

EUROPEAN PUBLISHING MONITOR

FRANCE

MEDIA GROUP TURKU SCHOOL OF ECONOMICS

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1 INTRODUCTION

European Publishing Monitor is a 12 month project analysing the publishing industries in selected European countries. It was undertaken in 2006 on behalf of the European Commission's DG Information Society and Media by Turku School of Economics (Media Group) in Finland. The project will help the European Commission understand the challenges faced by the publishing industry in selected countries. The availability of historical data series varies from country to country. The base year for the reported figures is 2004. More recent data is presented when such data set has been available.

The market analysis comprises quantitative data covering market segmentations of three publishing sub-industries in each country chosen for economic analysis. The market analysis produces the quantitative analysis on production, sales and consumption of publications nationally, as applicable to each sub-industry. The analysis includes the annual title production, sales and circulation data on publications. The data is 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 is adjusted to the national population.

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

The primary sources of data 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 provides a description and financial assessment of the newspaper publishing, magazine publishing, and book publishing industries. The analysis includes the volume, number of firms and growth of operating income and employment, contribution to the national economy, the development of profitability of operations, and 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 also includes 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 New Cronos Database and national statistical offices. Annual statements of individual companies are used for the analysis of the major players and to supplement 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 for the purpose of a business decision should use the data as a starting-point only, and is 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.

2 EXECUTIVE SUMMARY

According to the Eurostat New Cronos Database the total number of publishing companies (newspaper, magazine and book publishing) in France 2004 was approximately 9 700. The total number of companies in the publishing industries has increased almost 11 per cent since 1996.

The total number of employees in the publishing industries in France was almost 80 000 in 2004. Even though the total number of companies in the publishing industries has increased the total number of employees was approximately the same in 2004 as in 1996 (+ 2,1 %). The growth of real employment costs has been approximately 10 per cent over the last five years.

In 2004 the combined turnover of the publishing industries in France was close to 18,4 billion Euros. The total turnover of the publishing industries has increased almost 20 per cent since 1996. The combined reported value added was approximately 5,6 billion Euros. In 2004 the publishing industries' contribution to the GDP was 0,37 per cent (0,37 % in 1996).

Newspaper publishing

The circulation of paid-for daily newspapers has been declining for a decade. In 1995 the total circulation of paid-for dailies was almost 8,8 million copies. By 2005 the total circulation had declined 11 per cent to approximately 7,8 million copies. The total number of paid-for daily newspaper titles (approximately 85 titles) has been very stable during the last decade.

The total circulation of paid-for Sunday newspapers was approximately 4,3 million copies in year 2005. The total circulation of paid-for Sunday newspapers has increased 17,6 per cent since 1995.

The percentage share of advertising revenue captured by newspapers is closely related to their circulation per thousand populations. In France the share of newspaper advertising has been declining slowly since the Millennium. Despite this development newspapers still have the second biggest share (23,9 % in 2004) of media advertising. Falling circulations accompanied with a fall in the share of advertising revenues is still one of the major challenges for newspapers in France.

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 France too. Since year 2000 the share of advertising revenues has declined from 45,5 per cent to 38,0 per cent.

The total employment in the newspaper publishing industry started to decline in 2002. The number of journalists working in the newspaper publishing industry is also declining. At the same time average personnel costs per person employed have increased.

The total turnover of the newspaper publishing industry rose until 2000. After that the total turnover of the newspaper publishing industry started to decline. In 2004 the total turnover of the newspaper publishing industry took a turn for the better and the total turnover increased to 5,35 billion Euros. The average operating margin of newspaper publishing companies was very low, only 1,7 per cent in 2004. Value added in real terms in the newspaper publishing industries shows a stable increasing trend between 2001 and 2004. In 2004 the newspaper publishing industry's value added in real terms was 1 911 million Euros and the contribution to the GDP was 0,13 per cent.

Magazine and periodical publishing

The total number of magazine titles has been growing over the past decade. In 2004 the total number of magazines titles was approximately 4 500 titles.

The total number of copies sold was approximately 2 369 million copies in year 2004. Almost 90 per cent of magazine copies sold were consumer magazines. In year 2004 the average annual circulation volume of consumer magazine was approximately 641 000 copies. The average annual circulation volume of business magazine was approximately 219 000 copies.

In France 60 per cent of consumer magazine distribution is through single copy sales. The percentage share of advertising revenue captured by magazines has been declining since the Millennium. In 2004 the share of magazine advertising was 22,3 per cent. There haven't been any major changes in the revenue structure of consumer magazines during the last

ten years. Since the mid 1990s the share of advertising revenues has varied between 30 and 35 per cent.

The total employment in the magazine publishing industry increased until 2001. After that 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 turnover of magazine publishing industry grew until 2001. In 2002 the total turnover of the magazine publishing industry declined by 5,7 per cent to 7,1 billion Euros. In 2004 the total turnover of the magazine publishing industry was again growing. In 2004 total turnover was 7,9 billion Euros. The average operating margin of magazine publishing companies in France was 8,2 per cent in 2004. In 2004 the magazine publishing industry's total value added in real terms was 2 457 million Euros and the contribution to the GDP was 0,16 per cent.

Book publishing

The number of published titles has been growing over the past ten years. In 2005 the total number of published titles was 66 728. In 2004 the value of book sales was over 2,7 billion Euros.

The number of book publishing companies declined until the Millennium but after that it has been increasing. In 2004 the total number of book publishing companies was 3 539. 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 17,9 titles.

The number of books in public libraries provides an indicator of the free availability of literature to the public. In 2001 the number of books in public libraries per capita was 2,6.

The number of people employed in the book publishing industry has declined since the mid 1990s. In 2004 the total number of employees in the book publishing industry was 16 716. Personnel costs per person employed in the book publishing industries show a growing trend.

The average operating margin in the book publishing industry was 7,0 per cent in 2004. There is no clear upward or downward trend in the

development of the profitability of the book publishing industry in France. In 2004 the book publishing industry's value added in real terms was 1 243 million Euros and the contribution to the GDP was 0,08 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 a larger combined circulation than 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 be split into two (daily free sheets and weekly free sheets) to make it more useful in the future.

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

3.1.2 Circulation related measures

The total circulation of paid-for daily newspapers was approximately 7,8 million copies in year 2005. The total circulation of daily papers has declined 7,3 per cent between since year 2000. The development of circulation has been parallel for national and regional daily newspapers. Between years 2000 and 2005 the total circulation of daily national newspapers decreased by 9,0 per cent. At the same time the total circulation of paid-for regional and local dailies decreased by 6,7 per cent. The total circulation of free dailies was approximately 2,7 million copies year 2005.

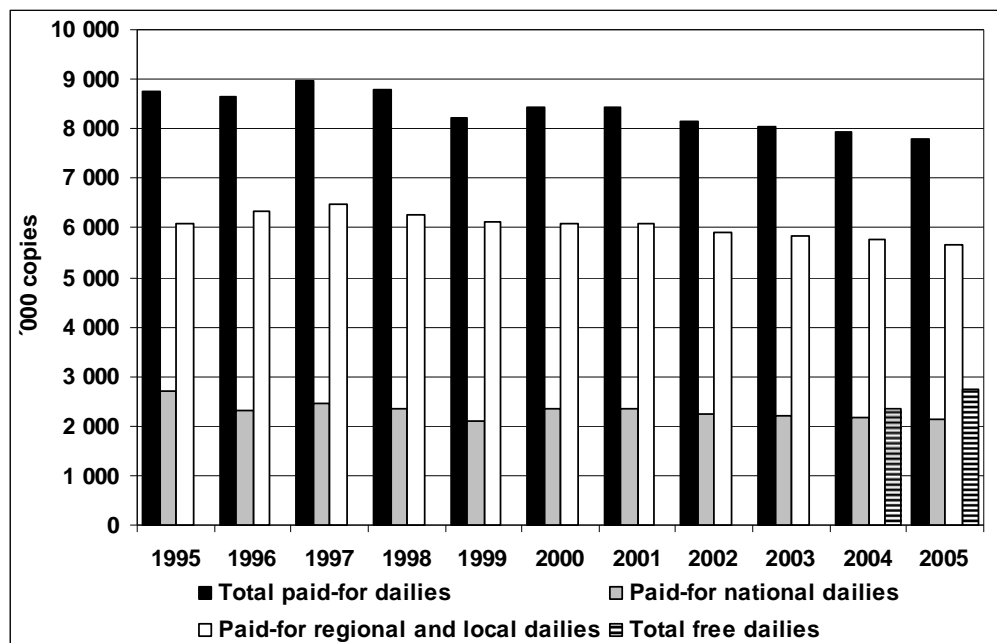


Figure 1 Total circulation of daily newspapers from 1995 to 2005 (Source: SPP, SPQR, DDM, OJD DSH)

The total circulation of paid-for Sundays was approximately 4,3 million copies in year 2005. The total circulation of Sunday newspapers has increased 2,6 per cent between since year 2000. The development of circulation has been different for national and regional Sundays. Between years 2000 and 2005 the total circulation of national Sundays has increased by 17,6 per cent. At the same time the total circulation of regional and local Sundays was almost unchanged.

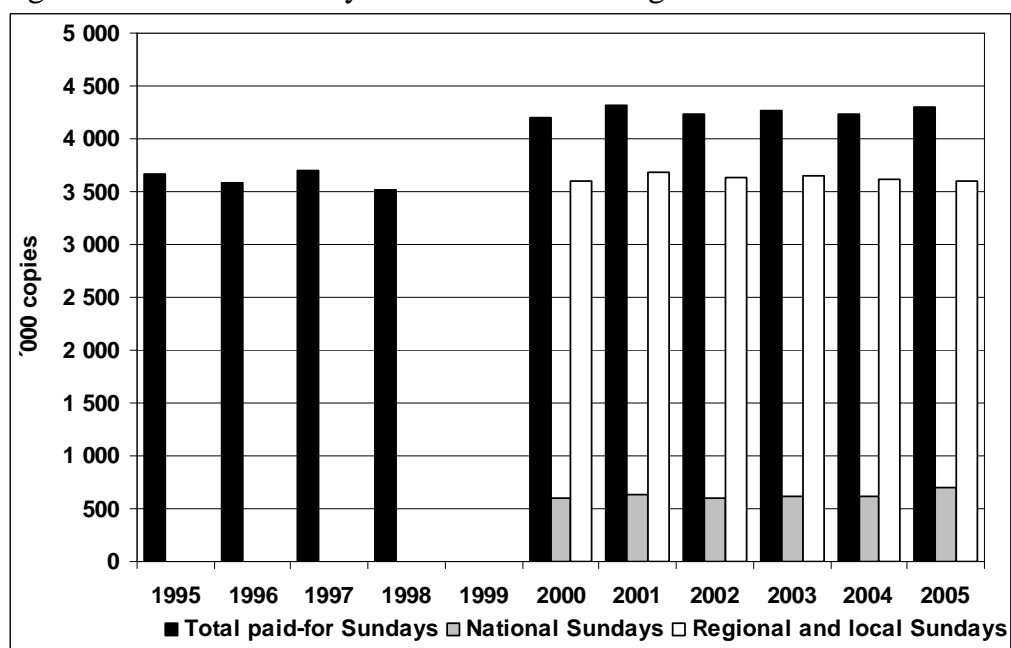


Figure 2 Total circulation of Sundays from 1995 to 2005 (Source: SPP, SPQR, DDM, OJD DSH)

* Data for 1999 is not available

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 2000, the circulation of daily newspapers per 1000 population was 142 copies. By the year 2005, the circulation per 1000 population had dropped to 129 copies. The circulation of Sunday newspapers per 1000 population in 2005 was 70 copies.

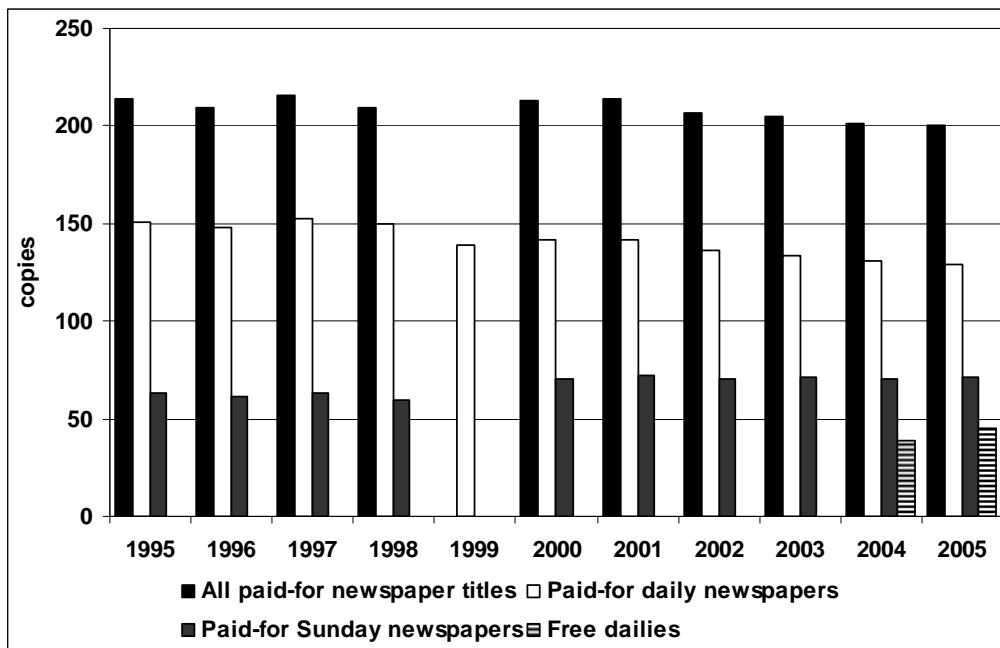


Figure 3 Circulation of newspapers per 1000 population from 1995 to 2005 (Source: SPP, SPQR, DDM, OJD DSH and Statistics Finland, World in Figures)

In 2000 the average circulation of a paid-for daily newspaper was 101 500 copies. By the year 2005 the average circulation of paid-for daily newspapers had declined by 9,5 per cent to 91 800 copies. In 2005 the average circulation of a paid-for Sunday newspaper was 130 500 copies.

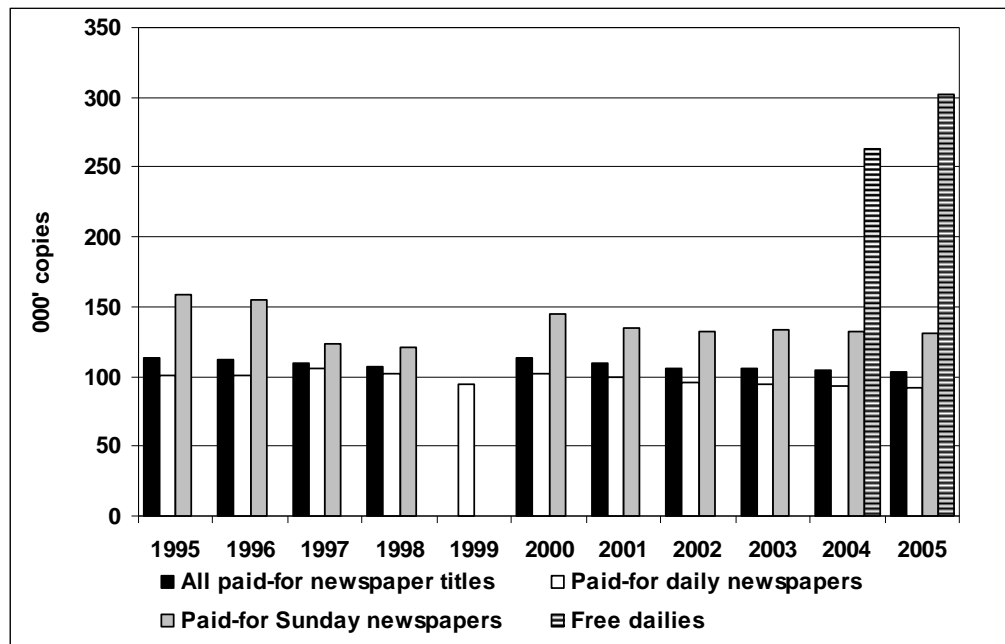


Figure 4 Average circulation of different types of newspapers from 1995 to 2005 (Source: SPP, SPQR, DDM, OJD DSH)

The total annual sale of an individual newspaper is calculated by multiplying circulation by the annual number of issues. The total annual sales of all newspapers are calculated by adding up individual newspapers' total annual sales. The total annual sales volume of paid-for daily newspapers was approximately 2,4 billion copies in year 2005. The total annual sales volume of daily papers has declined 6,3 per cent since 2000. Due to the development of circulation, the development of the annual sales volume has been similar for national and regional daily newspapers. Between years 2000 and 2005 the total annual volume of daily national newspapers decreased by 8,4 per cent. At the same time the annual sales volume of regional and local dailies decreased by 5,5 per cent.

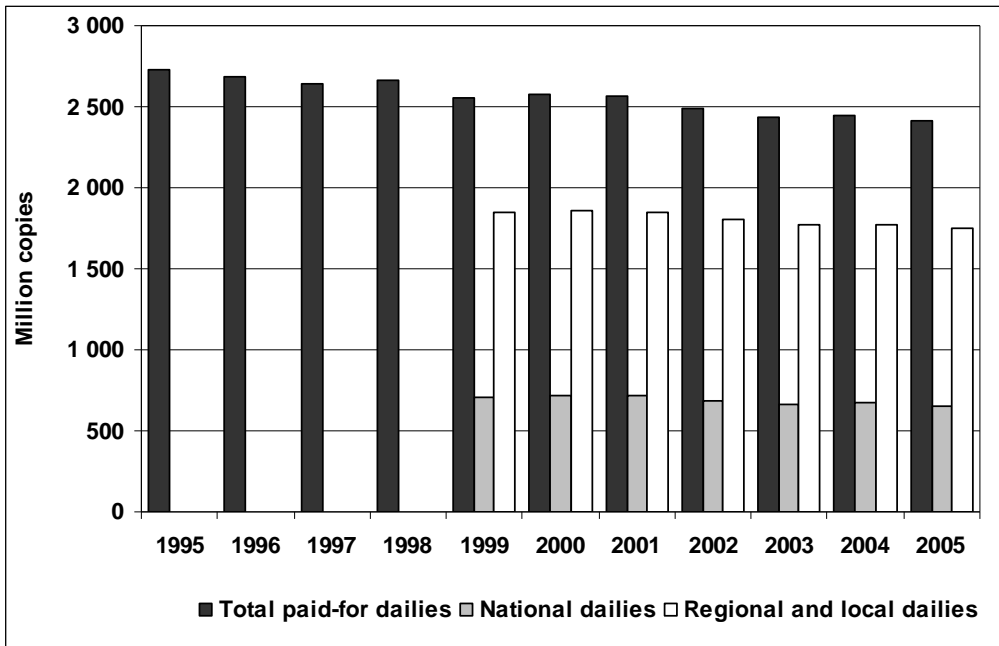


Figure 5 Total annual sales of paid-for daily newspapers from 1995 to 2005, million copies (Source: SPP, SPQR, DDM, OJD DSH)

The total annual sales volume of paid-for Sunday newspapers was 218 million copies in 2005. The total annual sales volume of daily papers has declined by 6,3 per cent since 2000. At the same time the annual sales volume of paid-for Sunday newspapers decreased by 0,9 per cent.

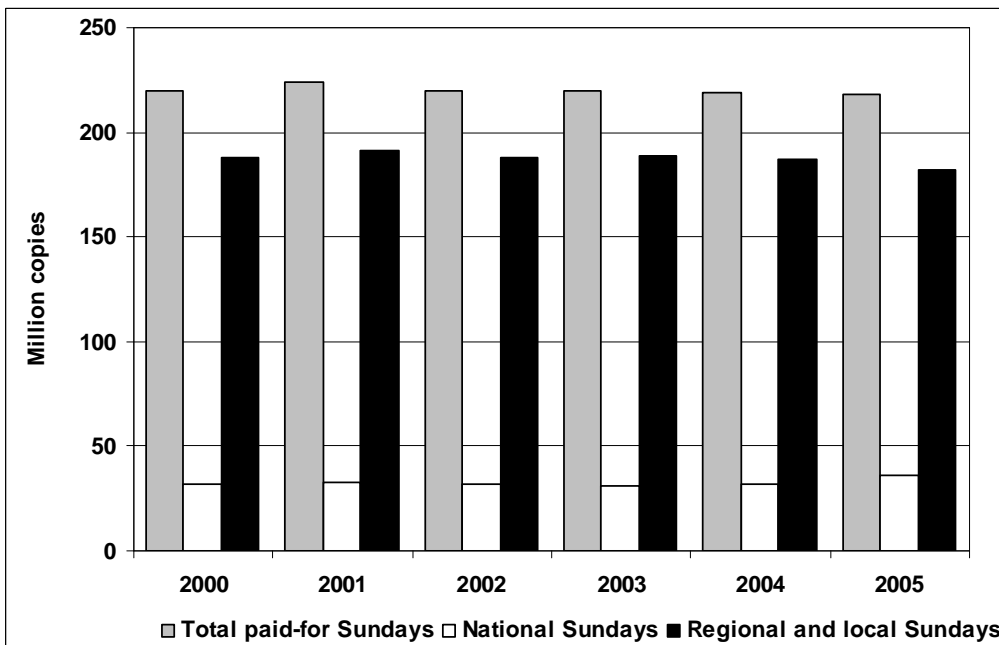


Figure 6 Total annual sales of paid-for Sundays from 2000 to 2005, million copies (Source: Syndicat de la Presse Quotidienne Régionale SPQR)

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 85 titles. In 2005 the number of national daily newspaper titles was 24. In 2005 the number of free daily newspaper titles was 9¹.

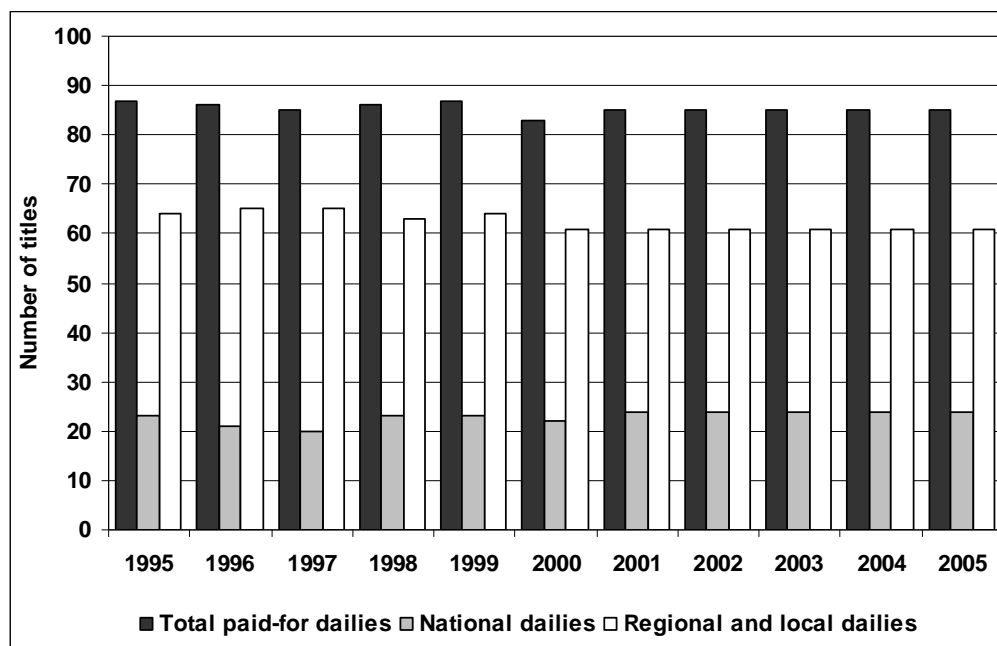


Figure 7 Number of paid-for daily newspaper titles 1995 to 2005 (Source: SPP, SPQR, DDM, OJD DSH)

The total number of paid-for Sunday titles has been stable since the Millennium. In 2005 the total number of paid-for Sundays was 33 titles.

¹ Including 20 Minutes, Metro, Metro Ouest, A Venir Lyon, Bordeaux 7, Lilleplus, Lyon Plus, Marseille Plus and Montpellier Plus

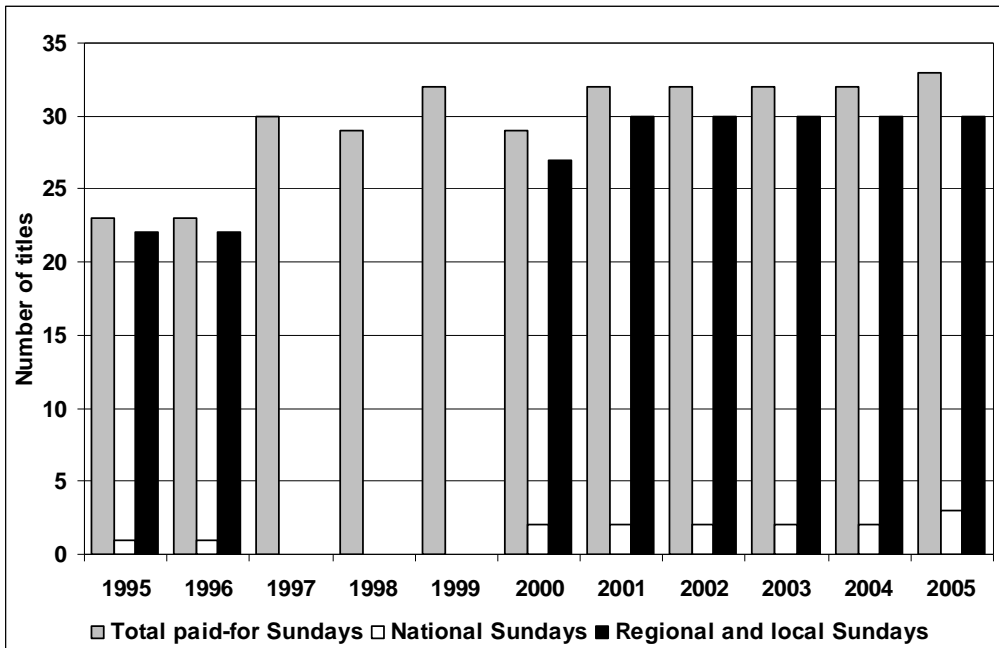


Figure 8 Number of paid-for Sunday titles from 1995 to 2005 (Source: SPP, SPQR, DDM, OJD DSH)

The number of titles published per million populations gives a general indication of the intensity of competition for market share. Smaller countries have a higher density of titles per million populations. In France the number of titles published per million populations is low. In year 2005 the number of paid-for newspaper titles published per million populations was only 2,0.

