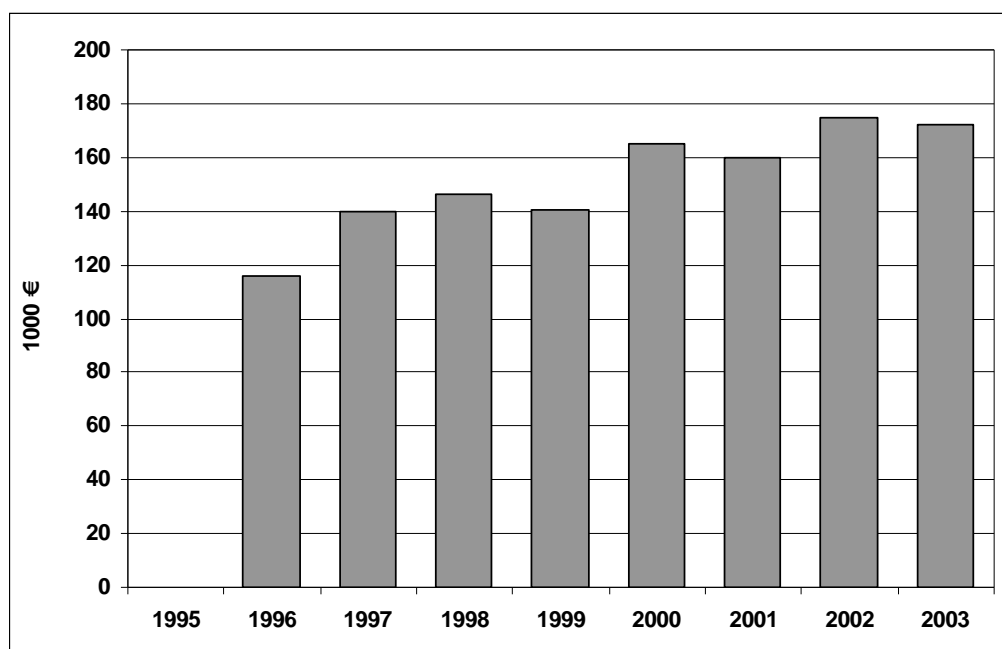


Figure 64 Turnover per employee (Source: Eurostat NewCronos Database)

Operating margin

This indicator measures the profit after operational costs (goods and services and personnel costs) as a percentage of the turnover. The need for operating profit depends largely on the investment intensity of the national industry. In countries where the printing facilities are largely integrated in the publishing firm, the need for operating profit in order to cover the depreciations and capital costs is higher than in countries where printing is largely outsourced.

The result of turnover, less value added and personnel costs are the operating profit. The operating margin of the magazine industry varied around 20 per cent. In 2003 operating margin of the magazine publishing industry was 22,6 per cent.

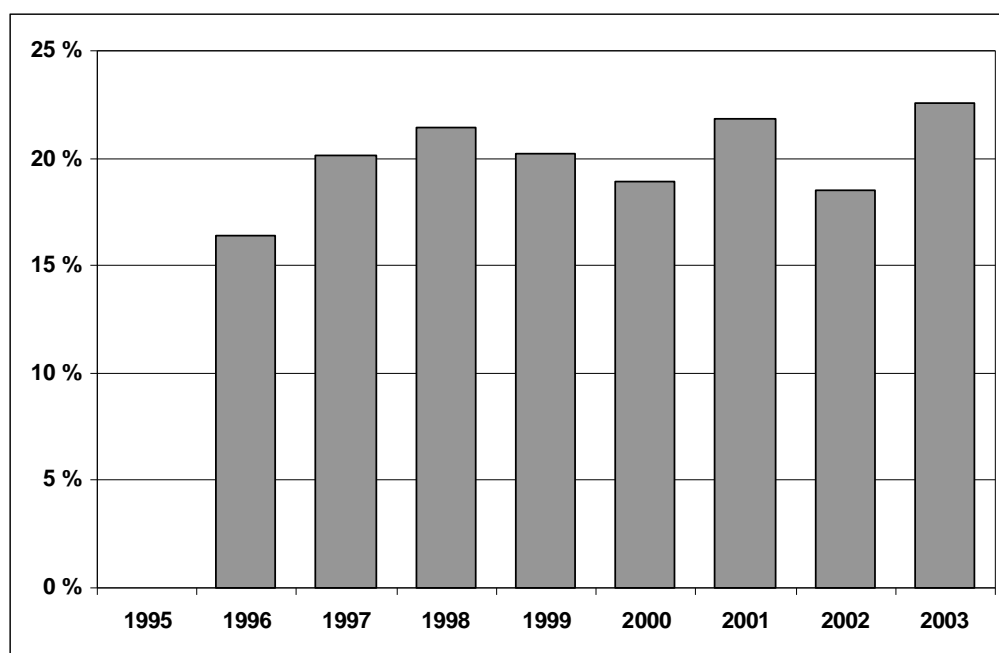


Figure 65 Operating margin of the magazine industry (Source: Eurostat NewCronos Database)

5 BOOK PUBLISHING

5.1 Market analysis

5.1.1 Definition of the sector

The book industry in different European countries does not conform to a standard classification. However, the industry in all countries falls broadly in to four groups:

- Consumer publishing (sometimes known as “trade publishing”)
- Educational or schools publishing
- Academic publishing
- Business or professional publishing

Consumer publishing covers both fiction and non-fiction books written for a general audience and usually sold through retail outlets.

Educational publishing consist mainly of school textbooks and related materials, covering all levels from nursery to college (post-school) education.

Academic publishing includes both monographs and textbooks for university-level and above.

Fields such as legal publishing and more practical technical works are included in business and professional publishing, as well as “general management” books.

Educational, academic and business books are often sold through non-retail channels, including direct supply, specialist school suppliers, online and mail-order.

In some countries, two other categories are sometimes also considered as significant enough to separate out in statistical analyses:

- Children's books
- Religious books

Where these are not separated out, children's books are usually considered part of consumer publishing as they are sold through the same channels on the same basis, and religious books as educational (although they are often retailed as consumer rather than educational books).

Each sector of the book publishing industry has its own characteristics and its individual strengths and weaknesses. Each sector has a unique combination of competing firms. The business drivers can be very different: consumer publishing is heavily driven by the demands of retailers for discounts and for rapid service; educational and academic publishing are heavily influenced by government policies on education, which can make a major difference to publishing strategies and operations in different countries.

Margin structures and distribution channels also vary considerable, with both the education and academic sectors being influenced by the adoption of textbooks by institutions and sometimes purchased in bulk at one extreme and sales of consumer books from very small outlets (including door-to-door ins some countries) at the other.

There are many publishing firms (Including medium-sized firms) with business activity in two or more, or even all four these sub-sectors. Such companies are often structured as a number of divisions, each focused on one or two markets. These may share a brand, but not always do so. Even where they do share a common "imprint" brand, publishing divisions often act independently of one another and can be managed quite separately, reporting as a combined entity only at the highest level. This further complicates the ability to assess performance at the enterprise level: group are reported as one entity.

5.1.2 Book sales

The total sales value of books was 4, 8 billion euros (3, 4 billion £) in 2004. That is approximately 45 per cent more than in 1995 (3, 3 billion € 2, 8 billion £).

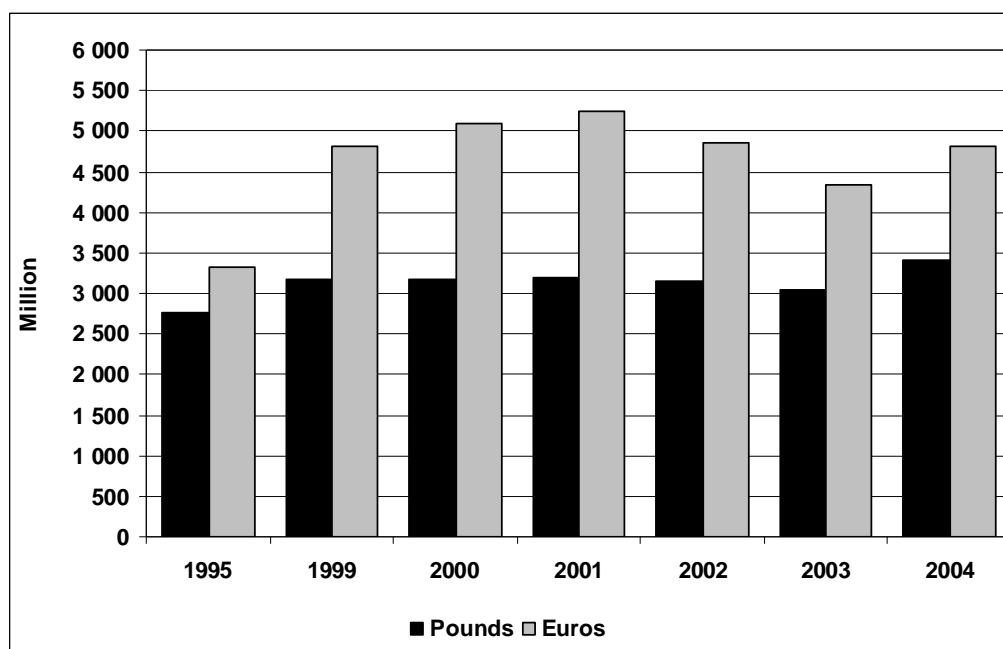


Figure 66 Value of book sales (Source: Office for National Statistics and The Publishers Association)

Table 7 Book sales in general retail market in 2002 by category (Source: Book sales yearbook 2003)

Category	Sales million €	Sales million £	Number Titles	% Frontlist
Paperback Fiction	320,4	208,4	34 622	51.4%
Children's	218,1	141,9	49 929	36.3%
Travel	94,2	61,3	14 535	38.4%
Mind, Body & Spirit	88,1	57,3	34 981	33.1%
Autobiographies	83,2	54,1	5 243	70.3%
Hardback Fiction	62,6	40,7	5 521	86.9%
Food & Drink	58,3	37,9	6 835	41.7%
School Textbooks	49,2	32,0	20 556	13.2%
History	46,9	30,5	1 932	50.6%
Biographies	41,8	27,2	8 355	65.8%
Total	1 062,7	691,3	182 509	

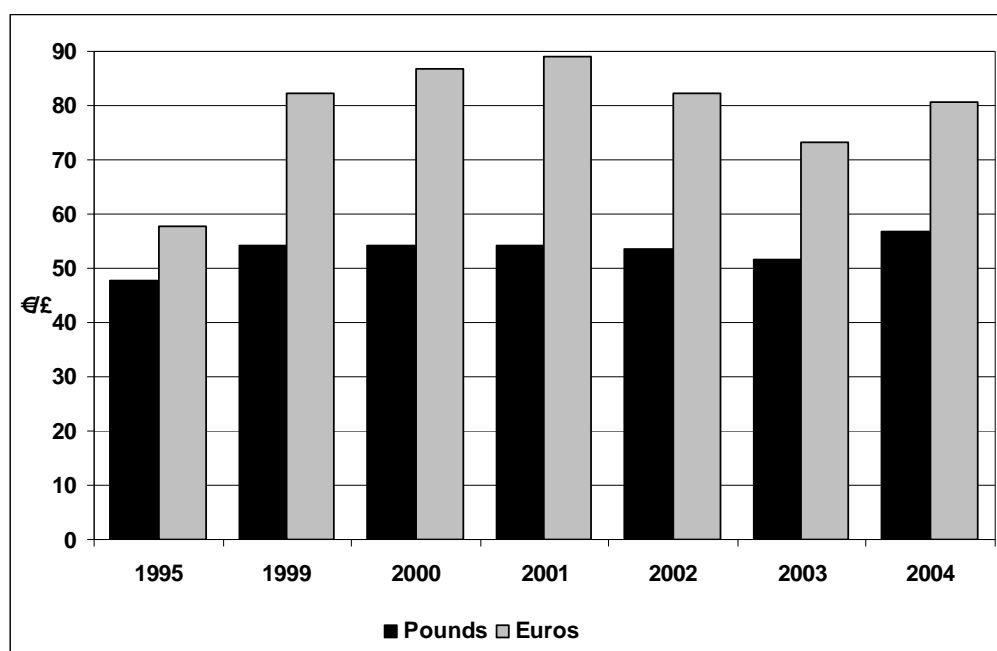


Figure 67 Value of book sales per capita (Source: Office for National Statistics, The Publishers Association and Statistics Finland, World in Figures)

Table 8 Structure of distribution channels for books (Source: Book Marketing Ltd, Books and the Consumer)

	2000	2001	2002	2003	2004
Chain bookshops	44,4 %	45,5 %	43,0 %	39,0 %	44,1 %
Other bookshops	15,5 %	15,1 %	13,0 %	16,0 %	13,8 %
Supermarkets	5,1 %	5,1 %	5,0 %	8,0 %	5,6 %
Other shops	9,2 %	10,0 %	12,0 %	14,0 %	9,6 %
Book clubs/mail order	21,6 %	20,5 %	21,0 %	17,0 %	17,7 %
Internet	4,1 %	3,7 %	6,0 %	6,0 %	9,1 %

5.1.3 Book production

In 2004 the number of published titles was 161 000. That is almost 40 per cent more than in year 2000 and two and a half times more than in year 1990.

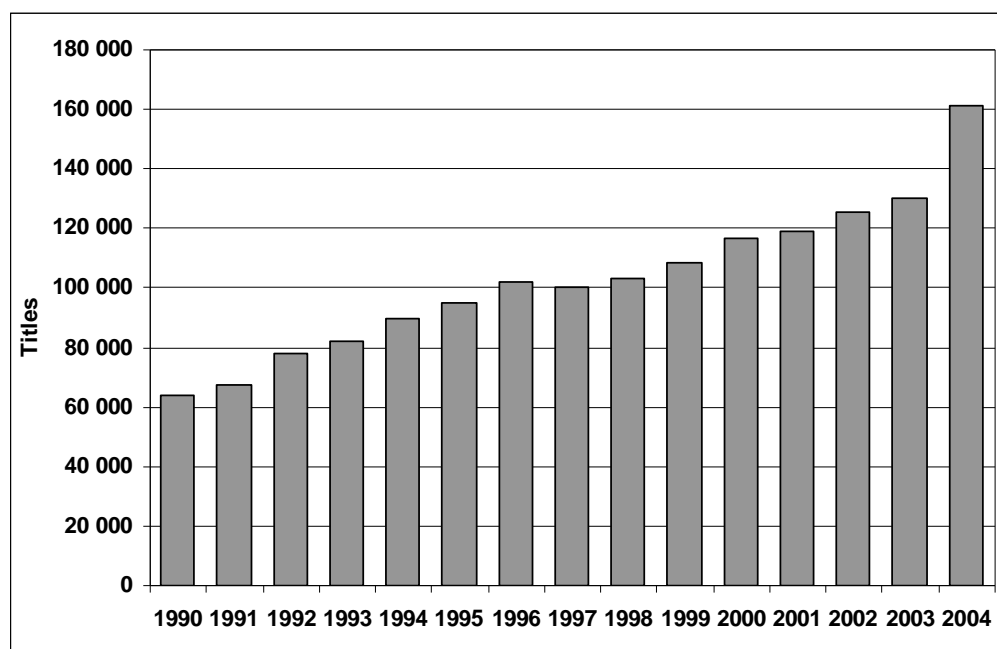


Figure 68 Number of published titles (Source: Nielsen BookData)

In 2002 Children's and young people's books represent 8,4 per cent (10 519 titles) of produced titles. Fiction books represent 9,4 per cent (11 810 titles) of produces titles. Category other books represent almost 30 per cent of the production (36 364 titles). This category includes books that are not categorised in to the other twenty categories of books.

Table 9 Book production by genre 1996-2002 (Source: Whitaker Information Services)

Category	1996	1997	1998	1999	2000	2001	2002
Art	2 154	2 213	2 304	2 523	2 788	2 945	2 811
Biography	3 292	3 164	3 180	2 900	3 114	3 456	3 232
Children's books	8 045	8 208	8 497	9 099	10 397	10 784	10 519
Computers	3 515	2 978	3 010	3 886	3 803	3 785	4 381
Economics	4 519	4 305	4 529	4 670	4 726	5 095	5 232
Education	2 170	2 055	2 011	1 838	2 071	2 153	2 742
Engineering	1 854	1 651	1 851	1 706	2 069	2 137	1 951
Fiction	9 209	8 965	9 236	9 800	10 860	13 076	11 810
History	4 348	4 168	4 546	5 193	5 771	5 517	6 385
Law	2 562	2 882	2 554	2 848	2 902	3 579	3 799
Literature	3 107	2 884	2 930	2 936	3 150	3 130	3 270
Management	2 931	3 086	3 221	3 393	3 203	2 903	3 749
Medicine	3 964	4 052	3 842	4 093	4 260	3 465	3 544
Political Science	2 294	2 517	2 532	2 670	2 863	2 953	3 441
Psychology	1 290	1 321	1 329	1 383	1 490	1 452	1 510
Religion	4 331	4 109	4 379	4 595	4 466	4 229	4 641
School textbooks	3 629	3 049	4 141	3 963	4 640	3 808	4 464
Social Sciences	4 068	4 254	4 400	4 495	4 547	4 638	5 134
Social Welfare	2 678	2 497	2 879	2 655	2 652	2 694	2 991
Travel	2 155	2 258	2 802	3 077	3 223	3 535	3 420
SUBTOTAL	72 115	70 616	74 173	77 723	82 995	85 334	89 026
Other categories	29 389	29 413	30 461	32 432	33 420	33 667	36 364
TOTAL	101 504	100 029	104 634	110 155	116 415	119 001	125 390

* Figures include new and revised titles

The number of titles published per million populations is an indication of the activity publishers undertake to provide a market with range they believe it will support. A lower number indicates that consumers have limited choice; conversely, a higher number may indicate that publishers are being unselective in what they choose to publish, which suggest inefficiencies. In 2004 the number of published titles per million populations was 2 689 titles.

