

Free Daily Newspapers

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Launches	Readership/Circ.	Titles/Publ.	Update
Brazil, Canada, France, Taiwan, Boston, Morocco, Romania, Ukraine	Netherlands, Lithuania, US, Russia, Italy, Austria (p. 2-3)	mX, New York, Schibsted (p. 3-4)	Botswana, Dom. Rep., Portugal, Spain (p. 4)

The Internationals

Metro and Schibsted are known international players but in total at least ten publishers are building an international presence in free newspapers.

1 Metro has a 5.6 million circulation in 14 European countries (including franchises and minority shares in Russia, Finland, Croatia and Spain). On the American continent 1.7 million copies are distributed in five countries, including franchises in Mexico and Brazil (the last from May 2007 on). In Asia Metro distributes 800,000 copies in Hong Kong and Korea.

2 Schibsted is operating 20 *Minutes* free dailies in Spain and France (50% ownership), *Punkt SE* in Sweden and is also majority owner of 15 *Min* in Lithuania and 50% of *Linnaeth* in Estonia. Total circulation of these papers is 2.3 million.

3 Associated Newspapers owns the *Metro* titles in the UK and in Ireland (33%), *London Lite*, and also has the majority of the shares of *7Days* in the United Arab Emirates. Total circulation of these papers is 1.7 million.

4 Murdoch's News Ltd. operates *thelondonpaper* and *mX* and the local *Manly Daily* in Australia with a combined circulation of 820,000.

5 Icelandic investor Dagsbrun owns papers in their home country (*Frettabladid*), Denmark (*Nyhedsavisen*) and in Boston (*Boston Now*). Total circulation is around 800,000.

6 Ringier publishes *Heute* and *Cash daily* in home country Switzerland, owns Romanian free daily *Compact*, 24 *Sata* in Serbia and 24 *hodin* in the Czech Republic, total circulation 765,000.

7 Portuguese publisher Cofina has a minority share the Spanish sports paper *Penalty*, a 49% share in the Portuguese *Destak* (with an option to buy the rest of the shares in the next years) and has a share in the Brazil edition of *Destak*. Total circulation 600,000.

8 Swedish publisher Bonnier owns *City* in Sweden and *5min* in Latvia with a total circulation of 500,000.

9 Sanoma is the owner of both Finnish free papers *Metro* and *Uutislehti 100* and of the *Moscow Times*. These papers distribute 300,000 copies.

10 Styria Medien has two free dailies: *OK Graz/Kärnten* in its home country Austria and free afternoon paper *24sata* in Croatia, joint circulation is 200,000.

FDN - BAROMETER

The FDN barometer measures free dailies and circulation, comparing 2005 with April 2007.

Free Dailies 2005 / April 2007 (circ. * 1000)

	Countries		Titles		Circulation	
	2005	2007	2005	2007	2005	2007
Europe	24	28	80	125	15.291	26.692
America's	8	9	44	63	4.439	6.320
Asia/Pac/Afr	7	12	16	25	4.224	6.408
Total	39	49	140	213	23.954	39.420

LAUNCHES

Boston Now April 17

Second Boston free daily *Boston Now*, financed by Icelandic media company Dagsbrun, launched April 17. Russel Pergament, former publisher of *Metro Boston* and *Am New York* is running the operation. He is also CEO of the American branch of Dagsbrun, 365 Media USA, which has plans free dailies in other US cities as well. Chief editor is John Wilpers (*Washington Examiner*, *Boston Globe*, *the Boston Herald* and *Boston Metro*). Wilpers to PBS: "I was the editor that took it [Boston Metro] from about 150,000 readers to 500,000." In 2004 Wilpers revealed to blogger Rory O'Connor details about racist jokes being made by *Metro* executives. Blogs and other "user generated content" will be important for the new paper. Editorial meetings will be online. Initial circulation is 150,000 with distribution through public transport mainly. *The Boston Globe* announced that they will cut 24 news jobs. (*Boston Herald*, *E&P*, *PBS*, *Media Infocenter*)

Metro made a deal with the Boston Red Sox to distribute the official free game day publication *Metro GameDay* at all 81 home and post-season games, circulation: 15,000.