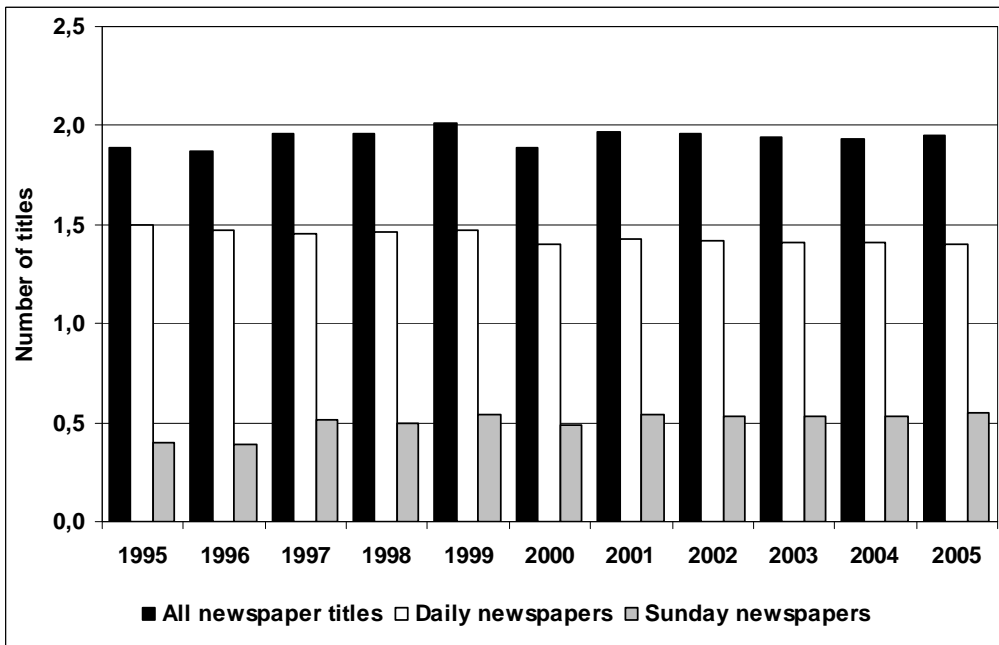


Figure 9 Number of paid-for newspaper titles per million populations from 1995 to 2005 (Source: SPP, SPQR, DDM, OJD DSH and Statistics Finland, World in Figures)

The number of titles published can be assessed according to geographical area. A higher number of titles may be an indication of intensity of the competition among the regional press and that in urban centres. Newspapers which operate in countries with a high ratio of titles to geographical area are likely to encounter more competitive conditions. France is the largest country in the European Union. In France the number of paid-for daily newspaper titles published per 1000 km² is low. In 2005, the number of published daily newspaper titles per 1000 km² was 0,16.

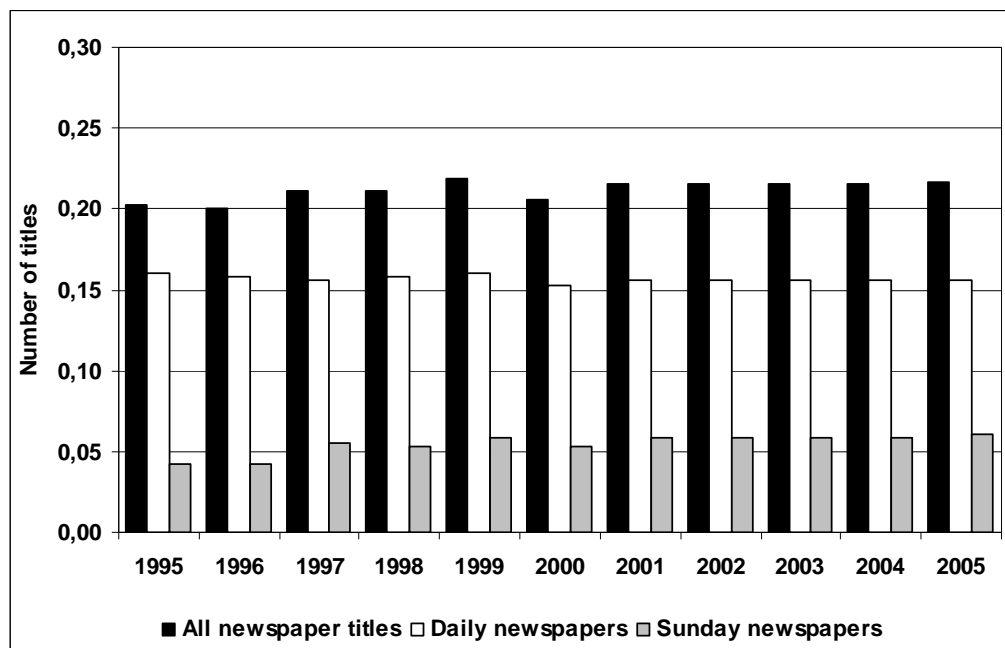


Figure 10 Number of paid-for newspaper titles per 1000 km² from 1995 to 2005 (Source: SPP, SPQR, DDM, OJD DSH and Statistics Finland, World in Figures)

There are large variations in the way newspapers are distributed to consumers in the European Union. In Northern Europe, most newspapers are paid-for by subscription and delivered to readers' homes by postal service. In southern member states and in the UK the distribution is mainly through single copy sales. In France, approximately 80 per cent of newspapers are distributed through single copy sales.

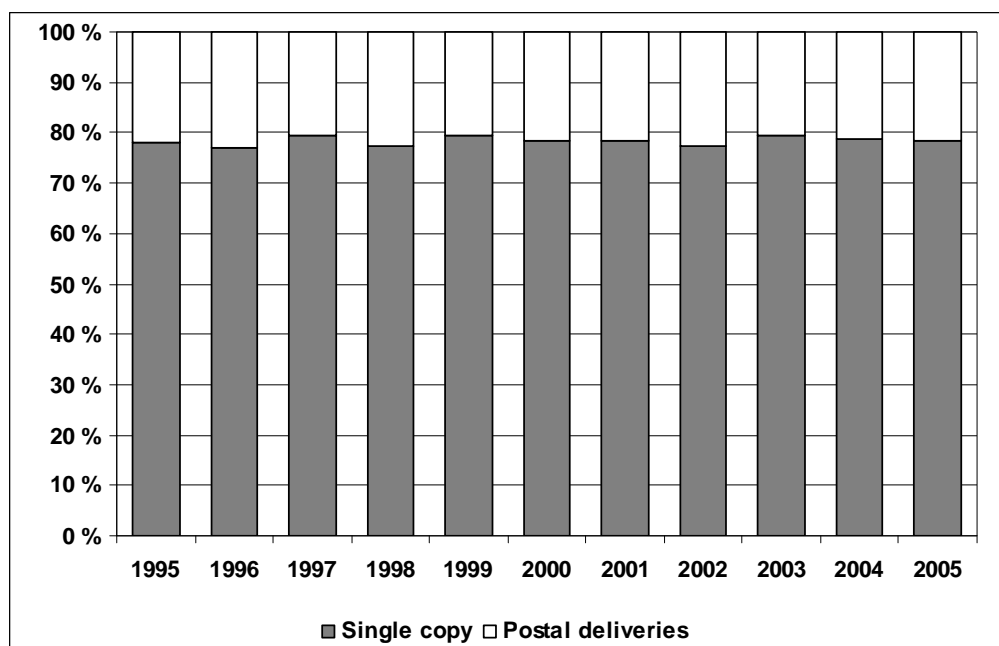


Figure 11 Type of newspaper sales (Source: World Press Trends 2005)

Table 1 Top 20 newspapers in France based on circulation in year 2006/Q1 (Source: OJD DSH)

Rank	Newspaper	Circulation
1.	Ouest France	781 000
2.	L'Equipe	367 000
3.	Le Monde	358 000
4.	Le Parisien	344 000
5.	Le Figaro	338 000
6.	Sud Ouest	321 000
7.	La Voix du Nord	299 000
8.	Le Dauphine Libere	251 000
9.	International Herald Tribune	246 000
10.	Le Progres	235 000
11.	La Nouvelle Republique du Centre-Ouest	229 000
12.	Le Telegramme	205 000
13.	La Montagne	204 000
14.	L'Est Republicain	199 000
15.	La Depeche du Midi	198 000
16.	Dernieres Nouvelles D'Alsace	189 000
17.	Aujourd'Hui en France	168 000
18.	La Provence	161 000
19.	Midi Libre Semaine	155 000
20.	Le Républicain Lorrain	150 000

The Internet was introduced in the mid 1990s and paid-for dailies in France have moved rather slowly to the Internet. By 2005, half of the paid-for daily newspapers (44 titles²) had an online edition.

² 12 national dailies and 32 regional and local dailies

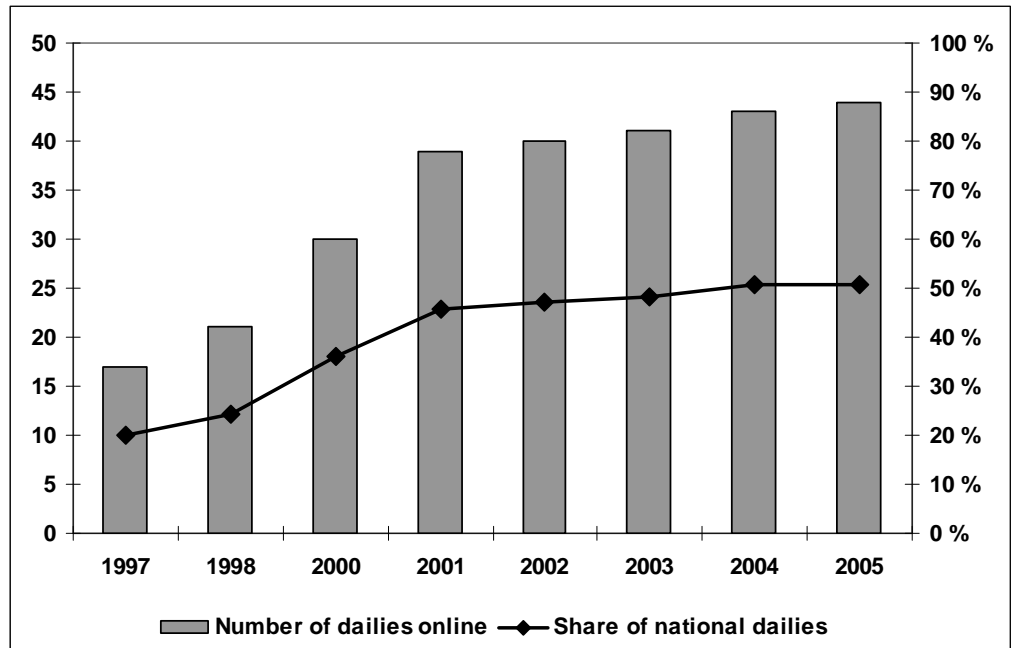


Figure 12 Number of paid-for daily newspapers online from 1997 to 2005 (Source: SPQR and SPP)

* Data for 1999 not available

3.1.4 Revenue related measures

In 2000, the total newspaper advertising in France was over 2,5 billion Euros (constant 2000 prices). By 2004 the value of newspaper advertising had declined by approximately 15 per cent to 2,2 billion Euros (constant 2000 prices). Figure 14 illustrates the evolution of newspaper advertising as compared to total media advertising.

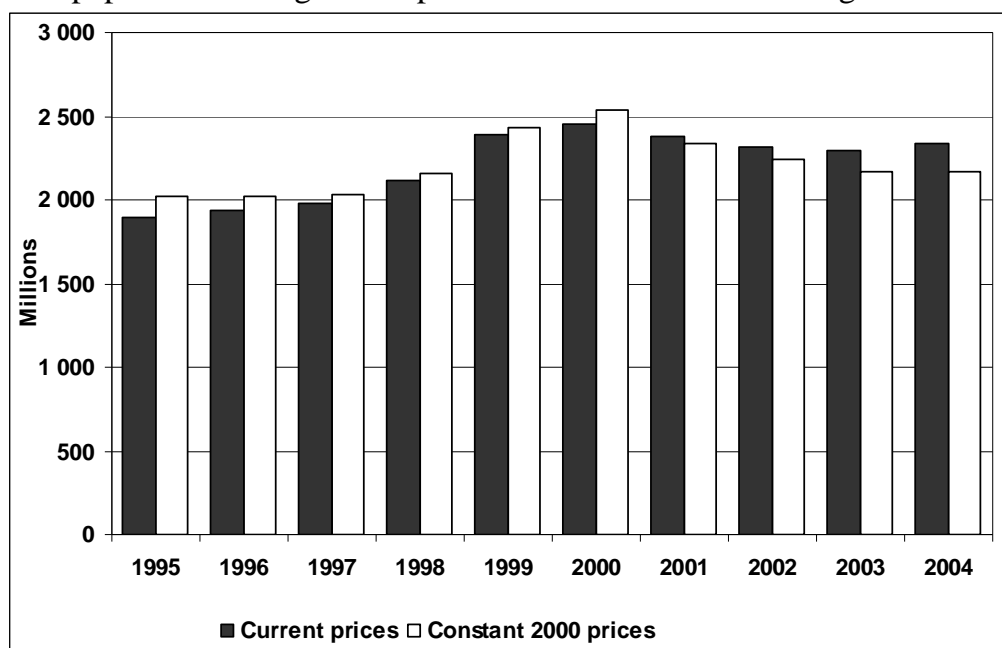


Figure 13 Newspaper advertising from 1995 to 2004 (Source: IREP; European Advertising & Media Forecast 2005, WARC)

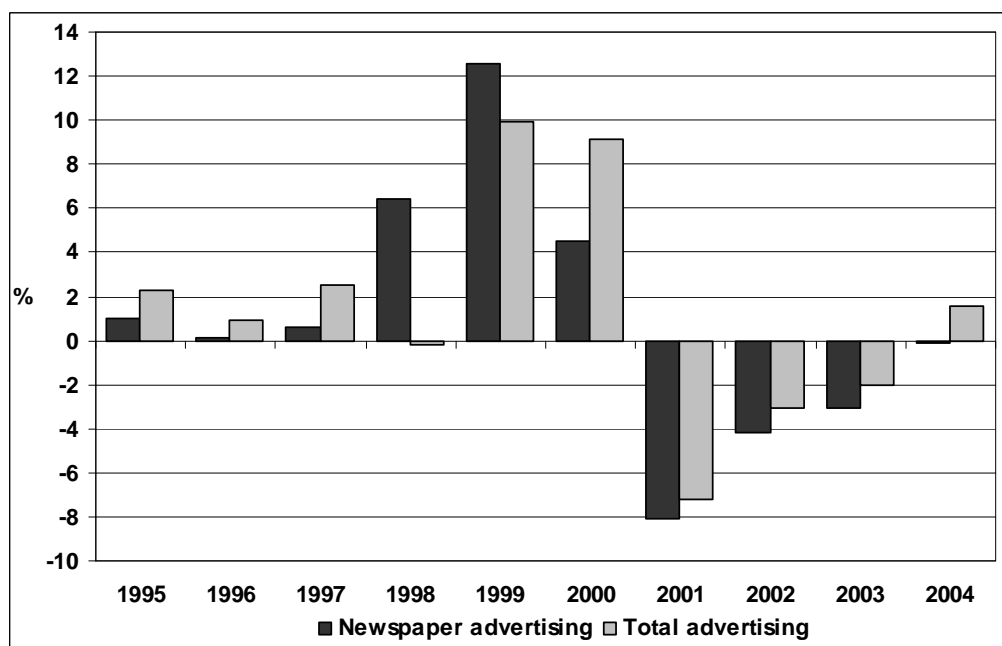


Figure 14 Annual change of newspaper and total advertising at constant prices from 1995 to 2004, constant 2000 prices (Source: IREP; European Advertising & Media Forecast 2005, WARC)

The share of advertising revenue is closely related to the number of copies circulated per thousand populations. Newspapers in countries where circulation per thousand is high tend to command a higher share of the total advertising market. In France the share of newspaper advertising is relatively low. In 2004 the share of newspaper advertising was 23,9 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.

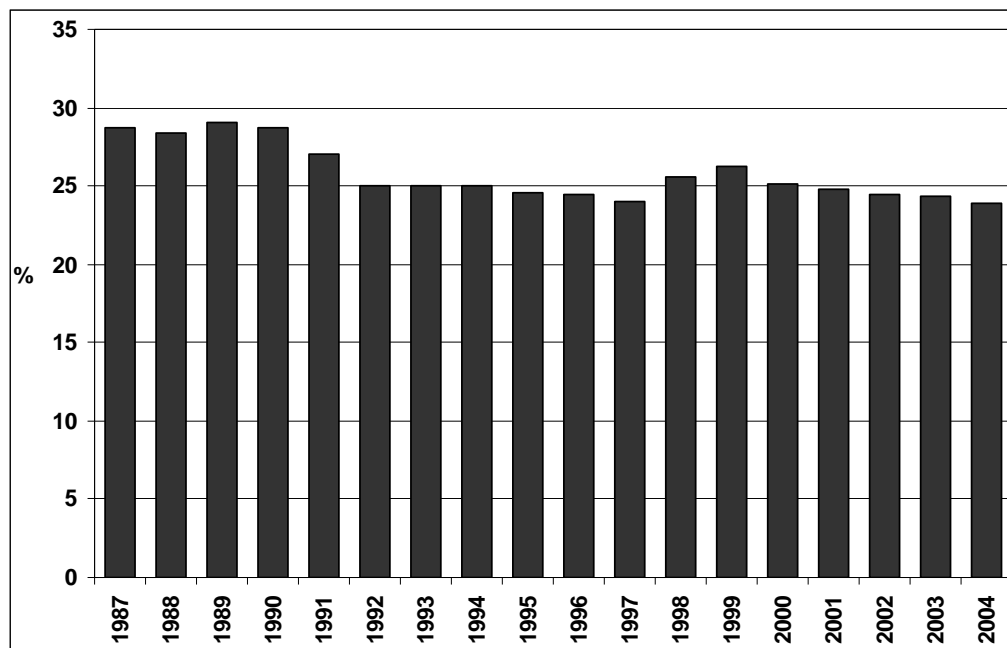


Figure 15 Share of newspaper advertising of total advertising (Source: IREP; European Advertising & Media Forecast 2005, WARC)

There has been a general long-term trend towards increasing dependence on advertising rather than circulation revenues in most of the EU Member States since 1995. In 2000 and 2001, this trend either reversed or stagnated in many countries. A similar development took place in France too (see Figure 16). Since year 2000 the share of advertising revenues has declined from 45,5 per cent to 38 per cent (2003).

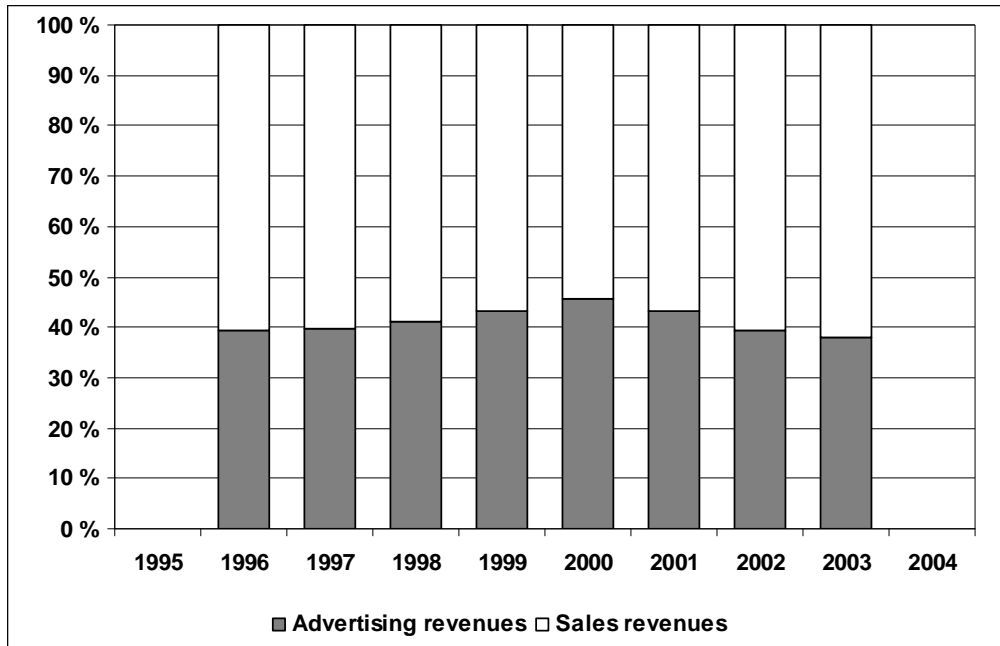


Figure 16 Revenue split between advertising and sales revenues in daily newspapers (Source: SPP, SPQR, DDM and Secodip)

* Data for 2004 not available

Advertising expenditure will normally rise in line with a country's GDP. If advertising expenditure is rising faster it will gradually create a bigger market. In France newspaper advertising per GDP was 0,14 per cent in 2004.

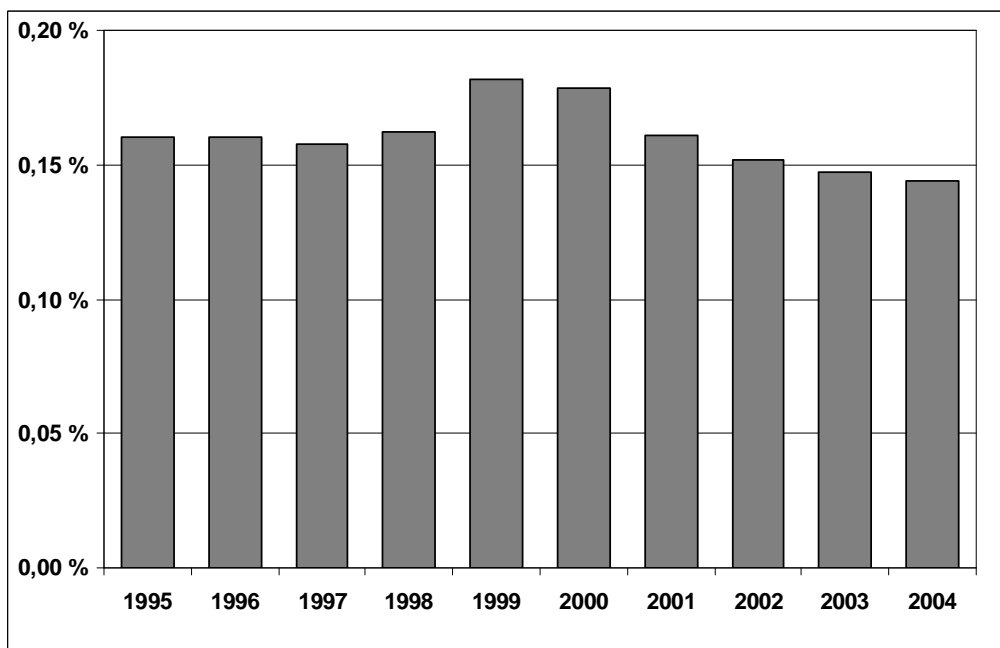


Figure 17 Newspaper advertising per GDP (Source: IREP; European Advertising & Media Forecast 2005, WARC)

3.2 Industry structure analysis

3.2.1 Number of companies

The total number of newspaper publishing companies has grown over the last decade. In 2004 the total number of newspaper publishing companies in France was 1803.

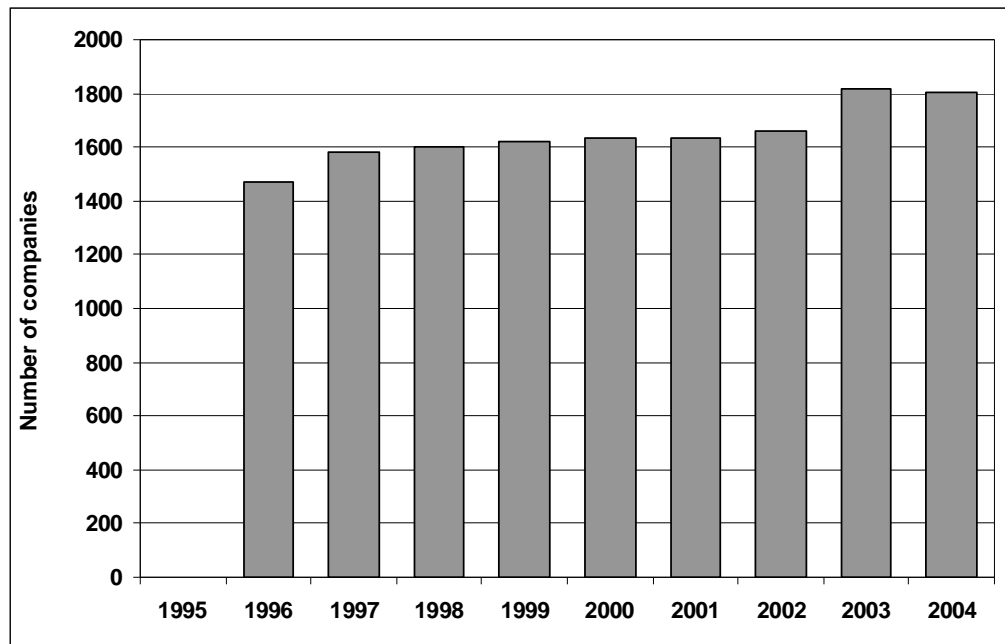


Figure 18 Number of companies in the newspaper publishing industry (Source: Eurostat New Cronos Database)

3.2.2 Biggest newspaper publishers

Table 2 Top 20 newspaper publishers in France based on turnover in year 2005

(Source: Media Group based on Bureau van Dijk Amadeus-database)

Rank	Company	Turnover,€
1.	Socpresse	1 407 392 000
2.	Spir Communication*	509 375 000
3.	Societe du Figaro	389 812 000
4.	STE Ouest France	310 472 000
5.	Comareg SA*	303 218 000
6.	STE du Journal est Republicain	253 896 000
7.	Societe Editrice du Monde*	224 719 000
8.	SNC Le Parisien Libere	212 118 000
9.	SA Presse & Edition du S.O. (SAPESO)	168 608 000
10.	STE du Journal Midi Libre	166 798 000
11.	Journal la Montagne Centre France	160 500 000
12.	SA Journax la Depeche le PT Toulousain	152 298 000
13.	La Voix du Nord	150 888 000
14.	Le Dauphine Libere	146 245 000
15.	La Nouvelle Republique du Centre Ouest	134 033 000
16.	Groupe Progres SA	127 596 000
17.	Societe Nice Matin	126 693 000
18.	Editions des Dernieres Nouvelles D'Alsace	112 613 000
19.	Les Echos le Quetidien de L'Economie	97 933 000
20.	Le Republicain Lorrain*	90 318 000

* Data from 2004

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
SOCPRESSE	GRUPE INDUSTRIEL MARCEL DASSAULT	100	100	DELAROCHE FIGARO HOLDING ROISSY PRINT STE NOUVELLE WEEK END IMPRIMERIE DE LA RUE DU LOUVRE (SIRLO) SOCIETE D'EXPLOITATION DU MAINE LIBRE PRESSE NORD AGENCE DE PRESSE INTERACRIVE LYON MATIN EDITIONS FRANCE LIBRE PROMOPORTE GRUPE EXPRESS EXPANSION FC NANTES ATLANTIQUE FRANPRESSE OFFPRINT SOCPRINT PROMOTION-PRESSE-MEDIASAT ROSSEL ET COMPAGNIE TELEVISION EN LIGNE AGENCE DE PRESSE ET INFORMATION CANAL 9 GRUPE MIEUX VIVRE LE BIEN PUBLIC LES JOURNAUX DE SAONE ET LOIRE LYON PLUS SA LYONNAISE DE TELEVISION STE EDITION DE LA RESISTANCE ET DE LA PRESSE DE L'OUEST (SERPO) STE LE MAINE LIBRE POLIGRAFICI EDITORIALE PRESSE TURF

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
SPIR COMMUNICATION	SOFIGUEST S.A. PREPARI SOCIETE DE PARTICIPATION ET DE FINANCEMENT DANS LA COMM FMR CORP AUTOCONTROLE SOCIETE GENERALE via its funds RIVERSOURCE DISTRIBUTORS LTD. via its funds AMVESCAP PLC via its funds CRÉDIT DU NORD via its funds PRINCIPAL FINANCIAL GROUP INC via its funds JP MORGAN CHASE & CO. via its funds MARSH & MCLENNAN COMPANIES INC via its funds UBS AG via its funds	19,41 54 10 4 2 - - - - - - - - -	69,3 n.a. n.a. n.a. n.a. 1,7 1,32 0,45 0,22 0,16 0,14 0,12	CARADISIAC IMPRIMERIES IPS REGIOM SOC FRANCE DIFFUSION ADREXO MEDIA PLUS CONCEPT 2M. S.R.O. CONCEPT MULTIMEDIA BELGIUM DOLPHIN MAGAZINES LIMITED DOLPHIN PUBLISHERS LIMITED CONCEPT MULTIMEDIA SCI LES OISEAUX FRANCE DIFFUSION B & M MEDIAGROEP DE HUISAANHUISKRANT HELVETISSIMO CUBIC MEDIA MEDIA PIC EXPLOITATION EDITION IMPRESSION CENTRE D'INFORMATION ET DE PROSPECTIVE INTER HEBDO 20 MINUTES FRANCE SAS

Source Bureau van Dijk Amadeus-database:

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
SOCIETE DU FIGARO	FIGARO HOLDING (GROUPE INDUSTRIEL MARCEL DASSAULT)	100	100	JOURNAPHONE PROMOLOUVRE PUBLIPRINT STE DE GESTION DU FIGARO

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
STE OUEST FRANCE	SOCIETE D'INVESTISSEMENTS PARTICIPATIONS	99	n.a.	JUDIKAEAL 35 INFORMATION JUDIKAEAL 44 INFORMATION STE D'IMPRESSION DE GRANDLIEU SARL NAZAIRE PRESSE STE DES PUBLICATIONS DU COURRIER DE L'OUEST STE EDITION DE LA RESISTANCE ET DE LA PRESSE DE L'OUEST (SERPO) SOCIETE DE PARTICIPATION GRAND TV NANTES ATLANTIQUE ENTREPRISES TVWEB-REGIONS TV8 NANTES COOPERATIVE NAT.APPRO. DES QUOTIDIENS COMPAGNIE FRANCAISE DES PAPIERS DE PRESSE (C.F.P.P.)