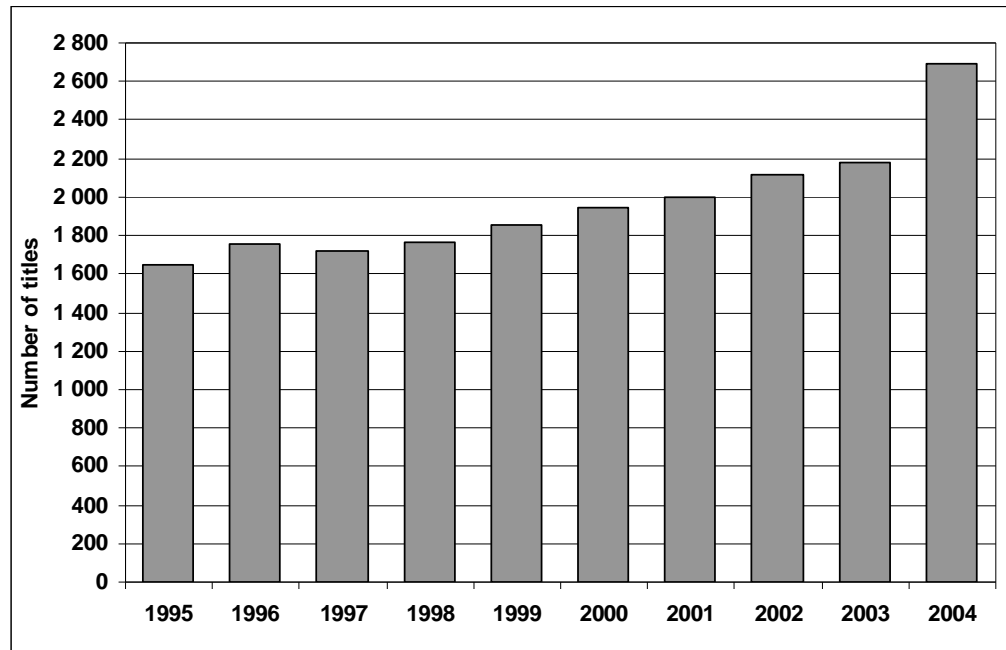


Figure 69 Number of titles published per million populations (Source: Nielsen BookData and Statistics Finland, World in Figures)

The number of book publishing companies can be related to the total size of the market. The number of titles published per company gives an idea of the scale of the companies and activities that they must sustain. In 2003 the average number of titles published per company was 47,5 titles.

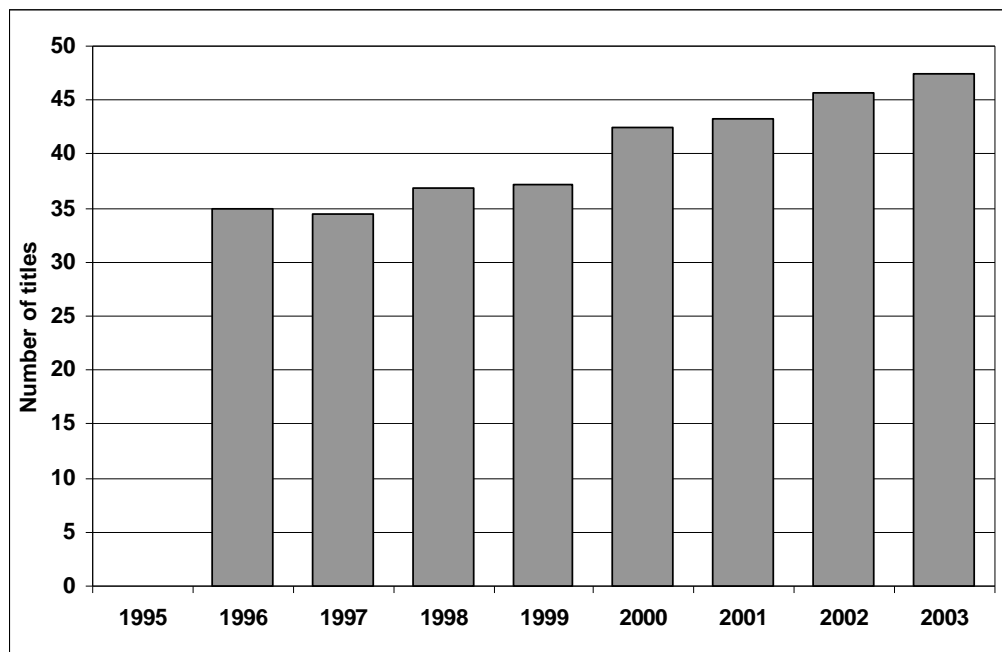


Figure 70 Number of published titles per book publishing company (Source: Nielsen BookData and Eurostat NewCronos Database)

5.1.4 Public libraries

The number of books in public libraries provides an indicator of the free availability of literature to the public. In 2004 the number of books in public libraries per capita was 1,9.

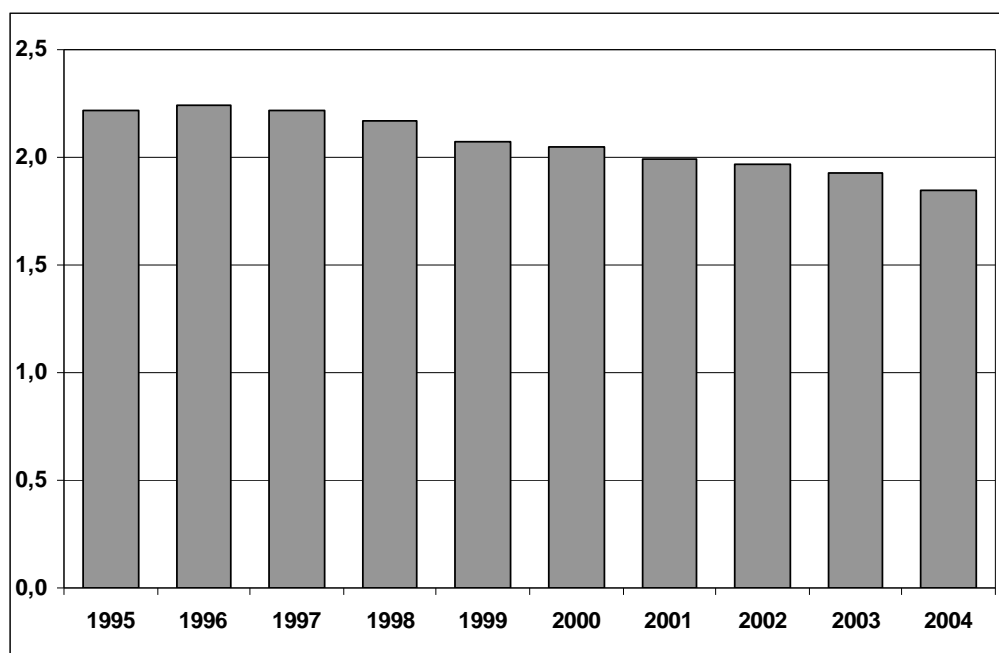


Figure 71 Number of books in public libraries per capita (Source: LISU Annual Library Statistics)

The intensity of the public use is measured by loans per capita. Number of loans per capita has been declining since 1995. In 2004 number of loans per in public libraries was 5,8.

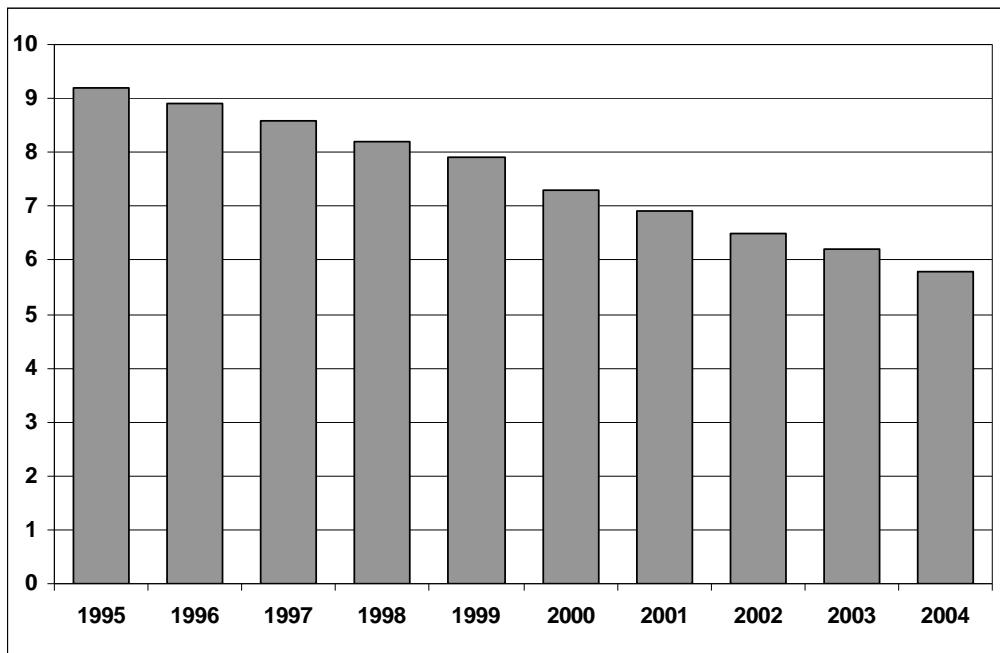


Figure 72 Number of loans per capita in public libraries per capita Source: LISU Annual Library Statistics)

5.2 Industry structure analysis

5.2.1 Number of companies

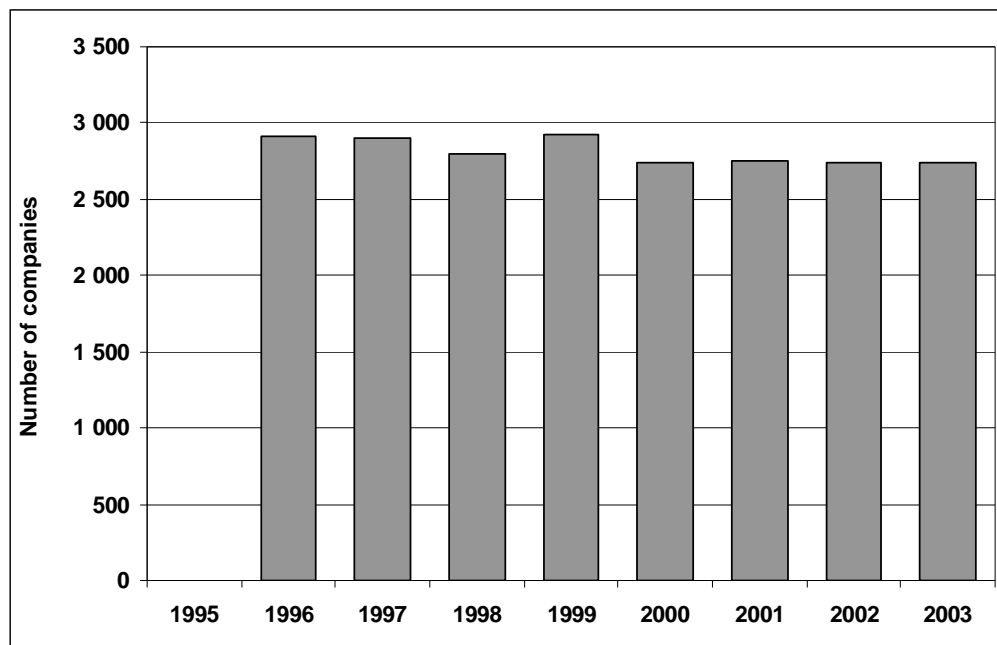


Figure 73 Number companies in the book publishing industry (Source: Eurostat NewCronos database)

Table 10 Number of VAT-based book publishers in UK (Source: Office for National Statistics)

	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003
VAT registration threshold	£ 49 000	£ 50 000	£ 51 000	£ 52 000	£ 54 000	£ 55 000
Turn over size £ thousand						
1 - 49	855	825	805	770	795	770
50 - 99	405	400	385	370	415	415
100 - 249	445	425	425	440	425	405
250 - 499	245	255	235	255	255	235
500 - 999	205	195	190	185	170	170
1 000 - 4 999	235	210	215	200	105	190
Over 5 000	95	105	90	95	90	90
Total	2 485	2 415	2 345	2 315	2 255	2 275

Table 11 Consumer sales of the major book publishing companies in UK
(Source: The Bookseller & Nielsen BookScan)

Publisher	2003	2004	2006
Hachette (Hodder Headline – Little Brown - Orion)	5,3 %	12,9 %	16,2 %
Bertelsmann (Random House - Transworld)	13,0 %	14,4 %	14,2 %
Pearson (Dorling Kindersley – Pearson - Penguin)	12,9 %	12,1 %	11,6 %
News Corporation (HarperCollins)	8,6 %	8,2 %	7,7 %
Holtzbrinck (Pan Macmillan)	4,5 %	4,2 %	3,3 %
Oxford University Press	1,9 %	1,9 %	1,9 %
Bloomsbury	4,5 %	2,1 %	1,8 %
Viacom (Simon & Schuster)	1,7 %	1,8 %	1,5 %
Elsevier	n/a	n/a	1,5 %
John Wiley	n/a	n/a	1,3 %
Others	47,6 %	42,4 %	39,0 %
TOTAL	100 %	100 %	100 %

