

Free Daily Newspapers

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Launches	Obituaries	Readership	Publishers	Research
Luxembourg, Seoul, USA, Switzerland (p. 2)	Metropolitni, Punk SE, 24heures (p. 2-3)	UK, Australia, Spain, Czech Rep. (p. 3-4)	India, US, Austria, Metro (p. 4-5)	User-generated content (p. 7)

The Metro Strategy

Schibsted acquired 35% in Metro Sweden for SEK 350m while 24.5% of Metro Denmark was sold to Jyllands Posten/Politiken, also publisher of free daily 24timer. In Sweden Schibsted publishes market leader Aftonbladet and Svenska Dagbladet. Metro and Aftonbladet will cooperate on advertising sales and creating a strong competitor for Bonnier's free daily City.

Metro International owns 51% of the Danish MetroXpress; labour organization A-Pressen holds the remaining 24.5%. MetroXpress and 24timer will combine advertising and cooperate with the paid papers of the group. Distribution of 24timer will be taken over by Metro, indicating it will decrease its expensive home-delivery model. The cooperation is bad news for both other free dailies in Denmark, particularly for Nyhedsavisen that is now the only paper without (paid) partners.

Both partnerships will improve Metro's results for 2008. The 350 million Swedish Kronar (€37m) for the Swedish deal alone are more than Metro's losses in 2007.

But whether the sale is good news for Metro is not certain. The problem is that the extra revenues do not improve structural results. It's a one-off operation, with uncertain effects for the coming year-on-year results.

The results could even be negatively affected, as Sweden was always responsible for a major part of the revenues of Metro International. The Swedish revenues were used to launch editions abroad. Also the Danish operation is profitable. So why sell part of the family jewels and make less money in the future, as Schibsted will take 35% of the Swedish profits and the Danish partners will take half instead of the 30% in previous years?

The crucial element in the Swedish Metro sale is not the 35% share of Schibsted but the closure of Punkt SE. The free Aftonbladet spin-off, launched in October 2006 in Stockholm, Gothenburg and Malmö has made both Schibsted and Metro unhappy.

Schibsted expected to lose SEK 50 million (€5.4m) in 2006 with Punkt SE and furthermore an operating loss of SEK 135 million (€14.6m) in 2007. The publisher also expected the operation to be profitable in three years.

Actual losses were higher while profits in three years seemed unlikely. Punkt lost SEK 41m (€4.5m) during Q3 2007 only. Over the whole year 2007 Schibsted remarked that Punkt 'considerably debited the results' and that 'it will take time before this affects the advertising revenues.' The year 2008 was not the expected turning point; in Q1 alone Punkt lost NOK 37m (€5m). The closure might have come as a mercy killing for Schibsted.

The problems Punkt SE caused for Metro Sweden can be summed up as 'readership, revenues & rates'. Immediately after the launch of Punkt SE, readership of both Metro and City - the free paper by Bonnier - began to decline. But more important, advertisers began to demand

higher discounts on advertising rates and used the new competitor to put pressure on both City and Metro.

The 2007 annual report: 'Last year's weak performance in Sweden was due mainly to poor discount control within the sales teams and a downturn in the real estate market which affected the Bostad title in Stockholm.' As a result revenues were declining for Metro in its home market, 'reduced margins in Sweden' according to the publisher.

Sweden was not the only market affected. Also in France, Spain, Italy, Holland, the Czech Republic and Denmark competition increased. The Czech operation was the first to go - Metro now has a 40% stake in the franchise operated by Mafra (controlled by German Rheinische Post). This sale also included the closure of one of the competitors, thereby reducing pressure on rates.

The Swedish and Danish sales, however, are different. After 10 years there still were no profits coming in from Prague while Denmark and Sweden were performing quite well.

Taking out Punkt SE in Sweden and making peace with JP/Politiken in Denmark is more than just selling some property to pay the mortgage. If played right, it could lead to better results - making up for lost revenues because the share in both companies is less now. But the deal could also backfire - when rates will not improve, the structural results will suffer even more.

After selling part of Sweden and Denmark, there is some air for Metro, if only temporary. However, that there still is no publisher interested in the US titles, is somehow spoiling the party. The bleak economic outlook in the US might be the decisive factor. The closure of BostonNow, or to be more precise, the fact that no publisher was interested in buying the assets, is not a very good sign.