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
COMAREG SA	GROUPE HERSANT MEDIA SEJG	99	n.a.	HEBDOPRINT PROMOUIDE COMAREG - N.R. COMAREG BRETAGNE OUEST LE TELEGRAMME ILLICO CONTACT MEDIA VOYAGES VACANCES SOC ORLEAN PUBLI CAT EDITION ET PUBLICITE MEDIAPOST SERVICES

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
STE DU JOURNAL EST REPUBLICAIN	FAMILLE LIGNAC GROUPE HERSANT MEDIA EDITIONS DES DERNIERES NOUVELLES D'ALSACE	51 28 5	n.a. n.a. n.a.	SOCIETE PRESSE INVESTISSEMENTS PUBLICITE MODERNE EST BOURGOGNE RHONE ALPES DITE SOC FINANCIERE DE LA LIBERTE DE L EST SOCIETE NOUVELLE DES EDITIONS COMTOISES MEDIA PIC METROPELEST M6 NANCY MULTIMEDIA FUTUR LE JOURNAL DE LA HAUTE MARNE SA ROTOCAMPAGNE EDITIONS DES DERNIERES NOUVELLES D'ALSACE FRANCHE COMTE IMPRESSIONS HAUTE MARNE LIBEREE HOLDING

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
SOCIETE EDITRICE DU MONDE	LE MONDE DIVERS	62 18	n.a. n.a.	S.C.I. DE LA COTE DE GOUVIEUX LE MONDE PUBLICATIONS INTERNATIONALES LA PROCURE FRANCE ROUTAGE MALESHERBES PUBLICATIONS JUNIOR HEBDO PUBLICAT LES PUBLICATIONS HISTORIQUES FLEURUS PRESSE TELERAMA SCI DE LA RUE DE MEZIERES PUBLICATIONS ET EDITIONS REUNIES LE MONDE INTERACTIF PUBLIFA GLR-MIDI FRANCE LES EDITIONS DU CERF SCI LE CERF LA TOUR MAUBOURG SCI DE LA RUE DE CHARTRES L ATELIER PRESSE ET LABELUR STE DU JOURNAL MIDI LIBRE EDITIONS DU TMOIGNAGE CHRETIEN LE NOUVEL OBSERVATEUR DU MONDE TEMPS PRESENT LE MONDE PREVOYANCE

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
STE DU JOURNAL MIDI LIBRE	PRESS EUROPE REGIONS SOCIETE EDITRICE DU MONDE LAGARDERE SCA QUILLET CAISSE D'EPARGNE PREVOYANCE DE LANGUEDOC-ROUSSILLON STE FINANCIERE DU LANGUEDOC ROUSSILLON GROUPEPAMA	60 13 - 10 6 5 3	n.a. n.a. 10 n.a. n.a. n.a.	STE MIDI AVEYRON PRESSE EDITIONS PERIODIQUES DU MIDI SOCIETE MERIDIONALE DE DIFFUSI ON STE AVEYRONNAISE CENTRE PRESSE PHAESTOS PRESSE SA L'INDEPENDANT DU MIDI SOCIETE CATALANE DE PARTICIPATIONS ADT COMMUNICATION MIDIMEDIA TERRES CATALANES MONTPELLIER MEDIA 'N.R.J' PRESSES DU GARD SARL PUBLI MEDIA VOYAGES DU MIDI SNC LE MONDE PRESSE COMPAGNIE FRANCAISE DES PAPIERS DE PRESSE (C.F.P.P.) REGIE NETWORK LANGUEDOC ROUSSILLON CIE NATIONALE D'AMENAGEMENT DE LA REGION BAS RHONE LANGUEDOC FRANCE TELEVISION PUBLICITE

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 with 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, this number is rarely available from statistical sources. In these tables, the number of

employees includes temporarily employed and part-time employed persons for each given year. Since 2002 the total number of employees in the newspaper publishing industry has declined. In 2004 the total number of employees was 31 758.

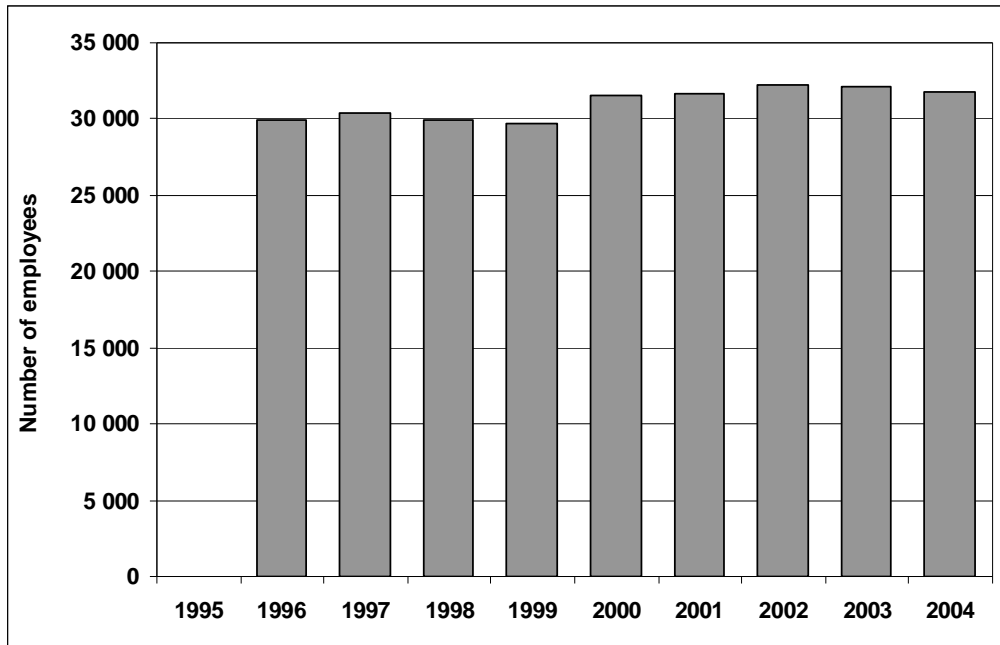


Figure 19 Employment in the newspaper publishing industry (Source: Eurostat New Cronos Database)

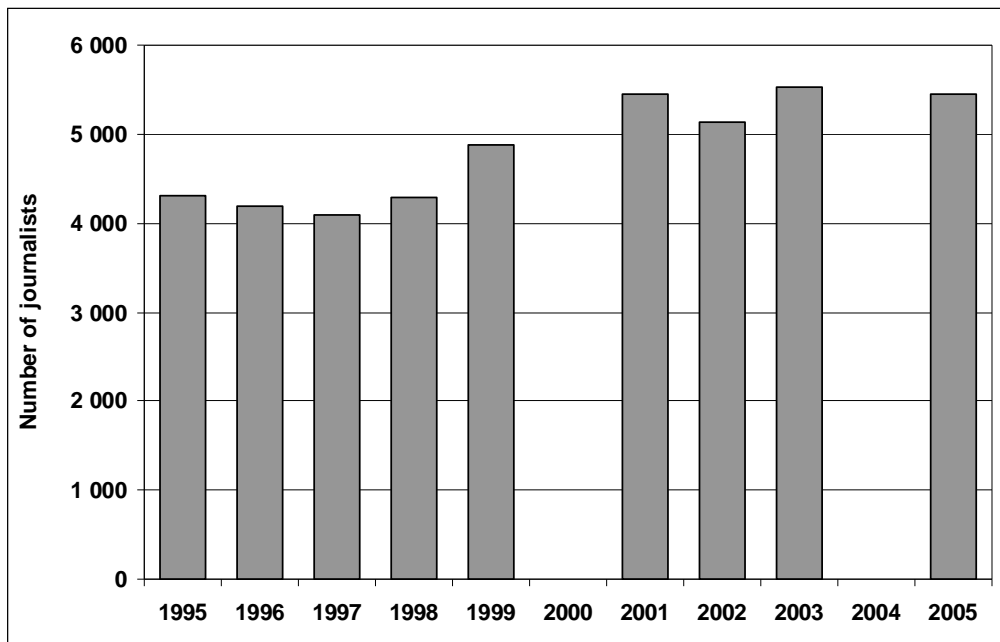


Figure 20 Number of journalists in the newspaper publishing industry (Source: SPQR)

*Regional press only

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 France the personnel costs per person were 57 300 Euros in 2004.

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.

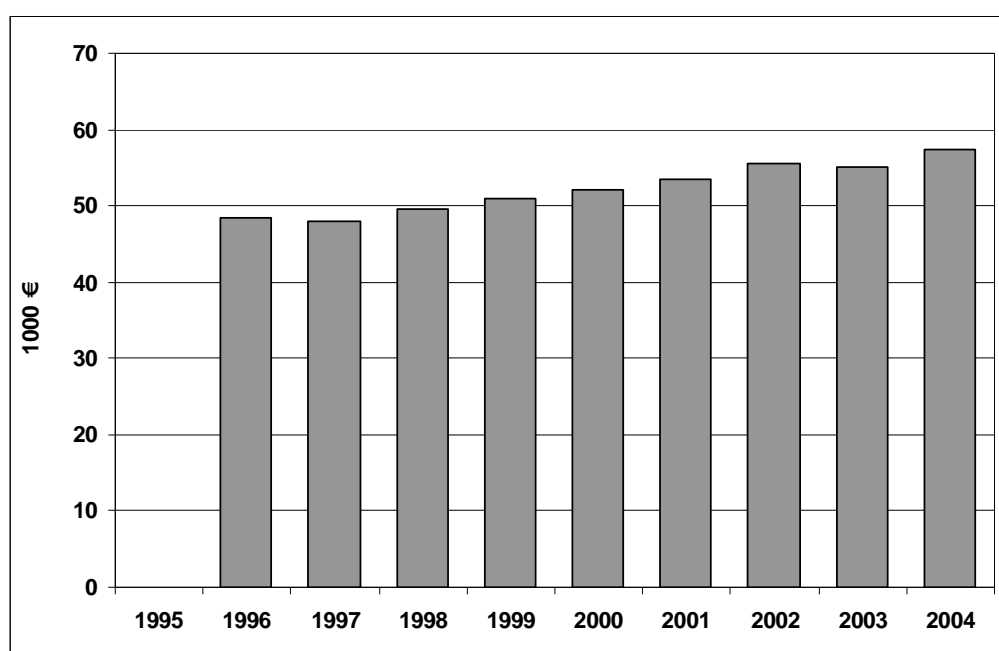


Figure 21 Personnel costs per person employed in the newspaper publishing industry (Source: Eurostat New Cronos Database)

3.2.4 Financial measures

Turnover

Turnover measures the industry's value of sales in a particular year, adjusted for changes in stock. 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 France the total turnover of the newspaper publishing industry grew until 2000. After that the total turnover of the newspaper industry started

to decline. In year 2004 the total turnover of the newspaper publishing industry took a turn for the better and was increased to approximately 5,35 billion Euros.

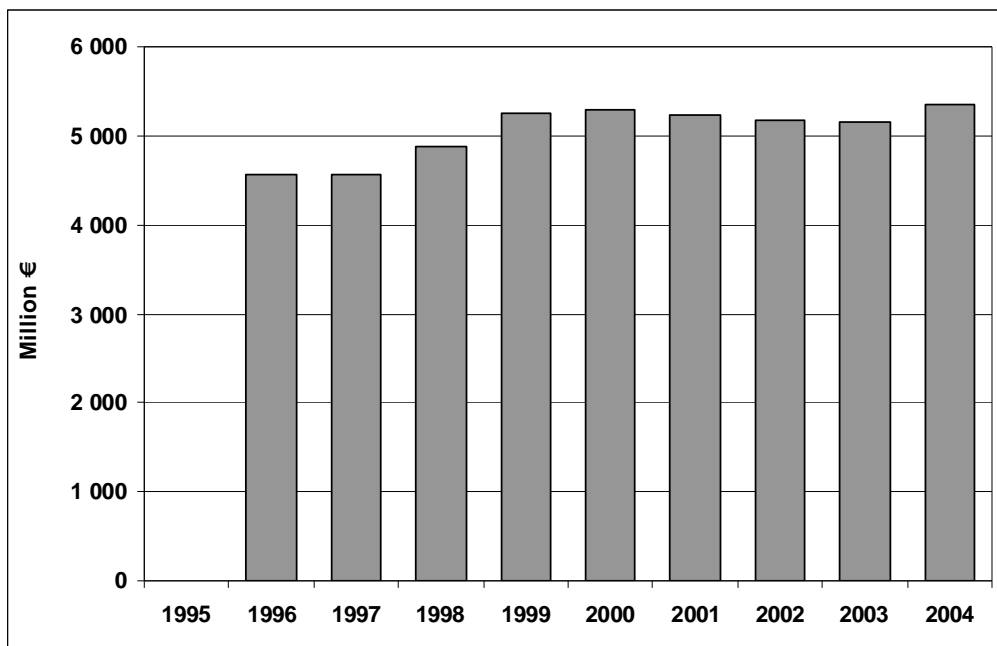


Figure 22 Total turnover of the newspaper publishing industry (Source: Eurostat New Cronos Database)

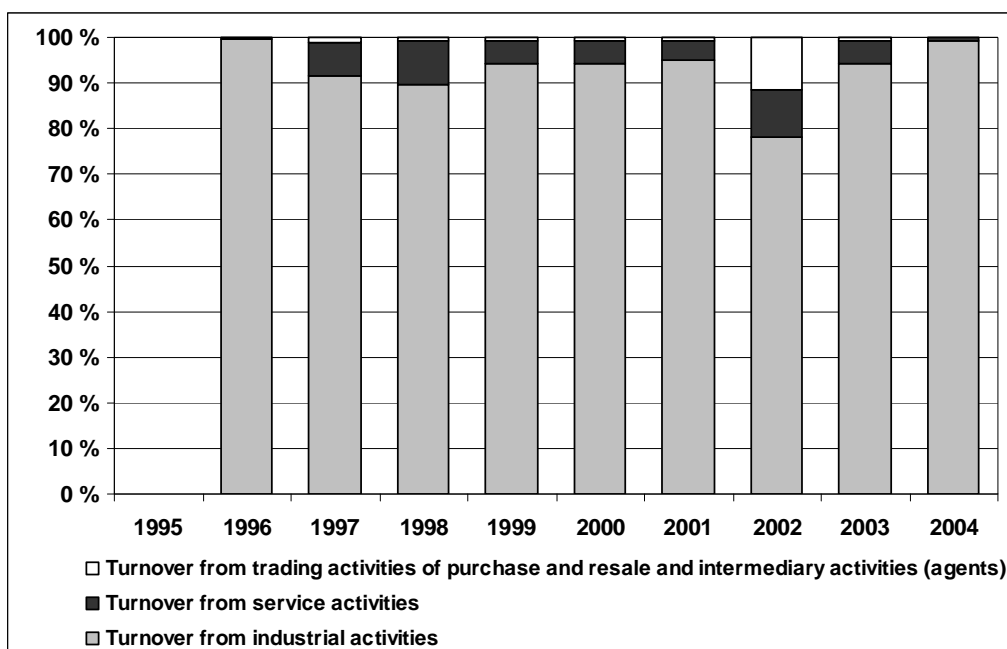


Figure 23 Distribution of turnover of the newspaper publishing industry by business activities (Source: Eurostat New Cronos Database)

Change in turnover

The percentual change in turnover in the newspaper publishing industry varied a great deal during 1997-2004. In 1999 the newspaper publishing

industry saw the most rapid growth during the years under scrutiny, growing almost 8 per cent. In 2004 the total turnover of the newspaper publishing industry increased by 3,8 per cent.

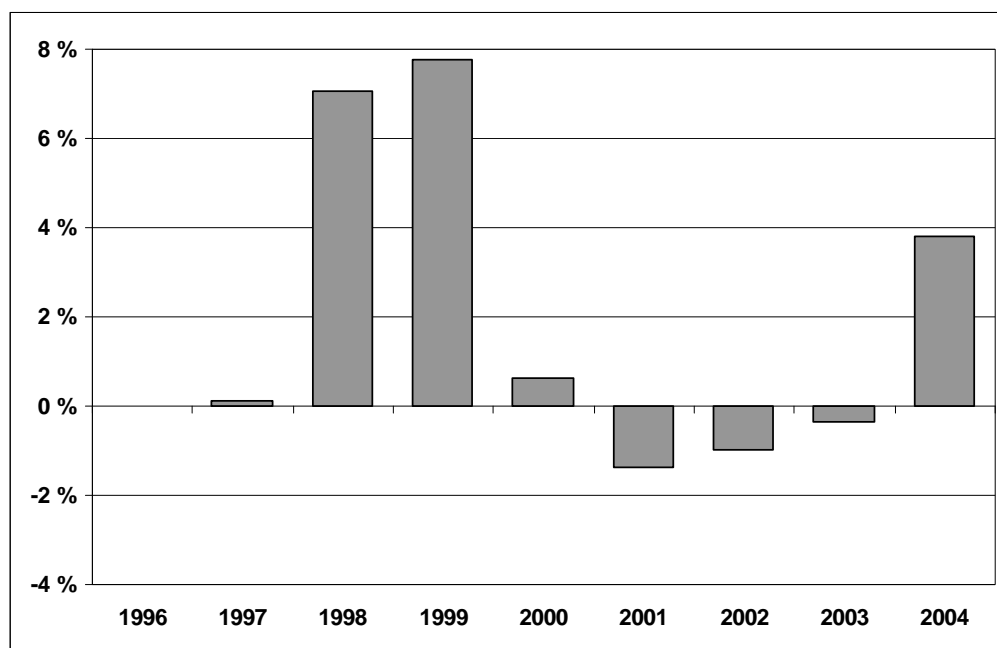


Figure 24 Annual changes in turnover in the newspaper publishing industry (Source: Eurostat New Cronos Database)

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 refers to 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. In France the newspaper publishing industry's contribution to GDP was 0,13 per cent in 2004.

Value-added is an important measure as it has a considerable impact on the ability of an enterprise to pay its workforce and generate profit.

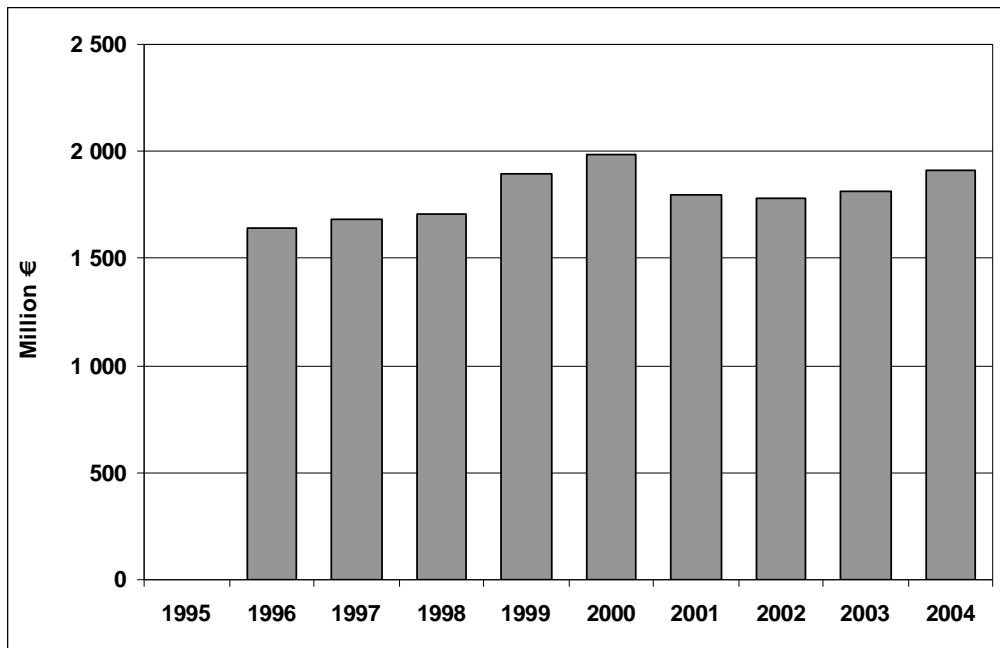


Figure 25 Total value added of the newspaper publishing industry at factor costs (Source: Eurostat New Cronos Database)

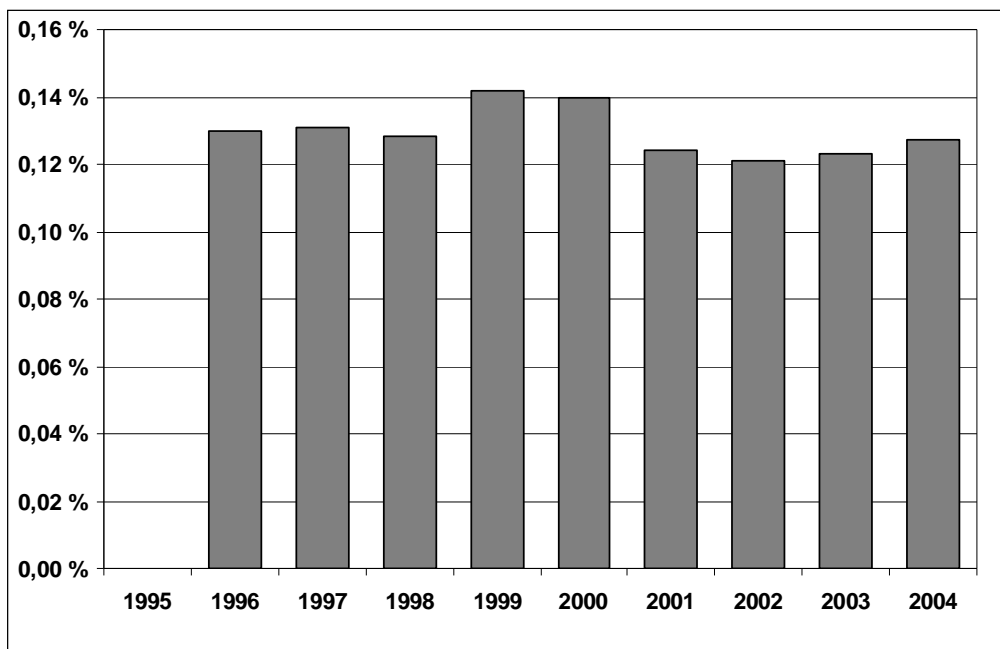


Figure 26 Value added to GDP (Source: Eurostat New Cronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed an increase in productivity during 1996-1999. After that value added per employee started to decline. In 2003 value added per employee started to increase again and in 2004 value added per employee was 60 200 Euros.

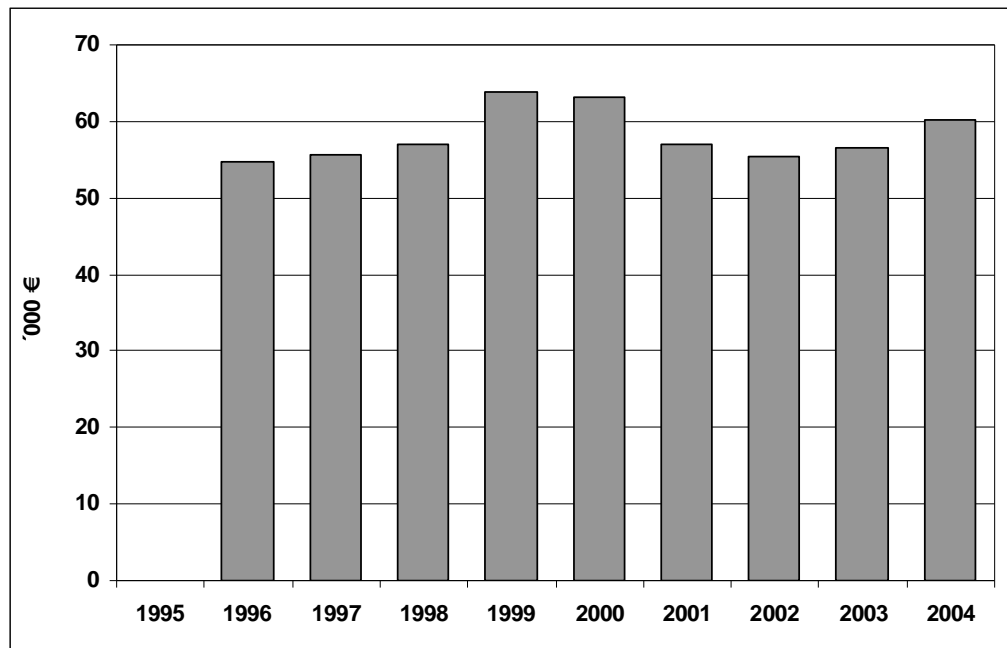


Figure 27 Value added per employee, 1000 € (Source: Eurostat New Cronos Database)

Value added per personnel costs

The ratio of 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 thus 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 spends on employment, regardless of the number employed.