* Top 3 Publishing Groups - c.40% market share

* Top 5 Publishing Groups - c.50% market share

* Top 10 Publishing Groups - c.60% market share

5.2.2 Biggest book publishing companies

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
PEARSON PLC	FRANKLIN RESOURCES, INC.	12,92	n.a.	LES ECHOS LE QUOTIDIEN DE L'ECONOMIE
	FRANKLIN RESOURCES, INC. via its funds	-	10,76	PROMISSOR INC
	TELEFONICA DE CONTENIDOS SA	4,85	n.a.	AMERICAN GUIDANCE SERVICE, INC
	CAPITAL GROUP COMPANIES INC. THE	-	3,8	FINANCIAL TIMES BUSINESS LIMITED
	LEGAL & GENERAL GROUP PLC (IFRS)	3	n.a.	FINANCIAL TIMES LIMITED(THE)
	CAPITAL GUARDIAN TRUST COMPANY	1,74	n.a.	NCS PEARSON, INC.
	MASSMUTUAL FINANCIAL GROUP via its funds	-	1,44	PEARSON EDUCATION INC
	MELLON FINANCIAL CORPORATION via its funds	-	1,15	PENGUIN PUBLISHING COMPANY LIMITED(THE)
	EURAZEO	1	n.a.	ALLIED COMMUNICATIONS CORP
	BURNS TERRY	NG	n.a.	ANALYSIS HOLDINGS LIMITED
	FUHRMAN SUSAN	NG	n.a.	BROADMINSTER NOMINEES LIMITED
	MARK REUBEN	NG	n.a.	BURMEDIA INVESTMENTS LIMITED
	SANKEY VERNON	NG	n.a.	CHATELAIN ESTATES LIMITED
	TALWAR GURVIRENDRA	NG	n.a.	CHATELAIN PROPERTIES LIMITED
	HBOS PLC via its funds	-	0,93	DORLING KINDERSLEY HOLDINGS LIMITED
	CAPITAL RESEARCH & MANAGEMENT COMPANY	0,88	n.a.	DORMANT 06 LIMITED
	CAPITAL INTERNATIONAL LIMITED	0,86	n.a.	DORMANT 07 LIMITED
	DEUTSCHE BANK AG via its funds	-	0,84	EDEXCEL LIMITED
	PRUDENTIAL PLC (IFRS) via its funds	-	0,79	FINANCIAL TIMES GROUP LIMITED
	COMMERZBANK INTERNATIONAL SA via its funds	-	0,77	FIRST THAMES LAND HOLDINGS LIMITED
	SCHROEDERS PLC via its funds	-	0,7	FT KNOWLEDGE HOLDINGS LIMITED
	JULIUS BAER HOLDING LTD via its funds	-	0,66	LAKESIDE TRADING ESTATE LIMITED
	T. ROWE PRICE GROUP, INC via its funds	-	0,6	LONGMAN HOUSE LIMITED
	BARCLAYS GLOBAL INVESTORS, NATIONAL ASSOCIATION via its funds	-	0,46	LONGMAN PENGUIN LIMITED
	F&C ASSET MANAGEMENT PLC via its funds	-	0,47	PEARSON CAPITAL COMPANY LLC
	ABN AMRO HOLDING NV via its funds	-	0,42	PEARSON GOVERNMENT SOLUTIONS LIMITED
	NORGES BANK via its funds	-	0,41	PEARSON GROUP FURBS TRUSTEE LIMITED
	HENDERSON GROUP PLC via its funds	-	0,4	PEARSON INVESTMENT SERVICES LIMITED
	DZ BANK INTERNATIONAL S.A. via its funds	-	0,36	PEARSON LUXEMBOURG HOLDINGS NO 2 LIMITED
	FEDERATED INVESTORS INC via its funds	-	0,34	PEARSON MANAGEMENT SERVICES LIMITED
	NEW STAR ASSET MANAGEMENT HOLDINGS LIMITED via its funds	-	0,32	PEARSON NETHERLANDS BV
	MERCATOR ASSET MANAGEMENT LP via its funds	-	0,27	PEARSON NEW ENTERTAINMENT HOLDINGS LIMITED
	CAPITAL INTERNATIONAL SA	0,26	n.a.	PEARSON NOMINEES LIMITED
	HSBC HOLDINGS PLC via its funds	-	0,25	PEARSON OVERSEAS HOLDINGS LIMITED
	VANGUARD GROUP INC via its funds	-	0,25	PEARSON PROFESSIONAL HOLDINGS LIMITED
	ASTER-X, CAPITAL MANAGEMENT BV via its funds	-	0,24	PEARSON PROPERTY INVESTMENTS LIMITED
	DIMENSIONAL FUND ADVISORS INC via its funds	-	0,22	PEARSON SHARED SERVICES LIMITED
	STEVENSON DENNIS	0,22	n.a.	PEARSON STERLING INVESTMENTS LIMITED
	LEGG MASON INC via its funds	-	0,2	PEARSON STERLING TWO PLC
	OPTIMUM INVESTMENT GROUP LTD via its funds	-	0,2	PENGUIN TELEVISION LIMITED
	MERRILL LYNCH & CO., INC. via its funds	-	0,19	PL PUBLISHING LIMITED
	PRUDENTIAL FINANCIAL INC via its funds	-	0,19	TESTCHANGE LIMITED
	SEAMARK ASSET MANAGEMENT LTD via its funds	-	0,18	THE TELEVISION COMMERCIALS REGISTER LIMITED
	FORTIS via its funds	-	0,15	THEMESCENE LIMITED
	GRANTHAM, MAYO, VAN OTTERLOO & CO, LLC via its funds	-	0,15	WHITEHALL TRUST LIMITED
	ABBEY NATIONAL PLC via its funds	-	0,13	INTERACTIVE DATA CORP
	RATHBONES GROUP via its funds	-	0,13	PEARSON INTERNATIONAL FINANCE LIMITED
	RUSSELL INVESTMENT GROUP via its funds	-	0,13	PEARSON INVESTMENTS BV
	SUN LIFE FINANCIAL INC via its funds	-	0,13	LONGMAN NIGERIA PLC
	BANK OF AMERICA CORPORATION via its funds	-	0,12	NCS MEXICO, S.A. DE C.V.
	SEI INVESTMENTS COMPANY via its funds	-	0,12	NCS PEARSON
	SWISSCANTO HOLDING AG via its funds	-	0,12	PEARSON EDUCATION DO BRASIL LTDA
	UNIVERSAL INVESTMENT GESELLSCHAFT MBH via its funds	-	0,12	PEARSON EDUCATION S.A.
	VIRGIN MONEY UNIT TRUST MANAGERS LIMITED via its funds	-	0,12	PEARSON EDUCATION CANADA INC
	AEGON NV via its funds	-	0,11	PEARSON EDUCATION HOLDINGS
	BAYERISCHE HYPO-UND VEREINSBANK AG via its funds	-	0,11	PEARSON PENGUIN CANADA INC.
	DEXIA via its funds	-	0,11	QUITE INTERESTING LIMITED
	LGT GROUP FOUNDATION via its funds	-	0,11	HERA
	MANNING & NAPIER ADVISORS, INC via its funds	-	0,11	INTERACTIVE DATA CORPORATION
	MARKSTON INTERNATIONAL LLC via its funds	-	0,11	PEARSON DOLLAR FINANCE PLC
	SAN PAOLO IMI via its funds	-	0,11	PEARSON LUXEMBOURG HOLDINGS LIMITED
	LLOYDS TSB GROUP PLC via its funds	-	0,1	PEARSON MEDIA INVESTMENTS LIMITED
	CAPITAL INTERNATIONAL INC	0,06	n.a.	ROBINCREST LIMITED
	MOURANT & CO TRUSTEES LTD	0,03	n.a.	
	SCANDINO MARJORIE	0,02	n.a.	
	MORENO GLEN	0,01	n.a.	
	BELL DAVID	-	n.a.	
	FAIRHEAD RONA	-	n.a.	
	JOVANOVICH PETER	-	n.a.	
	MAKINSON JOHN	-	n.a.	
	TALWAR RANA	-	n.a.	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
INFORMA PLC	LEGAL & GENERAL INVESTMENT MANAGEMENT LIMITED	10.21	n.a.	IG HOLDINGS LIMITED
	FMR CORP. AND FIDELITY INTERNATIONAL LIMITED	7.94	n.a.	INFORMA HOLDINGS LIMITED
	LEGAL & GENERAL GROUP PLC (IFRS)	5.96	n.a.	INFORMA QUEST LIMITED
	STANDARD LIFE INVESTMENTS LIMITED	5.29	n.a.	MMS GROUP HOLDINGS LIMITED
	FIDELITY INVESTMENTS LIMITED via its funds	-	4.81	P.J.B. PUBLICATIONS LIMITED
	HBOS PLC	-	4	TAYLOR & FRANCIS GROUP LIMITED
	RESOLUTION INVESTMENT SERVICES LIMITED	3.15	n.a.	IBC GROUP LIMITED
	ZURICH FINANCIAL SERVICES AND ITS GROUP	3.07	n.a.	INFORMA GROUP LIMITED
	AVIVA PLC (IFRS)	-	2.99	INFORMA SEVEN LIMITED
	MORLEY FUND MANAGEMENT LIMITED	2.99	n.a.	INFORMA SIX LIMITED
	HBOS PLC via its funds	-	2.84	LIP GROUP EMPLOYEE BENEFIT TRUST LIMITED
	HENDERSON GROUP PLC via its funds	-	2.35	LIP TRUSTEES LIMITED
	ABN AMRO HOLDING NV via its funds	-	2.26	T & F INFORMA TWO LIMITED
	AEGON UK PLC	2.23	n.a.	T&F INFORMA ONE LIMITED
	AMVESCAP PLC via its funds	-	2.17	INFORMA USA, INC
	F&C ASSET MANAGEMENT PLC via its funds	-	1.86	INFORMANEWS BERIA S.A.
	CREDIT SUISSE GROUP via its funds	-	1.45	
	STANDARD LIFE via its funds	-	1.08	
	DAVIS JOHN GORDON	NG	NG	
	GADSBY OLIVER	NG	n.a.	
	COMMERZBANK INTERNATIONAL SA via its funds	-	0.8	
	RIVERSOURCE DISTRIBUTORS LTD. via its funds	-	0.74	
	GOLDMAN, SACHS & CO via its funds	-	0.67	
	HSBC HOLDINGS PLC via its funds	-	0.6	
	OLD MUTUAL PLC via its funds	-	0.6	
	ROYAL LONDON GROUP via its funds	-	0.6	
	NATIONWIDE MUTUAL INSURANCE COMPANY via its funds	-	0.58	
	DEUTSCHE BANK AG via its funds	-	0.54	
	MELLON FINANCIAL CORPORATION via its funds	-	0.53	
	FORTIS via its funds	-	0.47	
	LLOYDS TSB GROUP PLC via its funds	-	0.47	
	RESOLUTION ASSET MANAGEMENT LIMITED via its funds	-	0.42	
	SUN LIFE FINANCIAL INC via its funds	-	0.42	
	LEGAL & GENERAL FINANCIAL SERVICES LIMITED via its funds	-	0.39	
	ING GROEP NV via its funds	-	0.33	
	BARCLAYS GLOBAL INVESTORS, NATIONAL ASSOCIATION via its funds	-	0.25	
	LIVERPOOL VICTORIA ASSET MANAGEMENT LIMITED via its funds	-	0.24	
	HERALD INVESTMENT MANAGEMENT LIMITED via its funds	-	0.23	
	AEGON NV via its funds	-	0.21	
	SCOTTISH INVESTMENT TRUST PLC via its funds	-	0.18	
	BANCA INTESA SPA via its funds	-	0.17	
	GILBERTSON D.S.	0.14	n.a.	
	RIGBY P.S.	0.14	n.a.	
	VIRGIN MONEY UNIT TRUST MANAGERS LIMITED via its funds	-	0.12	
	FOYE A	0.08	n.a.	
	BOHLIN KEN	-	n.a.	
	HOOPER R.	-	n.a.	
	HORTON ROGER	-	n.a.	
	J DAVIS	-	n.a.	
	KEMPE SUSANNA	-	n.a.	
	MAPP D	-	n.a.	
	MOELLENSBECK ALFRED	-	n.a.	
	WATSON S.M	-	n.a.	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
HOLTZBRINCK PUBLISHERS HOLDINGS LIMITED	GEORG VON HOLTZBRINCK INTERNATIONALE MEDIENBETEILIGUNGEN GMBH	WO	WO	HM PUBLISHERS HOLDINGS LIMITED
	GVH VERMOGENSVERWALTUNGSELSCHAFT XXXIII MBH	-	n.a.	MACMILLAN LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
BBC WORLDWIDE LIMITED	BBC COMMERCIAL HOLDINGS LIMITED	WO	WO	BBC WORLDWIDE HOLDINGS B.V.
	BRITISH BROADCASTING CORPORATION	-	n.a.	BBC AUDIOBOOKS LIMITED
		-		BBC WORLD SERVICE TELEVISION LIMITED
		-		BBC WORLDWIDE INVESTMENTS LIMITED
		-		BBC WORLDWIDE MUSIC LTD.
		-		BEBB VENTURES LIMITED
		-		COVER TO COVER CASSETTES LIMITED
		-		EUROPEAN CHANNEL MANAGEMENT LIMITED
		-		GALLEON LIMITED
		-		GAMEZLAB LIMITED
		-		PARENTWISE LIMITED
		-		WILDLIFE PUBLICATIONS LIMITED
		-		WOODLANDS BOOKS LIMITED
		-		WORLDWIDE CHANNEL INVESTMENTS LIMITED
		-		WORLDWIDE CHILDRENS CO-PRODUCTIONS LIMITED
		-		2 ENTERTAIN LIMITED
		-		EUROPEAN CHANNEL BROADCASTING LIMITED
		-		ORIGIN PUBLISHING LIMITED
		-		UK PROGRAMME DISTRIBUTION LIMITED
		-		WOODLANDS PUBLISHING LIMITED
		-		BBC HAYMARKET EXHIBITIONS LIMITED
		-		BEBB RIGHTS LIMITED
		-		CHILDREN'S CHARACTER BOOKS LIMITED
		-		FRONTLINE LIMITED
		-		NC INTERNET LIMITED
		-		UK CHANNEL MANAGEMENT LIMITED
		-		UK GOLD HOLDINGS LIMITED
		-		UKTV NEW VENTURES LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
ELSEVIER LIMITED	REED ELSEVIER (UK) LIMITED	WO	WO	BICOMNET LTD.
	REED ELSEVIER NV	-	n.a.	CURRENT BIOLOGY LIMITED
	REED ELSEVIER PLC	-	n.a.	CURRENT CHEMISTRY LTD.
		-		ELECTRONIC PRESS LIMITED
		-		PHYSICIANS DECISIONS LIMITED
		-		SCIENCE FORUM LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
MCGRAW-HILL HOLDINGS EUROPE LIMITED	MCGRAW-HILL COMPANIES, INC. (THE)	WO	WO	MCGRAW-HILL BERIA INC
				STANDARD & POOR'S AB
				STANDARD & POOR'S FUND SERVICES GMBH
				THE MCGRAW-HILL COMPANIES GMBH
				THE MCGRAW-HILL COMPANIES SRL
				DRI EUROPE LIMITED
				MCGRAW-HILL FINANCE EUROPE LIMITED
				MCGRAW-HILL INTERNATIONAL (U.K.) LIMITED
				MCGRAW-HILL INTERNATIONAL PUBLICATIONS COMPANY LIMITED
				MICROPAL GROUP LIMITED
				SPLAD LIMITED
				THE MCGRAW-HILL COMPANIES, LIMITED
				STANDARD & POOR'S EA RATINGS

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
THE RANDOM HOUSE GROUP LIMITED	BERTELSMANN AG BERTELSMANN UK LIMITED BERTELSMANN STIFTUNG	- >50.10 -	100 >50.10 n.a.	ARROW BOOKS LIMITED BANTAM BOOKS LIMITED BARRIE & JENKINS LIMITED BARTLETT BLISS PRODUCTIONS LIMITED BELLEW & HIGSON PUBLISHERS LIMITED BUSINESS BOOKS LIMITED CAROUSEL BOOKS LIMITED CENTURY BENHAM LIMITED CENTURY HUTCHINSON LIMITED CENTURY HUTCHINSON PUBLISHING LIMITED CENTURY PUBLISHING CO. LIMITED CHATTO AND WINDUS LIMITED CORGI BOOKS LIMITED CRESSET PRESS LIMITED(THE) HAMMOND, HAMMOND AND COMPANY LIMITED HERBERT JENKINS LIMITED HOGARTH PRESS LIMITED(THE) HURST & BLACKETT LIMITED HUTCHINSON & CO. (PUBLISHERS) LIMITED HUTCHINSON BOOKS LIMITED HUTCHINSON CHILDRENS BOOKS LIMITED JACKDAW PUBLICATIONS LIMITED JONATHAN CAPE LIMITED MARTIN SECKER AND WARBURG LIMITED PLANE TREE PUBLISHERS LIMITED RANDOM HOUSE PROPERTIES LIMITED RANDOM HOUSE PUBLISHING GROUP LIMITED RANDOM HOUSE UK VENTURES LIMITED SINCLAIR-STEVENSON LIMITED STANLEY PAUL & CO LIMITED T. WERNER LAURIE LIMITED THE BOOK SERVICE LIMITED THE HARVILL PRESS LIMITED TRANSWORLD PUBLISHERS LIMITED BODLEY HEAD LIMITED (THE) MAINSTREAM PUBLISHING COMPANY LIMITED ELMER FILMS LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
HARPER COLLINS PUBLISHERS LIMITED	WILLIAM COLLINS HOLDINGS LIMITED HARPER COLLINS (UK) MURDOCH RUPERT & FAMILY	WO - -	WO WO n.a.	DOLPHIN BOOK CLUB LIMITED FOURTH ESTATE LIMITED HARPER COLLINS PUBLISHERS PENSION TRUSTEE COMPANY LIMITED MARSHALL PICKERING HOLDINGS LIMITED POLLOCKSHIELDS PRINTING SERVICES, LIMITED THORNSONS PUBLISHING GROUP LIMITED UNWIN HYMAN LIMITED WILLIAM COLLINS INTERNATIONAL LIMITED WILLIAM COLLINS SONS & COMPANY LIMITED COSBULD LIMITED COLLINS BARTHOLOMEW LIMITED

Source: Bureau van Dijk Amadeus-database

5.2.3 Employment related measures

The number of employees provides a measure of employment in the operations of an industry. When this number compared with total employment in the economy, it provides an indicator of the relative importance of that industry in terms of employment. The total number of employees in the book publishing industry in 2003 was 28 777. The total number of employees in the book publishing industry was quite stable in the late 1990's. After that the total number of employees has been declining.

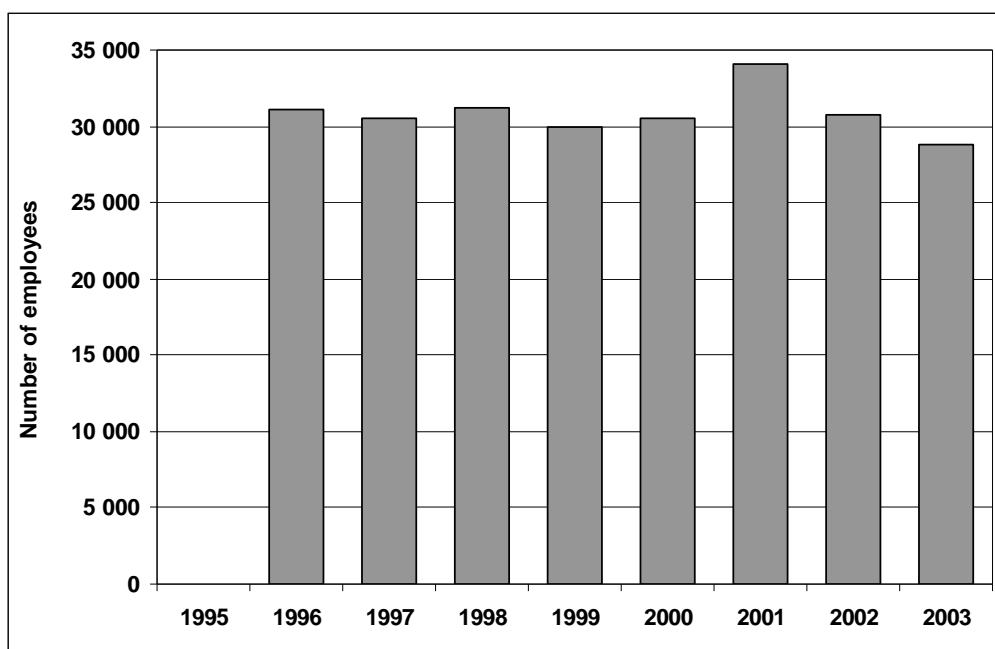


Figure 74 Number of employees in the book publishing industry (Source: Eurostat NewCronos Database)

The employment costs of a particular industry depend upon the work intensity of value creation, the value created and the bargaining power of the workforce in the labour market. Per-employee costs in book publishing industry show clear upward trend. In 2003 the personnel costs per person employed were 47 900 euros.

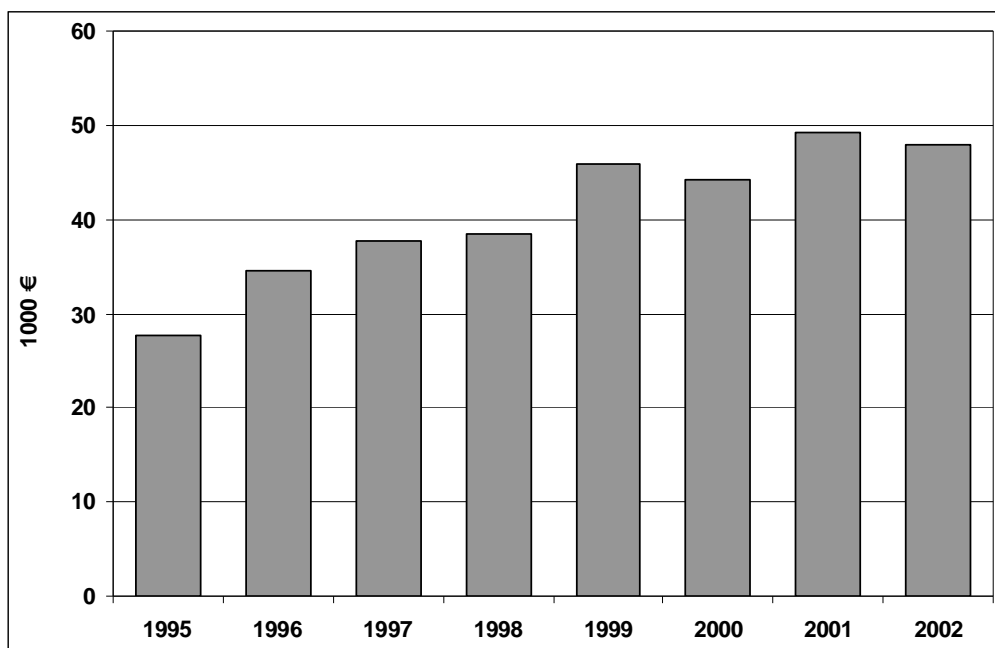


Figure 75 Personnel costs per person employed in the book publishing industry (Source: Eurostat NewCronos Database)

5.2.4 Financial measures

Turnover

The total turnover of the book publishing industry declined steadily during 1996-2000, starting at 4,2 billion euros in 1996 and ending in 6,7 billion euros in 2000. From 2000 to 2002 the total turnover of the book publishing industry was very stable. In 2003 the total turnover of the book publishing industry declined to 5,8 billion euros.