FDN - BAROMETER

The FDN barometer measures free dailies and circulation, comparing end 2005 with May 2008.

Free Dailies 2005 / May 2008 (circ. * 1000)

	Countries		Titles		Circulation	
	2005	2008	2005	2008	2005	2008
Europe	24	32	83	126	15,404	28,822
America's	9	10	47	75	4,792	6,588
Asia/Pac/Afr	10	16	20	36	4,409	8,711
total	43	58	160	237	24,605	44,121

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LAUNCHES

Blick am Abend

June 2 new Swiss evening daily Blick am Abend will replace 'heute'. Publisher Ringier is using the brand of the leading paid paper Blick for the new free evening edition, hoping to gain readers and improve results for the so-far money losing evening paper.

In an interview in Persoenlich, editor in chief Peter Röthlisberger said about the new paper that he expects it to be more 'mature' by concentrating more on quality content. Articles will be longer than in 'heute' while the paper will count 32 pages at least. An editorial team of 35 people will be working for the paper. The paper also wants to expand distribution to St. Gallen and Luzern.

The Palo Alto Daily Post

The tech-savvy town of Palo Alto (Ca) got its second free daily on May 28 when Dave Price and Jim Pavelich launched their Palo Alto Daily Post. The circulation of the new title will rise to 15,000 and to 20,000 in a couple of months according to Price.

On January 7, 1995, one month before the first Metro hit the streets in the Swedish capital Stockholm, Jim Pavelich and Dave Price started the Palo Alto Daily News, a free local daily in Palo Alto, a 60,000 inhabitants community south of San Francisco. The paper started with a circulation of 3,000 - rising to 10,000 in 1997. From 2000 on, the company launched free dailies in other areas as well: San Mateo, Redwood City, Burlingame, Los Gatos and Berkeley. Total circulation rose to more than 60,000.

In February 2005, 10 years after its launch, the chain was sold to Knight Ridder for \$25m, who kept Pavelich and Price on the job, mainly to expand the model to other markets. It was no to be. Knight Ridder was sold after little more than a year to the McClatchy Company, which again sold the chain to NewsMedia.

The history since 2005 has not been a happy one for the paper, editors being fired, cuts made, and the content not improving. The Monday issue of the San Mateo Daily News was terminated.

Pavelich and Price were not doing nothing in the meanwhile. They started the San Francisco Daily in 2006. But then, not launching another paper for more than two years, they got restless.

Pavelich promised to start a new daily 'this spring' in his home town Vail (Colorado). On June 15, 1981, Pavelich started the first free daily, and sold the Vail Daily in 1993. He is dissatisfied with how the Vail Daily is doing now, which made him pursue these new plans. The Vail Mountaineer will be launched in June according to the Colorado Confidential. Initial circulation will be 5,000 - growing to 10,000 after a month.

For the Internet generation Price had one quote for E&P: "The minute a newspaper figures out a way to make money on the Web, we'll copy them. That's our game plan." So no use checking www.paloaltodailypost.com.

Publisher Dave Price told the New York Sun that his dissatisfaction with the content - not local enough - of the Palo Alto Daily News inspired him to launch a competitor.

Diana Diamond, who worked for the Daily News group but was fired in March 2006 will be working for the Post. The first issue of the paper counted 28 pages.

Second free daily Luxembourg

With less than 500,000 inhabitants Luxembourg is one of the smallest countries in Europe. 80,000 people live in the capital, which now has two free dailies. Both newspapers are published in French, the minority language in newspapers in the country.

In October 2007 L'Essentiel was launched by Edita (Das Tageblatt) and Swiss publisher Tamedia (20 Minuten). Point24, the second free daily by publisher Saint Paul was launched in November 2007. The paper counts 32 pages and claims a circulation of 60,000; equal to that of competitor L'Essentiel. Also distribution is rather similar, concentrating on public transport.

Publisher Saint-Paul, controlled by the Catholic Church in Luxembourg, also owns leading daily Luxemburger Wort, French language daily La Voix du Luxembourg, radio stations, magazines and bookshops. Luxemburger Wort is the paper with the highest circulation, with more than 70,000 copies. The frees follow on 2nd and 3rd place.