The critical value is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2004 value added per personnel costs was 1,0.

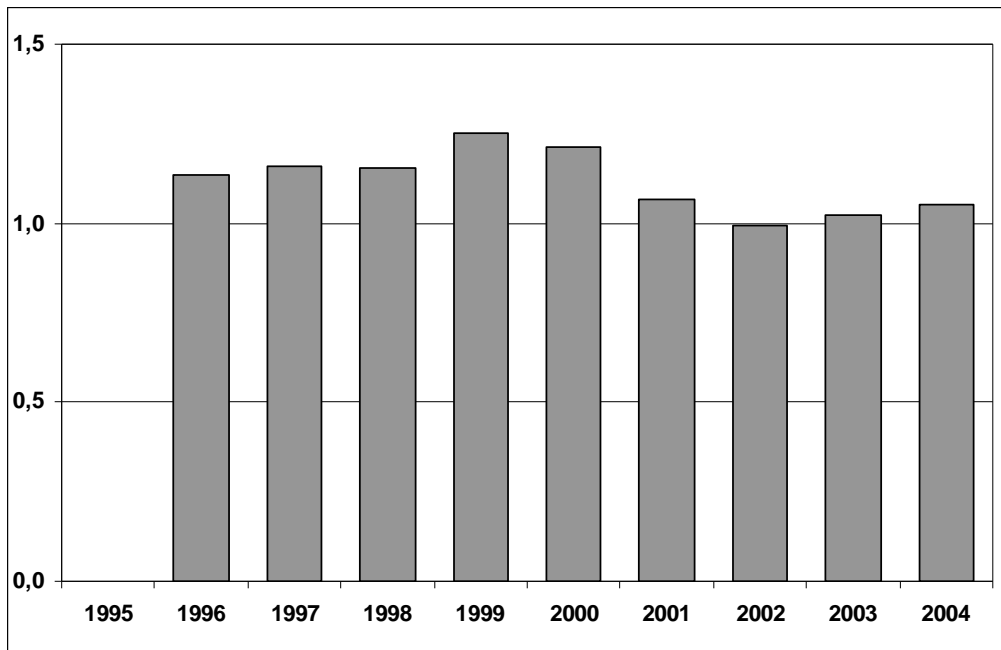


Figure 28 Value added per employee costs (Source: Eurostat New Cronos Database)

Turnover per employee

Turnover per employee in the newspaper publishing industry was showed a clear positive trend between 1996 and 1999. Since 2000 turnover per employee has declined. In 2003 turnover per employee started to increase and it was 168 200 Euros in 2004.

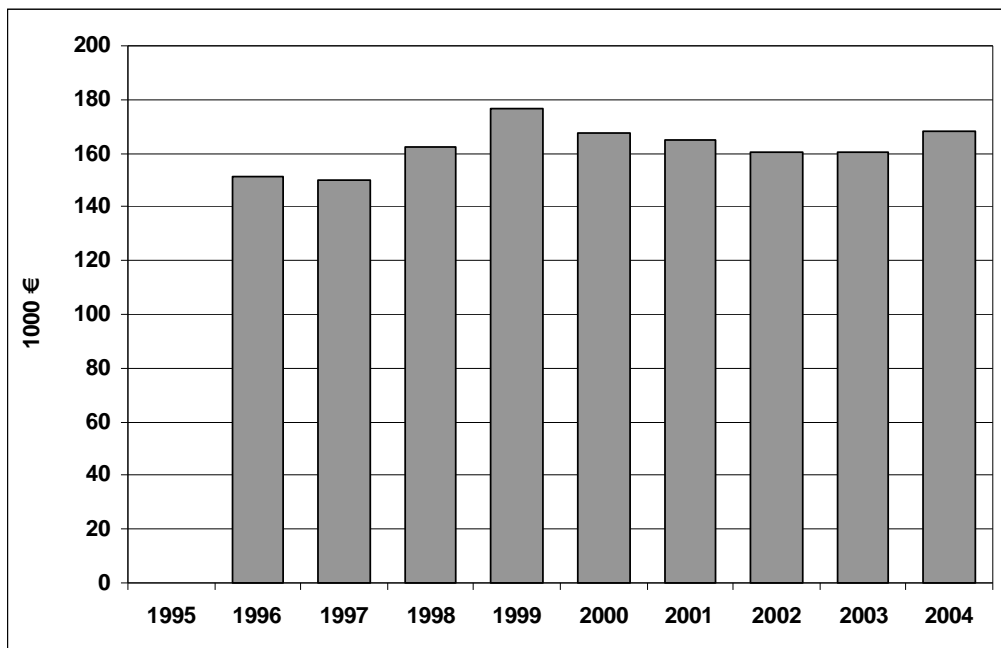


Figure 29 Turnover per employee (Source: Eurostat New Cronos Database)

Operating margin

This indicator measures the profit after operational costs (goods and services and personnel costs) as a percentage of 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 depreciations and capital costs is higher than in countries where printing is largely outsourced.

The turnover less value added and personnel costs is the operating profit. The operating margin of the newspaper industry remained on a higher level in the late 1990's. In 2004 the operating margin of the newspaper industry was only 1,7 per cent.

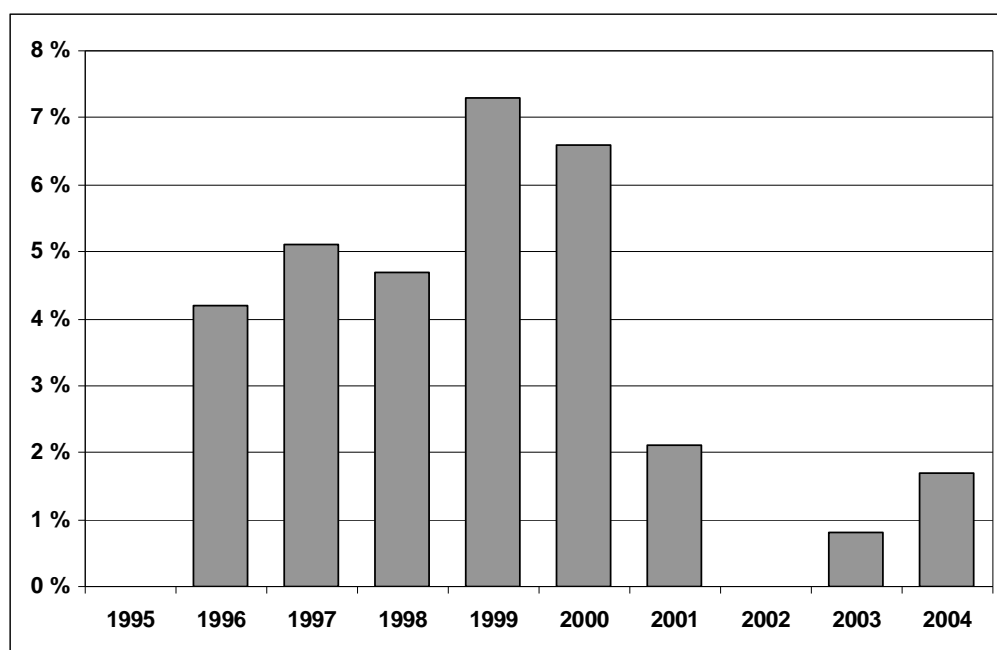


Figure 30 Operating margin of the newspaper publishing industry (Source: Eurostat New Cronos Database)

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 titles (for example, some computer magazines, financial magazines and news and analysis titles) have 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 there 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 differs 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 number of magazine copies sold in France was approximately 2 369 million in year 2004. Almost 90 per cent of magazine copies sold were consumer magazines.

In 2004, the average annual circulation volume of consumer magazine was approximately 641 000 copies. The average annual circulation volume of business magazine was approximately 219 000 copies.

4.1.3 Number of titles published

In 1996 the total number of magazine titles was 2 761 titles. After that the total number of magazine titles has increased. By year 2004 the number of magazine titles had increased by 63 percent to 4 498 titles. Between 1996 and 2000 the number of consumer magazine titles has more than doubled. During the same time period the number of business-to-business magazines has decreased by 7,6 per cent. In 2004 the number of consumer magazine titles was 3 281 titles. This means that three quarters of the published magazine titles are consumer magazines.

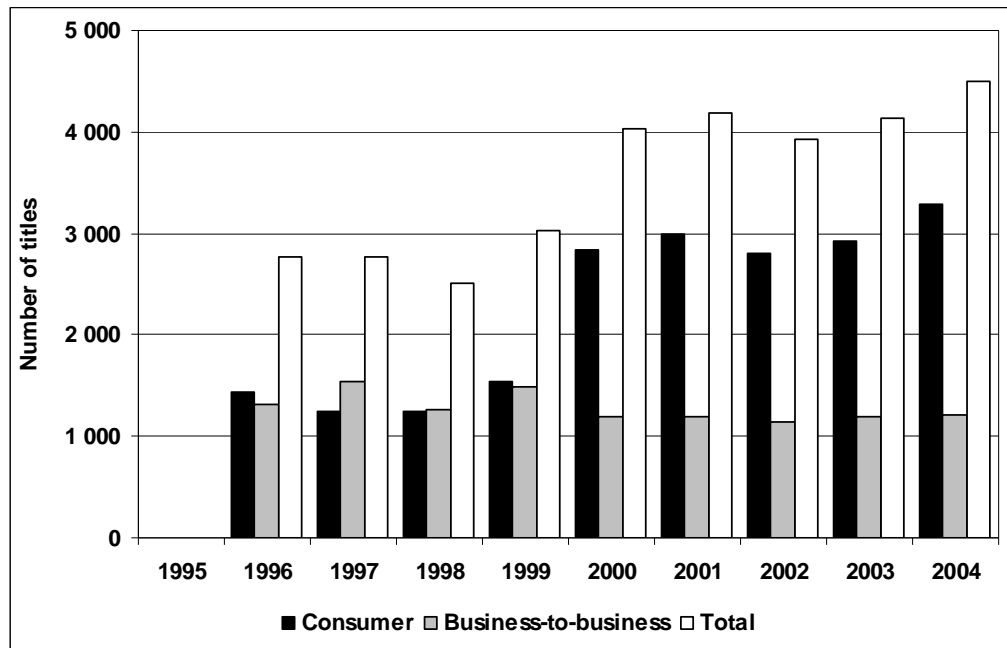


Figure 31 Number of published magazine titles (Source: DDM, NMPP, MLP, FNPS and Diffusion Control )

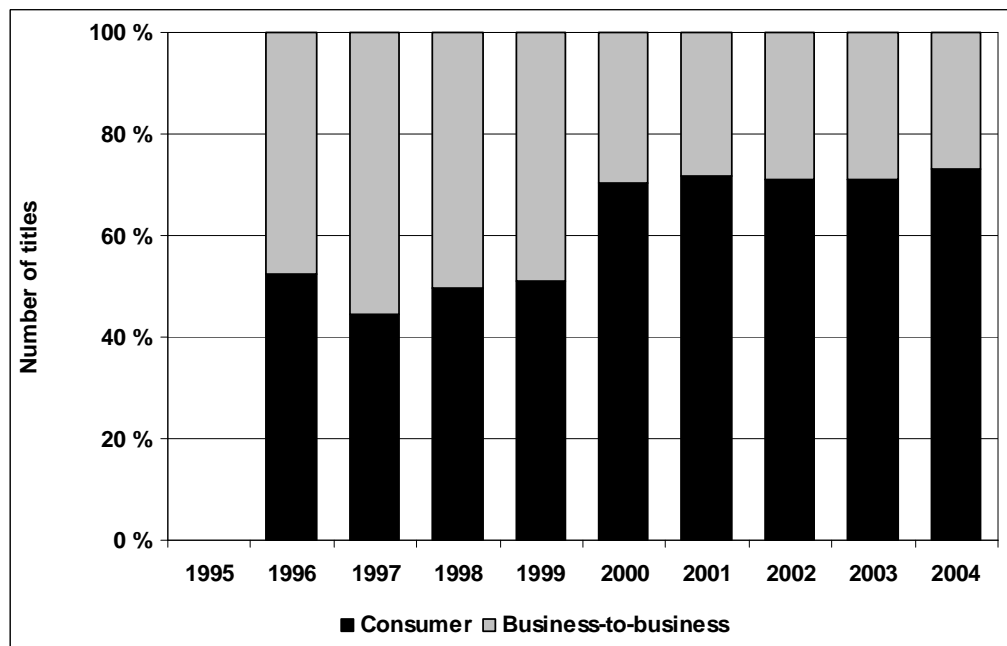


Figure 32 Magazine titles share between consumer titles and business-to-business titles (Source: DDM, NMPP, MLP, FNPS and Diffusion Control )

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 47,8 titles. In 2004 the number of consumer magazine titles per million populations was 54,3 titles. The number of business-to-business magazine titles per million populations was 20,1 titles in 2004.

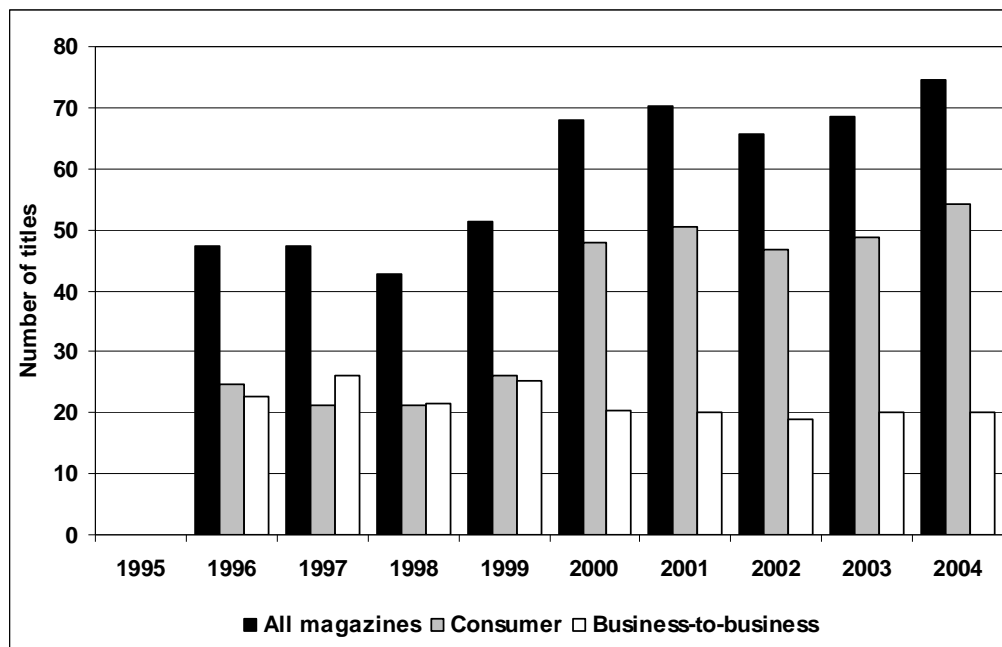


Figure 33 Number of magazine titles per million populations (Source: DDM, NMPP, MLP, FNPS, Diffusion Controlé and Statistics Finland, World in Figures)

The number of titles published can be assessed according to geographical 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 6,0 titles. The number of business-to-business magazine titles per 1000 km² was 2,2 titles in 2004.

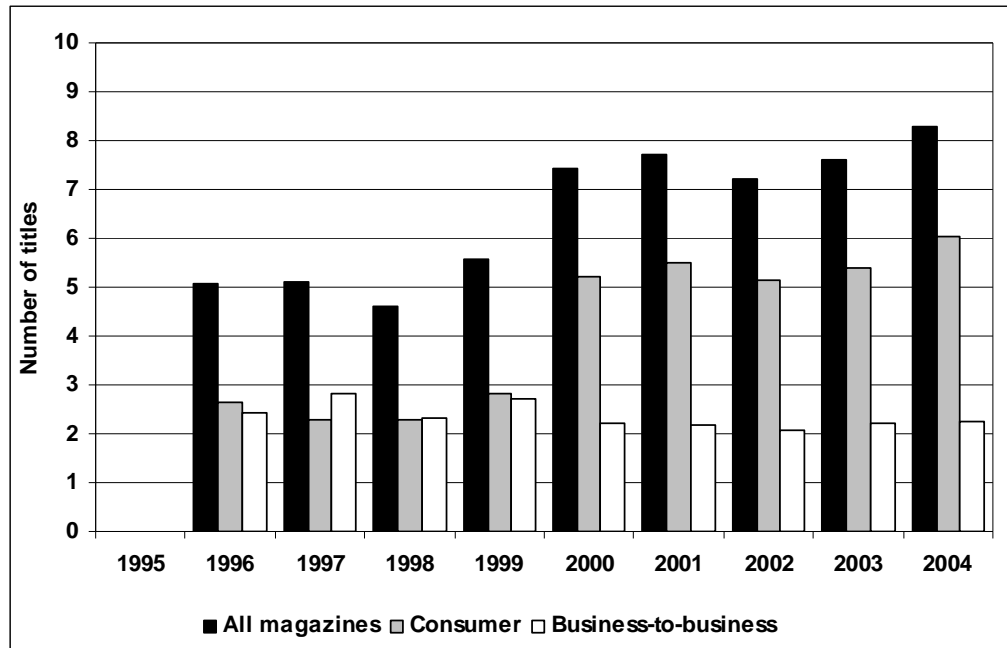


Figure 34 Number of magazine titles per 1000 km2 (Source: DDM, NMPP, MLP, FNPS, Diffusion Controlé and Statistics Finland, World in Figures)

There are quite large variations in the way magazines are distributed to consumers in the European Union. In Central and Northern European countries most magazines are paid for by subscription and delivered to readers' homes by the national postal service. In Southern member states and in the UK distribution is mainly through single copy sales. In France 60 per cent of consumer magazine are distributed through single copy sales.

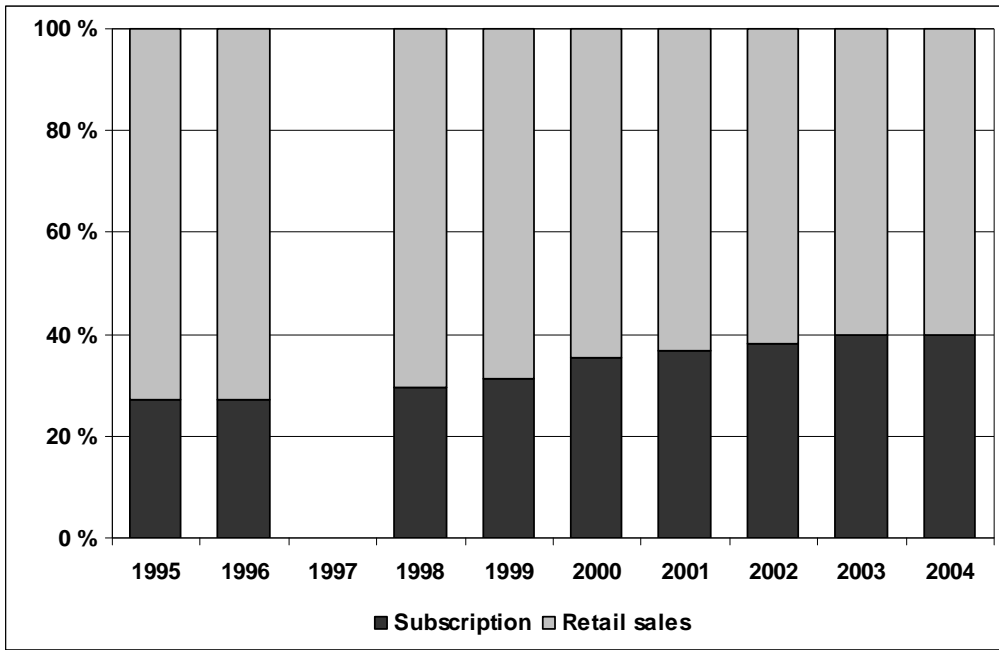


Figure 35 Sales distribution breakdown of consumer magazines (Source: World Magazine Trends)

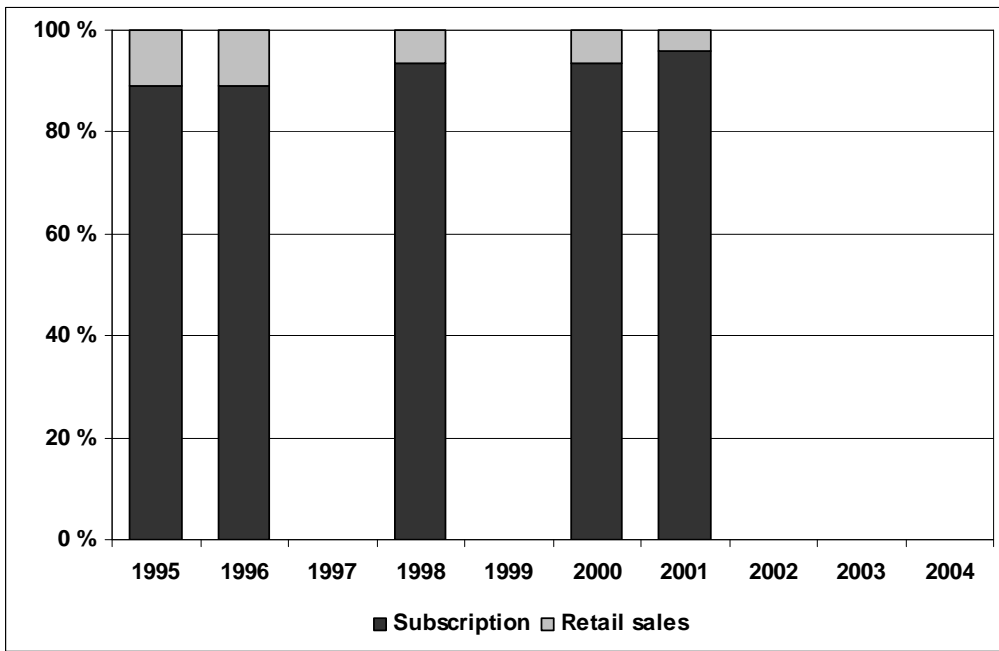


Figure 36 Sales distribution breakdown of business-to-business magazines (Source: World Magazine Trends)

Table 3 Top 20 circulating magazines in France based on circulation in 2005
(Source: Diffusion Controlé, AEMP, Tarif Média)

Rank	Magazine	Publisher	Total average circulation 2005
1.	Tele 7 Jours	Hachette Filippachi Associés	1 892 000
2.	Tele Z	EPM 2000	1 828 000
3.	Tele Loisirs	Prisma Presse	1 526 000
4.	Tele Star	Emap France	1 485 000
5.	Tele 2 Semaines	Prisma Presse	1 407 000
6.	Femme Actuelle	Prisma Presse	1 292 000
7.	Pleine Vie	Emap France	1 017 000
8.	Notre Temps	Bayard Presse	986 000
9.	Tele Poche	Emap France	807 000
10.	Telecable Satellite Hebdo	Groupe Michel Hommell	712 000
11.	Paris Match	Hachette Filippachi Associés	706 000
12.	Prima	Prisma Presse	686 000
13.	Telerama	VM Magazines	649 000
14.	Entrevue	Hachette Filippachi Associés	600 000
15.	L'Express	Groupe Express-Expansion	540 000
16.	Le Nouvel Observateur	Groupe Nouvel Observateur	538 000
17.	France Dimanche	Hachette Filippachi Associés	536 000
18.	Avantages	Groupe Marie-Claire	512 000
19.	Le Chasseur Français	Emap France	505 000
20.	Modes & Travaux	Emap France	491 000

4.1.4 Revenue related measures

In 2000, magazine advertising was approximately 2,4 billion Euros (constant 2000 prices). By 2004, the value of magazine advertising had declined to 2,0 billion Euros (constant 2000 prices). Figure 38 illustrates how magazine advertising has developed compared to total media advertising.

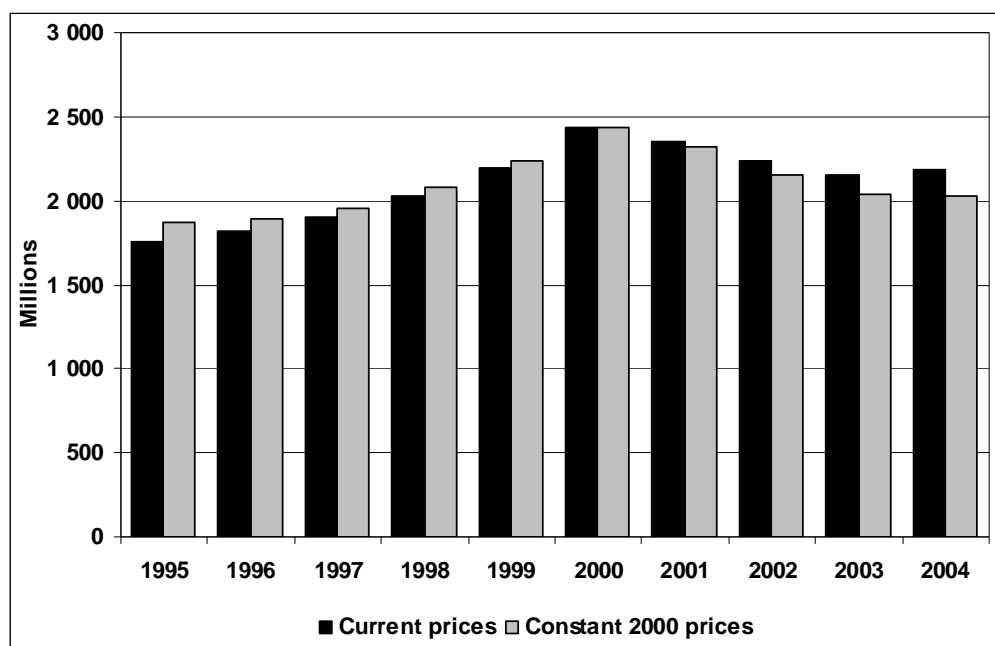


Figure 37 Magazine advertising from 1995 to 2004 (Source: World Advertising Trends)

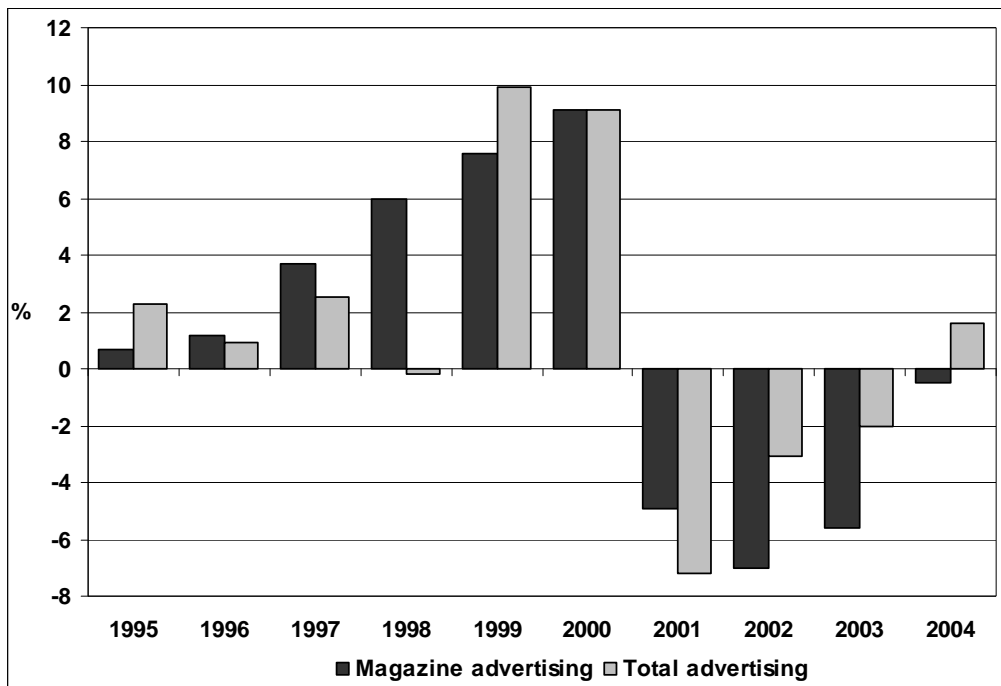


Figure 38 Annual change of magazine and total advertising at constant prices from 1995 to 2004, constant 2000 prices (Source: IREP; European Advertising & Media Forecast 2005, WARC)

The share of magazine advertising has declined since the early 1990s. In 2004 the share of magazine advertising was 22,3 per cent.