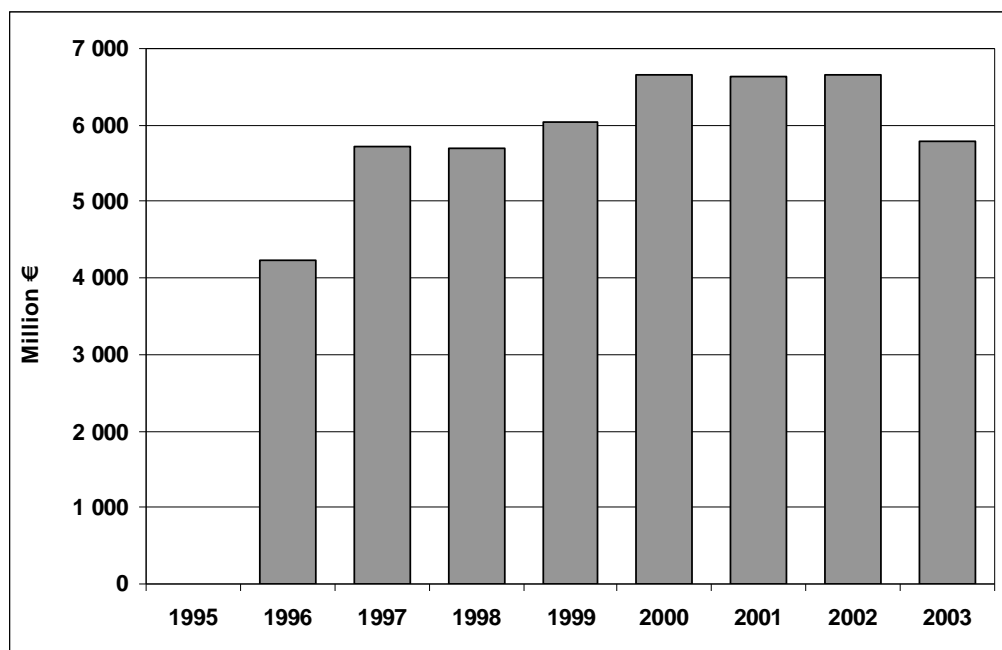


Figure 76 Total turnover of the book publishing industry, Million €(Source: Eurostat NewCronos Database)

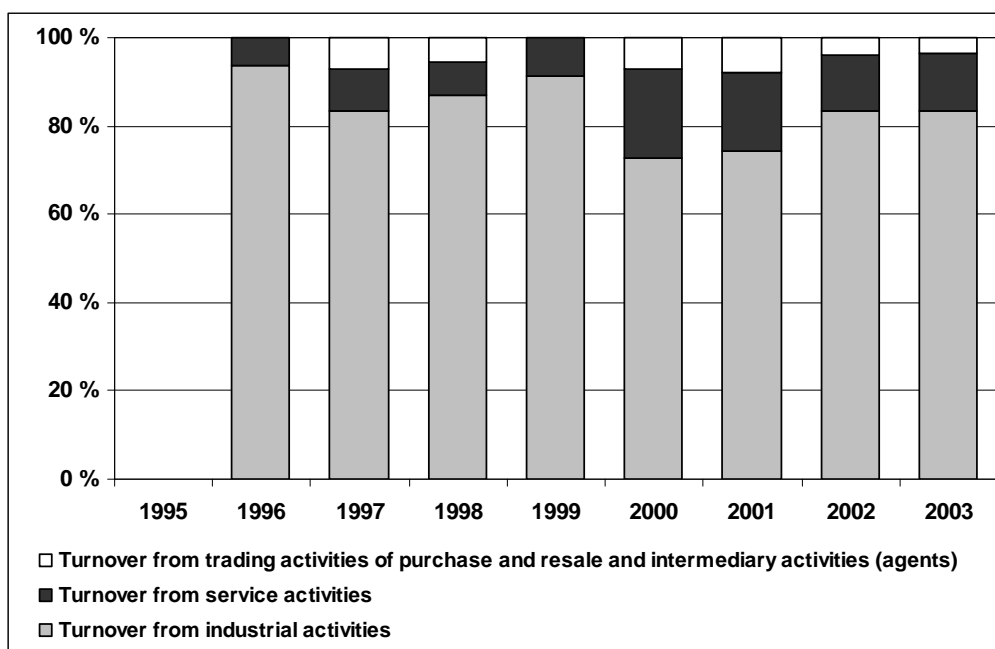


Figure 77 Distribution of the total turnover of the book publishing industry by business activities (Source: Eurostat NewCronos Database)

Change in turnover

The procentual change in turnover in the book publishing industry varied a great deal during 1996-2003.

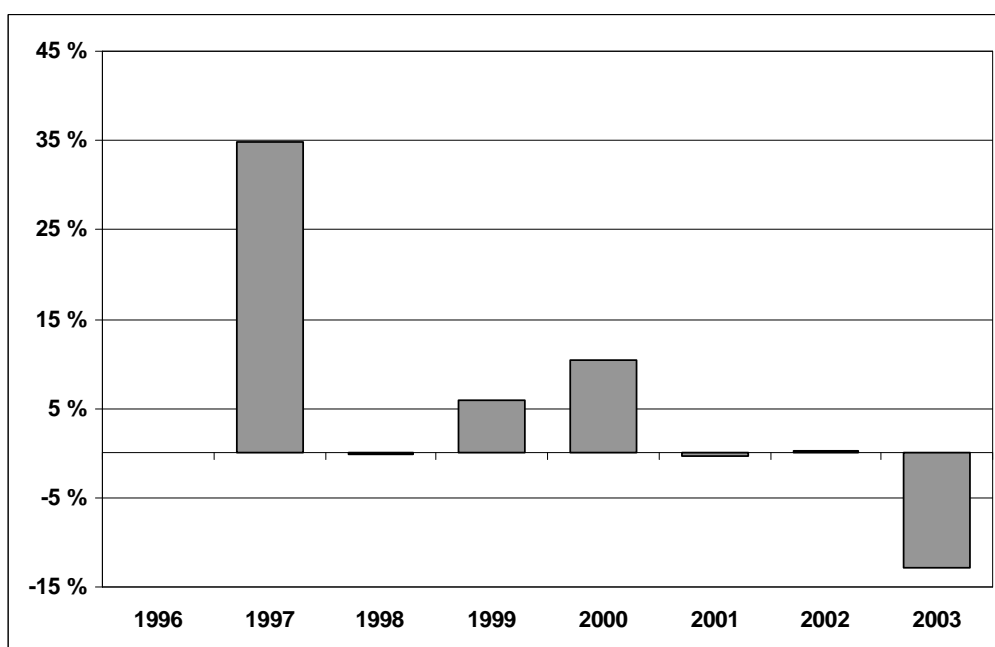


Figure 78 Change in turnover, % (Source: Eurostat NewCronos Database)

Value added

Value added provides a measure of the total annual output of goods and services produced by the companies in a particular industry. This is the value of the turnover of the industry less the value of inputs from other industries. In 2003 the total value added of book publishing industry was 2 447 million euros.

The sum of value added of all industries and households is equal to the Gross Domestic Product (GDP). Therefore the share of an industry's value added of a country's GDP measures directly that industry's contribution to the national economy. The book publishing industry's contribution to the GDP: 0,28 %.

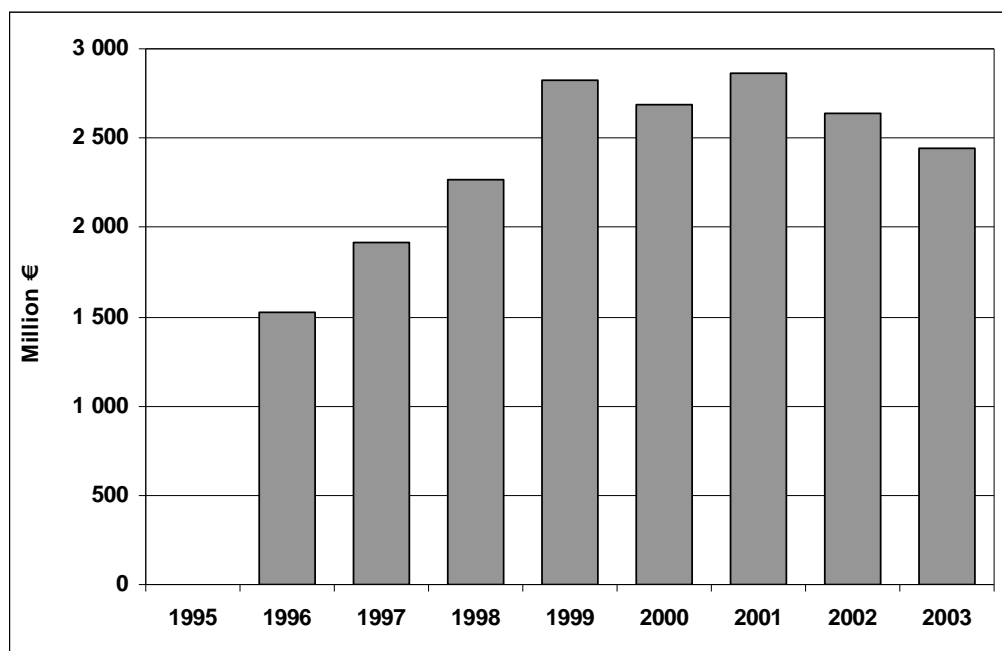


Figure 79 Total value added of book publishing industry at constant prices, Million €
(Source: Eurostat NewCronos Database)

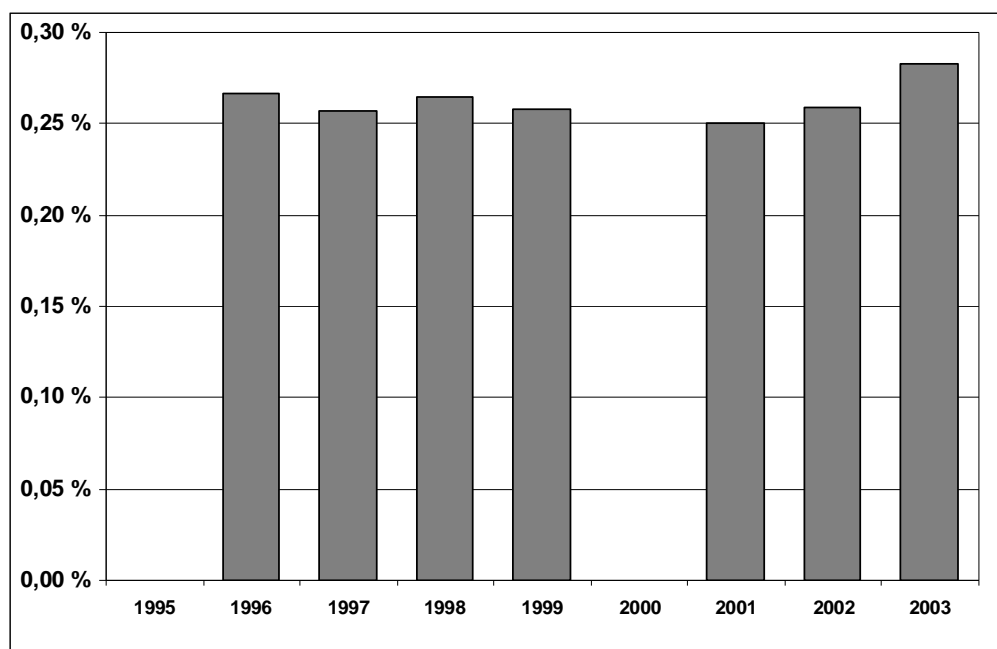


Figure 80 Value added to GDP (Source: Eurostat NewCronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed an increase in productivity during 1996-1999. At its highest it was 94 500 euros in 1999. In 2003 value added per employee was 85 000 euros.

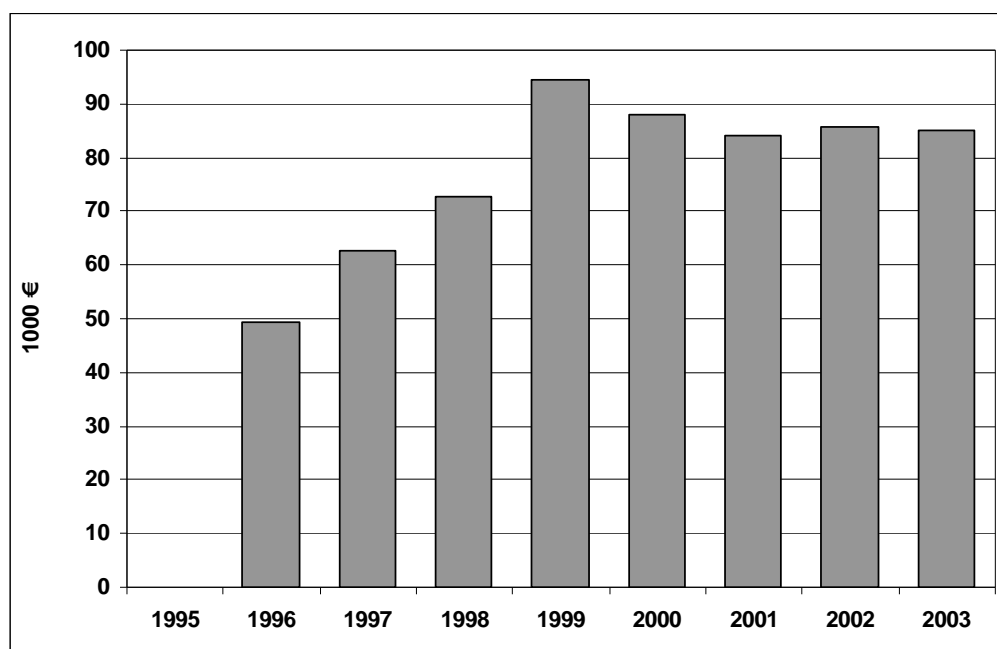


Figure 81 Value added per employee, 1000 €(Source: Eurostat NewCronos Database)

Value added per personnel costs

The ratio value added to personnel costs is an alternative way of looking at the relationship between costs of people employed in the industry and the value generated. It's a relative measure, and so not subject to distortions such as variation in exchange rates or inflation. Rather than being a direct measure of productivity, it is a measure of the effectiveness of the industry in the money it spend on employment, regardless of the number employed.

The critical vale for this is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2003 value added per personnel costs was 1,8.

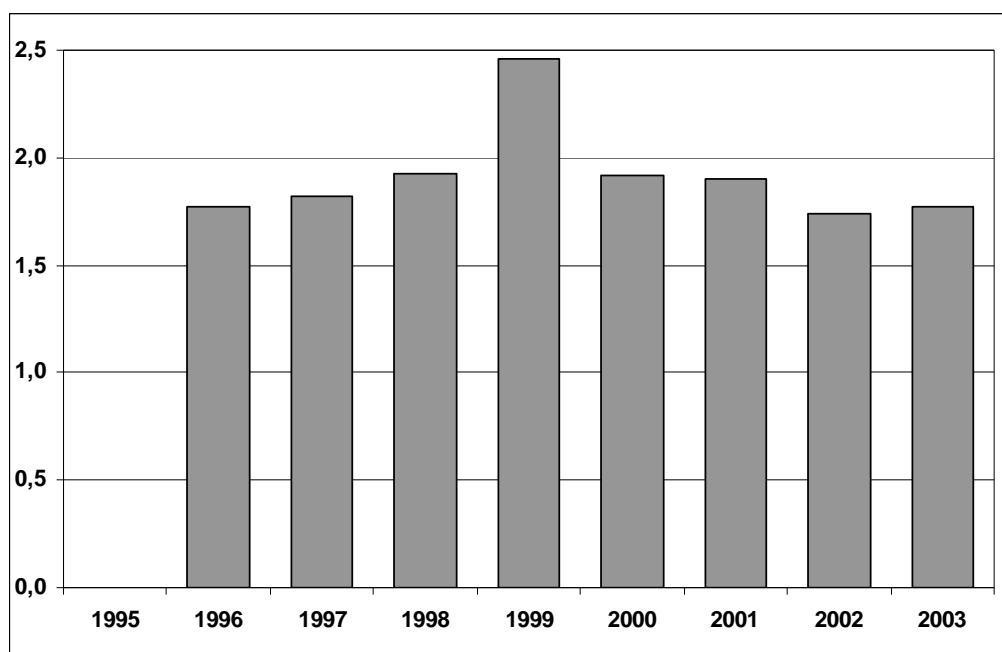


Figure 82 Value added per employee costs (Source: Eurostat NewCronos Database)

Turnover per employee

Turnover per employee was 190 000 euros in 2003.

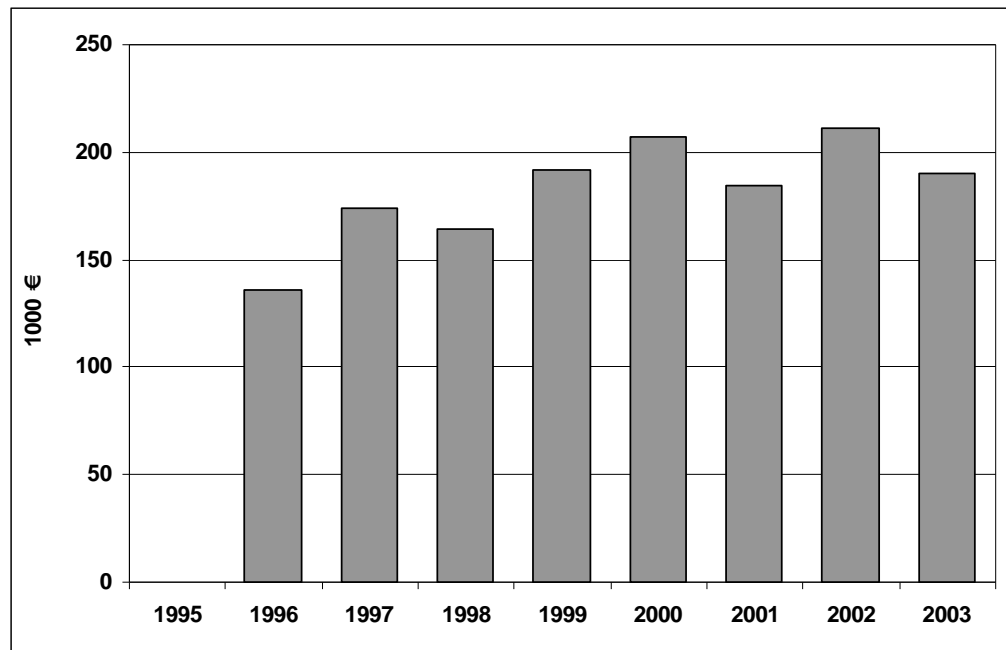


Figure 83 Turnover per employee (Source: Eurostat NewCronos Database)

Operating margin

Operating margin tells how successful the operational activities of a company have been before depreciation and financial items. Using this key figure when comparing different companies in the same industry can be somewhat misleading because companies can either own their production facilities or lease them totally or partially. If the company owns its production facilities, the costs of using those facilities are booked as depreciations after operating margin. If the facilities are leased, leasing costs are included in rents and by that way also in operating margin. The required level of operating margin depends on the relation of current liabilities and turnover and the current level of interest rates.

The operating margin of the book publishing industry showed increasing trend during 1996-2000. In 2003 the operating margin was dropped to 18,4 per cent.