With the launch of the second free daily in Luxembourg, this country joined the group of European countries with a higher free than paid circulation on weekdays. Also in Iceland, Spain, Portugal, Denmark and Macedonia more free than paid dailies are distributed (in this last country, however, there are no audited circulation data for newspapers available). Switzerland and Italy are approaching the 50% mark. (see also page 7)

Seoul update: nine free dailies

Free sports paper Sport Dong-A is the 8th published in Korean capital Seoul. Unlike European sports papers, Sport Dong-A is much more general. It counts 28 pages, most of them in color, while also music, culture, show business and general news is covered. Two pages are devoted to comics while there are is also a horoscope, puzzles, TV-listings etc. Circulation, however, is unclear. The pdf can be read and downloaded from the website.

A second evening title, just called 'Evening' in Korean, has reported to have launched in May 2008 as well. There are no circulation or publication details on this title yet.

There are five general morning papers: NoCutnews (2006), Am7 (2003), Daily Zoom (2004), Metro (2002), Focus (2003). Two morning sports papers: Dong-A (2008) and Sports Hankook (2004). And apart from 'Evening' one other free evening paper: The City.

OBITUARIES

Punkt RIP

Swedish free daily Punkt SE was closed on May 19 after the sale of 35% of Metro Sweden was completed. It had editions in all three major markets in Sweden: Stockholm, Göteborg and Malmö.

The paper launched in October 2006 and had substantial losses in the first year. Total circulation was 300,000. In Göteborg Metro is now the only free daily, in Stockholm and Malmö it competes with City (by Bonnier).

Metropolitní Expres

Czech free daily Metropolitní Expres ceased publication April 7. The operation merged with the Czech Metro. In December 2007, 60 percent of the Metro shares were bought by Mafra, the publisher of Metropolitní Expres. It was already announced at that time that both operations would be integrated in 2008.

Metropolitní Expres was launched in April 2006 and had a circulation of 200,000. Mafra, owned in majority by publisher Rheinische Post (Düsseldorf, Germany) also publishes paid daily Dnes.

After the closure of Metropolitní Expres three free dailies remain in the Czech Republic: Metro, 24 hodin (by Swiss publisher Ringier) and free business daily E15. In 2006, free daily Kuryr closed down after a few months.

24 Heures Ottawa

The last edition of le 24 Heures de Gatineau was published in Gatineau-Ottawa, Canada. According to an announcement in 'la dernière édition' of the French language edition of 24 Hours, the paper was forced to shutdown due to economic reasons. After a recent decision from the city council of Gatineau to limit the use of their newspaper distribution boxes, owner Sun Media Corporation decided to toss in the towel.

Le 24 Heures de Gatineau was launched in November 2006 in Gatineau, together with an English edition of 24 Hours in neighboring city Ottawa.

Unlike the French edition, 24 Hours Ottawa is pretty successful and will continue to be published

PLANS

AZ Medien free daily uncertain

Swiss local publisher AZ Medien has been planning a free daily in their area Aargau since the summer of last year. First plans were for last fall but the publisher has been postponing the launch already several times. A Persoenlich interview with publisher Peter Wanner suggested that the launch will never take place - at least not in 2008.

Wanner gives three reasons: the economy is not developing in the right direction, except 20 Minuten none of the Swiss free dailies is making profits and they also have not won the hearts of advertisers and readers. Wanner is also complaining about advertising rates that seem to be under pressure, although he's not sure that free dailies - with substantial discounts - are responsible.

CIRCULATION

Dutch frees increase circulation

In 2007 almost every Dutch paid newspaper lost circulation with AD (479,000; -9%) losing most, although all other major titles lost circulation. After De Telegraaf (704,000), free daily Metro is the second daily with a circulation of 517,000 (+11%), while free daily De Pers (launched in 2007), is 3rd with a circulation of 479,000. AD is 4th. Free dailies Spits and DAG (launched 2007) are 5th and 6th with 421,000 (+5%) and 361,000 copies.

Italian free circulation almost 50%

Italian publishers organization FIEG published their 'La stampa in Italia 2005-2007' report in May. In 2007 total free circulation increased to 4 million while paid circulation was 5 million. The launch of DNews in the beginning of this year raised free circulation to 4.6 million, meaning 48 percent of total circulation.

In terms of readership free dailies lag behind, 40 million Italians read dailies, 67% paid dailies, 35% free dailies and 21% online dailies. There are 7 free dailies, Leggo, City, Metro, EPolis, 24 minuti and Dnews (national), and 2 local titles: Anteprema Corriere and In Città.