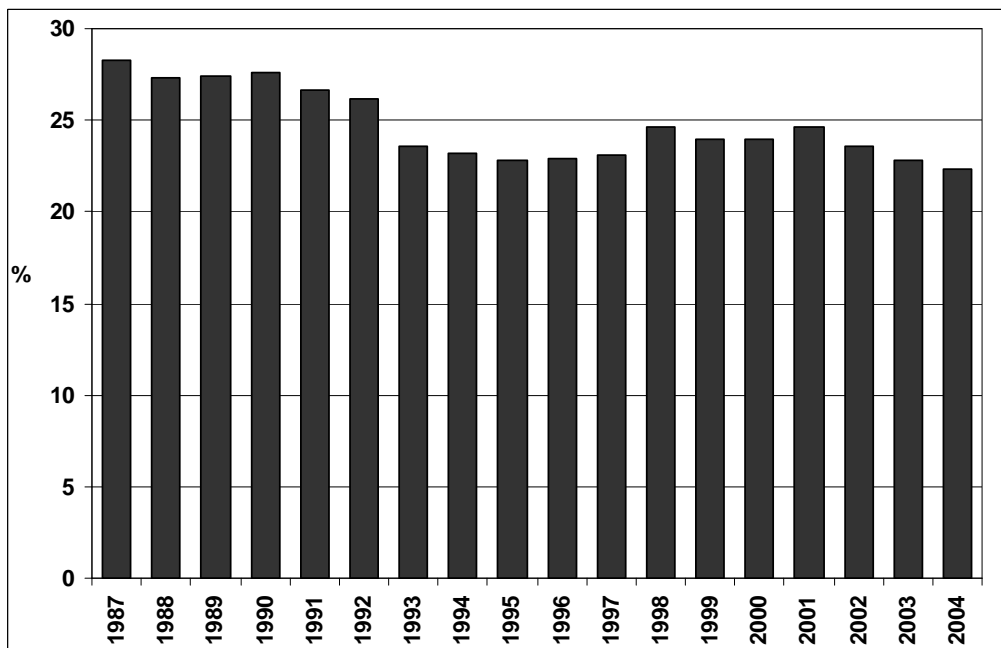


Figure 39 Share of magazine advertising of total advertising (Source: World Advertising Trends)

There haven't been any major changes in the revenue structure of consumer magazines during the last ten years. Since 1995 the share of advertising revenues has varied between 30 and 35 per cent. In 2004 the share of advertising revenues was 30,0 per cent.

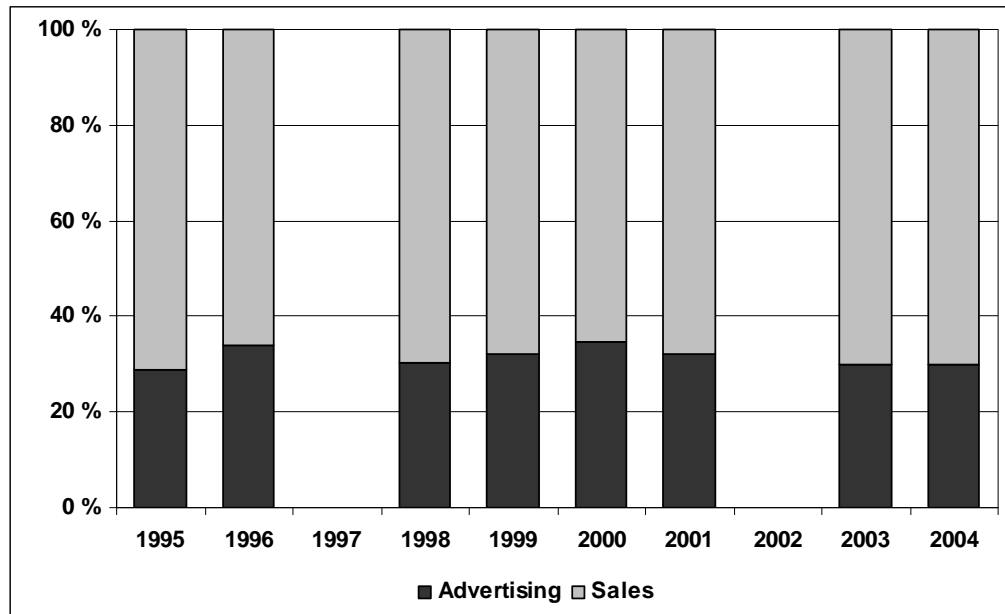


Figure 40 Revenue split between advertising and sales revenues, consumer magazines (Source: DDM and World Magazine Trends)

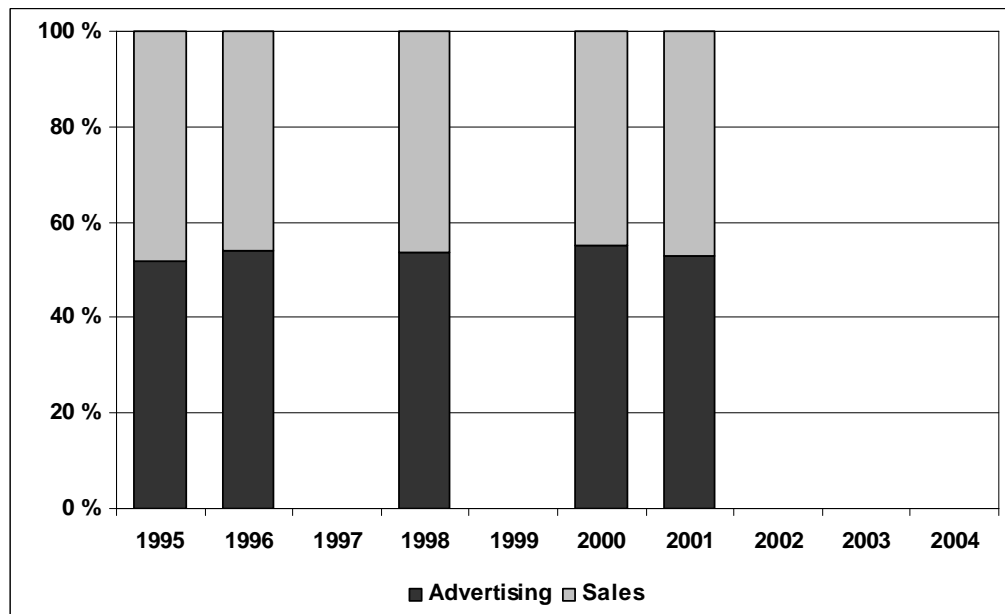


Figure 41 Revenue split between advertising and sales revenues, business-to-business magazines (Source: DDM and World Magazine Trends)

Advertising expenditure will normally rise in line with a country's GDP. If advertising expenditure is rising faster it will gradually create a bigger market. In 2004 magazine advertising per GDP was 0,13 per cent.

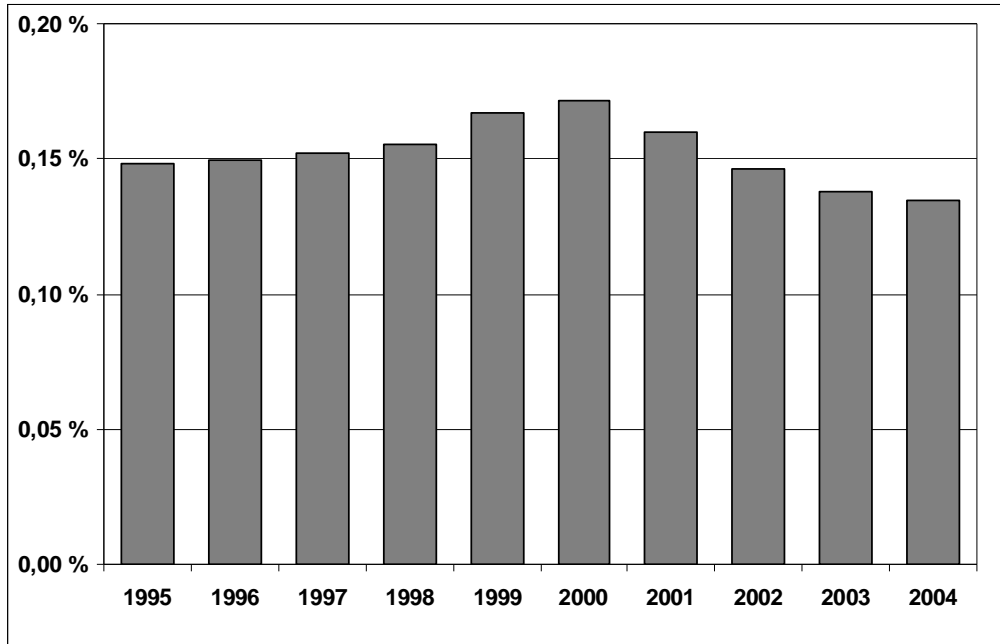


Figure 42 Magazine advertising per GDP (Source: World Advertising Trends)

4.2 Industry structure analysis

4.2.1 Number of companies

The total number of magazine publishing companies has grown over the last decade. In 2004 the total number of magazine publishing companies in France was 4 376.

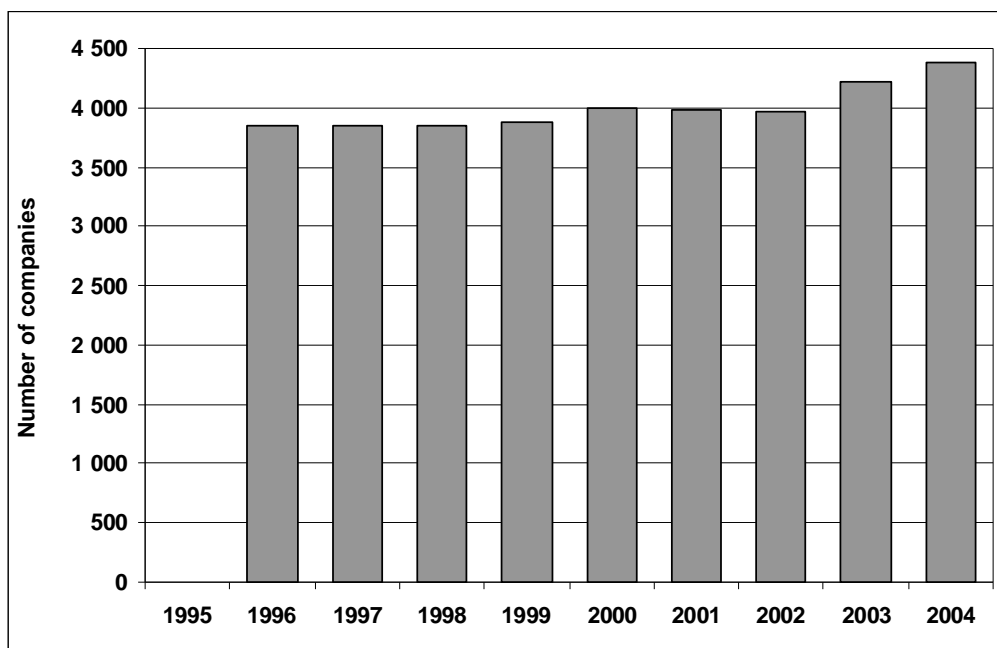


Figure 43 Number of magazine and periodical publishing companies (Source: Eurostat New Cronos Database)

4.2.2 Biggest magazine publishers

Table 4 Major consumer magazine publishers in France based on circulation in 2004 (Source: TNS, OJD)

Rank	Company	Total circulation (Million)	Share of adspend
1.	Hachette Filippachi Associes	303	18,0 %
2.	Prisma Presse	288	10,0 %
3.	Emap France	220	10,0 %
4.	Socpresse - Express Expansion	97	8,0 %
5.	VM Magazines	75	4,0 %
6.	Bayard Presse	62	2,0 %

Table 5 Major business magazine publishers in France based on circulation in 2004 (Source: TNS, TNPS)

Rank	Company	Total circulation (Million)
1.	Aprovia	22,2
2.	CMP Medica France	17,2
3.	Wolter Kluwers	14,8
4.	JB Baillere	10,9
5.	Reed Elsevier	10,1
6.	Groupe revue fiduciaire	9,1
7.	Groupe France Agricole	8,4
8.	Editions juridiques associés	6,4

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
HACHETTE FILIPACCHI ASSOCIES	HACHETTE FILIPACCHI PRESSE (H.F.P.)	100	100	H.F.A H.F.P ROGER THEROND
	LAGARDERE SCA	-	100	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
ILIAD	M NIEL XAVIER	66	n.a.	FREE
	PUBLIC	>15,00	n.a.	IFW
	LEVAVASSEUR ANTOINE	1,94	n.a.	KERTEL
	ASSAF RANI	1,76	n.a.	ONE.TEL
	BRUNEL FRANCK	1,35	n.a.	ONLINE
	POIDATZ CYRIL	1,33	n.a.	SNDM
	HENDERSON GROUP PLC via its funds	-	1,27	TOTAL CALL
	FIDELITY INVESTMENTS LIMITED via its funds	-	1,14	KEDRA
	BANK OF AMERICA CORPORATION via its funds	-	1	CENTRAPEL
	M ASSAF RANI	1	n.a.	IH SAS
	M BOUKOBZA MICHAEL	1	n.a.	TOUTCOM
	M BRUNEL FRANCK	1	n.a.	SASAM
	M LEVAVASSEUR ANTOINE	1	n.a.	FREEBOX
	M POIDATZ CYRIL	1	n.a.	DEDIBOX
	M ROSENFELD OLIVIER	1	n.a.	ASSUNET
	STANDARD LIFE GROUP LIMITED via its funds	-	0,57	
	BRUMMER & PARTNERS AB via its funds	-	0,55	
	F&C ASSET MANAGEMENT PLC via its funds	-	0,48	
	LUPUS ALPHA via its funds	-	0,37	
	JP MORGAN CHASE & CO. via its funds	-	0,36	
	J O HAMBRO CAPITAL MANAGEMENT LIMITED via its funds	-	0,31	
	UNIVERSAL-INVESTMENT GESELLSCHAFT MIT BESCHRÄNKTER	-	0,31	
	BAYERISCHE HYPO-UND VEREINSBANK AG via its funds	-	0,28	
	JULIUS BAER HOLDINGS LTD via its funds	-	0,28	
	MERRILL LYNCH & CO., INC. via its funds	-	0,24	
	DZ BANK INTERNATIONAL S.A. via its funds	-	0,19	
	HSBC HOLDINGS PLC via its funds	-	0,18	
	MELLON FINANCIAL CORPORATION via its funds	-	0,16	
	WEILL ALAIN	0,16	n.a.	
	ERSEL FINANZIARIA SPA via its funds	-	0,15	
	CREDIT SUISSE GROUP via its funds	-	0,14	
	AXA FRAMLINGTON GROUP LIMITED via its funds	-	0,13	
	AUTOCONTROLE	-	n.a.	
BOUKOBZA MICHAEL	-	n.a.		
M WEILL ALAIN	-	n.a.		
ROSENFELD OLIVIER	-	n.a.		

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
BAYARD	LES ASSOMPTIONNISTES	100	100	BAYARD EDITIONS JEUNESSE
				BAYARD PRESSE INVESTISSEMENTS
				BAYARD PRESSE JEUNE EDUCATION
				BAYARD RESEAU RELIGIEUX
				BAYARD SERVICE EDITION
				CREATIVE COMMUNICATIONS FOR THE PARISH INC
				SONODEP
				SOCIETE FRANCAISE D'EDITION ET DE DISTRIBUTION (SOFEDIS)
				SOCIETE D'EDITIONS DE REVUES
				HAFIBA
				SOC COMMUNE DE DEVELOPPEMENT JEUNESSE
				BAYARDTV
				FRANCE MAMAN
				TYGODNIK POWSZECHNY SP Z O.O.
ARMENTERIES				
EDITIONS DU TEMOIGNAGE CHRETIEN				
NDS VOYAGES ET PELERINAGES DE NOTRE DAME DU SALUT (NDS VOYAGES)				
CATECHISE 80				
SOC NOUVELLE LA CROIX DU NORD PDC				

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
EMAP FRANCE	EMAP INTERNATIONAL MAGAZINES S AS (EMAP PLC)	100	100	MONDADORI FRANCE DIGITAL

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
GROUPE SUD OUEST SA	SOC CIVILE BORDELAISE DE PERSONNEL	80	20	n.a.
				n.a.
				STE DES GRATUITS DE GUYENNE ET GASCOGNE (S 3 G)
				SA PRESSE & EDITION DU S.O. (SAPESO)
				LA CHARENTE LIBRE
EXPOSITIONS ET EVENEMENTS DU				
VOCENTO SA				
VOXINZEBOX				

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
GRUPE EXPRESS EXPANSION	SOCPRESSE ROULARTA MEDIA GROUP	65 35	n.a. n.a.	GRUPE EXPRESS EDITIONS CD SERVICES EDITIONS GENERATION L'ETUDIANT JOB RENCONTRES PRELUDE ET FUGUE GRUPE MIEUX VIVRE DICOS D'OR VIF MAGAZINE

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
HACHETTE COLLECTIONS	HACHETTE LIVRE LAGARDERE SCA	100 -	100 100	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
GRUPE MONITEUR	BRIDGEPOINT CAPITAL LIMITED	100	100	TERRITORIAL L'ACTION MUNICIPALE ACHATPUBLICCOM LA SECURITAS BUREAU INTERNATIO NAL D'ASSU

Source: Bureau van Dijk Amadeus-database

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 with total employment it indicates the relative importance of that industry in employment terms. Employment in the magazine publishing industry increased until 2001. After that it started to slightly decline. In 2004 the total number of employees in the magazine publishing industry was approximately 31 790.

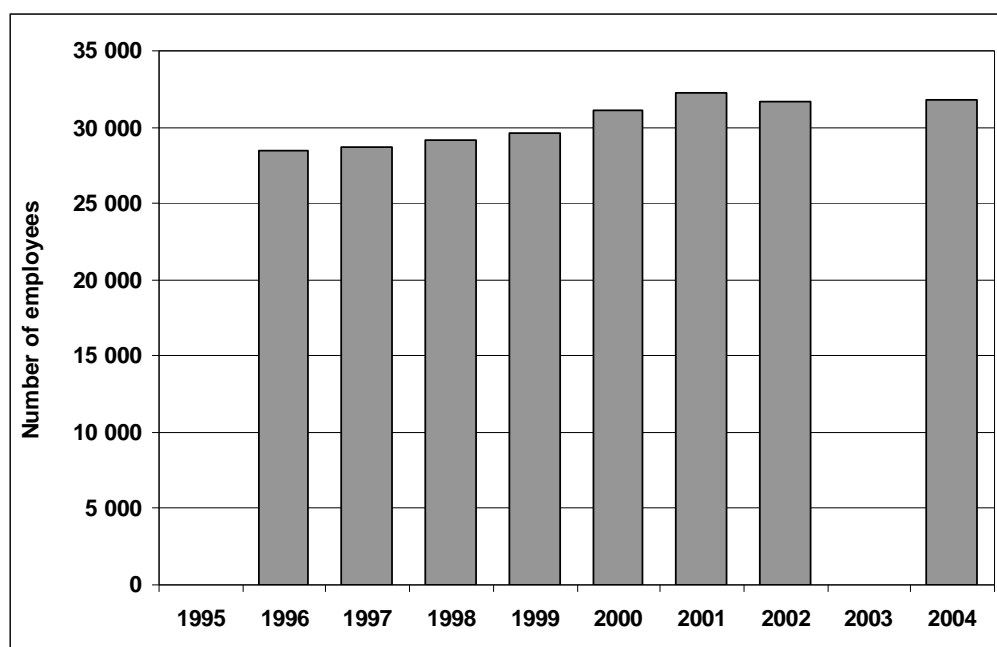


Figure 44 Employment in the magazine publishing industry (Source: Eurostat New Cronos Database)

The cost of employing a person within the magazine publishing industry differs considerably between Member States. In France the personnel costs per person were 57 000 Euros in 2004.

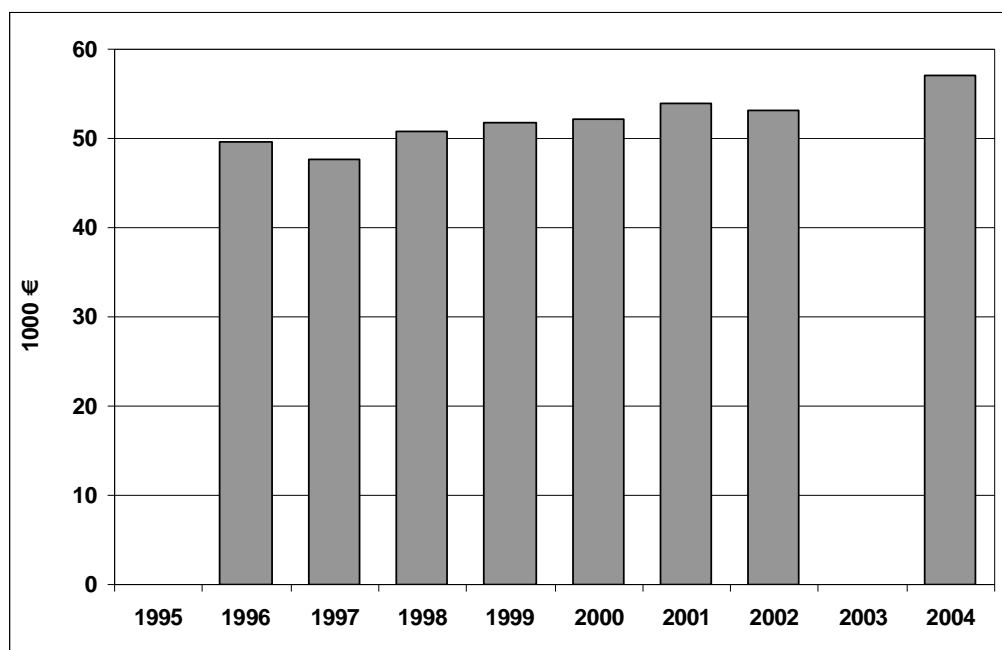


Figure 45 Personnel costs per person employed in the magazine industry (Source: Eurostat New Cronos Database)

4.2.4 Financial measures

Turnover

The total turnover of the magazine publishing industry grew steadily until year 2001, starting at 6 293 million Euros in 1996 and ending in 7 545 million Euros in 2001. After that the total turnover of the magazine publishing industry started to decline. In 2004, the total turnover of the magazine publishing industry took a turn for the better. In 2004 the total turnover of the magazine publishing industry was 7 873 million Euros.

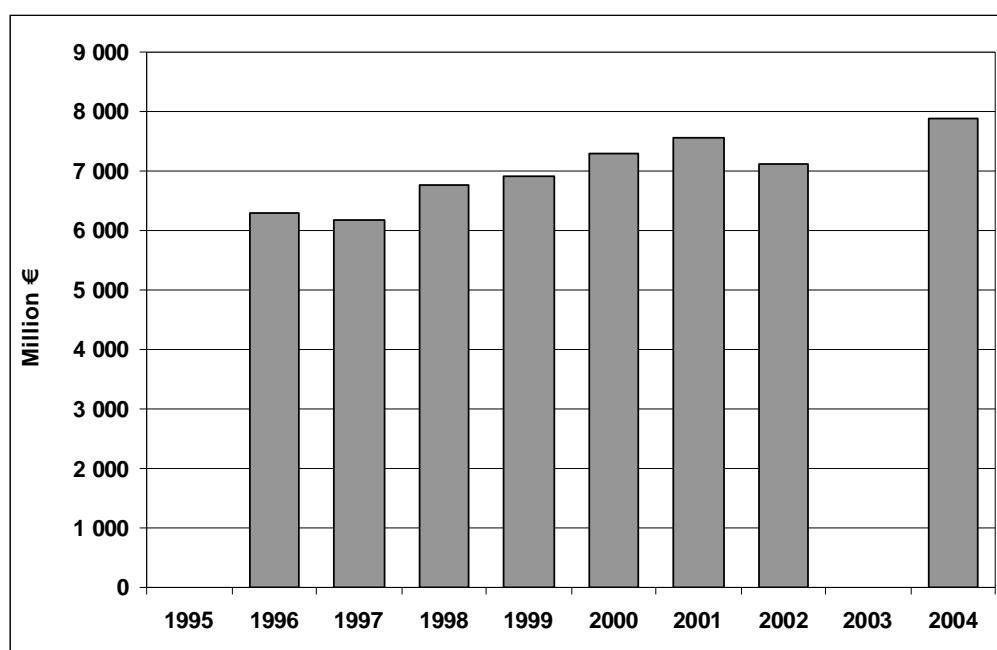


Figure 46 Total turnover of the magazine publishing industry (Source: Eurostat New Cronos Database)

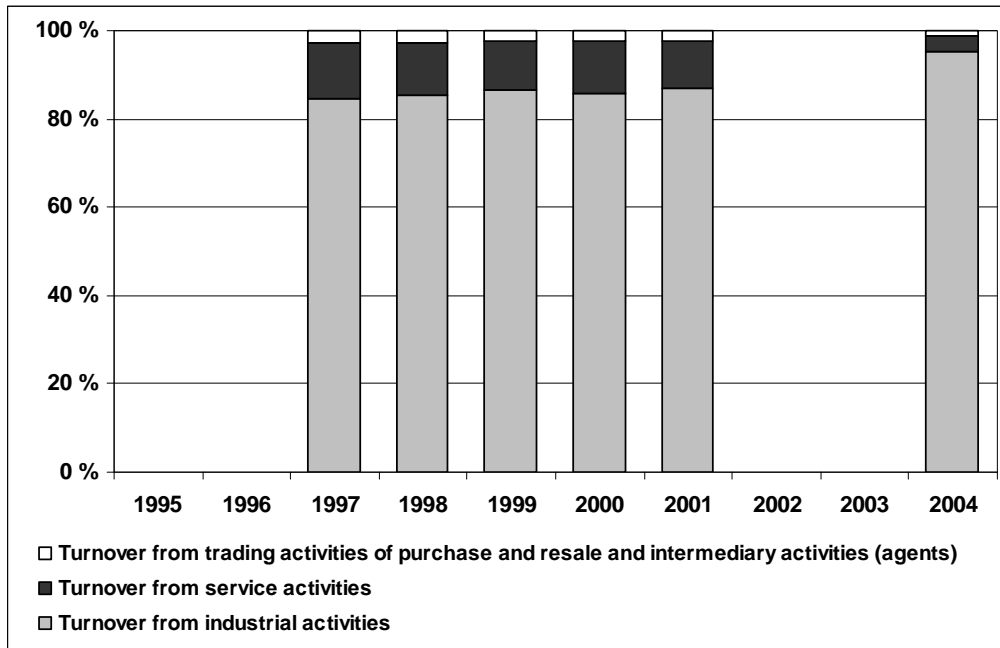


Figure 47 Distribution of total turnover of the magazine publishing industry by business activities (Source: Eurostat New Cronos Database)

Change in turnover

The change in turnover in the magazine publishing industry varied a great deal during 1996-2004. In 1998 the magazine publishing industry saw the most rapid growth during the years under scrutiny, growing over 9 per cent. In 2002 the total turnover of the magazine publishing industry declined by almost 6 per cent.