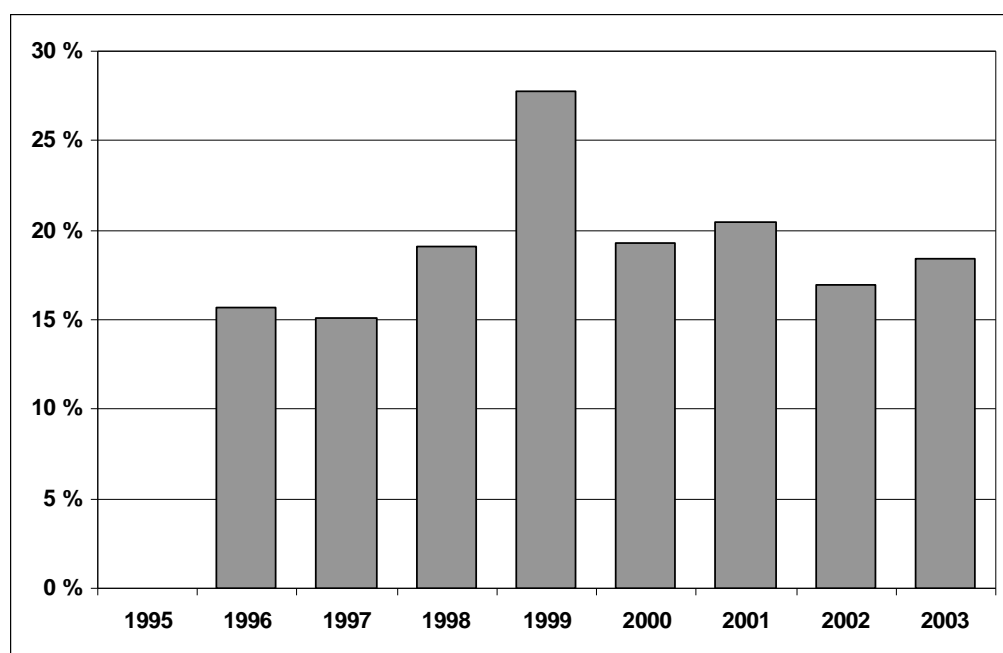


Figure 84 Operating margin, % (Source: Eurostat NewCronos Database)

6 DIRECTORY PUBLISHING

6.1 Market analysis

6.1.1 Definition of the sector

The directories and related databases publishing industry comprise two main sectors, although they are not entirely discrete:

- Consumer directories
- Business-to-business directories

Consumer directories are mainly classified directories of business telephone numbers and addresses listing suppliers of products and services for a locality. These directories are distributed free of charge and are paid for through advertising, which accounts for nearly 100% of their revenue. However some extra revenue is achieved through "user pays" models: for example, voice-based services. Although these directories were originally created by telecom operators, many are now owned by other companies. Some localities may have competing titles, as independent publishers have also moved into the sector. Classified directories used by consumers also act as a business-to-business channel, used by businesses to locate suppliers of products and services locally. Most consumer directories now have an online version and in some cases CD-ROM. Voice services have the potential to become a significant channel. "White pages" (unclassified alphabetic listings of telephone subscribers) also carry advertising, but are published by telecoms as part of their service to subscribers. Consumer directories are the larger part of the industry.

Business-to-business directories for specialist business and professional sectors are published by a large number of firms: not all of these are primarily publishers. Many business directories have an online version, and some also have a CD-ROM version. Some have gone beyond their print origins to become extensive online services that are probably better considered as databases rather than directories.

Directories have traditionally been delivered on paper, and most still are. There are some pure online and pure CD-ROM directories, but at the

moment the majority are either print-only or hybrids. Some business directories are also delivered through corporate intranets: this is becoming a significant source of revenue for some services. CD-ROM directories seem to be still produced by many publishers, but interest in them has begun to decline amongst both users and publishers as internet directories grow in significance.

Online-only directories: in addition to directories published in the traditional way, there is now a new generation of directories available only online. Most of these have been developed by online firms such as Yahoo! which are outside the traditional directory-publishing sector. These are a significant commercial force, and may be substituted for the use of traditional directories by both businesses and consumers. Directory publishing is becoming a very varied sector. Many of the directories offered by portal services do not aim to be comprehensive, but may only offer entries to organisations that have paid for entry. Some are funded on the basis of either generating traffic to an advertiser's website or even on through a percentage of transaction value resulting from a lead generated by the directory.

Current British Directories (2003) by CBD Research states there is nearly 3 000 directories, published by 450 companies in UK.

According to the *Professional media: connecting business 2005*¹ business directories/databases employed 22 573 people. Slightly less than one fifth of the companies operational in the UK business information and professional media sector produce business directories². For the majority, directories represent one of several delivery methods offered: 50 per cent produce business-to-business magazines, 43 per cent are involved with list broking and rental, 42 per cent offer direct marketing, while 54 per cent provide other online services³. The total sales of business directory sector in UK were estimated to be approximately 2,6 billion euros (£ 1,7 billion) in 2005. The vast majority of companies involved in the sector are business-to-business specialists.

¹ The report *Professional media: connecting business 2005*, by GfK NOP, was commissioned by the Business Information Forum (BIF), comprising associations in the business information and communications sector including PPA, the Direct Marketing Association (DMA), Data Publishers Association (DPA), the Association of Exhibition Organisers (AEO) and the UK Newsletter and Electronic Publishers Association (UKNEPA). The report was supported by the Department of Trade and Industry

² *Professional media: connecting business 2005*

³ *Professional media: connecting business 2005*

Only few of the larger directory publishers produce also some products for the consumer markets⁴.

Total advertising turnover in the UK directory publishing industry in 2005 was 1 683 million Euros (£ 1 131 million). Electronic advertising accounted for 11,1 per cent of total directory advertising. The majority (97,3 %) of electronic ad revenues derived from the Internet⁵.

6.1.2 Revenue related measures

In year 2001 directory advertising was over 1 556 million euros (947 million £). After that the directory value of directory advertising (in euros) started to decline. In 2004 directory advertising was 1 448 million euros (1 021 million £). In 2004 the value of directory advertising (in pounds) was almost 50 per cent higher than in 1995.

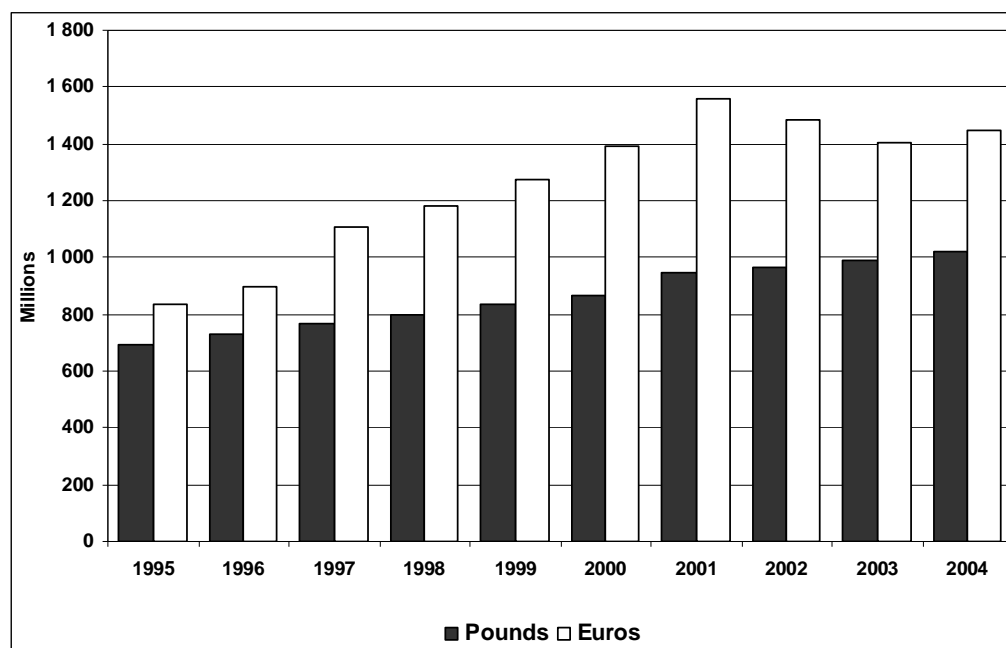


Figure 85 Directory advertising 1995 to 2004, constant 2000 prices (Source: WARC)

⁴ *Professional media: connecting business 2005*

⁵ WARC, Advertising Association/DPA Survey 2005/Directory Industry Advertising Revenue Statistics

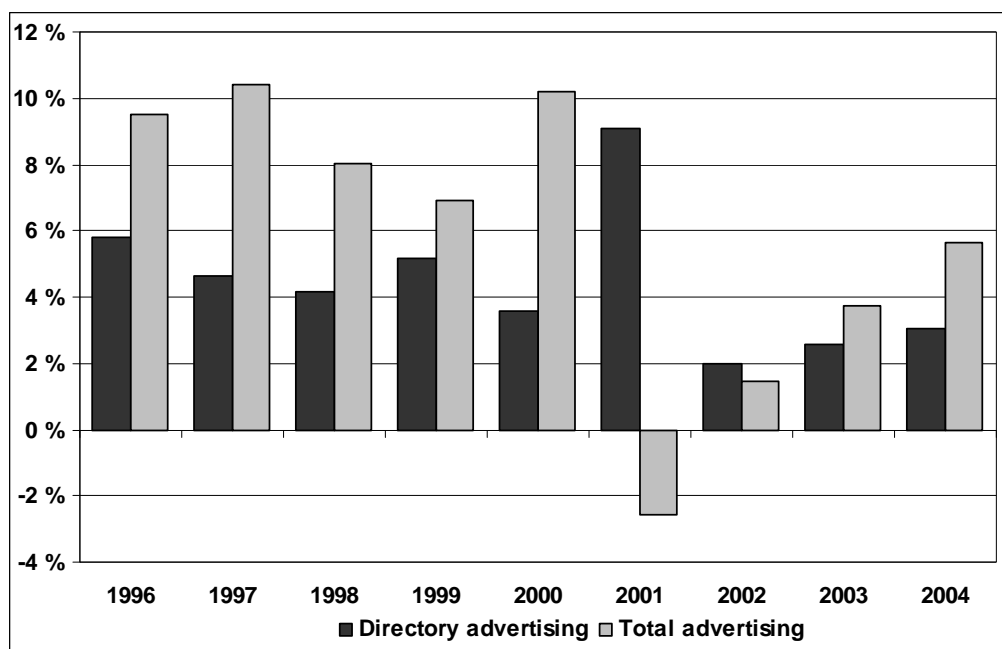


Figure 86 Annual changes of directory advertising and total advertising at constant prices 1996 to 2004, constant 2000 prices (Source: WARC)

Total advertising turnover in the UK directory publishing industry in 2005 was 1 683 million Euros (£ 1 131 million). Electronic advertising accounted for 11,1 per cent of total directory advertising. The majority (97,3 %) of electronic ad revenues derived from the Internet.

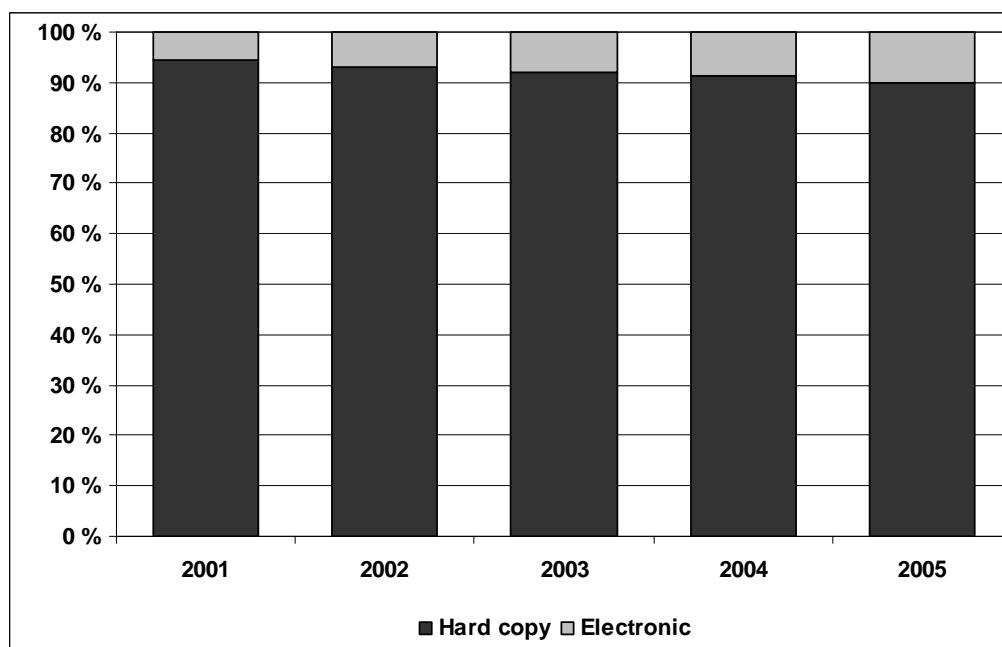


Figure 87 Breakdown of directory advertising revenues 2001 to 2005, current prices (Source: WARC, Advertising Association/DPA Survey 2004 and 2005)

Advertising growth in the directory publishing industry fell slightly behind growth in advertising overall. This means that directories are losing share to other media. In 2004 the share on directory advertising was approximately 5,8 per cent.

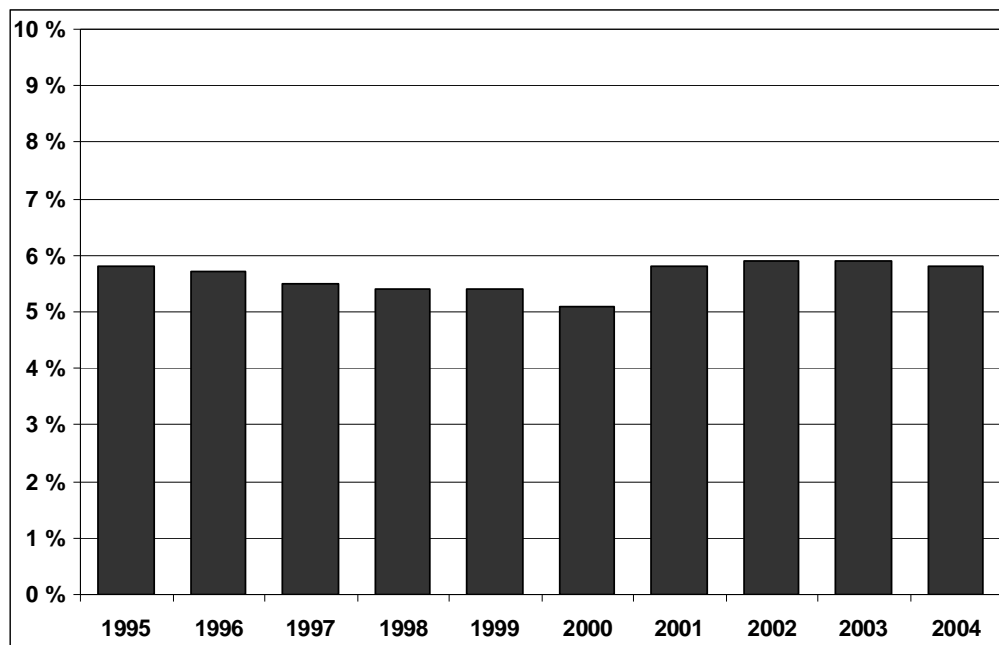


Figure 88 Share of directory advertising of total advertising (Source: WARC)

Advertising expenditure will normally rise in line with a country's GDP. If advertising expenditure is rising faster it will create a gradually bigger market.

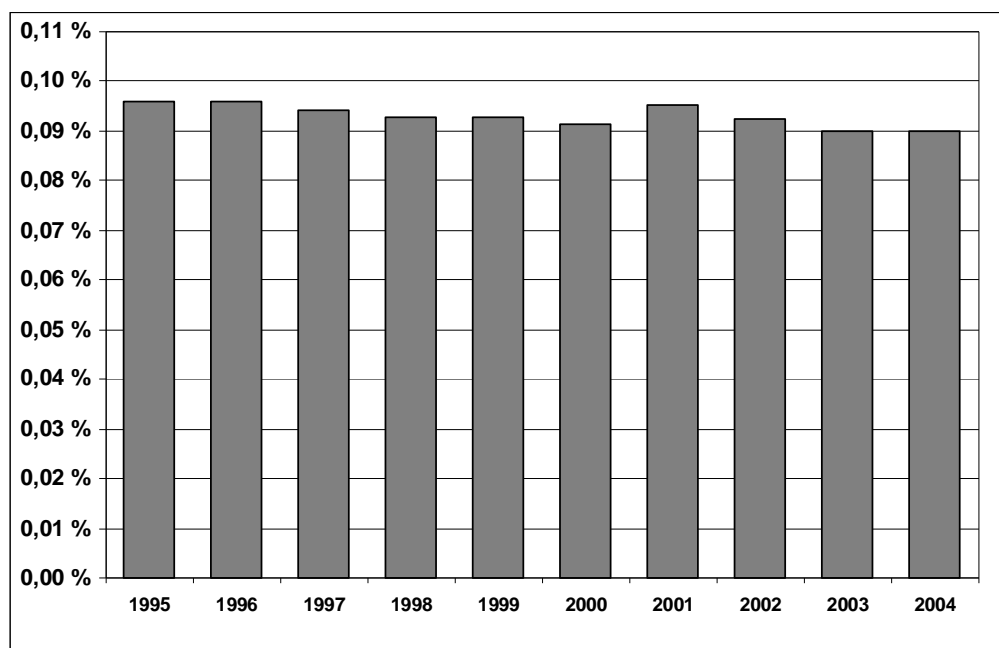


Figure 89 Directory advertising per GDP (Source: WARC and World Advertising Trends)