Free dailies 1, 2 & 3 in Portugal

Within one year Global Notícias became the paper with the highest circulation in Portugal. The paper by Controlinveste (paid papers Diário de Notícias, Jornal de Notícias, 24 Horas and O Jogo) was launched in September 2007 had a circulation of 219,000 in the first two months of 2008.

Destak is second with 175,000 distributed copies while Metro follows with 173,000. Meia Hora distributes 76,000 copies and free business paper OJE 23,000. Paid paper Jornal de Noticias is the best-circulated paid paper with 102,000 copies. (Publicitas)

Standard (HK) doubles circulation

Free Hong Kong daily The Standard started in September 2007, when it converted from paid to free, with a circulation of 120,000. According to the paper 'audited' circulation is now 224,000 while readership is 479,000.

Although these data are impressive, the paper is not (yet?) audited by Hong Kong Audit Bureau of Circulations (HKABC) like the other free papers in Hong Kong. The HKABC website does not list the title.

READERSHIP

Czech readership: Metro 4th

The latest readership data from the Czech Republic shows that Metro is the 4th best-read paper after Blesk (1,506,000 daily readers), MF Dnes (1,075,000) and Právo (416,000). The difference with the last title is only minimal as Metro has 413,000 readers.

With the closure of Metropolitni Expres (204,000 readers) the position of Metro (60% owned by Mafra, publisher of MF Dnes) will improve. Metro had 380,000 readers in the previous period.

All three leading paid papers have lost readers compared to the same period last year. Of the top three, Právo seems to be losing most (more than 10%). 24 hodin, free daily by Ringier (Blesk) increased readership from 176,000 to 199,000. (Publicitas)

UK: Metro 31% up in readership

Readership data of 2007 by NRS reveals that few titles increased readership compared to the full year 2006. Of the paid papers only The Sun and The Daily Star saw improvements.

Metro UK saw its readership increase with no less than 31%, mainly because of increased circulation. The complete list is below (readership in thousands, change compared to 2006).

The Sun	7,980	+3%
Daily Mail	5,230	-1%
Daily Mirror/Record	4,895	-1%
Daily Mirror	3,789	0%
Metro	2,673	+31%
Daily Telegraph	2,075	-3%
Daily Express	1,678	-2%
The Times	1,666	-4%
Daily Star	1,597	+3%
Daily Record	1,134	-4%
The Guardian	1,121	-10%
London Lite	824	
The London paper	813	
The Independent	745	-2%
Evening Standard	668	-14%

London lite and Thelondonpaper were not audited in the previous year. In September, however they reported readership of 740,000 (London lite) and 713,000 (thelondonpaper). So both papers also increased their readership substantially.

mX mixed results

Free Australian afternoon daily mX by leading publisher News Corp (Rupert Murdoch) is showing mixed readership results for the 12 months April 2007 - March 2008. In Sydney where the paper was launched in 2001, mX had 88,000 readers against 91,000 in the comparable period in 2006-2007. In Melbourne the drop was even more, from 147,000 to 131,000.

Only the Brisbane edition, launched in 2007, showed growth from 29,000 daily readers (March - September 2007) to 35,000 in 2007-2008. Compared to the full year 2007 there was no growth in Brisbane. This suggest either a market saturation or a deliberate strategy by the publisher to keep circulation at a low certain level. News Corp also publishes paid newspapers in all markets.

Paid papers The Australian, Sydney Morning Herald, The Age, Herald Sun and Courier-Mail saw their readership increase compared to the same 2006-2007 period. Daily Telegraph was stable. Compared to the full year 2007 only the Sydney Morning Herald and Courier-Mail had more readers. (Roy Morgan)

Spain: *El País* & sports lead online

El País is the best-visited 'general' online newspaper in Spain. In March the paper had almost 2 million unique visitors. El País, however, is beaten by sports paper Marca with more than 2.3 million visitors. The other three sports papers AS (1.2 million), Mundo Deportivo (646,000 visitors) and Sport (624,000 visitors) are 3rd, 4th and 5th.