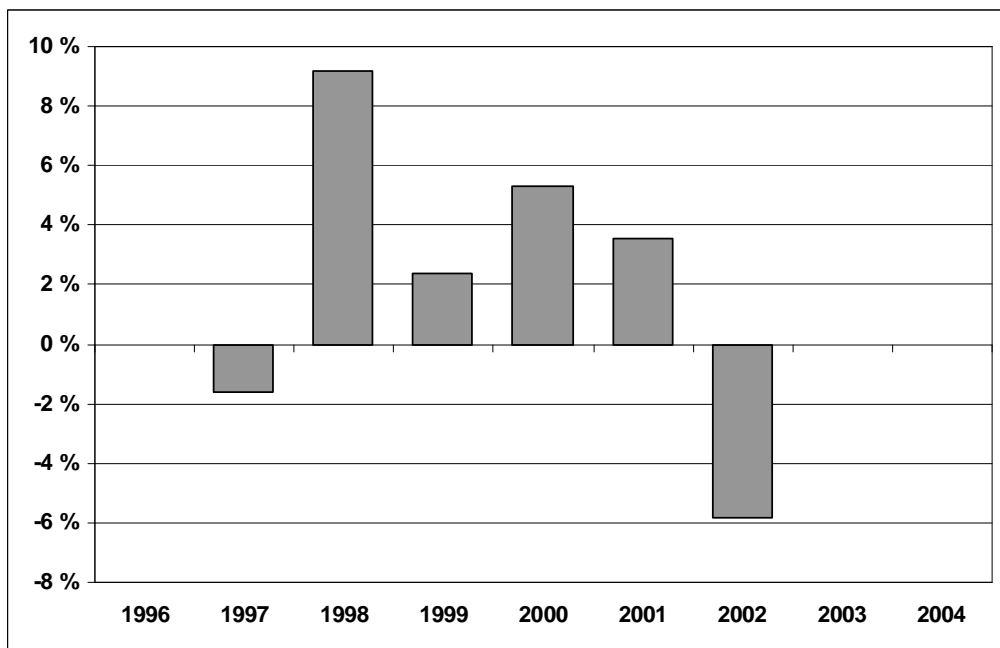


Figure 48 Annual changes in turnover (Source: Eurostat New Cronos Database)

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 magazine publishing industry's contribution to GDP in 2004 was 0,16 per cent.

Value added is an important measure as it has a considerable impact on the ability of an enterprise to pay its workforce and generate a profit. In 2004 the total value added of the magazine publishing industry was approximately 2 457 million Euros.

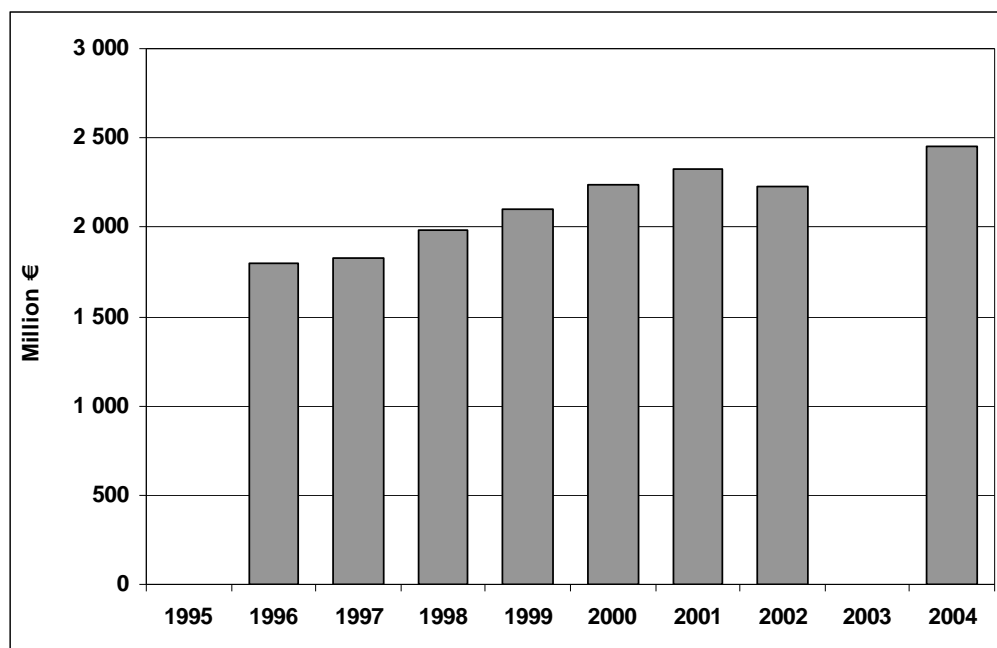


Figure 49 Total value added of the magazine publishing industry at factor costs (Source: Eurostat New Cronos Database)

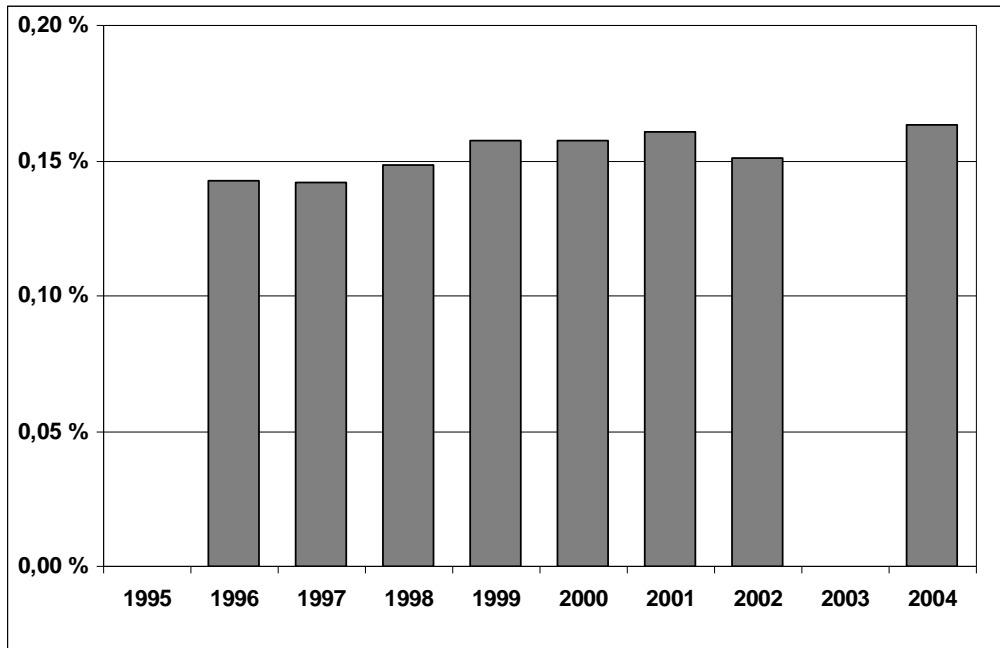


Figure 50 Value added to GDP (Source: Eurostat New Cronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed an increase in productivity during 1996-2004. In 2004 value added per employee was 77 300 Euros.

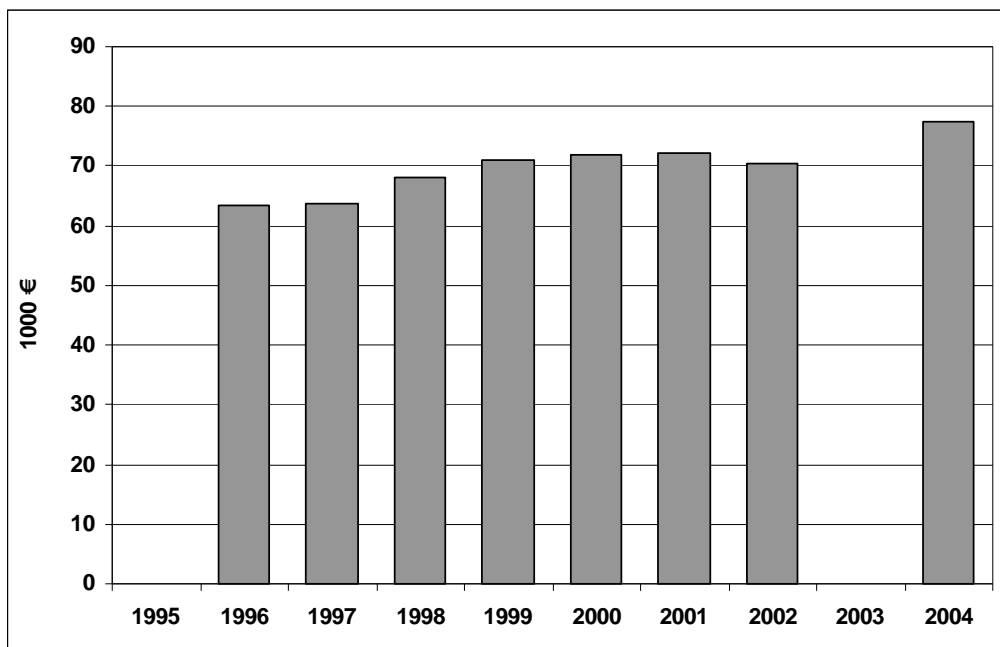


Figure 51 Value added per employee, 1000 € (Source: Eurostat New Cronos Database)

Value added per personnel costs

The ratio of value added to personnel costs is an alternative way of looking at the relationship between the 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 value is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2004 value added per personnel costs was 1,4 in the French magazine publishing industry.

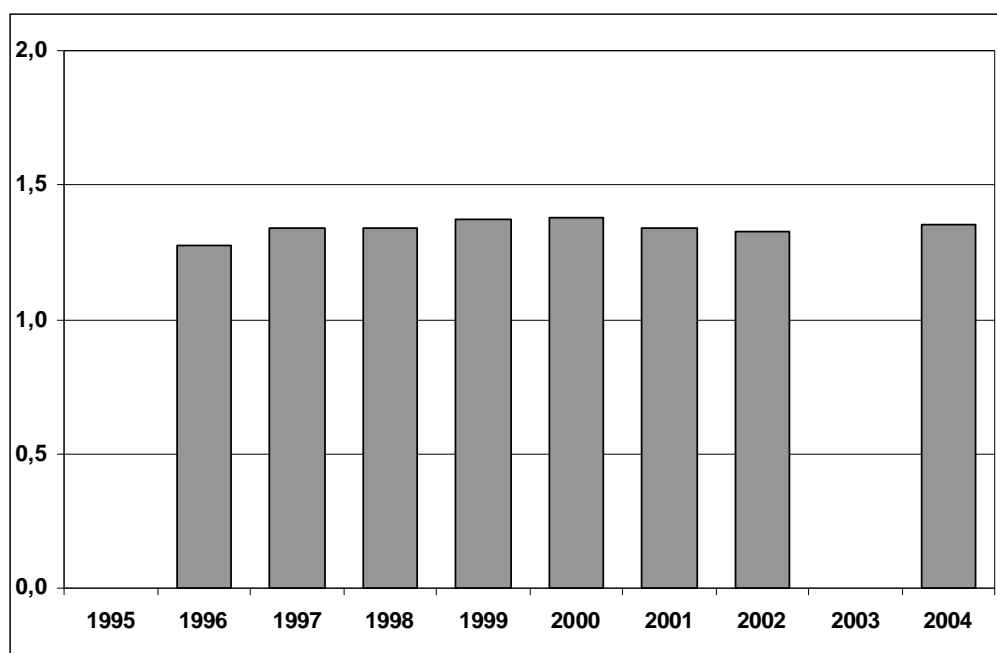


Figure 52 Value added per employee costs (Source: Eurostat New Cronos Database)

Turnover per employee

Turnover per employee in the magazine publishing industry showed a stationary trend between 1996 and 2004. Turnover per employee increased to 246 600 Euros in 2004.

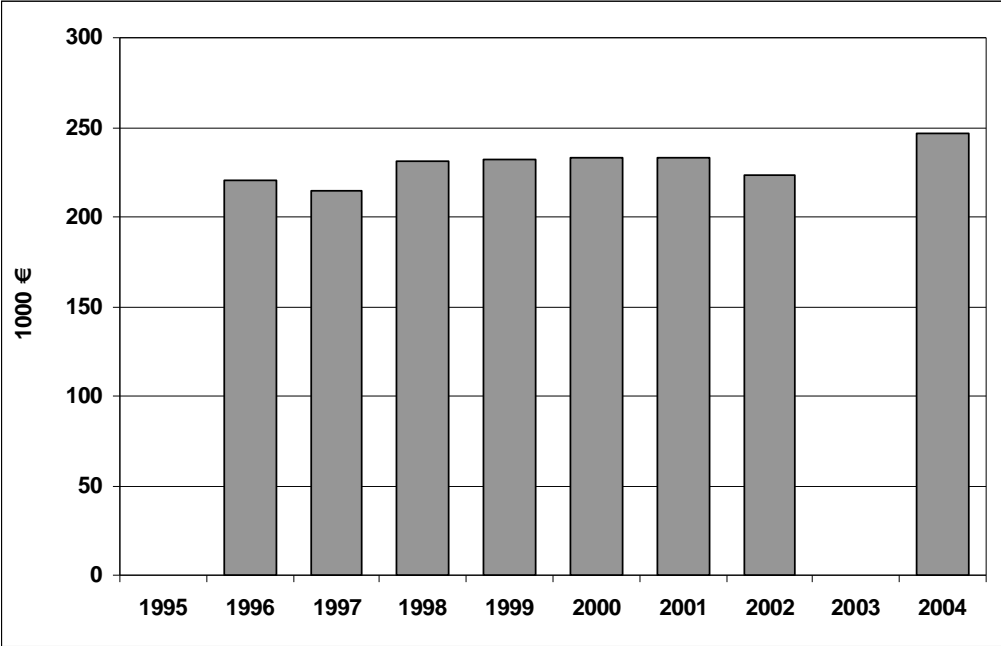


Figure 53 Turnover per employee (Source: Eurostat New Cronos Database)

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 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 operating profit. Since 1997 the operating margin of the magazine industry has varied between 7,5 and 8,5 per cent. In 2004, the operating margin of the magazine publishing industry was 8,2 per cent.

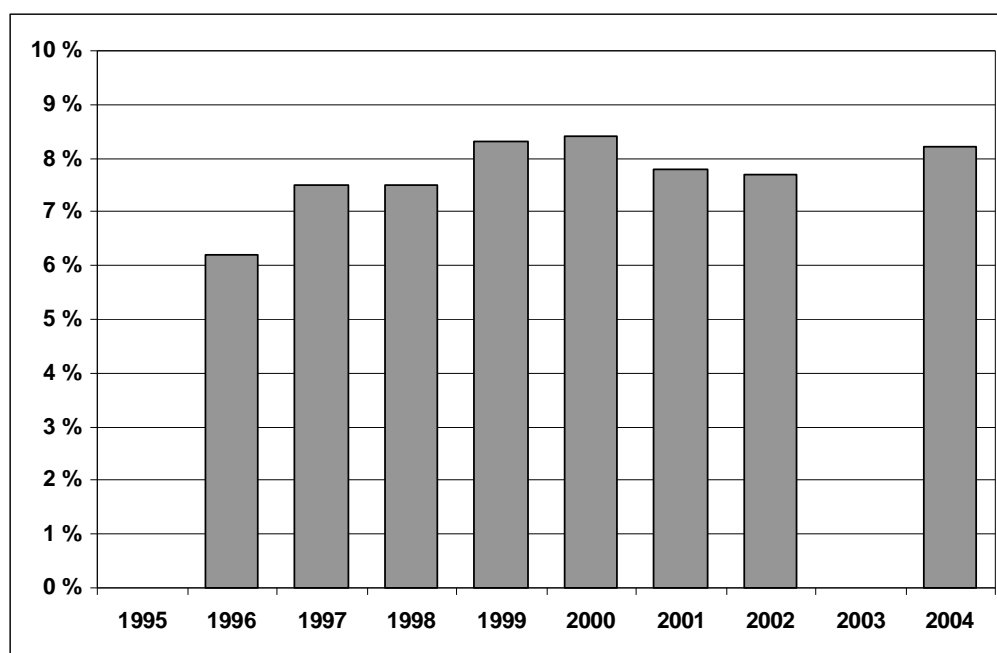


Figure 54 Operating margin of the magazine publishing industry (Source: Eurostat New Cronos Database)

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 into 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 are classified as educational titles (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 considerably, 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 in some countries) at the other.

There are many publishing firms (including medium-sized firms) with business activities 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: groups are reported as one entity.

5.1.2 Book sales

The total sales value of books was approximately 2,7 billion Euros in 2005. That is approximately 25 per cent more than in 1995 (2,2 billion €). The value of book sales per capita was 44,7 Euros in 2005. That is approximately 20 per cent more than in 1995 (37,0 €).

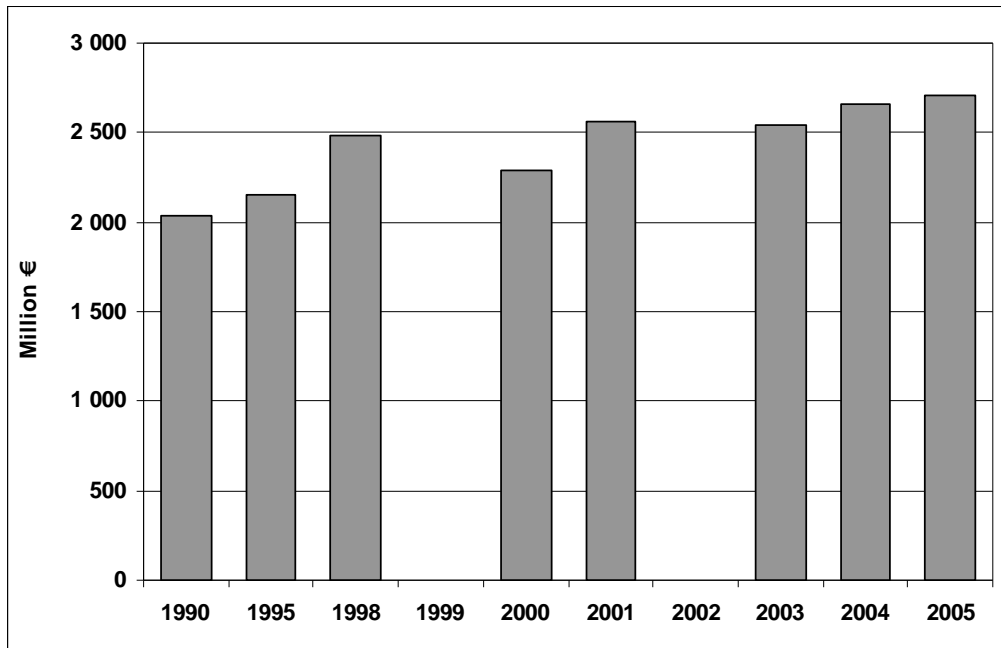


Figure 55 Value of book sales (Source: Syndicat National de L'Edition)

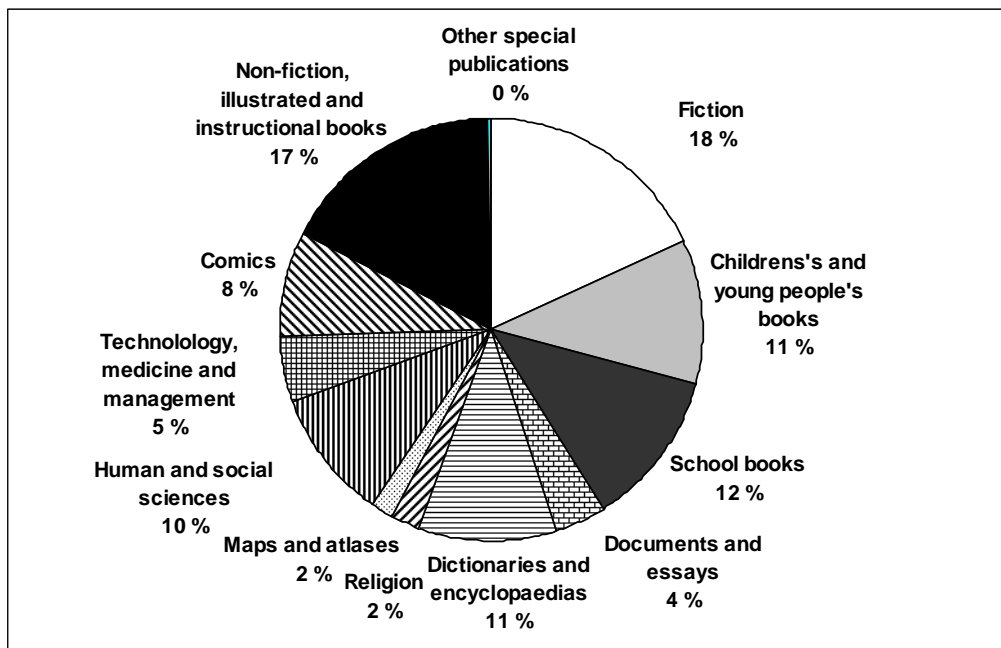


Figure 56 Book sales by category in 2005, value of sales (Source: Syndicat National de L'Edition)

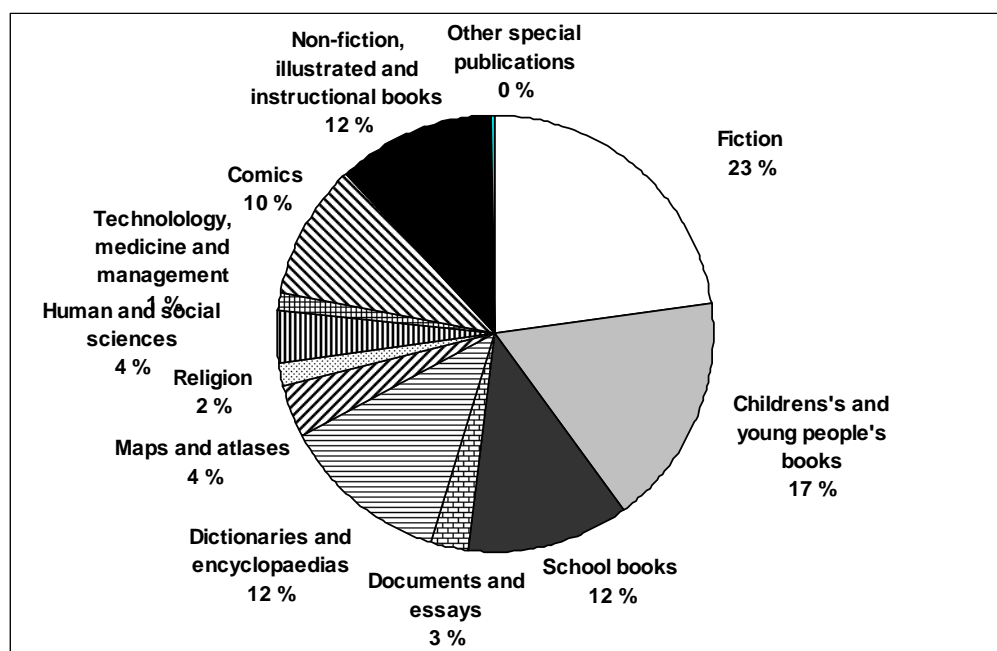


Figure 57 Book sales by category in 2005, share of copies sold (Source: Syndicat National de L'Édition)

Table 6 Book sales by category in 2005 (Source: Syndicat National de L'Édition)

Category	1 000 €	%	Number of copies sold (1000)	%
Fiction	473 300	18,0 %	104 443	22,7 %
Children's and young people's books	295 262	11,2 %	79 440	17,3 %
School books	309 351	11,8 %	55 583	12,1 %
Documents and essays	104 307	4,0 %	12 663	2,8 %
Dictionaries and encyclopaedias	277 387	10,6 %	57 319	12,4 %
Maps and atlases	59 213	2,3 %	18 100	3,9 %
Religion	46 838	1,8 %	7 422	1,6 %
Human and social sciences	258 451	9,8 %	17 984	3,9 %
Technology, medicine and management	129 794	4,9 %	6 663	1,4 %
Comics	211 042	8,0 %	46 048	10,0 %
Non-fiction, illustrated and instructional books	457 667	17,4 %	54 012	11,7 %
Other special publications	5 978	0,2 %	792	0,2 %
Total	2 628 590	100 %	460 469	100 %

Table 7 Average sales by title and by category (Source: Syndicat National de L'Edition)

	Number of copies
Technology, medicine and management	1 647
Human and social sciences	2 024
Other special publications	2 649
Documents and essays	3 890
Religion	4 030
Non-fiction, illustrated and instructional books	5 298
School books	6 276
Childrens's and young people's books	7 338
Fiction	7 613
Maps and atlases	9 844
Comics	11 357
Dictionaries and encyclopaedias	15 165

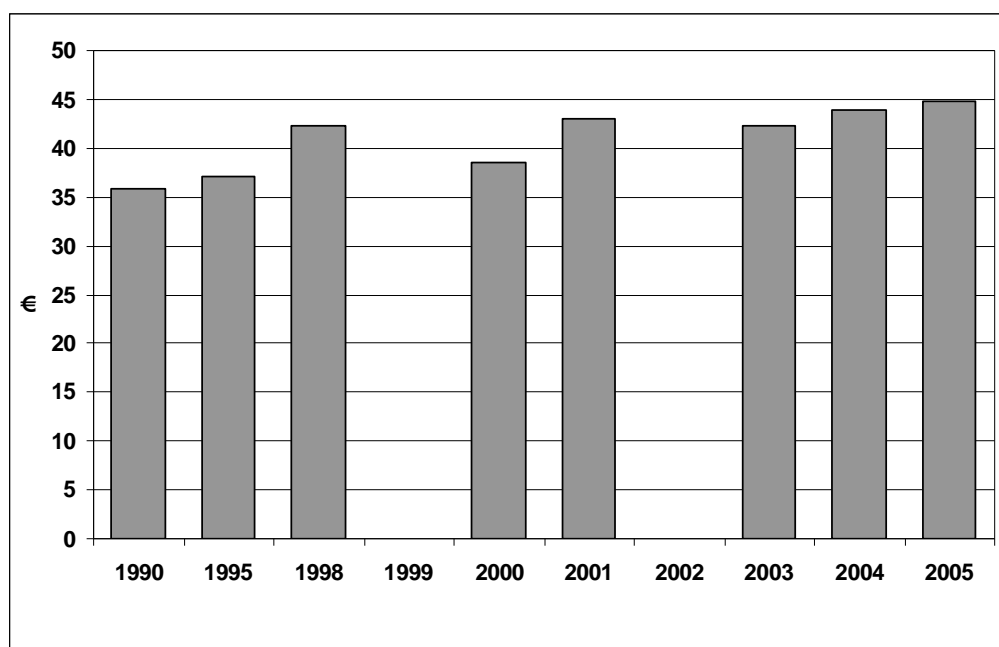


Figure 58 Value of book sales per capita (Source: Syndicat National de L'Edition and Statistics Finland, World in Figures)

5.1.3 Book production

In 2005 the number of published titles was 66 728. That is almost 40 per cent more than in year 2000 and almost 75 per cent more than in year 1990.