Metro franchise to launch in Brazil

On May 7, *Metro* will launch in Sao Paulo. *Metro International* has a 29.99% in the franchise. Major shareholder is Grupo Bandeirantes, owner radio and TV stations in Brazil. *Publimetro* will have a circulation of 150,000. The franchise launch is in line with the *Metro* strategy which focuses on minority shares and franchises instead of on full launches which could harm the new overall profitability of *Metro*. Also, in Brazil, foreign media ownership of 30% or more is not allowed.

Brazilian paid circulation was 6.7 million in 2005. In Sao Paulo two other free dailies are published: *MetrôNews*, launched in 1974 (circ. 120,000) and *Destak* (launched July 2006), a sister paper of *Destak Portugal* (circ. 200,000). In 2000 *Metro* established a branch in Brazil and planned a edition but this operation never saw the streets.

Second edition for 15 minut

On April 3 Ukraine free daily *15 minut* launched a Donetsk edition with a circulation of 15,000. Donetsk is the second city in the Ukraine with population of 1 million. In the future *15 minut* plans to move to four more cities. The paper was launched in June 2006 and increased circulation for the Kiev edition from 100,000 to 130,000 one month ago. Total paid circulation in the Ukraine is 1.8 million. The paper also introduced a new website where the latest edition can be downloaded. In Kiev *15 Minut* competes with *Obzor*, a free paper published three times a week, by a subsidiary of Dutch publisher De Telegraaf.

First Moroccan free daily: aufait

Northern Africa saw its first free daily on March 1 when *aufait* was launched in Morocco. The 16-page full color tabloid is available in Casablanca and Rabat and will be distributed in Marrakech soon. The initial circulation of the

French language daily is 10,000. The paper is hand distributed to cafe's and also available on board of some Royal Air Maroc flights. Aufait, created by Canadian web service and design company Devocean, has a staff of three editors and uses mostly press agency news from AFP and Maghreb Arab Press (MAP). The paper can be downloaded from their website. (*Arab Press Network*)

Metro Edmonton

Metro Canada launched the 6th edition in Edmonton on April 2. Circulation is 60,000 which increases *Metro's* total circulation to 740,000. In Edmonton, like in Calgary, *Metro* competes with *24 Hours* (Sun Media) and *RushHour* (CanWest). Also in all other markets *24 Hours/Heures* competes with *Metro*, both titles have a joint circulation of more than 700,000. Total free circulation in Canada is 1.5 million. almost 25% of total newspaper circulation.

Second free daily in Taiwan

March 26, *Upaper*, by *United Daily News* was launched in Taipei (circ. 180,000). Distribution of the 48-page paper is through 114 subway stations, more than 1.1 million people use the Taipei subway (MRT) everyday. UDN won the exclusive right to distribute for three years for €3.2m. The paper is the successor of *Cola Daily*, a free paper by UDN launched in 2004. Free *Sharp Daily* by Hong Kong based Next Media (*Apple Daily*) is published since October 2006. The Taiwan market has been in turmoil for the last years: closures, mergers and lay-offs were frequent while circulation is declining. *Apple Daily*, is the most read paper, before *Liberty Times*, *United Daily News* and the *China Times*. (*AsiaMedia*)

Third Bolloré paper in Bretagne

After *Direct Soir* and Paris morning paper *MatinPlus*, media tycoon Vincent Bolloré launched *BretangePlus* on March 28. The paper is distributed in 20,000 copies in Quimper, Brest, Morlaix, Lorient and Vannes. Total circulation of the six *Plus*-papers (also Marseille, Bordeaux, Lyon, Lille, Montpellier and Paris) is now more than 600,000. The circulation of the Paris edition will be increased from 350,000 to 400,000. The *Plus*-editions will use more material from the Paris edition *MatinPlus* in the future. This paper uses also material from *Le Monde*, which has a 30% stake in the Paris edition that hopes to reach break even in six to seven years. (*Jean Marc Morandini, L'Humanité, AOL France*)