6.1.3 Biggest directory publishing companies

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
YELL GROUP PLC	LLOYDS TSB GROUP PLC	-	11,4	YELL FINANCE BV
	CAPITAL GROUP COMPANIES INC, THE	-	9,69	YELL LIMITED
	FIDELITY INTERNATIONAL LIMITED	-	7,77	YELLOW BOOK USA INC.
	BARCLAYS PLC	7,23	n.a.	YELLOW PAGES SALES LIMITED
	FRANKLIN RESOURCES, INC.	-	7,03	YELL DDB PATRICOF LIMITED
	AVIVA PLC (IFRS)	-	4,25	YELL DDB HMTF EUROPE PRIVATE LIMITED
	LEGAL & GENERAL GROUP PLC (IFRS)	3,59	n.a.	YELL DDB APAX EUROPE IV LIMITED
	LLOYDS TSB GROUP PLC via its funds	-	3,4	YELL DDB APAX EUROPE V LIMITED
	SUN LIFE FINANCIAL INC via its funds	-	2,16	YELL DDB APAX EUROPE V-A LIMITED
	COMMERZBANK INTERNATIONAL SA via its funds	-	1,96	YELL DDB HMTF EUROPE LIMITED
	MERRILL LYNCH & CO., INC. via its funds	-	1,67	YELL DDB HMTF V LIMITED
	FRANKLIN RESOURCES, INC. via its funds	-	1,53	YELL DDB PATRICOF (NO. 2) LIMITED
	BARCLAYS GLOBAL INVESTORS, NATIONAL ASSOCIATION via its funds	-	1,14	YELL DDB POOLING LIMITED
	WALSH JOE	0,8	n.a.	
	NORGES BANK via its funds	-	0,78	
	DEUTSCHE BANK AG via its funds	-	0,57	
	CIS UNIT MANAGERS LIMITED via its funds	-	0,56	
	STANDARD LIFE via its funds	-	0,55	
	F&C GROUP (HOLDINGS) LIMITED via its funds	-	0,54	
	LAZARD FRERES & CO LLC via its funds	-	0,45	
	HENDERSON GROUP PLC via its funds	-	0,43	
	JOHN CONDRON	0,42	n.a.	
	AMVESCAP PLC via its funds	-	0,4	
	RUSSELL INVESTMENT GROUP via its funds	-	0,35	
	VANGUARD GROUP INC via its funds	-	0,25	
	ABBEY NATIONAL PLC via its funds	-	0,24	
	JP MORGAN CHASE & CO. via its funds	-	0,24	
	GRANTHAM, MAYO, VAN OTTERLOO & CO, LLC via its funds	-	0,19	
	HSBC HOLDINGS PLC via its funds	-	0,19	
	HBOS PLC via its funds	-	0,18	
	CCLA INVESTMENT MANAGEMENT LIMITED via its funds	-	0,14	
	RIVERSOURCE DISTRIBUTORS LTD. via its funds	-	0,13	
	CAUSEWAY CAPITAL MANAGEMENT LLC via its funds	-	0,12	
	VIRGIN MONEY UNIT TRUST MANAGERS LIMITED via its funds	-	0,12	
	BAYERISCHE HYPO-UND VEREINSBANK AG via its funds	-	0,11	
	FORTIS via its funds	-	0,11	
	STATE STREET CORPORATION via its funds	-	0,11	
	TEACHERS INSURANCE AND ANNUITY ASSOCIATION-COLLEGE RETIREM	-	0,1	
	CAPITAL GUARDIAN TRUST COMPANY	-	n.a.	
	CAPITAL INTERNATIONAL INC	-	n.a.	
	CAPITAL INTERNATIONAL LIMITED	-	n.a.	
	CAPITAL INTERNATIONAL SA	-	n.a.	
	CAREY CHARLES	-	n.a.	
	CONDRON JOHN	-	n.a.	
	DAVIS, JOHN MR	-	n.a.	
	EBERHARDT, JOACHIM	-	n.a.	
	JOHN COGHILLAN	-	n.a.	
	LORD POWELL OF BAYSWATER	-	n.a.	
	LYNDON LEA	-	n.a.	
	ROBERT SCOTT	-	n.a.	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
BT GROUP PLC	BARCLAYS PLC	6,56	n.a.	RADIANZ LIMITED
	BRANDES INVESTMENT PARTNERS, LP	4,98	n.a.	TELEXIS POLAND
	LEGAL & GENERAL INVESTMENT MANAGEMENT LIMITED	3,80	n.a.	TOTAL NETWORK SOLUTIONS LIMITED
	DEUTSCHE BANK AG	-	3,00	ALBACOM
	AMVESCAP PLC via its funds	-	2,55	B.I.C. SYSTEMS GROUP LIMITED
	BRANDES WORLDWIDE HOLDINGS LP via its funds	-	2,25	BRITISH TELECOMMUNICATIONS PUBLIC LIMITED COMPANY
	CAPITAL GROUP COMPANIES INC, THE via its funds	-	1,25	BT (GERMANY) GMBH & CO. OHG
	MELLON FINANCIAL CORPORATION via its funds	-	1,25	BT (HONG KONG) LIMITED
	JP MORGAN CHASE & CO. via its funds	-	0,77	BT AUSTRALASIA PTY LIMITED
	DEUTSCHE BANK AG via its funds	-	0,72	BT CASI FRANCE
	PRUDENTIAL PLC (IFRS) via its funds	-	0,67	BT CABLESHIPS LIMITED
	FISHER INVESTMENTS INC via its funds	-	0,65	BT CENTRE NOMINEE 2 LIMITED
	FIDELITY INVESTMENTS LIMITED via its funds	-	0,62	BT COMMUNICATIONS IRELAND LIMITED
	HBOS PLC via its funds	-	0,57	BT COMMUNICATIONS MANAGEMENT LIMITED
	BARCLAYS GLOBAL INVESTORS, NATIONAL ASSOCIATION via its funds	-	0,54	BT CONVERGENT SOLUTIONS LIMITED
	ALLIANZ AKTIEGESELLSCHAFT (IFRS) via its funds	-	0,53	BT ESPANA, COMPANIA DE SERVICIOS GLOBALES DE TELECOMUNICACIONES, S.A.
	UNIVERSITIES SUPERANNUATION SCHEME LIMITED via its funds	-	0,47	BT FLEET LIMITED
	NORGES BANK via its funds	-	0,42	BT FRANCE SAS
	SCHROEDERS PLC via its funds	-	0,41	BT GLOBAL SERVICES LIMITED
	CREDIT SUISSE GROUP via its funds	-	0,39	BT HOLDINGS LIMITED
	GRANTHAM, MAYO, VAN OTTERLOO & CO, LLC via its funds	-	0,38	BT LIMITED
	JULIUS BAER HOLDING LTD via its funds	-	0,37	BT NEDERLAND N.V.
	ABN AMRO HOLDING NV via its funds	-	0,33	BT NORTH AMERICA INC
	VANGUARD GROUP INC via its funds	-	0,27	BT SUBSEA CABLES LIMITED
	RIVERSOURCE DISTRIBUTORS LTD. via its funds	-	0,26	BT US INVESTMENTS LLC
	HSBC HOLDINGS PLC via its funds	-	0,25	COMMUNICATION GLOBAL NETWORK SERVICES LIMITED
	STANDARD LIFE GROUP LIMITED via its funds	-	0,24	COMMUNICATIONS NETWORKING SERVICES (UK)
	HENDERSON GROUP PLC via its funds	-	0,23	DABS.COM PLC
	LLOYDS TSB GROUP PLC via its funds	-	0,23	FARLAND B.V.
	UBS AG via its funds	-	0,23	INFONET SERVICES CORPORATION
	ROYAL LONDON GROUP via its funds	-	0,22	INFONET USA CORPORATION
	AVIVA PLC (IFRS) via its funds	-	0,21	RADIANZ AMERICAS INC
	TEACHERS INSURANCE AND ANNUITY ASSOCIATION-COLLEGE RETIRE	-	0,21	SYNTEGRA GROEP B.V.
	DEXIA via its funds	-	0,2	SYNTEGRA LIMITED
	ING GROEP NV via its funds	-	0,2	BT GLOBAL NETWORKING B LIMITED
	AXA FRAMLINGTON GROUP LIMITED via its funds	-	0,17	BT GROUP INVESTMENTS LIMITED
	DZ BANK INTERNATIONAL S.A. via its funds	-	0,16	HAMILTON INVESTMENTS B.V.
	TEACHER RETIREMENT SYSTEM OF TEXAS via its funds	-	0,16	BT GLOBAL NETWORKS HOLDINGS (NETHERLANDS) BV
	ABBEY NATIONAL PLC via its funds	-	0,15	BT OVERSEAS INVESTMENTS BV
	ABERDEEN ASSET MANAGEMENT PLC via its funds	-	0,15	TADPOLE BV
	NEW STAR ASSET MANAGEMENT HOLDINGS LIMITED via its funds	-	0,14	BT COMMERCE LLC
	CAUSEWAY CAPITAL MANAGEMENT LLC via its funds	-	0,13	BT SOLUTIONS LIMITED
	VIRGIN MONEY UNIT TRUST MANAGERS LIMITED via its funds	-	0,13	GLAXOSMITHKLINE PANAMA S.A.
	EATON VANCE CORP via its funds	-	0,12	INTERNET SERVICES IRELAND LIMITED
	SAN PAOLO IMI via its funds	-	0,12	"I, NET S.P.A."
	RUSSELL INVESTMENT GROUP via its funds	-	0,11	TECH MAHINDRA LIMITED
	CCLA INVESTMENT MANAGEMENT LIMITED via its funds	-	0,1	BT (NETHERLANDS) HOLDINGS B.V.
	NORTHERN TRUST CORPORATION via its funds	-	0,1	PSYTECHNICS LIMITED
	UNIVERSAL-INVESTMENT GESELLSCHAFT MIT BESCHRÄNKTER HAFTU	-	0,1	STARHUB PTE LTD
	ALAHJHTA M	-	n.a.	
	BARONESS JAY	-	n.a.	
	BLAND CHRISTOPHER	-	n.a.	
	BRENDISH C	-	n.a.	
	GREEN ANDY	-	n.a.	
	GREENER ANTHONY	-	n.a.	
	HODKINSON P	-	n.a.	
	HUGHES L R	-	n.a.	
	ILFORD TRUSTEES (JERSEY) LIMITED	-	n.a.	
	LALANI HANIF	-	n.a.	
	LIVINGSTON IAN	-	n.a.	
	NELSON J. F.	-	n.a.	
	REYNOLDS PAUL	-	n.a.	
	RITCHIE ALISON	-	n.a.	
	SYMON C.	-	n.a.	
	VAN DEN BERGH M.	-	n.a.	
	VERWAAYEN BEN	-	n.a.	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
THOMSON DIRECTORIES LIMITED	TDL GROUP LIMITED	WO	WO	
	TDL INFOMEDIA LIMITED	-	-	THOMSON DIRECTORIES PENSION COMPANY LIMITED
	TELECOM ITALIA	-	n.a.	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
REED BUSINESS INFORMATION LIMITED	REED PUBLISHING LIMITED REED NOMINEES LIMITED	WO -	WO n.a.	AGRICULTURAL PRESS FARMS LIMITED AGRICULTURE & CONSTRUCTION PRESS LIMITED AVSOFT LIMITED COMPUTAPRINT LIMITED COWJOBS LIMITED ESTATES GAZETTE LIMITED (THE) FARMPLAN GROUP LIMITED HYLTON NOMIS COMPUTER SERVICES LIMITED IOS-LOR GROUP LIMITED (THE) KELLY'S DIRECTORIES LIMITED LONDON RESIDENTIAL RESEARCH LIMITED MEDICAL PUBLICATIONS (IRELAND) LIMITED NEW MEDICAL JOURNALS LIMITED NEW WORLD PUBLISHERS LIMITED PROPERTYLINK LIMITED QUADRANT VIDEO LIMITED RBI ASIAN PUBLISHING COMPANY LIMITED RBI DIRECTORY DEVELOPMENTS LIMITED REED HEALTHCARE COMMUNICATIONS LIMITED SALARY SURVEY PUBLICATIONS LIMITED THE TRADERS COLLECTION AGENCY LIMITED TOTALJOBS GROUP LIMITED UPDATE COMMUNICATIONS LIMITED VIEWSTEAD LIMITED WHAT TO BUY LIMITED COMPUTERWEEKLY.COM LIMITED IBIS DIRECT MARKETING LIMITED REED SINO-ASIA LIMITED VILLAGE PUBLISHING LIMITED SSISEARCH LIMITED BUSINESS SUPPRESSION LIMITED ABC TRAVEL GUIDES LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
EXPERIAN LIMITED	GUS PLC EXPERIAN GROUP LIMITED	WO -	100 WO	AMERICAS SOFTWARE CORPORATION CLARITYBLUE LIMITED EIGER SYSTEMS LIMITED EXPERIAN HOLDING EXPERIAN MARKETING SERVICES IRELAND LIMITED EXPERIAN PROLOGIA EXPERIAN SCOREX B.V. FOOTFALL LIMITED CATALIST LIMITED CHEETAHMAIL.UK LIMITED CHOICEPOINT LIMITED CLARITYBLUE HOLDINGS LIMITED EXPERIAN BUSINESS STRATEGIES HOLDINGS LIMITED EXPERIAN OQAD (HOLDINGS) LIMITED I C D LIMITED INTERMEDIARY SYSTEMS LIMITED M C L SOFTWARE LIMITED MOTORFILE LIMITED VEHICLE MILEAGE CHECK LIMITED EXPERIAN INTACT LIMITED FN SERVICES LIMITED QAS LIMITED THE FUTURE FOUNDATION GROUP LIMITED SCOREX (UK) LIMITED

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
CMP INFORMATION LIMITED	CMPI GROUP LIMITED	WO -	WO 100	BARBOUR INDEX TRUSTEES LIMITED NATIONAL ENGINEERING SPECIFICATION LIMITED

Source: Bureau van Dijk Amadeus-database

7 LEGAL ANALYSIS

Analysis of UK legislation with regard to the press and publishing sector is carried out in this country report by examining legal texts and legal provisions in three broad sectors:

- Fundamental principles
- Horizontal regulation
- Sector specific regulation

Each sector has been divided into sections - each section corresponding to a thematic area covered by different legislative and regulative measures.

7.1 Fundamental principles

7.1.1 Freedom of expression/press freedom. Censorship

This section examines the main provisions on freedom of expression/press freedom and the main provisions on censorship laid down in the UK through:

- Common law
- Statutes

Common law

Major common law principles related to freedom of expression are the following:

Blasphemy and **blasphemous libel**: offences indictable at common law; however, they are very rarely prosecuted nowadays.

'Outraging public decency' by indecent public displays has also been prosecuted at common law

It is a **contempt of court** at common law to publish any material which interferes with the course of justice as a continuing process in criminal proceedings. The reporting of that which transpires at times when the jury are asked to withdraw, at any stage before the jury returns its

verdict, is therefore likely to be a contempt of court since the report may well defeat the whole purpose of the jury withdrawing.

Statutes

Statutory law provides for some categories of limitation to the principle of freedom of expression. The major limitations concern the following fields: national security, public safety, prevention of crime, terrorism, obscenity, prevention of interference with the course of justice. Defamation and libel are dealt with in the following section.

Major statutory provisions, in chronological order, are listed hereafter:

Official Secrets Act 1911

It is an offence to:

- Approach, inspect, pass over, be in the neighbourhood of or enter any prohibited place.
- Make any sketch, plan, model, or note which is calculated to be or might be or intended to be directly or indirectly useful to an enemy.
- Obtain, collect, record, or publish, or communicate to any other person any secret official code word, or pass word, or any sketch, plan, model, article or note, or other document or information which is calculated to be or might be or is intended to be directly or indirectly useful to an enemy.

Judicial Proceedings (Regulation of Reports) Act 1926

S.1 prohibits the publication in relation to any judicial proceedings of any indecent matter or indecent medical, surgical or physiological details which would be calculated to injure public morals.

Obscene Publications Act 1959

S.1 defines “obscene publication” (“its effect (...) is, if taken as a whole, such as to tend to deprave and corrupt persons who are likely, having regard to all relevant circumstances, to read, see or hear the matter contained or embodied in it”).

Under s.2, it is an offence to publish such articles as well as to have them for publication for gain.

Under s.3, the publications can be seized and forfeited, with or without prosecution, under a magistrate's warrant and after a hearing to determine whether they contravene the statute.

S.4 introduces a defence applying to magazines and books: if the publication is in the interests of science, literature, art or learning, or of other matters of general concern, the publisher shall not be liable.

Indecent Displays (Control) Act 1981

S.1 creates the offence of displaying indecent matter publicly. The offender incurs a maximum penalty of two years of imprisonment. No police powers of arrest flow from it, but they do have powers of seizure.

Contempt of Court Act 1981

The Act introduces a strict liability rule which indicates that conduct tending to interfere with the course of justice - particularly legal proceedings - may be treated as a contempt of court regardless of whether there was any intent to so interfere.

S.2 (2) provides that the strict liability rule applies only to a publication which creates a substantial risk that the course of justice in the proceedings in question will be seriously impeded or prejudiced.

S.2 (3) provides that the rule applies only if proceedings are active.

Under s.4 (1), a person is not guilty of contempt of court under the strict liability rule in respect of a fair and accurate report of legal proceedings held in public, published contemporaneously and in good faith.

Under s.8, it is an offence to obtain, disclose, or solicit any particulars of statements made, opinions expressed, arguments advanced or votes cast by members of a jury in the course of their deliberations in any legal proceedings.

Under s.10, No court may require a person to disclose, nor is any person guilty of contempt of court for refusing to disclose, the source of information contained in a publication for which he is responsible, unless it be established to the satisfaction of the court that disclosure is necessary in the interests of justice or national security or for the prevention of disorder or crime.

Under s.11, In any case where a court (having power to do so) allows a name or other matter to be withheld from the public in proceedings before the court, the court may give such directions prohibiting the

publication of that name or matter in connection with the proceedings as appear to the court to be necessary for the purpose for which it was so withheld.

Crown Court Rules 1982 (as amended)

Prescribe the formal procedure for application for a trial to be held in camera, for reasons of national security or protection of the identity of a witness or another. The media may make representations and can formally appeal under s.159 Criminal Justice Act 1988.

Police and Criminal Evidence Act 1984

Governs most of the law on disclosure requirements, surveillance, entry, search, sift and seizure of journalistic material.

S.8 on police power to authorise entry and search of premises

S.19 on general police power of seizure

Official Secrets Act 1989:

It is an offence to disclose information relating to:

- Security and intelligence
- Defence
- International relations
- Assisting criminals
- Information resulting from unauthorised disclosures or entrusted in confidence
- Information entrusted in confidence to other states or international organisations

Criminal Procedures and Investigations Act 1996

S.38 provides that the proprietor, editor or publisher of a newspaper or a periodical liable can all be held liable for reporting of various court proceedings described in s.37.

S.42 and 60 do the same with proceedings described in, respectively, s.41 and 59.

S.58 gives a Crown Court determining sentence following conviction or on appeal against a sentence imposed by the magistrates power to

postpone reporting of derogatory assertions about a named or identified person.