In 1990 the total print run of published titles was approximately 386 million copies. In 2000, the total print run of published titles was almost 423 million copies. In 2005, the total print run of published titles was

approximately 574 million copies. That is almost 40 per cent more than in year 2000 and almost 50 per cent more than in year 1990.

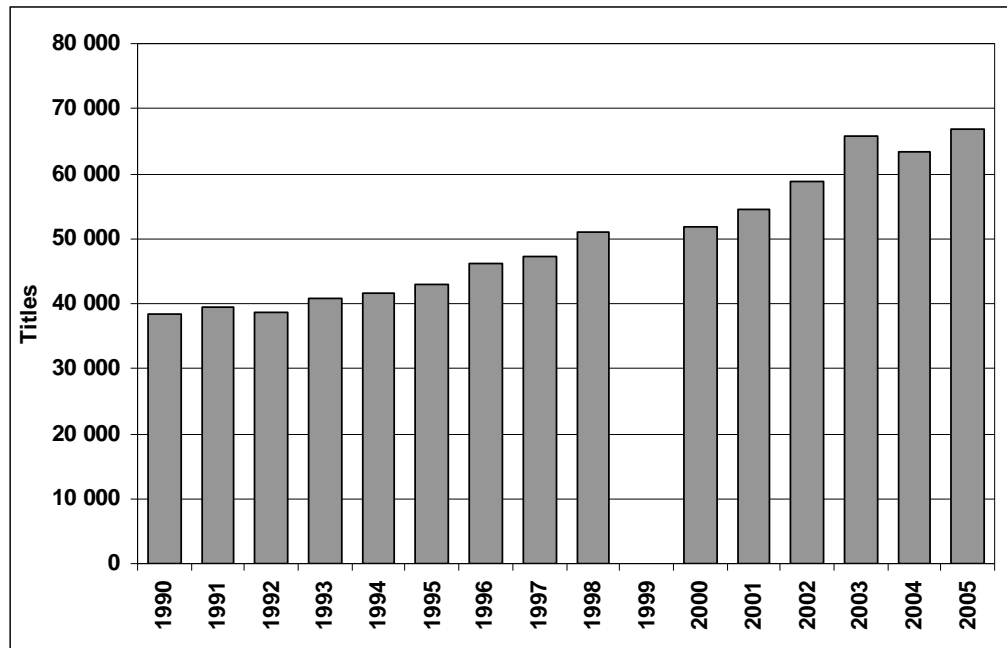


Figure 59 Number of published titles (Source: Syndicat National de L’Edition)

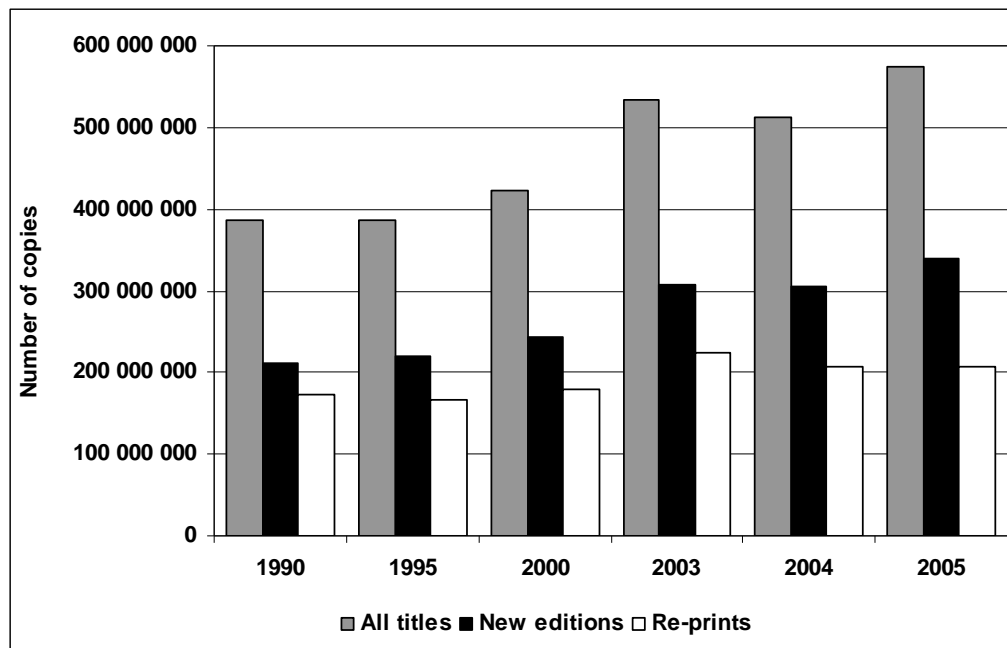


Figure 60 Total print run of published titles (Source: Syndicat National de L’Edition)

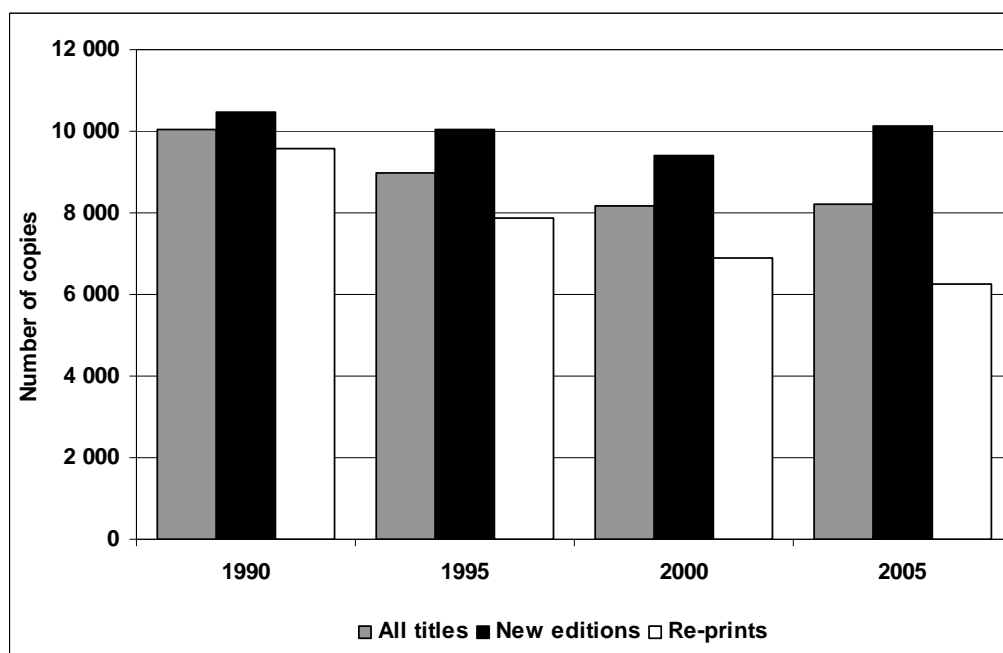


Figure 61 Average print run of published titles (Source: Syndicat National de L'Edition)

In 2005, children's and young people's books represented 16 per cent (10 825 titles) of all published titles. Fiction books represented 20 per cent (13 719 titles) of published titles. The category non-fiction, illustrated and instructional books represented almost 15 per cent of the production (10 149 titles). School books represented 13 per cent (10 825 titles) of published titles.

Table 8 Number of published titles by genre 2005 (Source: Syndicat National de L'Edition)

Category	New editions	Re-prints	Total	Share
Technology, medicine and management	2 849	1 197	4 046	5,9 %
Human and social sciences	5 499	3 384	8 883	13,0 %
Other special publications	265	34	299	0,4 %
Documents and essays	2 086	1 170	3 256	4,8 %
Religion	1 042	799	1 841	2,7 %
Non-fiction, illustrated and instructional books	5 676	4 518	10 194	14,9 %
School books	2 713	6 144	8 857	12,9 %
Children's and young people's books	4 996	5 829	10 825	15,8 %
Fiction	6 398	7 321	13 719	20,0 %
Maps and atlases	934	905	1 839	2,7 %
Comics	2 150	1 905	4 055	5,9 %
Dictionaries and encyclopaedias	293	326	619	0,9 %
Total	34 901	33 532	68 433	100 %

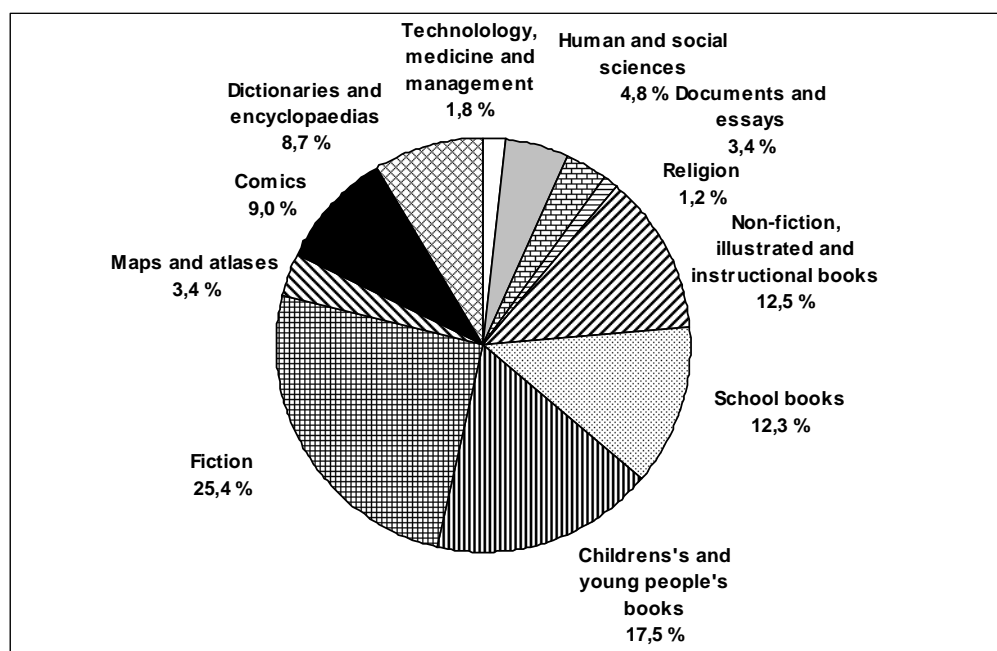


Figure 62 Book production by genre 2005 (Source: National de L'Edition)

Table 9 Book production by genre 2005, 1000 copies (Source: National de L'Edition)

Category	New editions	Re-prints	Total	Share
Technology, medicine and management	7 410	2 392	9 802	1,8 %
Human and social sciences	18 084	8 631	26 715	4,8 %
Other special publications	497	49	546	0,1 %
Documents and essays	14 667	4 091	18 758	3,4 %
Religion	3 957	2 859	6 816	1,2 %
Non-fiction, illustrated and instructional books	45 241	24 497	69 738	12,5 %
School books	26 770	42 060	68 830	12,3 %
Children's and young people's books	48 526	49 431	97 957	17,5 %
Fiction	85 840	56 169	142 009	25,4 %
Maps and atlases	15 362	3 568	18 930	3,4 %
Comics	38 780	11 471	50 251	9,0 %
Dictionaries and encyclopaedias	45 405	3 175	48 580	8,7 %
Total	350 539	208 393	558 932	100 %

The number of titles published per million populations is an indication of the activity publishers undertake to provide a market with the 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 2005 the number of published titles per million of population was 1 103 titles.

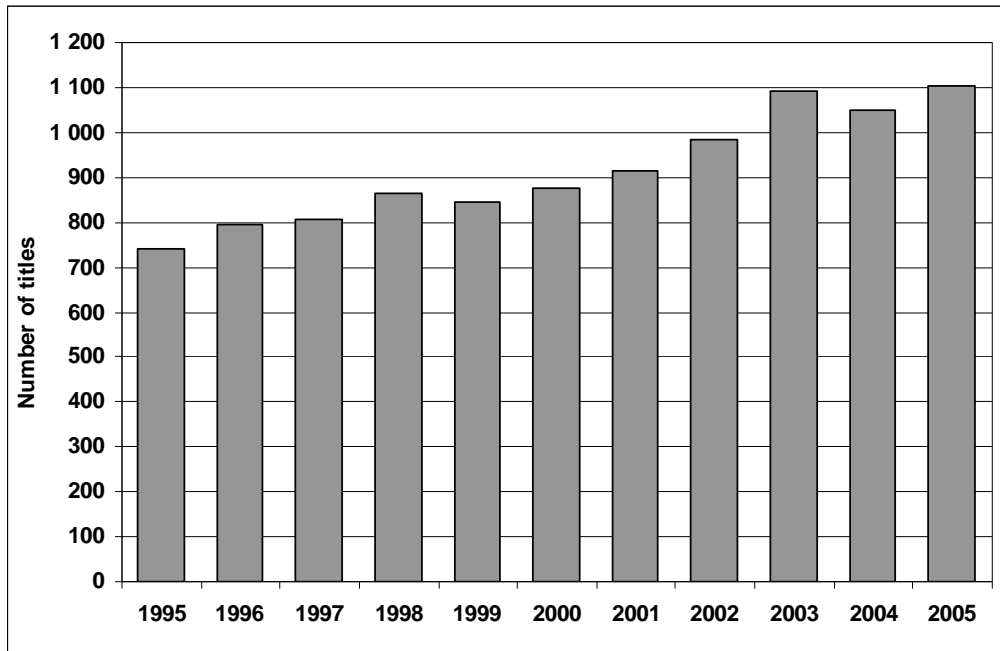


Figure 63 Number of titles published per million populations (Source: Syndicat National de L'Édition and Statistics Finland, World in Figures)

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 2004 the average number of titles published per company was 17,9 titles.

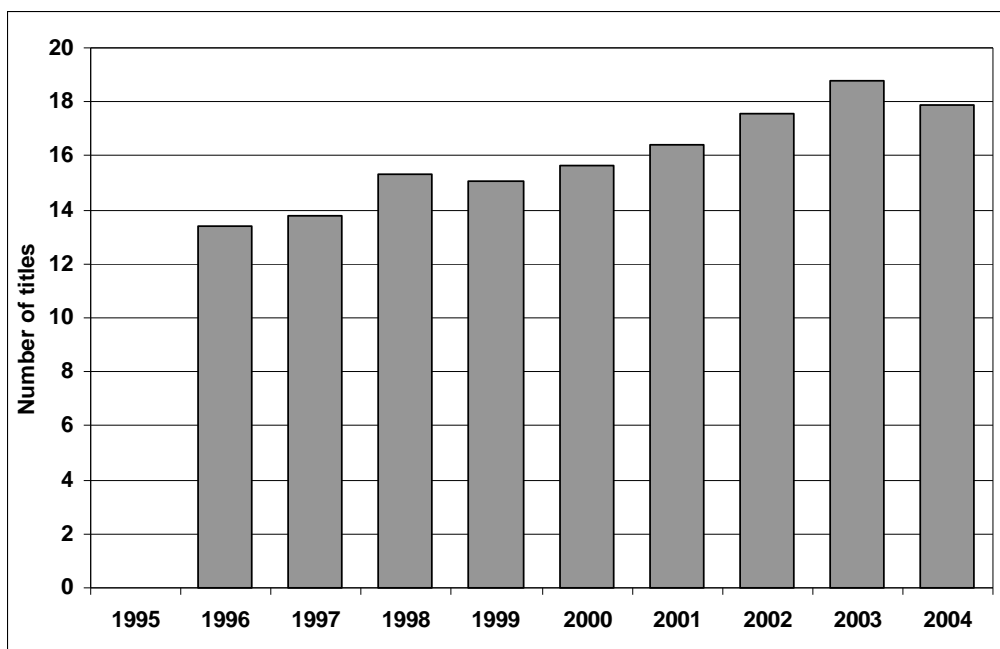


Figure 64 Number of published titles per book publishing company (Source: Syndicat National de L'Édition and Eurostat New Cronos Database)

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 2001 the number of books in public libraries per capita was 2,6.

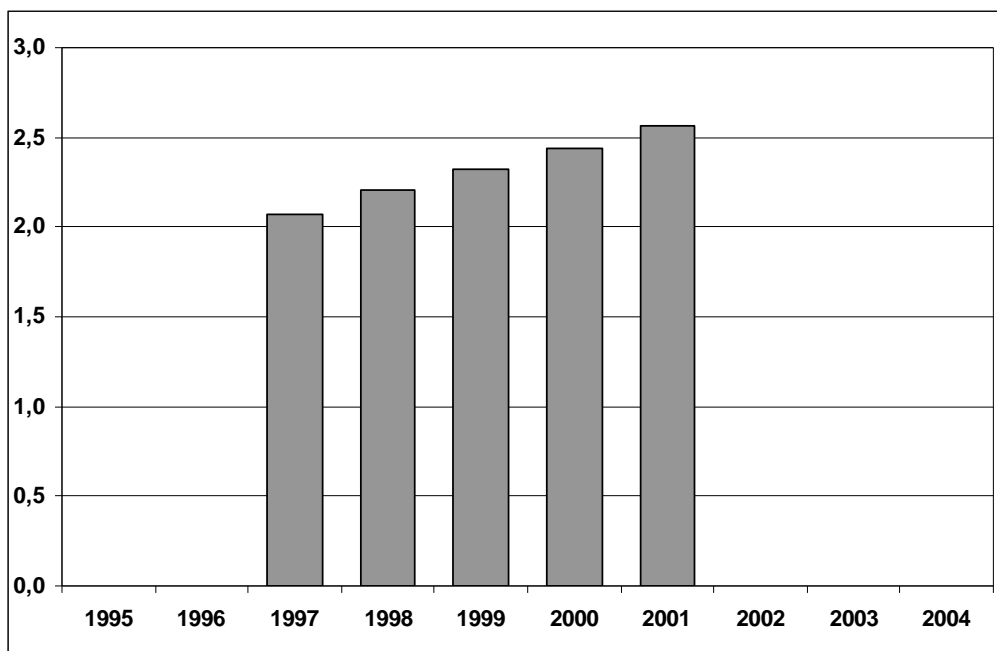


Figure 65 Number of books in public libraries per capita (Source: LibEcon - Public Libraries Database)

5.2 Industry structure analysis

5.2.1 Number of companies

The total number of book publishing companies has been growing slowly since the Millennium. In 2004 the total number of book publishing companies in France was 3539.

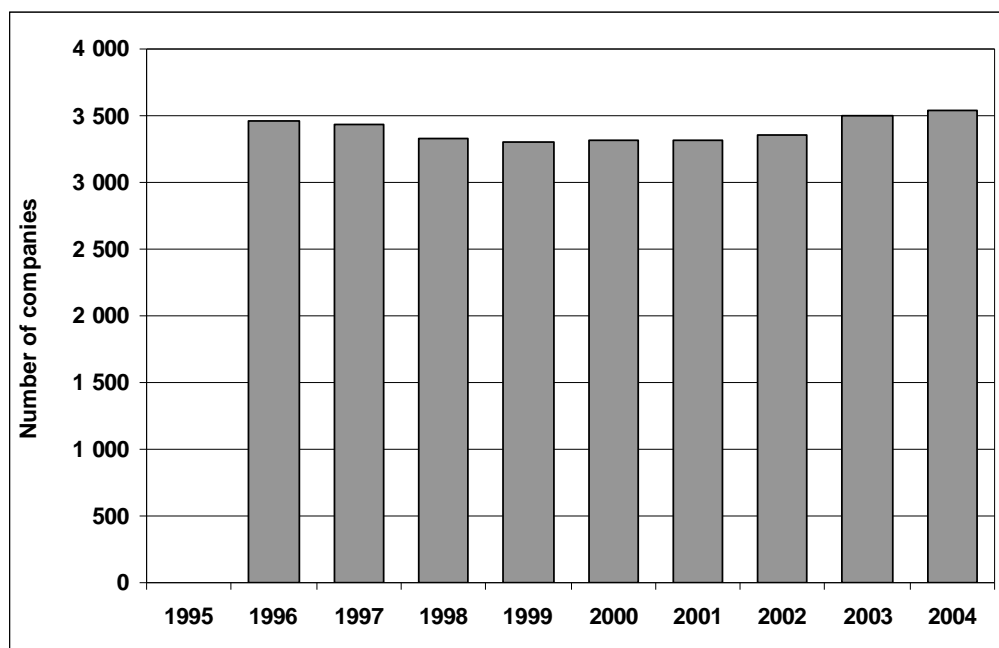


Figure 66 Number of companies in the book publishing industry (Source: Eurostat New Cronos Database)

5.2.2 Biggest book publishers

Table 10 Top 10 book publishers in France based on turnover in 2005 (Source: Bureau van Dijk Amadeus-database)

Rank	Company	Turnover,€
1.	Hachette Livré	1 037 353 000
2.	France Loisirs S.A.R.L	394 947 000
3.	Sejer*	327 121 000
4.	Flammarion SA	209 200 000
5.	Edition Albin Michel	189 547 000
6.	Gallimard Editions SA	156 089 000
7.	Lamy SA	138 659 000
8.	Selection du Reader's Digest	106 130 000
9.	Panini France	103 165 000
10.	Editions Larousse	96 578 000

* Turnover in 2003

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
HACHETTE LIVRE	HACHETTE SA LAGARDERE SCA	100 -	100 100	BIBLIO PARTICIPATIONS BSSL DIFFULVIRE S.A. DILIBEL DISTRIBUCION AIQUE SA EDDL EDEL SA GRUPO DIDASCALIA SA EDITION NO 1 - STE NUMERO 1 LIBRAIRIE GLE FSE ET CIE EDITIONS DIDIER EDITIONS LAROUSSE EDITIONS STOCK-SUCCESEURS DE LA LIBRAIRIE STOCK DELAMAIN ET EDUCATION MANAGEMENT FERNAND HAZAN EDETEUR GROUPE HATIER INTERNATIONAL HACHETTE BOOK GROUP USA, INC HACHETTE COLLECTIONS HACHETTE COLLECTIONS JAPON HACHETTE LIVRE ESPANA S.A. HACHETTE LIVRE POLSKA SP. Z O.O. HACHETTE LIVRE UK LIMITED HATIER DEVELOPPEMENT HL 93 HL FINANCES LE LIVRE DE PARIS (LDP) NORMA PHILIP ALLAN PUBLISHERS LIMITED SOPREDIS SYSTANCIA TELEMARKETING SERVICE WATTS PUBLISHING GROUP LTD HACHETTE FASCICOLI S.R.L. HACHETTE PARTWORKS LIMITED HODDER HEADLINE LIMITED OCTOPUS PUBLISHING GROUP LIMITED DUNOD EDETEUR EDITIONS DALLOZ EDITIONS JEAN CLAUDE LATTES FAYARD EDITIONS LIBRAIRIE ARTHEME FAYARD INFOSTANCE LPC MDS MULTIMEDIA DIFFUSION SERVICES SAMAS ORION PUBLISHING GROUP CALMANN-LEVY S.A. LIBRAIRIE PAPETERIE NATIONALE TIME WARNER BOOK GROUP HARLEQUIN SA LIBRAIRIE GENERALE FRANCAISE (L.G.F.) CENTRE D' EDITION ET DE DIFFUSION AFRICAINES S A EDITIONS JAI LU EDITIONS MARTINSART EDITIONS ANNE CARRIERE LES NOUVELLES EDITIONS GROUP EDETEURS CLASSIQUES POUR GROUPEMENT ETUDE NORMALISAT FABRICANTS PROMOTORA DE ARTES GRAFICAS SL

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
FRANCE LOISIRS S.A.R.L.	MEDIA COMMUNICATION BERTELSMANN AG	100 -	100 100	ASSURANCES FRANCE LOISIRS AUDIO DIRECT FRANCE LOISIRS (SUISSE) SA FRANCE LOISIRS BELGIQUE LIBRAIRIE PAPETERIE MARIGNY JOLY LIBRAIRIE PRIVAT SETRALOG SOPREST SARL VOYAGES LOISIRS VPC SERVICE PLUS LIBRAIRIES DU SAVOIR GIE COMMERCANTS CTRE COMMERCIAL

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
SEJER	ODYSSEE 2 WENDEL INVESTISSEMENT	100 -	100 100	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
EDITIONS ALBIN MICHEL	FAMILLE ESMENARD M DUCOUSSET RICHARD	51 5	n.a. n.a.	MAGNARD SA SOC EDITIO DIFFUS RECHERC ACTIO PEDAGOGI EDITIONS DE VECCHI SA STE D'EDITIONS D'ALBUMS BANDES DESSINES FILIPACCHI-ALBIN MICHEL DICOS D'OR SABLONS PARTICIPATIONS LIBRAIRIE GENERALE FRANCAISE (L.G.F.) CLUB DU LIVRE ESSENTIEL

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
FLAMMARION SA	RCS LIVRES (RIZZOLI CORRIERE DELLA SERA MEDIA)	100	100	EDITIONS FLAMMARION LTEE, LES FLAMMARION U.S.A INC. LES EDITIONS FLAMMARION LTEE PARTEDIT SOI LA LIBERTE CASTERPAR CHEVILLY IV EDITIONS FLAMMARION SUISSE FLAMMARION CENTRE HUNE UD-UNION DISTRIBUTION (UD) SOI SAINT GERMAIN PARTEDIT DELAGRAVE EDITION AMUSEMENT UMOUR DERISION ILARITE TOUTES SORTES DE CHOSES EDITIONS JAI LU SOCADIS INC META CONCEPT PRESSES UNIVERSITAIRES FRANCE ACTES SUD PARTICIPATIONS

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
GALLIMARD EDITIONS SA	MADRIGALL	98	n.a.	DISTRIBUTION DES PRODUITS DE L'EDITION (SODIS) EDITIONS DENOEL FRANCE EXPORT DIFFUSION LIBRAIRIE DELAMAIN SA O.L.D. SOCIETE ANONYME LAGNY ET MARNE CENTRE DE DIFFUSION DE L'EDITION GALLIMARD LOISIRS SOCIETE DE GESTION DE LIBRAIRIE LIBRAIRIE INTERNATIONALE KLEBER LIBRAIRIE LE DIVAN SA MERCURE DE FRANCE POL EDETEUR PETIT POL EDITIONS DE LA TABLE RONDE EDITIONS DES CINQ FRONTIERES EDITIONS FOLIADE LIBRAIRIE DE PARIS SCHOENHOF'S FOREIGN BOOKS GALLISOL SOCADIS INC GAULTMILLAU

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
LAMY SA	WOLTERS KLUWER FRANCE LE POINT VETERINAIRE	51 5	n.a. n.a.	CLIOR PETITES AFFICHES DE SEINE ET OISE VAL SOLUTIONS SANTE ET PREVENTION ANNONCES ET FORMALITES LEGALES CICERON TELEROUTE.COM

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct, %	Total, %	Subsidiaries
SELECTION DU READER'S DIGEST	READERS DIGEST ASSOCIATION INC	>50.00	n.a.	SELECTION DU READER'S DIGEST COTE LIVRES SELECTION DU READER'S DIGEST ASSURANCES SARL

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 is 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 2004 was 16 716. The total number of employees in the book publishing industry has been declining since the mid 1990s. The total number of employees in the book publishing industry was 17 per cent smaller in 2004 than in 1996.