Third Rumanian free daily launched

On February 1, paid paper *Curentul* was converted to a free tabloid. Paid circulation before February was 4,000 - now it has moved to 126,000. Total circulation of free dailies is now 326,000: ±23% of the total market. *Curentul* plans increased (300,000) national circulation later this year - now it is mainly distributed in Bucharest and Cluj. According to our sources, *Curentul* obtained European Development Funds to make the conversion. The paper also uses newsstands for distribution. Also free dailies *Compact* (Ringier) and *Express* (in Arad and Timisoara) are published in Rumania while *Compact* started in 2006 with a circulation of 150,000 and will raise that to 160,000. Free circulation in Rumania is audited by BRAT.

PLANS

20 Minuten / Minutes / Minuti?

After Swiss free daily *20 Minuten* expanded to the French speaking part, Tessin, the Italian part of the country is next. Chief editor Marco Boselli wants to concentrate on the French editions first, but the last white spots on the Swiss map are already marked. Except Tessin also the South East area (Chur) is not covered yet. (*Persoendlich*)

CIRCULATION & READERSHIP

De Pers goes door-to-door

From May 2007 on, Dutch free daily *De Pers* will be distributing 200,000 copies door-to-door in 45 selected neighborhoods. Total distribution will move to 700,000 according to the publisher. The Interlanden Group will distribute the paper in the first 'testing' period of two weeks, from April 11 on - the distribution will be only once a week in April. The rest is distributed through public transport, retail, filling stations, cafe's and restaurants.

De Pers is suing to get compensation from publisher PCM because they backed out of a deal to print and distribute *De Pers*. The first claim of €96m is now down to €10m.

Chief editor Ben Rogmans is back on the job. Initially he was forbidden by the court to work for the new paper in the first years because of violation of a contract with his former employer Wegener. But Rogmans successfully appealed the decision. (*NRC, VillaMedia, Adformatie*)

Lithuanian 15min wins in cities

Free daily *15min* in Lithuania is now the third best-read paper in the country with a average daily audience of 16%, after *Vakaro Zinios* (22%) and *Lietuvos Rytas* (19%). In the three major cities *15min* is the best read paper. In Vilnius 37% of the audience is reached on a daily basis (77% weekly), in Kaunas 42% (79% weekly) and in Klaipedia 43% (73% weekly).

One year Baltimore Examiner

After one year readership of the *Baltimore Examiner* is 369,000. With a circulation of 250,000, 97% delivered and 80% read, every read paper is seen by 1.8 readers. This is lower than most commuter free dailies but higher than readership of home delivered newspapers in Denmark. The *Baltimore Examiner* is distributed in five editions. Readership of the *Baltimore Sun*, however, is still higher than that of the *Examiner*.

St. Petersburg Metro 1st daily

Two years after the conversion to a *Metro* franchise, the *St. Petersburg Metro* reaches 611,000 weekly readers, which makes it the best read daily in the city. Circulation is 400,000. Two weeklies are, however, read by more people. *Moi Rayon*, a free weekly owned for 67% by Schibsted, has 769,000 readers while the paid weekly *Argumenty i Fakty* has 731,000 weekly readers. *Moi Rayon*, with a circulation of 430,000 copies reaches 20% of the population. In September 2006 a Moscow version was launched. Circulation in Moscow is 313,000 - by the end of the summer 2007 it will be expanded to 512,000.

Italy: readers and revenues

For the first time, Italian free dailies participated in the Audipress auditing. A bottom line of 750,000 readers was needed to participate (not needed for paid dailies however), but the three 'traditional' free dailies in Italy all qualified. The Italian paper with the largest readership in the second half of 2006 is still sports paper *La Gazzetta Dello Sport* with 3.6 million readers (3.7m in 2005).

La Repubblica (3 million, 2005: same) and *Corriere Della Sera* (2.6m, 2005: 2.9) are second and third. The three free dailies are next: *Leggo* (2 million readers), *City* (1.7m) and *Metro* (1.6m). *La Stampa* (1.5m) and *Il Messaggero* (1.4) follow in 7th and 8th place, The E-polis editions are not yet audited, while also smaller free dailies are not included. Comparing readership with circulation, free dailies seem to have two readers per copy.