The website of free daily 20 Minutos follows with 547,000 visitors. Other free dailies and paid daily El Mundo are not included in the research. (Publicitas)

PUBLISHERS

Metro 2007 report

After the first profits in 2006, Metro International was in the red again with a net loss of \$27.6 million. Chairman Dennis Malamatinas attributed this in the annual report (download from Metro.lu) to "extremely tough trading conditions in the newspaper industry and poorly performing businesses in some parts of world."

The US mortgage crisis, Swedish tax problems, investment in online and restructuring headquarters meant extra costs and less revenues.

According to CEO Per Mikael Jensen Metro was "in the eye of the storm" in 2007, with "poorly executed strategies in some of our major markets". Performing 'very strong' according to Jensen were the Netherlands, Hong Kong, Canada, Denmark, Sweden (in Q4 2007), Chile, Russia, South Korea, and Portugal. Also France, Italy, Hungary and Greece were singled out as performing well. US, Spain, and the Czech Republic were not on the list while Sweden performed particularly bad in the first quarter according to 'poor discount control'.

Home-delivered free real estate weekly Bostad in Stockholm was closed, the Czech Republic was sold while costs were cuts in the US.

The dispute with the Swedish tax office forced Metro to an extra provision of \$10m. The dispute centers around the

question whether Metro is a 'newspaper' or not. From 2001 to 2005 Metro had to pay 11% taxes on advertising sales - paid papers paid 4%. In 2006 the Metro rate was 8% while paid papers paid 3%. From 2007 on all papers pay 3% which leads indeed to the impression that there was unequal treatment in the earlier years.

Ten out of 14 majority owned operations were profitable. Italy (launched 2000) and Portugal (launched 2005) for the first time made profits. US, Spain and the Czech Republic lost money. For Sweden a \$2m loss in 2007 was reported (profit of \$17m in 2006) while loses in the USA were almost double with \$12.2m (\$6.7m in 2006).

Southern Europe losses were minimal (\$272,000) but can be attributed mainly to Spain, indicating that either the loss in Spain is impressive or the profits in the other markets are still marginal.

Of the joint ventures Canada performed very well, it is now the second largest operation after Sweden. The Brazilian edition (launched 2007) is already profitable; Mexico (launched in 2006) was profitable in Q4 2007. Also the Russian St. Peterburg edition is making profits.

Metro published in 2007 specials on the Cannes film festival, a Valentine Days issue, the green environmental Metro, a pink ribbon Breast Awareness issue and a 'happy' Metro in January. It covered the American elections together with CNN.

Almost 60% of the total costs (\$480m) consists of production costs (\$280m). The costs for sales are \$108m while the administrative expenses were \$88m. The majority (57%) of the production cost for Metro concerns paper and print, distribution amounts for 29% while the editorial costs are 14% of the production costs (8% of total costs).

Schibsted annual report 2007

The French print edition of Schibsted's free newspaper 20 Minutes, launched in 2002, made its first operating profits in 2007 according to the annual report of the Norwegian publisher. The online edition apparently is still in the red. Also the Spanish 20 Minutos made money in 2007.

The Spanish operation, owned for 20% by the Zeta group, employs 327 people, working for print, online and the magazine Calle20 - which is an increase of almost 50 people compared to 2006. The operating profits were €600,000.

The French 20 Minutes, owned by regional publisher Sofiouest for 50.25%, employs 166 people.

The Estonian free daily Linnaleht (50% owned) was not reported separately, although the group results improved compared to 2006. Also there is no detailed information of the 15 Minutes free newspaper in Lithuania.

The Swiss 20 Minutes, sold in 2005 to Tamedia, might lead to a problem for Schibsted in 2008. There is still a dispute about the termination of the supply agreement. Schibsted made a reservation of NOK 17m (€2m) 'in relation to likely outcome of these proceedings'.

The Q1 2008 results mention "Strong development for 20 Minutes in France. A readership record but challenging advertising market in Spain." These remarks are in line with Metro's observation in Spain, were apparently a war on advertising rates is going on, with Metro, ADN and Qué! fighting for the no. 2 position.

De Pers owner buys 5% of TMG

Marcel Boekhoorn, one of the richest people in the Netherlands and owner of free daily De Pers, acquired a 5% stake in Telegraaf Media Group (TMG), one of the leading publishers in the Netherlands.

TMG publishes De Telegraaf, a popular broadsheet with the highest circulation in the Netherlands, local newspapers, free daily Spits and free local weekly papers. The group also publishes magazines and has a majority stake in Dutch Sky Radio.