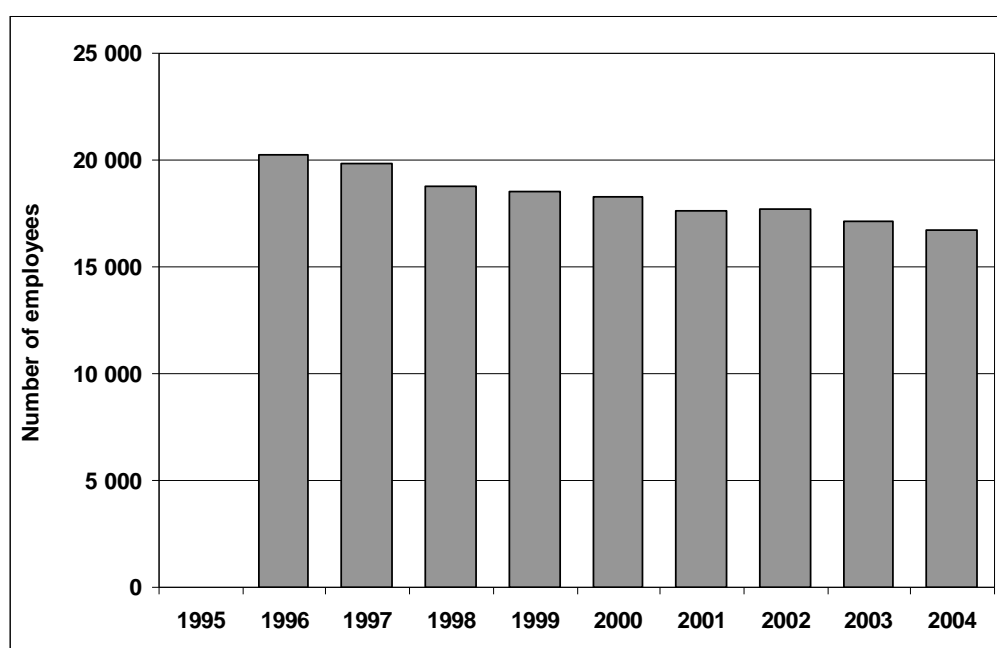


Figure 67 Number of employees in the book publishing industry (Source: Eurostat New Cronos Database)

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 the book publishing industry show a clear upward trend. In 2004 the personnel costs per person employed were 52 500 Euros.

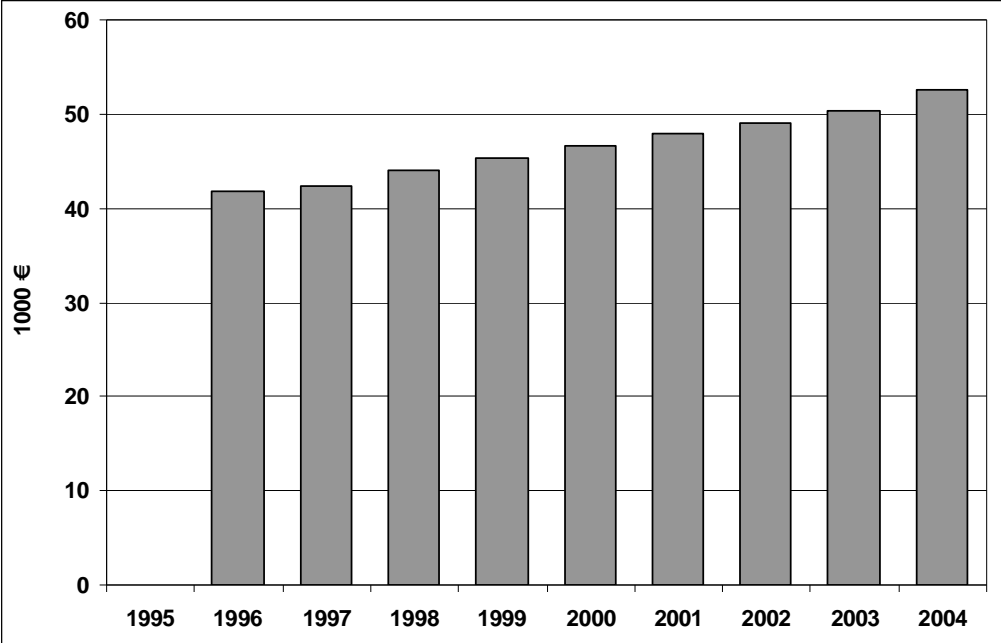


Figure 68 Personnel costs per person employed in the book publishing industry (Source: Eurostat New Cronos Database)

5.2.4 Financial measures

Turnover

The total turnover of the book publishing industry has grown steadily but slowly since late 1990s, starting at 4,6 billion Euros in 1999 and ending at 5,2 billion Euros in 2004.

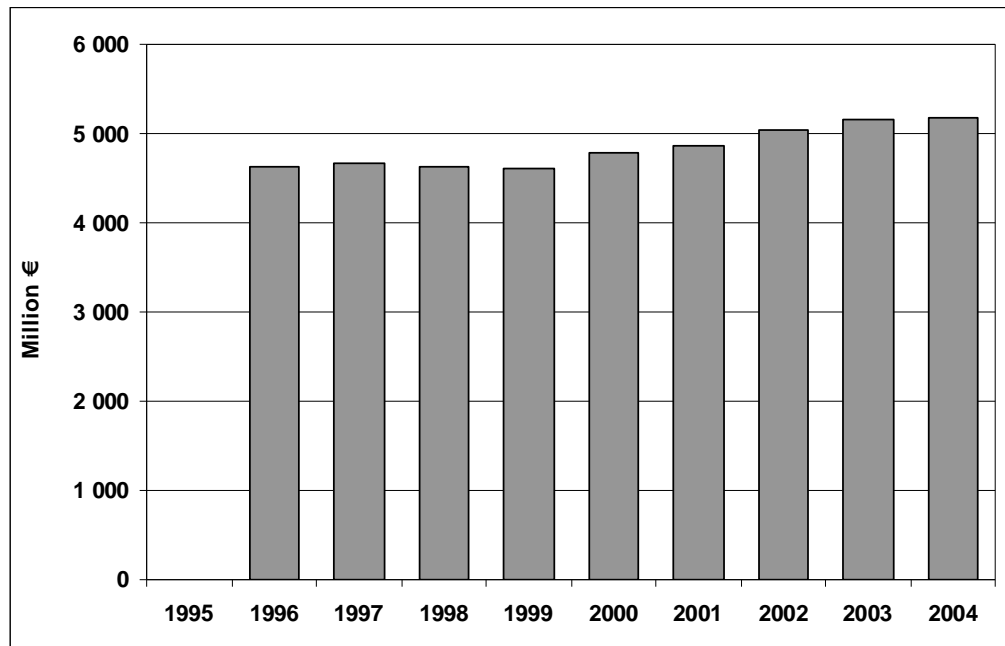


Figure 69 Total turnover of the book publishing industry, Million €(Source: Eurostat New Cronos Database)

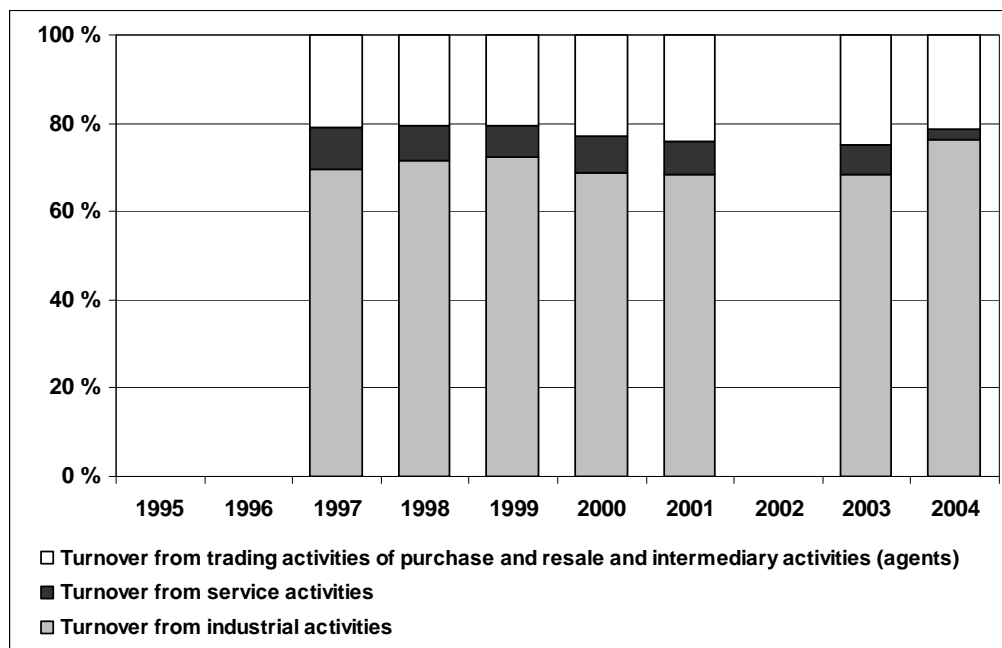


Figure 70 Distribution of the total turnover of the book publishing industry by business activities (Source: Eurostat New Cronos Database)

Change in turnover

The percentual change in turnover in the book publishing industry varied a great deal during 1997-2004. In 2004 the percentual change in the total turnover of the book publishing industry was 0,5 per cent.

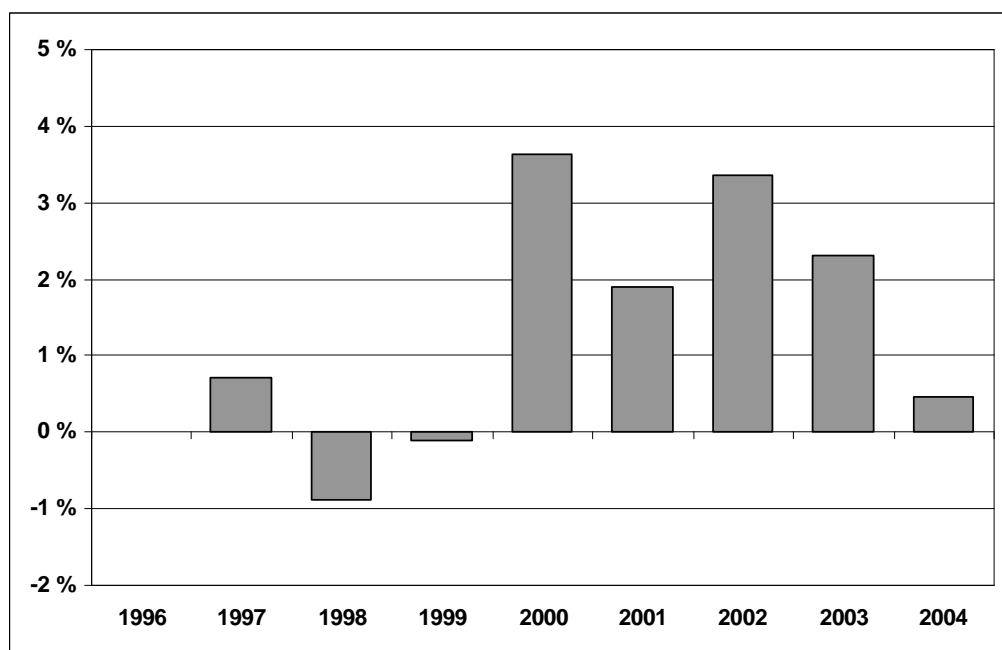


Figure 71 Annual changes in turnover, % (Source: Eurostat New Cronos Database)

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 2004, the total value added of the French book publishing industry was 1 243 million Euros.

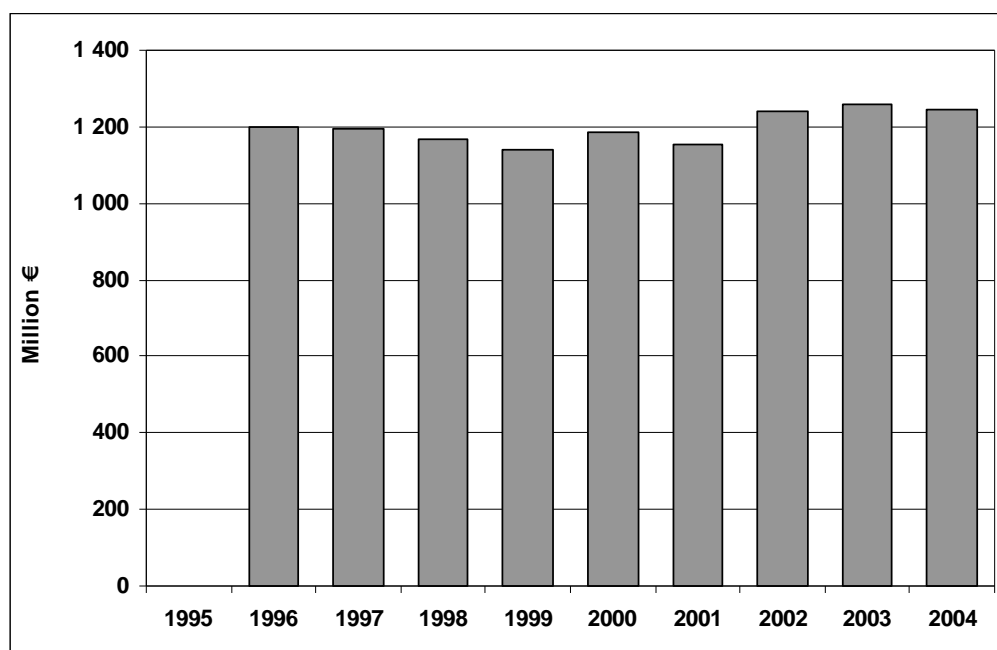


Figure 72 Total value added of book publishing industry at constant prices, Million € (Source: Eurostat New Cronos Database)

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. In 2004, the book publishing industry's contribution to GDP was 0,08 per cent.

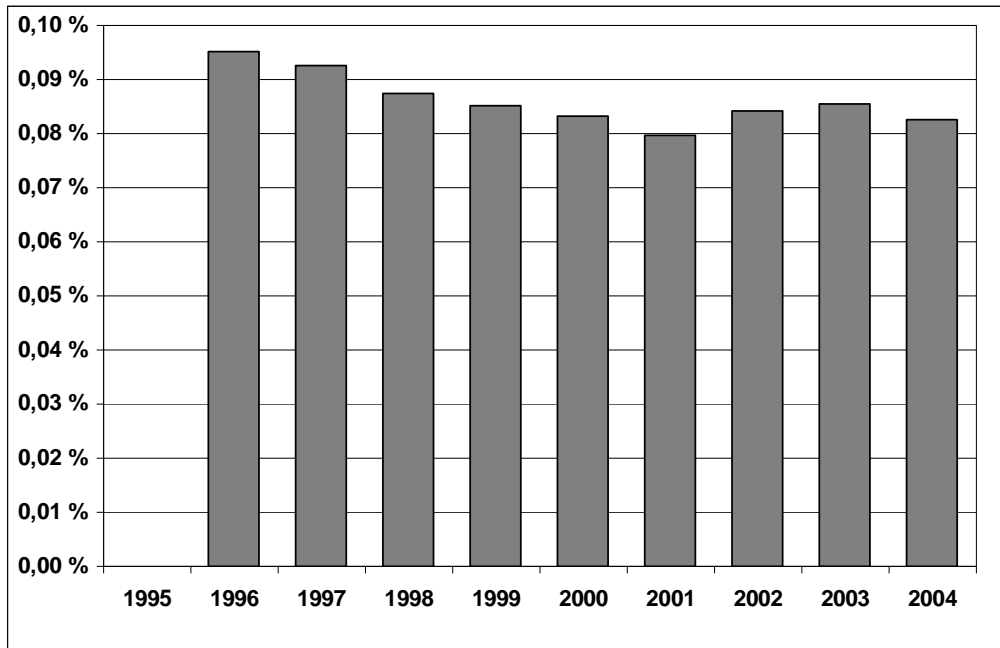


Figure 73 Value added to GDP (Source: Eurostat New Cronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed an increase in productivity during 1996-2004. In 2004, value added per employee was 73 500 Euros.

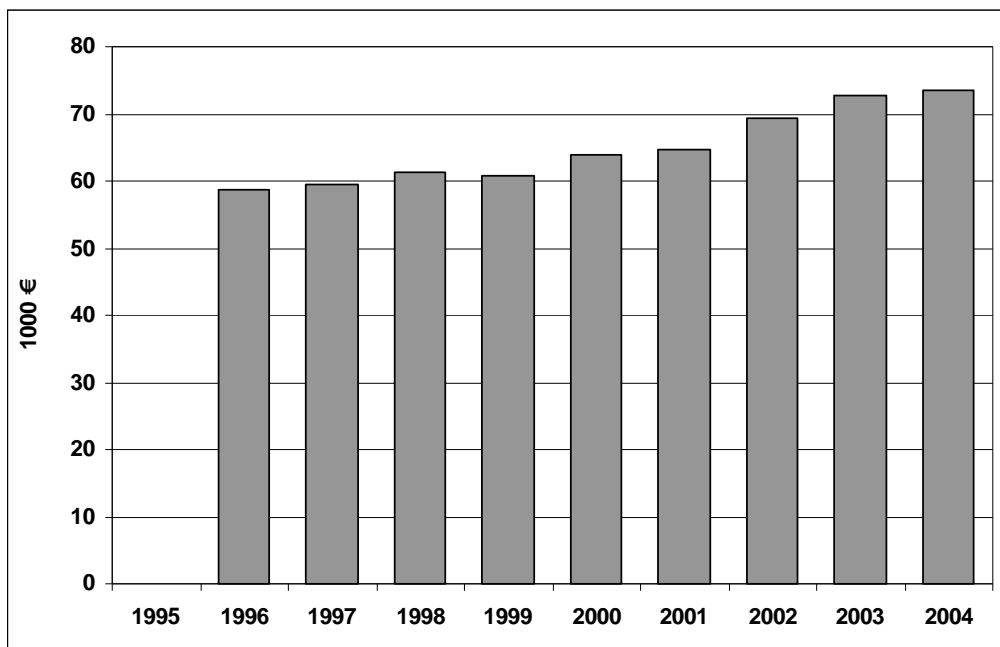


Figure 74 Value added per employee, 1000 € (Source: Eurostat New Cronos Database)

Value added per personnel costs

The ratio of 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 thus 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 value is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2004, value added per personnel costs was 1,4.

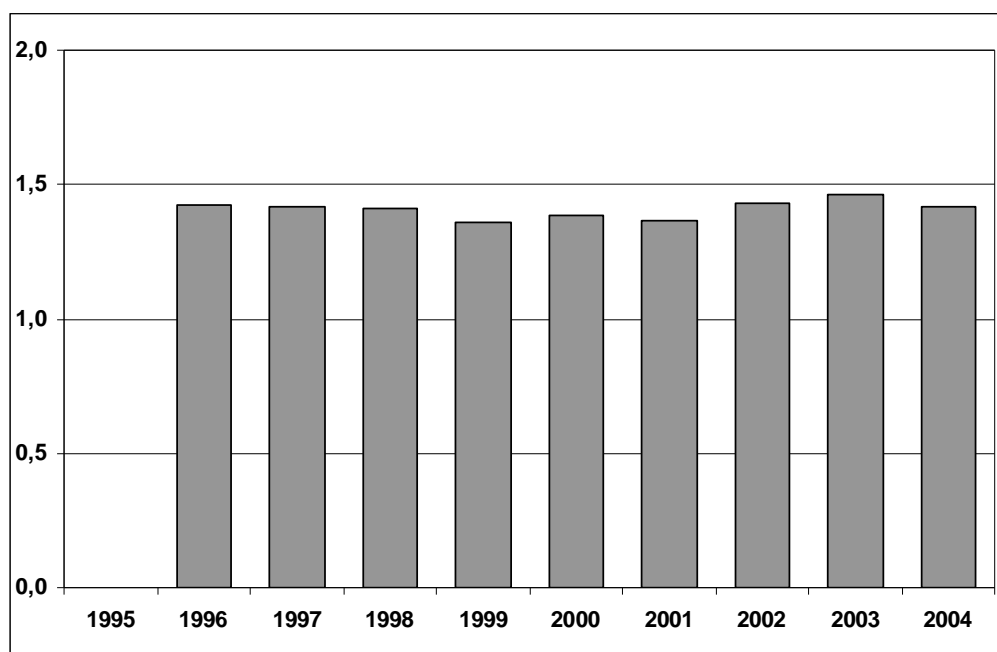


Figure 75 Value added per employee costs (Source: Eurostat New Cronos Database)

Turnover per employee

Turnover per employee in the book publishing industry showed a clear positive trend between 1996 and 2004. In 2004, turnover per employee was 305 900 Euros.

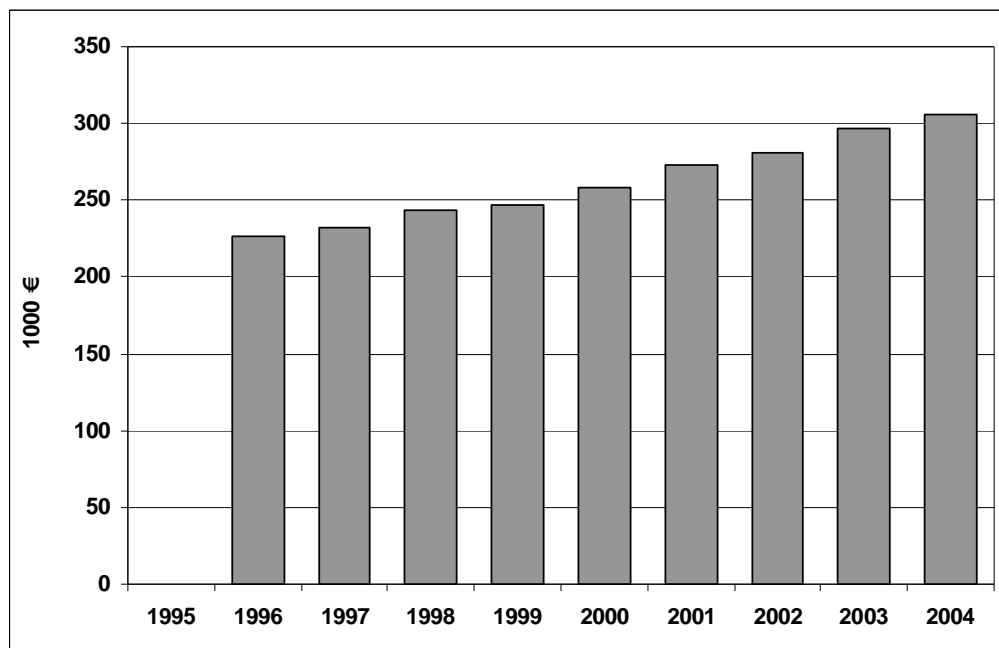


Figure 76 Turnover per employee (Source: Eurostat New Cronos Database)

Operating margin

The 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 deceptive 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, the leasing costs are included in rents and thus also in the operating margin. The required level of operating margin depends on the relation of current liabilities and turnover and the current level of interest rates.

Since 1996 the operating margin of the book publishing industry varied between 6 and 8 per cent for the last decade. In 2004, the operating margin was 7 per cent.

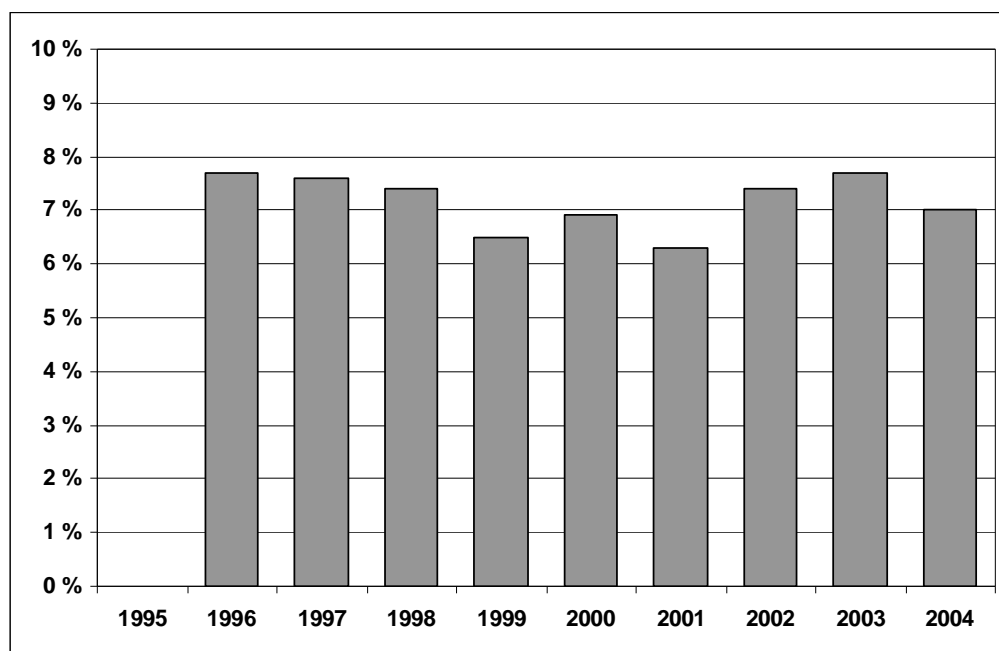


Figure 77 Operating margin of the book publishing industry, % (Source: Eurostat New Cronos Database)