The publishers organization Fcp-Fieg reports that in 2006 national advertising revenues of free dailies have risen with 15%, local revenues increased with 19%. The share of free dailies is modest. For national advertising this is 3.2 million (6% of total newspaper revenues), for local advertising this is 1.5 million (5.3%). (Audipress, IFG)

Korean dailies fined for free

Doctoring newspaper circulation data is specifically mentioned in Korean law. The three largest paid newspapers in the country *Chosun*, *Dong-A* and *Joong Ang*, distributed more than 20% of their circulation for free, already in 2002, for marketing purposes. The fine itself is modest, €450,000, but the papers think they are treated unfairly because free newspapers are not affected by the law. Also they state that the Fair Trade Commission is after them because the press is critical towards the government. In 2005, six newspaper companies, including the major three, were fined for similar offenses; the same companies were also warned for handing out free gifts in 2003.

The desperate behavior of paid papers to keep circulation up, is explained by the flood of free papers that started in 2002 with *Metro* and increased in 2003 and 2004 with five more titles. In 2004 the six titles together had a joint circulation of two million - without any breakout for separate titles, except the 485,000 copies for *Metro* and 662,000 copies of the *Daily Focus*. In 2005 circulation should have increased to 3 million, again without audited data or break-out for titles, except that it is claimed that all major titles have a circulation of 500,000.

Circulation is mysterious in Korea. The three leading titles claim a joint circulation of 6.5 million. None of the other 136 dailies are part of the ABC audit. In 2005 for the first time total circulation of all paid papers was reported: 13.4 million. (*World Press Trends*, *Chosun*)

Austrian Audit problems

Austrian daily *Österreich*, launched September 2006 has a free sister *City*, published as *City Wien* (circ. 102,000) and *City OÖ* for Ober Österreich (circ. 25,000). According to the publisher, *City* is a marketing tool, other publishers suggest that it is meant to rise the total circulation of *Österreich*, which had a paid circulation of 207,000. *Österreich* is cheaper than other papers, especially for subscribers (€0,30). *City* was the only free daily audited by the audit organization ÖAK. Mediaprint (*Kronen Zeitung* and *Kurier*) felt that auditing paid and free circulation was against their interest, and ended their membership - they also said they would start their own auditing organization - which will raise questions on the reliability of circulation data in Austria. Some other free papers are audited by the Verband der Regionalmedien Österreichs (VRM). Total circulation of free papers in Austria is more than 700,000 - 25% of total circulation.

Österreich also has a daily magazine: *TV & Live*. Free Austrian daily *Heute* now launched the weekly glossy magazine *Live* (with TV listings) on March 16. *Live* is available every Friday in *Heute* boxes. *Live* counts more than 80 pages, half of the content is the TV-program. Circulation will be 300.000. The magazine is also for sale in Trafik shops (tobacconists) for 30c - while also subscription is possible. *Heute* started in Vienna in 2004, there are now four editions with a circulation of 500,000.

20 Minuten again gains readers

More than 90% of the Swiss population of 14 years or older reads a newspaper regularly - this has hardly changed since 2000. Free daily *20 Minuten* strengthened its position as most read paper according to the last

WEMF research (October 2005 - September 2006). The free daily reaches 28% of the German speaking population (1,170,000 people). A year ago this was 24.8% (1,039,000 readers). Paid paper *Blick* lost readers (from 17.4% to 16.6% - 694,000 readers now) but is still the second paper in Switzerland. (*Persoenlich*)

Canadian readership 2006

In Toronto and Montreal growth of free dailies seems to be over. In both cities 13% of the readers read a free daily, almost the same as in 2005. In Montreal *Metro* is the third paper (11% daily readers) after *Le Journal de Montréal* (23%) and *La Presse* (15%), *24 heures* (7%) follows after *The Gazette* (10%) in the fifth place. Both free papers gained readers. In Toronto both titles lost some readers and are now on the fourth and fifth place after *Toronto Star*, *The Toronto Sun* and *Globe and Mail* with 9% (*Metro*) and 8% (*24 Hours*) of the population reading the titles. In Ottawa *Metro* has a daily reach of 6% while in Vancouver *24 Hours* (12%) has a higher readership than *Metro* (6%). Best read papers in Vancouver are *the Sun* and *the Province* (both 27%).