Boekhoorn thinks TMG under-performs and that the profits can be improved. What this means for both free papers involved is not clear. In the past Boekhoorn already talked with De Telegraaf about selling De Pers to them. But also cooperation like in Sweden or Denmark, where Metro partnered with competitors, could be an option.

Free daily discussion in India

Indian media, advertising and marketing website afaqs! reported on a post-lunch discussion on May 16, among Indian publishers (of paid dailies) about the chances for free newspapers in that country. Almost everyone agreed that it wouldn't be possible: advertisers would not like it, the audience would not value it, newsprint was too expensive, advertisers would influence editorials, etc. A clear case of wishful thinking.

Enter PN Balji, editorial director of MediaCorp, which runs the free daily Today in Singapore. He gave five reasons for the success of his paper: breaking the vendors monopoly, quality content, providing background news, a clear line between editorials and advertising and smart distribution. This probably caused some indigestion for the publishers. (INMA newsletter)

amNewYork to Cablevision

Cable operator Cablevision acquired Tribune's New York paper Newsday and free daily amNewYork. The company paid \$650m for the paper, more than Murdoch's NewsCorp and Mortimer Zuckerman (New York Daily News) were willing to pay.

Reactions from the market are mixed because possible synergies of the new group are still uncertain. Cablevision operates cable, telecommunications and Internet businesses on Long Island, including cable and online news service News 12. While Newsday is losing money, amNewYork is making profits.

Background on Styria

German-language publishers have 'invaded' Eastern Europe since the nineties. The most important players being WAZ and Springer from Germany and Swiss publisher Ringier. Apart from that, also Styria, Vorarlberger Nachrichten (Austria), Rheinische Post, Passauer Neue Presse (Germany), and Edipresse (Switzerland) are active in Eastern Europe.

Austrian media website Medianet ran a story on Graz publisher Styria. The company publishes paid dailies Kleine Zeitung and Die Presse in the home market, but is also operating in the Eastern-European markets Croatia and Slovenia where they publish paid and free dailies. Almost a quarter of Styria's revenues are now coming from these international operations.

In Croatia Styria launched 24 Sata (24 hours) in 2005, an inexpensive morning paper and owns paid Vecernji List - no. 1 and 2 in the paid market. To counter free daily Metro (franchise from Metro International, operated by WAZ and

a local publisher) Styria also launched a free evening edition of 24 Sata with a circulation of 60,000. The free paper did not hurt sales of the paid edition according to the publisher.

In Slovenia Styria launched zurnal24, a free daily spin-off from weekly Zurnal. The daily, launched in September 2007, has a circulation of 103,000 which makes it the most-circulated newspaper in the country. Styria also holds part of paid paper Dnevnik.

Styria is more successful abroad with free dailies than in Austria. In 2006 they launched free dailies OK Graz and OK Kärnten but closed both operations a year later.

Österreich looking for partners

Austrian newspaper Der Standard reported that free/paid paper Österreich asked Norwegian publisher Schibsted to participate in the newspaper. Sverre Munck, responsible for the free dailies, declined the offer.

Österreich is available in five different editions. Vienna and Oberösterreich (Linz, Wels, Steyr) were available from the start. Also editions for Niederösterreich (St. Pölten) and Salzburg are distributed. For the Salzburg area it's the first free daily. A 5th edition is called 'regional'.

TITLES

Losses for Qué! in 2008

Free daily Qué!, acquired last year by Spanish publisher Vocento (ABC, local dailies) has cost its publisher no less than €3,235,000 in Q1 of 2008 (EBITA). The paper, launched in January 2005, was sold by the Recoletos group to Vocento in July 2007. (PRnoticias)

QR code for City AM

London free business daily City AM will introduce QR code technology that will enable users to directly download financial news to their mobile phone. Users take a picture of special codes which then directs the phone to a special City AM website or another webpage.

Software has to be downloaded to the phone to make it work. As there are so many different phones around, this might be the major barrier for users. In Japan, however, the codes are extensively used. (Brand Republic)

DAG introduces jobs website

Free Dutch newspaper DAG (PCM) introduced a new job recruitment website May 27. On DAGbanen (DAGjobs) hundreds of jobs are advertised. Navigation is clear and finding relevant information seems to be easy.