Similar restrictions apply to unsuccessful applications for dismissal in cases for trial in the Crown Court where there has been no committal proceeding. These cover serious fraud cases (s. 11 Criminal Justice Act 1987); charges alleging sexual offences or offences involving violence or cruelty against children (s. 53; Sched. 6 para.6 Criminal Justice Act 1991); and indictable only cases automatically sent for trial (Sched. 3 paragraph 3 of the Crime and Disorder Act 1998).

Human Rights Act 1998

Incorporates the European Convention on Human Rights into English law and freedom of expression is thus expressly guaranteed by art.10 of the Convention.

Interferences may only be permitted if they are prescribed by law, pursue a legitimate aim and are necessary in a democratic society, that is, satisfy a pressing social need (national security, territorial integrity or public safety, prevention of disorder or crime, protection of health or morals, protection of the reputation or rights of others, prevention of the disclosure of information received in confidence or for maintaining the authority and impartiality of the judiciary).

S.12 applies if a court is considering whether to grant any relief which, if granted, might affect the exercise of the Convention right to freedom of expression.

Freedom of Information Act 2000

S.1 provides for a legal right of access to non personal information held by public authorities

Part 2 (s21 to 44) gives a list of exempt information. E.g. National security 24, defence 26, International relations 27, economic interests 29 health and safety 38 personal information 40...etc

Clean neighbourhood and Environment Act 2005 (completes the Environmental Protection Act 1990)

S.23 provides for controls on free distribution of printed matter

Terrorism Act 2006

S.1 (2) defines the offence of encouragement of terrorism: when someone publishes a statement intended to or reckless as to whether it is going to encourage directly or indirectly others to commit acts terrorism. The offender incurs a maximum of 7 years of imprisonment under s.1 (7).

S.2 defines the offence of dissemination of terrorist publications (includes distributing or circulating a terrorist publication, giving, selling or lending such a publication, offering such a publication for sale or loan, providing a service to others that enables them to obtain, read, listen to or look at such a publication, or to acquire it by means of a gift, sale or loan, transmitting the contents of such a publication electronically, having such a publication in possession with a view to its becoming the subject of aforementioned conduct. Here, too, the offender incurs 7 years of imprisonment under s2 (11).

S.3 (1) provides that s.1 and 2 apply to internet activities.

S.3 (3) provides that a notice shall be given to the offender to demand withdrawal of or amendment to the statement, article or record.

7.1.2 Privacy and rights of the personality

7.1.2.1 Privacy

The first part of this section examines the main provisions on privacy, with regard to the press and publishing sector, laid down in the UK through:

- Common law/Equity
- Statutes
- Self-regulatory and/or co-regulatory measures

Common law/Equity

Major common law principles related to privacy are the following:

- Breach of confidence: the information itself must be confidential, the person with the information must be under a duty to keep it confidential and the proposed use of the information must be incompatible with that duty.

Many breach of confidence cases take the form of applications for injunctions.

- Criminal and civil trespass
- Nuisance
- Surveillance
- Protection of sources

With regard to protection of sources, the High Court held a ruling in February 2006 confirming the validity of this principle. The ruling concerned a case involving Robin Ackroyd, a freelance journalist who wrote an article about the treatment in hospital of Moors murderer Ian Brady; Mr Ackroyd won his right to protect his source after a six-year legal battle with the Mersey Care NHS Trust.

The High Court ruling confirmed that someone trying to get a journalist to reveal their source must prove a “pressing social need” for the source to be disclosed. After the Human Rights Act (see below), that includes a rigorous analysis of all the circumstances of the case. The court said that one of these is the public interest in protecting a journalist’s sources.

“[The defendant] has a record of investigative journalism which has been authoritatively recognised, so that it would not be in the public interest that his sources should be discouraged from speaking to him where it is appropriate that they do so.”

Statutes

The following statutory provisions include privacy and data protection measures:

Protection from Harassment Act 1997

S.1 defines harassment

S.2 The punishment for harassment can be up to six months’ imprisonment and/or a fine of £5,000. A court may also impose a restraining order for the purpose of protecting the victim of the offence.

S.3 a civil claim can also be brought against a person who pursues such a course of conduct

In 2001 the Court of Appeal held that the Protection from Harassment Act 1997 could apply to articles published in a newspaper

Data Protection Act 1998

S.3 defines sensitive personal data.

S.4 defines special purposes (includes journalism) for which s.7 (right of access to personal data), s.10 (right to prevent processing likely to cause damage or distress), s.12 (rights in relation to automated decision-taking), s.14 (1) to (3) (rectification, blocking, erasure and destruction) and part 1 of schedule 1 (except s.7 on appropriate technical and organisational measures against unauthorised or unlawful processing of personal data or loss, destruction or damage to personal data) do not apply.

S.32 (Journalism, literature and art) provides that personal data which are processed only for the special purposes are exempt from any provision to which the subsection relates if

- the processing is undertaken with a view to the publication by any person of any journalistic, literary or artistic material,
- the data controller reasonably believes that, having regard in particular to the special importance of the public interest in freedom of expression, publication would be in the public interest, and
- the data controller reasonably believes that, in all the circumstances, compliance with that provision is incompatible with the special purposes

Human Rights Act 1998

The act incorporates the European Convention on Human Rights (ECHR) into English law.

Art. 8 of the ECHR offers general protection for a person's private and family life, home and correspondence from arbitrary interference by the State but not from invasion of privacy by other individuals in society although it seems the Courts are willing to do so.

Self-regulatory measures

The PCC's code of practice

<http://www.pcc.org.uk/cop/practice.html>

The Press Complaints Commission is in charge of the enforcement of the Code of practice which was framed by the newspaper and periodical industry and was ratified by the PCC on 13 June 2005. This Code sets the benchmark for ethical standards, protecting both the rights of the individual and the public's right to information.

The underlined provisions refer to privacy and data protection:

- s.1 and 2: The press must publish accurate information and there should be a fair opportunity for reply to inaccuracies.
- s.3*: Everyone is entitled to respect for his or her private and family life, home, health and correspondence, including digital communications.
- s.4*: Journalists must not engage in intimidation, harassment or persistent pursuit.
- s.5, 6* and 7*: Children (see below, section 3)
- s.8*: Journalists must obtain special permission to enter hospitals.
- s.9*: Respect of relatives or friends of persons convicted on crime
- s.10*: The press must not use clandestine devices and subterfuge.
- s.11: The press must not identify victims of sexual assault.
- s.12: Discrimination (see below, section 4)
- s.13: Journalists must not use for their own profit financial information they receive in advance
- s.14: Journalists have a moral obligation to protect confidential sources of information.
- s.15 and 16*: No payment or offer of payment to a witness in criminal trials until the suspect has been freed unconditionally by police.

There may be exceptions to the clauses marked * where they can be demonstrated to be in the public interest.

The public interest includes, but is not confined to:

- Detecting or exposing crime or serious impropriety.
- Protecting public health and safety.
- Preventing the public from being misled by an action or statement of an individual or organisation. There is a public interest in freedom of expression itself.

7.1.2.2 Rights of the personality (defamation, libel)

In the UK, a defamatory statement may give rise to a civil law claim. Whether a statement is defamatory is a question of fact and law, in most cases to be decided by a jury. Case law has provided the courts with several definitions. A statement is defamatory if it brings the plaintiff into “hatred, ridicule or contempt”, or “if the words tend to lower the person in the estimation of the right-thinking members of society”. There is still a criminal offence of libel but there has not been a public prosecution for many years. The highest court, the Judicial Committee of the House of Lords, has doubted its compatibility with Article 10 of the European Convention on Human Rights.

Defamation under civil law

There are two branches of the law of defamation: libel and slander. Libel is defamation in a permanent and visible form whereas slander is defamation by spoken words or in any ephemeral form, which can include disparaging gestures or actions. Libel includes not only writing or printing but also films, videotapes, cassettes, faxes, electronic mail and the Internet.

The present law is mainly contained in **case law** although there is some statutory law - hereafter some significant pieces of legislation:

Defamation Act 1952

S.7 provides that the publication in a newspaper of any such report or other matter as is mentioned in the Schedule shall be privileged unless the publication is proved to be made with malice.

The Act also provides that it is not necessary to allege or prove special damage if the words are likely to cause economic damage to the claimant and are published in writing or another permanent form or if the words are likely to cause economic damage to the claimant in respect of any office, profession, calling, trade or business held or carried on by him at the time of the publication.

Rehabilitation of Offenders Act 1974

Anyone who has been convicted of a criminal offence, and received a sentence of not more than 2.5 years in prison, benefits as a result of the Act, if he or she is not convicted again during a specified period otherwise known as the 'rehabilitation period'. The length of this period depends on the sentence given for the original offence and runs from the date of the conviction. If the person does not re-offend during this rehabilitation period, they become a 'rehabilitated person', and their conviction becomes 'spent'.

The act prohibits the revealing of certain previous convictions, under certain circumstances. Any person who obtains details of a spent conviction from any official record by means of fraud, dishonesty or a bribe shall incur a penalty of up to six months imprisonment and/or a maximum fine of £5,000.

Malicious Communications Act 1988

The Act provides that a person commits an offence if s/he sends to another person a letter or other article which conveys a message which is indecent or grossly offensive, a threat, an information which is false and known or believed to be false by the sender or any other article which is, in whole or part, of an indecent or grossly offensive nature

Defamation Act 1996

The Defamation Act of 1996 narrowed and clarified the responsibility for dissemination of defamatory statements by distributors. The plaintiff in a libel action has to establish three matters to the satisfaction of the judge and jury: he or she must show that the words used are defamatory, that they have been understood to refer to the plaintiff and that there has been a publication to a third party.

Defences. There are four main positive defences: justification, fair comment, privilege and innocent dissemination.

Justification is a complete defence and consists of a plea that the defamatory words are true in substance and in fact. Proof of the defendant's belief in the truth of the words is not sufficient, nor is it sufficient to prove the publication of a defamatory statement that had

already been made. The defendant must prove the truth of the factual element of the defamatory statement. Except where certain old criminal convictions have been published, it is not necessary to show that a true statement was also in the public interest.

Fair comment is an important buttress of free speech. This defence has been extended incrementally by case law since the incorporation of the ECHR. Comments can be defended even if the defendant cannot prove that they are true. This makes the boundary between "fact" and "comment", or opinion, important. The defendant's comment must be based on a factual foundation. Those facts must be true and must be either set out in the publication itself or referred to with sufficient clarity. Alternatively, the comment must be based on a privileged report, which accompanies the defamatory statement.

Privilege arises from the law's recognition that, on particular occasions, it is important for there to be open communication even if this openness is achieved at the cost of damage to reputations through untrue statements. Fair and accurate reports on court proceedings published in a newspaper as soon as possible after the event in question enjoy "absolute privilege". The defence of "qualified privilege" is even more important. Here the communication is made on a matter of common and legitimate interest. The defendant must prove good faith (honest belief in truth). An extended qualified privilege defence is now available to the media in matters of public interest.

Innocent dissemination arises where the defendant can show that he or she was neither the author, the editor or the publisher of the statement in question, that he or she took reasonable care when publishing that statement and that he or she did not know that his or her publication would include defamatory statements. Disseminators such as wholesalers, distributors or libraries usually have a defence of innocent dissemination. However, once they have been notified that a particular publication contains an alleged libel, they are no longer innocent disseminators and may be sued for damages for libel in the same way as the original publisher.

Criminal Libel

The offence enables an extremely serious libel to be punished as a crime triable on indictment. Under section 8 of the **Libel Amendment Act**

1888, leave of a High Court judge is required before a newspaper or periodical can be prosecuted. Justification appears to be only available defence. Under section 6 of the Libel Act 1843, the defendant must persuade the jury that the publication was for the “public benefit”. It is doubted that fair comment can be in that case an actual defence.

Criminal libel actions tend to be rare and highly restricted and it has been many years since the media were prosecuted for that offence. The Law Commission – an advisory body established in order to propose legal reforms – has been suggesting in since the mid-1980’s to abolish this offence all together. Section 20 of the **Defamation Act 1996** does however not question its existence or its application.

Insults to government officials or institutions

The offence of seditious libel is now most unlikely to be used against journalists. Sedition has been defined as speech intended to stir up tumult and disorder for the purpose of disturbing constitutional authority.

There are no laws in the United Kingdom making it a crime to insult the Head of State or the flag.

The "Rome II" Regulation

The European Commission put forward a proposal on 22 July 2003 for a regulation on the law applicable to non-contractual obligations. This proposal, known as 'Rome II', deals with the law applicable to non-contractual disputes such as cases of defamation, liability for defective products and unfair competition, including advertising and marketing. The UK government signalled its opposition to the proposed regulation questioning its utility on the basis of Internal Market principles.

The Rome II regulation has important implications for the press sector, as on the basis of the Commission's proposal, disputes of defamation and libel would have to be solved in the country in which the harm occurred. This has provoked resistance from trade federations representing book, newspaper and magazine publishers and broadcasters, fearing that this rule would hamper freedom of expression - as a consequence of the regulation, publishers would be liable to respond to defamation claims in jurisdictions different from that where they are based.

The European Parliament has adopted its first reading opinion the Rome II report on 6 July 2005, voicing concerns about issues linked to defamation. As a consequence, the European Commission on 21 February 2006 put forward a revised proposal for the Rome II regulation, withdrawing provisions relating to defamation and violation of privacy from the scope of the regulation.

7.1.3 Protection of minors

This section examines the main provisions on protection of minors and human dignity, with regard to the press and publishing sector, laid down in the UK through:

- Statutes
- Self-regulatory measures

Statutes

Legislation on protection of minors covers two main issues: protection of minors from published harmful content; and protection of the identity of minors involved in civil or criminal proceedings.

Children and Young Persons (Harmful Publications) Act 1955

S.1 prohibits the “printing, sale, publication or hiring out of "any book, magazine, or other like work which is of a kind likely to fall into the hands of children or young persons and consists wholly or mainly of stories told in pictures (with or without the addition of written matter), being stories portraying:

- (a) the commission of crimes; or
 - (b) acts of violence or cruelty; or
 - (c) incidents of a repulsive or horrible nature;
- in such a way that the work as a whole would tend to corrupt a child or young person into whose hands it might fall”.

This Act was introduced to stop the import of horror comics from the US, and as such it doesn't cover other items such as videos or TV broadcasts. There has only ever been one attempted prosecution under it (an attempt to ban the Conan the Barbarian comic), but that was

unsuccessful. The consent of the Attorney General is required before a prosecution can be brought.

Children Act 1989

Under s.97, no person shall publish any material which is intended, or likely, to identify any child as being involved in any proceedings before a magistrates' court in which any power under this Act may be exercised by the court with respect to that or any other child; or an address or school as being that of a child involved in any such proceedings.

Under s.103, if an offence under the 1989 act is proved to have been committed with the consent or connivance of or to be attributable to any neglect on the part of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he (as well as the body corporate) shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Youth Justice and Criminal Evidence Act 1999

S.25 permits the court to exclude persons of any description from the court during the evidence of a child or vulnerable adult witness in cases relating to a sexual offence or where there are grounds for believing that the witness has been or may be intimidated. If the media are to be excluded, one nominated representative must be permitted to remain.

S.44 provides for revised restrictions on the reporting of the identity of young persons involved in criminal proceedings and s.46 for a new power to restrict reporting in respect of certain adult witnesses.

Schedule 2 provides that all restrictions on reporting matters relating to the identity of complainants in sexual offences will be contained in the Sexual Offences (Amendment) Act 1992 as amended.

Self-regulatory measures

PCC's code of conduct (see above, section 2 for a description of the Code's provisions)

S.6 deals with the relation between media and children in general:

- Young people should be free to complete their time at school without unnecessary intrusion.
- A child under 16 must not be interviewed or photographed on issues involving their own or another child's welfare unless a custodial parent or similarly responsible adult consents.
- Pupils must not be approached or photographed at school without the permission of the school authorities.
- Minors must not be paid for material involving children's welfare, nor parents or guardians for material about their children or wards, unless it is clearly in the child's interest.
- Editors must not use the fame, notoriety or position of a parent or guardian as sole justification for publishing details of a child's private life.

S.7 deals more specifically with media coverage of children in sex cases:

- The press must not, even if legally free to do so, identify children under 16 who are victims or witnesses in cases involving sex offences.
- In any press report of a case involving a sexual offence against a child –
 - i) The child must not be identified.
 - ii) The adult may be identified.
 - iii) The word "incest" must not be used where a child victim might be identified.
 - iv) Care must be taken that nothing in the report implies the relationship between the accused and the child.

7.1.4 Racism and xenophobia

This section examines the main provisions on racism and xenophobia, with regard to the press and publishing sector, laid down in the UK through statutes and self-regulatory measures.

Statutes

Public Order Act 1986 (last amended by the Racial and Religious Hatred Act 2006)

Under s.17, racial hatred means “hatred against a group of persons defined by reference to colour, race, nationality (including citizenship) or ethnic or national origins”.

Under s.18, the use of words or behaviour, displays of written material that is threatening, abusive or insulting, with the intent or likely to stir up racial hatred is an offence

Under s.19, the publishing or distributing of written material that is threatening, abusive or insulting with the intent or likely to stir up racial hatred is an offence.

A constable may arrest without warrant anyone he reasonably suspects is committing an offence under this section.

Self-regulatory measures

PCC's code of conduct (see above, section 2 for a description of the Code's provisions)

S.12 deals with discrimination:

- i) The press must avoid prejudicial or pejorative reference to an individual's race, colour, religion, gender, sexual orientation or to any physical or mental illness or disability.
- ii) Details of an individual's race, colour, religion, sexual orientation, physical or mental illness or disability must be avoided unless genuinely relevant to the story.

7.2 Horizontal regulation

7.2.1 Competition law and media ownership

In the UK, competition and antitrust provisions are mainly laid down by two pieces of legislation - the Competition Act of 1998 and the Enterprise Act of 2002. As regards the special case of publishing

industries, they are also submitted to media ownership rules included in the Communications Act adopted in 2003.

Hereafter a brief description of the legislation:

Competition Act 1998

The Competition Act sets out prohibitions for anti-competitive behaviours amongst businesses. The Chapter I and Chapter II prohibitions of the Act and the prohibitions of Articles 81 and 82 of the EC Treaty are similar, but not identical. The Act was amended on 1 May 2004 to empower the OFT (see below) to investigate and impose penalties on undertakings breaching the prohibitions on anti-competitive behaviour contained in Articles 81 and 82 of the EC Treaty.

Enterprise Act 2002

The Enterprise Act establishes the Office of Fair Trading (OFT) as the authority responsible for enforcing competition rules on the market.

Publishing enterprises are submitted, like any other enterprise, to the provisions laid down in the Competition Act and the Enterprise Act.

These two acts have been amended by the Communications Act 2003 specifically as regards provisions on media mergers.