24 Hours Toronto was upsized from micro to tabloid last week, Vancouver will make the move soon. Ottawa, Montreal, Calgary and Edmonton already are printed in tabloid. Quebecor now can make pages for free dailies and *Sun* editions, 15 to 20% similar content to reduce costs is expected. Sun Media is not afraid of cannibalism because the Sun's readership is more male, while free paper readers are more educated and 'slightly' younger. (*Globe & Mail*, *Media in Canada*, *NADbank*)

PUBLISHERS & TITLES

mX Sydney wants 5 year contract

Sydney free daily *mX* wants to extend the distribution contract from 18 to 60 months. The paper is also distributed through some newsstands according to the documents posted on the website of the Sydney Council. The documentation also makes clear that there was only one complaint regarding litter since the paper was launched in July 2005. (*Australian Newsagency Blog*)

New York's getting cheaper

The *New York Post's* weekday subscription price dropped to \$13 a year, it is home delivered for 5 cents. After the *Post* dropped its price to 25 cents in 2000, it overtook the *Daily News* in circulation but is still losing millions a year. Also the weekly *New York Observer* (\$15 a year) and the *Wall Street Journal* (\$99 a year) joined the cheapies. In the afternoon *the New York Times* is sometimes sold for 25cts. Struggling *New York Sun* is delivered for 34.95 a year but in fact is mostly distributed for free to "elite neighborhoods". In 2005 the paper left the ABC for CAC, an auditing organization more open to free distribution. And there are two 'real' free papers in New York: *Metro* and *AM New York*. (*Village Voice*, *Innovations in Newspapers*, *NY Sun*, *Gawker*)

Romanian competition increases

Within one year the share of free dailies in Romania went from zero to almost one quarter after launches of *Compact* and two *Express*-editions, and the conversion of *Curentul* from paid to free. But also non-dailies are emerging. The weekly *Romania Express*, was launched March 14, and although it has a cover price it is mostly distributed for free to travelers on trains and airlines.

Paris kiosks protection plan

Paris city council wants a code for free paper distributors so they won't distribute free dailies within a certain zone

around the traditional Paris newsstands. It is feared that the free dailies distribution would hurt the sales too much.

Schibsted Capital Market Day

The presentation of Schibsted's Capital Market Day reveals that *20 Minutes* France saw readership grow and expects results to improve although advertising growth is slow so far. In Spain *20 Minutos* showed growth in revenue while operational results are expected to increase in 2007. In Lithuania, both free daily *15min* and tabloid *LT* still show operating losses, *LT* will be shut down if results don't improve "within short time". The readership of Swedish free daily *Punkt SE* is "on track" but ad sales are "very slow". The revenues are disappointing, break-even is not expected before 2009 or 2010. A 12-14% rate of return is expected from the paper that started in 2006 with an investment of NOK 51m (€6m). A loss of €8.5m to €10.7m is expected for 2007.

La Estrella goes weekly

Free daily *Diario La Estrella* (Dallas-Ft. Worth) has gone back to weekly publication on March 23. In September 2003 the semi-weekly that was launched in 1994, went daily. Last year the Knight Ridder paper was bought by McClatchy. Competitor *Al Dia*, by leading newspaper the *Dallas Morning News* has a daily circulation of around 45,000. (*Yahoo! Noticias*)

Vocento bids for Qué!