DAGbanen will get extra attention in the Monday and Wednesday issues. DAGbanen is a cooperation with the free weekly Volkskrant spin-off Volkskrant banen, in which paid PCM-paper de Volkskrant is also targeting young professionals.

Metro partners with Taloussanommat

Metro Finland includes a financial news page by financial news site Taloussanommat on a weekly basis from 13 May on. Both Metro and Taloussanommat are part of the Sanoma group.

As Sanoma also publishes Uutislehti 100, the other free daily in Finland, the new partnership will also lead to more differentiation between the two titles.

Project freesheet walk: June 12

The third walkabout of Project Freesheet, the London volunteers group that wants to raise awareness about discarded free papers in the city, will be at June 12. In the last walkabout 70 people gathered nearly 8000 discarded papers. More details are on projectfreesheet.org.

Lisbon: five free dailies

For a mid-size capital, Lisbon is well served with free newspapers, as there are five titles available. Total circulation is almost 700,000 - more than 50% of the market.

These numbers are even more surprising because free newspapers were only introduced in Portugal in November 2004 and also because the country always had a rather low percentage of newspaper readers, with 600,000 copies of paid papers distributed and the population being over 8 million (3.5 million households).

Monday morning 19 May I was handed two free dailies at the subway entrance (Destak and Global Noticias), picked up Metro from a rack in the subway and found Meia Hora and OJE at the conference venue. In total 124 pages of free dailies on a Monday morning.

All free dailies - except business paper OJE - had Sporting Lisbon's victory over Porto in Portugal's football cup final on the frontpage. OJE had it on their back page.

Destak was introduced in November 2004 and has editions in Lisbon and Porto. Cofina (Correio de Manha, business paper Journal de Negocios and sports paper Record) has a 59% stake in Destak (with option to buy 100% in the future). Circulation is around 180,000 while daily readership is more than 600,000. This Monday's Lisbon edition counted 28 pages, 16 (57%) filled with ads (including the front page), quite a lot of them mid-sized classifieds. The paper also had a page devoted to discussions and letters to the editor.

Metro, launched in January 2005, is comparable to Destak in terms of circulation and readership. This Monday's edition counted 24 pages, almost half of it (46%) devoted to ads, again including the front page. Metro contains a daily syndicated comic: Sherman's Lagoon, and a letters-to-the-editor page. Metro is published in three editions (Lisbon, Porto and regional).

Meia Hora started almost a year ago and was branded as a 'quality' paper, with longer stories, more journalists and targeting a higher demographic. Distribution is more by drop-offs in office quarters and universities. The Lisbon edition counted 16 pages, with only 3 of them with ads (20%) although it had a special ad insert by Asus computers. Stories are hardly any longer in Meio Hora (meaning half an hour) although the design is definitely more like a 'classic' newspaper, less colors and more restrained with graphics.

Compared to 2006 and 2007, readership of both Destak and Metro went up, but compared to the last quarter of 2007 both paper lost readers. Also Meia Hora lost readers compared to Q4 2007 (208,000 in 2008, 241,000 in 2007). This is probably caused by the launch of free daily Global Noticias in September 2007.

This last entry is branding itself as the newspaper with the highest circulation (200,000) in Portugal, although this is not officially audited. Within one year Global Noticias is reaching more than 400,000 readers a day. The model is somewhat different from Destak and Metro. In distribution Global Noticias is more targeting the suburban subway stations in greater Lisbon so people have more time to

read while competition is less. This distribution is more expensive but in a crowded market it seems to have some success. This year the paper started a Porto edition.

In terms of content the paper is leaning heavily on other papers from Controlinveste, also publishing Diario de Noticias, Jornal de Noticias, 24 Horas and sports paper O Jogo. All these papers are cross-promoted in Global Noticias by highlighting stories from these titles and using articles from these papers as well. A third of the 24 pages were filled with ads and there also were quite a lot 'sponsored' stories in the paper.

For some months Portugal even had a free sports daily *Diário Desportivo*, but it was only published in the first half year of 2007.

OJE is a free business paper launched two years ago. Its circulation is 26,000 and its readership is almost 60,000 in 2008. Distribution is through drop-offs at office buildings, hotels and universities. Design is clear and 'classical'. It counted 32 pages, 7 of these filled with ads.