Communications Act 2003

The main aim of the Communications Act is to introduce a lighter regulatory framework for the electronic media and communications industries, with a view to adapt the legal regime to technology and market changes. Although most of the provisions laid down by this Act cover electronic media and broadcasting, the written press is also concerned by changes brought by the Communications Act to previous rules in the field of competition law and media concentration.

The following points summarise the major modifications included in the Communications Act:

Cross-media ownership

Cross-media ownership is reduced to three core rules:

- the ability to own national newspapers and Channel 3 jointly will be limited to a "20% rule" (see below);
- a person owning a regional Channel 3 licence will not be able to own more than 20% of the local/regional newspaper market in the same region;
- a new scheme is established for limiting the numbers of, or prohibiting the holding of local radio licences to ensure that different commercial media voices (in TV, radio and newspapers) exist in most communities. The basis will be that, in addition to the BBC, at least two commercial radio operators should exist in every area with a reasonable range of services.

The 20 % rule is detailed in Schedule 14 of the Communications act:

Schedule 14 Part I - MEDIA OWNERSHIP RULES -Ban on newspaper proprietors holding Channel 3 licences

Sec. 1: (1) A person is not to hold a licence to provide a Channel 3 service if: he runs a national newspaper or national newspapers which has a national market share of 20 per cent or more;

(2) A person is not to hold a licence to provide a regional Channel 3 service if he runs a local newspaper or local newspapers which for the time being has a local market share of 20 per cent or more in the coverage area of the service

Sec. 3: National and local newspapers and their respective national and local market shares.

In this Part of the Schedule references to a national or local newspaper are references to a national or local newspaper circulating wholly or mainly in the United Kingdom or in a part of the United Kingdom. Where a newspaper is published in different regional editions on the same day, OFCOM have the power to determine how those regional editions should be treated.

Sec. 4: Construction of references to running a newspaper. A person runs a national or local newspaper if he is the proprietor of the newspaper; or he controls a body which is the proprietor of the newspaper.

Newspaper mergers

The Communications Act 2003 abolished the previous newspaper transfer requirement for prior consent from the Secretary of State, mandatory references to the Competition Commission and criminal sanctions. However, transfers and mergers will not be solely subject to examination on competition grounds by the competition authorities. The Secretary of State has acquired a wide discretion to intervene and decide if the transaction is permissible on public interest grounds (relating both to newspapers and cross-media criteria, if broadcasting interests are also involved). OFCOM, the independent regulator and competition authority for the UK communications industry, has an advisory role.

The newspaper merger regime is therefore aligned with the new system for non-newspaper mergers under the Enterprise Act 2002, with an extension to the provisions in that Act dealing with "Exceptional Public Interest" cases to cover plurality issues.

"Plurality" test

A new public interest test is available to the authorities, allowing them to give due regard to whether a proposed media merger will have an adverse effect on the choice and quality of media; this new test will apply where there is any media merger, but in particular the Government intends it to be used where:

- a national newspaper with more than 20% of the national market proposes buying Channel 5;
- a national newspaper proposes buying a national analogue radio service;
- anyone proposes buying Channel 3;
- Channel 3 or Channel 5 proposes buying a national analogue radio service;
- two national analogue radio services are proposed to be under common ownership.

Practice

The OFT's decisions concerning mergers in the press and publishing sector there are mainly related to questions linked to the publications' advertisement revenue and capacity and to whether concentration in this field is to be considered anticompetitive.

There have been two recent cases in this respect.

The first case concerns the anticipated acquisition by Guardian Media Group of Trader Media Group whereby the merged company would represent a large proportion of vehicle advertisement⁶; the second case concerns the completed acquisition by United Business Media of Aprovia UK Ltd, whereby the two merged companies would have a high share of the advertising revenues and readership in magazines for the architecture and advertising sectors⁷. In both cases, the OFT has considered that a relevant anticompetitive situation was not created by the proposed mergers.

7.2.2 Labour law

This section details specific labour law and social law provisions applicable to the publishing, press and media sector.

Working Time Regulations 1998

The Regulations implement the European Working Time Directive (Directive 93/104/EC). The UK applies the general principle of 48 hours a week limitation, but it also provides for opting out clauses allowing workers to work longer upon notice given to the employer.

S.21 of the Regulations provides that s.6 (1), (2) and (7) on length of night work, s.10 (1) on daily rest, s.11 (1) and (2) on weekly rest period and s.12 (1) on rest breaks do not apply where (c) workers' activities involve the need for continuity of service or production as may be the case for (iii) **press**.

⁶ Anticipated acquisition by Guardian Media Group of Trader Media Group -23/09/06

⁷ Completed acquisition by United Business Media of Aprovia UK Ltd -14/11/03

Health and safety

Press employees, and in particularly journalists, are also subject to the legal framework covering general health and safety issues at work. An important case is ongoing in the UK in this respect:

Richard Gizbert, a former London based ABC News journalist, refused to go to Iraq in 2004 and was dismissed by his company. The veteran foreign correspondent, who had covered Somalia, Rwanda and Chechnya, has set a legal precedent by successfully arguing that ABC dismissed him after 11 years with the company because of his refusal.

A court hearing in September 2005 ruled that he was unfairly dismissed on the grounds of health and safety and he was awarded £99,000. Finding in favour of Gizbert, the central London employment tribunal said: "The tribunal concluded that an assignment which involved going to a war zone did comprise a circumstance of danger. Although the respondent did its best to protect its correspondents with both equipment and security advisers, it is obvious that there is still a serious danger of anyone going to such areas." It concluded that Gizbert had been unfairly dismissed "for a reason related to health and safety".

However, the Court of Appeal reversed this decision on 21 August 2006. Mr Gizbert announced that he is going to appeal this judgement.

7.2.3 Copyright law

This section is divided into two subsections - the first subsection examines provisions laid down in the copyright law related to the press and publishing sector; the second subsection deals with the protection of databases

Specific copyright law provisions applicable to the publishing, press and media sector

The Copyright, Designs and Patents Act 1988 (last amended in 2003)

S.3 defines literary works as any work, other than a dramatic or musical work, which is written, spoken or sung, and accordingly includes –

- (a) a table or compilation other than a database,
- (b) a computer program,
- (c) preparatory design material for a computer program, and
- (d) a database.

Copyright does not subsist in a literary, dramatic or musical work unless and until it is recorded, in writing or otherwise.

S.8 defines “published editions”, s.9 defines the authorship of work and s.10 defines the works of joint authorship.

S.11 deals with the issue of first ownership of copyright and provides that:

“(1) The author of a work is the first owner of any copyright in it, subject to the following provisions.

(2) Where a literary, dramatic, musical or artistic work, or a film, is made by an employee in the course of his employment, his employer is the first owner of any copyright in the work subject to any agreement to the contrary.”

S.30 deals with reviews and reports and provides that (1)“fair dealing with a work for the purpose of criticism or review, of that or another work or of a performance of a work, does not infringe any copyright in the work provided that it is accompanied by a sufficient acknowledgement and provided that the work has been made available to the public” and(2)“fair dealing with a work (other than a photograph) for the purpose of reporting current events does not infringe any copyright in the work provided that it is accompanied by a sufficient acknowledgement”.

Specific measures in place for the protection of databases (if different from the provisions laid down in Directive 96/9/EC on the legal protection of databases)

Copyright and Rights in Databases Regulations 1997 implementing Council Directive No. 96/9/EC of 11 March 1996 on the legal protection of database

7.2.4 Electronic commerce

The United Kingdom transposed the Directive in two parts: the general aspects and the financial services aspects. The two pieces of legislation are the following:

The Electronic Commerce (EC Directive) Regulations 2002
Statutory Instrument 2002 No. 2013
<http://www.opsi.gov.uk/si/si2002/20022013.htm>

The Electronic Commerce Directive (Financial Services and Markets) Regulations 2002
Statutory Instrument 2002 No. 1775
<http://www.opsi.gov.uk/si/si2002/20021775.htm>

7.2.5 VAT

This section presents VAT rates applicable to the publishing/press/media sector in the UK

Value Added Tax Act 1994

Under schedule 8 part I, Group 3 products (entitled “books etc”) include: 1-Books, booklets, brochures, pamphlets and leaflets, 2-Newspapers, journals and periodicals, 3-Children's picture books and painting books, 4- Music (printed, duplicated or manuscript), 5-Maps, charts and topographical plans and 6- Covers, cases and other articles supplied with items 1 to 5 and not separately accounted for.

These products benefit from a reduced VAT rate of 0%.

The regular 17.5% rate applies to e-books, audio-books, electronically-delivered products and services and advertising.

7.3 Sector specific regulation

7.3.1 Laws on press and publishing. Support measures

In the UK, no specific law exists for the press and publishing sector, which is submitted to horizontal rules applying to other industry sectors. The only exception is the law on the legal deposit of publications:

Legal Deposit Libraries Act 2003

- Sec. 1.1 & 1.3(a): Deposit of publications
A person who publishes in the United Kingdom a work to which this Act applies at his own expense deliver a copy of it to an address specified. In the case of a work published in print, this Act applies to a book (including a pamphlet, magazine or newspaper).
- Sec. 6. 2 (b): Regulations: deposit of non-print publications

Require the person mentioned in section 1(1) to deliver, with the copy of the work, a copy of any computer program and any information necessary in order to access the work, and a copy of any manual and other material that accompanies the work and is made available to the public.

No direct support measures (a part from reduced VAT rate - see above) are in place at public level for the press and publishing industries.

KEA contacted the UK trade federation of books publishers (The Publishers Associations, <http://www.publishers.org.uk>) and the UK trade federation of newspapers publishers (The Newspaper Society, <http://www.newspapersoc.org.uk>) and none of them signalled any sector-specific support measure (direct subsidy, tax breaks, etc) of which the publishing industry would be beneficiary. The only scheme that was mentioned is a grant operated by the UK Trade and Investment department and related to exhibiting at overseas trade fairs - however this measure benefits all kind of SMEs, not just publishers.

In addition, the UK Trade and Investment's Export Marketing Research Scheme run by the British Chambers of Commerce provides grants for marketing research into other countries. Again, this is not specific to publishers but any company with less than 250 employees can apply for grant.

7.3.2 Advertising

This section examines specific provisions on advertising in the publishing and press sectors - the first subsections deals with legislative measures and the second subsection with self-regulatory schemes.

Legislative provisions on advertising in the publishing and press sectors.

The main pieces of legislation dealing with non-broadcast advertising in the UK cover two major issues: misleading advertising and advertising of specific products (tobacco, medicines) or types of contracts (consumer credit).

Hereafter a list of relevant statutes:

The Control of Misleading Advertisements (Amendment) Regulations 2003

This act amends the previous Regulations of 1988

The Regulations implement into UK legislation the provisions of the Comparative Advertising Directive (Directive 84/450/EEC as later amended by Directive 97/75/EC).

They provide the legislative back-up to the self-regulatory system (see below point ii) in respect of advertisements which mislead or which do not comply with the conditions under which comparisons are permitted in advertisements.

The Regulations require the Office of Fair Trading (OFT) to investigate complaints. They empower OFT to seek, if necessary, an injunction from the courts against publication of an advertisement. More usually it would initially seek assurances from an advertiser to modify or not repeat an offending advertisement.

Before investigating, the OFT can require that other means of dealing with a complaint, such as the ASA system (see below, point ii), have been fully explored. Action by the OFT therefore usually results only from a referral from the ASA where the self-regulatory system has not had the required impact.

The definition of misleading advertising given in section 2.2 of the Regulations is as follows:

"An advertisement is misleading if in any way, including its presentation, it deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and if, by reason of its deceptive nature, it is likely to affect their economic behaviour or, for those reasons, injures or is likely to injure a competitor of the person whose interests the advertisement seeks to promote".

The Medicines (Advertising) Regulation 1994

- Sec. 3: Prohibition of advertisements for unlicensed products
- Sec. 7: Prohibition of advertisements for medicinal products on prescription only
- Sec. 11: Exception for approved vaccination campaigns
- Sec. 23: Offences. Any person who contravenes these regulations shall be guilty of an offence and shall be liable
 - (a) on summary conviction, to a fine not exceeding the statutory maximum or not exceeding level 5 on the standard scale,
 - (b) on conviction on indictment, to a fine or to imprisonment for a term not exceeding two years or to both.

The Tobacco Advertising and Promotion Act 2002

The Act bans press, billboard and most Internet advertising of tobacco products and the promotion of smoking through free distribution of tobacco products, coupons and mailshots in the UK. It also brings an end to the promotion of tobacco products through the sponsorship of sporting and other events and will control brandsharing.

Sec. 3 of the Act concern press advertising of tobacco products. If a newspaper, periodical or other publication ("the publication") containing

a tobacco advertisement is in the course of a business published in the United Kingdom-

- (a) any proprietor or editor of the publication is guilty of an offence,
- (b) any person who (directly or indirectly) procured the inclusion of the advertisement in the publication is guilty of an offence, and
- (c) any person who sells the publication, or offers it for sale, or otherwise makes it available to the public, is guilty of an offence.

The Consumer Credit (Advertisements) Regulations 2004

- Sec. 3: General requirements. Every credit advertisement or hire advertisement shall: use plain and intelligible language; be easily legible (or, in the case of any information given orally, clearly audible), and specify the name of the advertiser.
- Sec. 4.3: Content on advertisements. Any information in any book, catalogue, leaflet or other document which is likely to vary from time to time shall be taken to be shown together as a whole if : (a) it is set out together as a whole in a separate document issued with the book, catalogue, leaflet or other document; (b) the other information in the credit advertisement or hire advertisement, as the case may be, is shown together as a whole in the book, catalogue, leaflet or other document, and (c) the book, catalogue, leaflet or other document identifies the separate document in which the information likely to vary is set out.

Self-regulation

The United Kingdom has a strong system of self regulation of non-broadcasting advertisements (considered by some the most important form of control of advertising in the UK).

When commercial TV broadcasting started in 1955, it was controlled through the Broadcasting Act. To avoid such a statutory control over the rest of the advertising, the industry created, in 1961, the Committee of Advertising Practice (CAP <http://www.cap.org.uk/cap>), an organisation sponsored by its member organisations (concerned with advertising or

publishing), in order to draft Advertising Practice Codes applicable to all non broadcasting advertisements. These Codes aimed to set minimum standards for advertisements and to resolve disputes within the industry – the basic principles are that all advertisements should be legal, decent, honest and truthful and prepared with a sense of responsibility towards the consumers and society and with respect to fair competition principles.

It was considered essential for the good functioning and credibility of the system that it was administered by a body independent both from the Industry and from the Government, and consequently the Advertising Standards Authority (ASA <http://www.asa.org.uk/asa>) was created in 1962 to administer the system. CAP and ASA have a joint executive and co-operate closely in the control of advertisements.

The CAP does not deal with complaints by the public, but monitors by its own initiative marketing published, giving advice about them. ASA also investigates the compliance of non-broadcast advertisements by its own initiative, and besides that, deals with the complaints from the public about an advertisement. The enforcement of ASA's decisions is made in a joint effort with the CAP.

Anyone can make a complaint (free of charge) to ASA. After a written complaint is sent, the ASA Executive starts its investigations. A copy of the complaint is sent to the Advertiser asking for his comments and to provide with evidence regarding disputed matters. After the investigation is concluded, a proposal of adjudication is sent by the Executive to the Council, which makes the final adjudication. If the complaint is upheld, the Advertiser is told by ASA to amend or withdraw the advertisement. If an advertisement is clearly offensive or misleading the ASA and CAP can take compliance action in the absence of complaints or while an investigation proceeds.

Normally advertisers accept to withdraw the offending advertisements. But if they refuse to do so, the CAP can recommend its member organizations (including media organizations) not to accept any other advertisements containing offending material. The other main sanction available to ASA is the weekly publication of its adjudications on its web site, containing details on the cases and the full identification of the offenders (other trading privileges or recognition rights may be

withdrawn and, in extreme cases, members of CAP can expel companies from membership).

If an offending advertisement still subsists after the Council has ruled against it, the ASA can refer the matter to the Office of Fair Trading, according to the Control of Misleading Advertisements Regulations (see above). The Office of Fair Trading can ask for an undertaking that the advertisement is going to be withdrawn by anyone responsible for commissioning, preparing or disseminating it. If such undertaking is not given or not honoured, the OFT can bring proceedings for an injunction from the Court to withdraw it.

The Code

http://www.asa.org.uk/asa/codes/cap_code/

In the UK, the British Code of Advertising, Sales Promotion and Direct Marketing (the Code) is the rule book for non-broadcast advertisements, sales promotions and direct marketing communications. The Code is primarily concerned with the content of marketing communications and not with terms of business or products themselves.

The Committee of Advertising Practice (CAP) is the self-regulatory body that creates, revises and enforces the Code. CAP's members include organisations that represent the advertising, sales promotion, direct marketing and media businesses. Through their membership of CAP or through contractual agreements with media publishers and carriers, those businesses agree to comply with the Code.

The Code does not have the force of law and its interpretation will reflect its flexibility. The Code operates alongside the law and supplements it; it provides an easier way of solving disputes than by civil litigation or criminal prosecution. However, the Courts may also make rulings on matters covered by the Code.

- Sec. 1.1: The Code applies to advertisements in newspapers, magazines, brochures, leaflets, circulars, mailings, e-mails, text transmissions, fax transmissions, catalogues, follow-up literature and other electronic and printed material.

Sec. 1.2: The Code does not apply to editorial content, for example of the media and of books.

- Sec. 2, 5 & 6: Decency, honesty and fair competition
- Sec. 7: No marketing communication should mislead, or be likely to mislead, by inaccuracy, ambiguity, exaggeration, omission or otherwise.
- Sec. 10: Marketing communications should not condone or encourage unsafe practices.
- Sec. 19: Comparative claims are permitted in the interests of vigorous competition and public information. They should neither mislead nor be likely to mislead.
- Sec. 27-38: Sales promotions rules
- Sec. 42 & 43: Distance Selling
- Sec. 47: Other specific rules on: Children; Motoring; Environmental Claims; Health and Beauty Products and Therapies; Employment and Business Opportunities; Financial Products; Betting and Gaming; Tobacco, Rolling Papers and Filters; Alcoholic Drinks.
- Sec. 60: The Self regulation System comprises three bodies: the Advertising Standards Authority (ASA), the Advertising Standards Board of Finance (ASBOF) and the Committee of Advertising Practice (CAP).
- Sec. 61: Sanctions. If marketing communications break the Code, the marketers responsible are told by the ASA to amend or withdraw them. Most willingly undertake to do so. If they do not, sanctions are applied.