Spanish publisher Vocento wants to bid for free daily *Qué!*, part of the Recoletos group (*Marca, Expansion*) but not sold to the Italian RCS group (owner of *Corriere della Sera*, and of Spanish daily *El Mundo*) like the rest of the group. Vocento is already active in free dailies with *El Nervión* (Bilbao), *Qué Pasa* (Malaga) and *El Micalet* (Valencia, 30%). *Qué!* is the Spanish free paper with the highest circulation (964,000), although *20 Minutos* (Schibsted) still is the best read free paper in Spain. According to one of the reactions, also Prisa (*El País*) wants to bid for *Qué!* (*El Confidencial Digital*)

French frees winners in ads

French advertising went up with 2.1% in 2006, slightly better than in 2005 (+1.9). Big winners are internet (+45%) and free dailies (+23%). Total share of free papers is still modest. Share of paid newspapers is 12.4% (€1440 million) while free dailies had sales of 91 million in 2006. Other free publications sales were more than €1billion. (*IREP through Le Petit Blog de Medias*)

EVENTS

Marbella: AEEPP: April 19

I will speak at the Spanish publishers organization AEEPP conference in Marbella. Speakers include Mario García, Associate Director of the Graphics and Design program at The Poynter Institute and Philip Meyer, Professor of Journalism and Communication at the University of North Carolina < www.congresoeditores.org >.

Vienna: Prima: May 21

I will speak at the PRIMA conference in Vienna. PRIMA is Europe's organization for marketers in the paper and related industries < prima-papernetwork.org >.

San Francisco: ICA

At the International Communications Association conference in San Francisco (24-27 May) I will present papers on the substitution effect of free newspapers and on international advertising trends.

UPDATE

Dominican Republic

Overlooked in the free dailies overview was the Dominican Republic. But this country has a rich history of free dailies, already starting in 2001 when *Diario Libre* started in Santa Domingo with a circulation of 100,000. The paper is now also distributed in 120,000 copies, also in other areas, six days a week. Also *El Expreso* was launched, while paid evening paper *Ultima Hora* was converted into a free daily. Following a financial scandal in 2003 these last titles probably folded, their websites are no longer online. A fourth free daily *Al Día*, was launched in March 2002. This paper by Corripio, also publisher of the paid dailies *Hoy* and *El Nacional*, is still published in Santa Domingo. Circulation is 110,000.

Portugal

Apart from *Destak* and *Metro*, and sports daily *Diário Desportivo*, also a free business daily is published in Lisbon. *OJE (O Jornal Económico)*, was launched in June 2006. The paper is modeled after London business paper *City AM*. *OJE* has a partnership with City AM for support on content. City AM has a option to participate in *OJE* later. *OJE* is financed by private equity group MNF Capital and counts 24 to 32 pages. It has a cover price of 1 cent, but is mostly distributed for free to businesses - individual paid subscriptions are also possible. The editorial staff is 15. Initial circulation was 19,000 but is now 32,000 according to the paper. Break-even is expected in the second year. Portugal also has two paid financial papers: *Jornal de Negócios* and *Diário Económico*.

5 business papers - 4 for free

Spain saw the number of business papers increase to 5 when *Negocio y Estilo de Vida* launched in May 2006. It had a cover price of 60c, but in fact was distributed for free. Circulation is 68,000 copies. *Cinco Días* has a net circulation of 32,000. *La Gaceta De Los Negocios* distributes 30,000 copies, circulation of *El Economista* is 20,000. All three papers have a 'mixed' model, a substantial amount of copies (up to 80%) is distributed for free. Only *Expansión* (circ. 49,000). The new financial (and life style) paper is delivered Tuesday to Friday to businesses that can subscribe to it. Behind *Negocio* is Jose Rosendo, he also financed Madrid afternoon paper *Ahora*, closed down in 2006. Schibsted (*20 Minutos*) wanted a free financial daily, *20 Negocios*, but this plan was put on ice. *Expansión* is being sold to the Italian RCS group while *Cinco Días* is also about to be sold by the Prisa group, publisher of *El País*. Italian business paper *Il Sole 24 Ore* took a 15% share in *El Economista* last year.

Africa

The government of Botswana distributes the *Daily News*, free of charge to the population. The paper has a circulation of 65,000 and started some years ago, although it is not clear when it became a free paper - in 2003 it introduced advertising which resulted in undercutting the rates of the private owned press. There is one other daily in Botswana: *Mmegi*, published in the local language Setswana, the *Daily News* has one page in Setswana. There are also several weeklies published in the country where radio is still more important. (*BBC*)

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