Major moves at *The Examiner*

Free US daily *The Examiner* (Baltimore, San Francisco and Washington) will ax their Saturday edition in July and replace it with a new Sunday edition. On July 13 the first new Sunday paper will be launched.

Home-delivery will be restricted to Thursday and Sunday. *The Examiner* always relied on home-delivery but the model apparently was too expensive and led to a rather low number of readers per copy. This will lead to less circulation although readership might profit from the move as the circulation on Thursday and Sunday will be higher.

Clarity Media Group CEO, Ryan McKibben was quoted by *The Examiner*: "Through extensive discussions with our readers and advertisers we have been very pleased to learn how much they value the Examiner. Also emerging from these discussions were suggestions about what would make the Examiner even more relevant to them. Consumers and advertisers alike confirm the significant value provided by our subscription-free newspapers and the Examiner's strong emphasis on local news."

He also remarks "It's no secret that this is a very difficult period for our industry. But it's actually an exciting time when one has the necessary talent and is sufficiently nimble and innovative - to effectively meet the demands of rapidly changing markets. That's where Clarity Media Group, with the Examiner newspapers and examiner.com, is well positioned."

The City one year

Seoul free afternoon paper *The City* celebrated its first year in business last week. *The City* was the first afternoon paper in the crowded Seoul market and has a circulation of 400,000. Total circulation of free papers in Seoul is around 2 million.

Metro started in 2002 and was followed in 2003 by Daily Focus and AM7, and in 2004 by Daily Zoom, Sports Hankook and Good Morning Seoul. The last title folded after a year but in 2006 Daily NoCutNews was launched while *The City* and economic paper *IlIlKyungJe* followed one year later. *IlIlKyungJe* closed down after some months. In March, however, a 8th paper started, free sports daily Sport Dong-A.

The City is targeting a somewhat different audience because of its afternoon distribution. The paper is meant to be taken to the home and read by several family members.

DAG 1st anniversary

The Netherlands' youngest free daily DAG celebrated its first anniversary. The paper was launched May 8 2007 and was the 4th national title in the country. In the first year the paper lost its publisher, introduced a new design, moved closer to paid sister paper de Volkskrant and tried to reach a better educated target group. The first year was celebrated with a special 'good news' issue. Six pages were devoted to 'good news'.

Hagar conquers Switzerland (again)

When leading Swiss paid paper Blick went for an extreme makeover in March they decided there was no place left for popular comic strip Hagar the Terrible. Free daily 'ch' bought the exclusive rights for Switzerland and publishes it from 7 May on. (Persoenlich)

Metro Chile goes multi-media

Publimetro Chile, subsidiary of Metro International SA, bought 35% of SUBTV, as well as an option to acquire the remaining 65%. SUBTV delivers news, entertainment and information to subway commuters through television screens in stations and in train carriages in the capital Santiago. SUBTV was established 6 years ago, has 25 employees and reported a profit in 2007.

Robert Patterson, Executive Vice President of Metro International, stated: 'there are significant synergies between Publimetro's publishing business and SUBTV's television business, since they are both targeting the same audience. In addition, the innovative transport system introduced in Santiago - Chile in early 2007 has doubled the number of passenger trips to 2.4 million per day and this has materially increased the attractiveness of SUBTV as an advertising medium'.

20 Minuten discount guide

Swiss leading free newspaper 20 Minuten distributed a free discount magazine in the Zurich area. In the '20's best' guide, readers can find offers for 26 products that can be obtained at a discount. The circulation was 350,000 - but readers who cannot find a copy can download it from the website and print the coupons. The guide can also be read as an e-paper. (Persoenlich)

RESEARCH

User-generated content

At the International Communications Association's conference in Montreal I presented a paper about the use of user-generated content in Dutch media. For this project my colleague Mervi Pantti and I interviewed editors-in-chiefs and other journalists from Dutch TV stations and (paid and free) newspapers about their strategies and experiences with user generated content.

In this first report we concentrate on how they use visual material: pictures and video. In general the number of hard-news material media receive, seems to be disappointing compared to text contributions like comments. If such pictures are send in, it's usually about fires, arrests, crimes and accidents. Users, however, are much better at personal pictures, human interest and particularly weather photos.

The Amsterdam TV station AT5 is leading in terms of hard-news photos and videos. Weather pictures are winning at NOS news. We interviewed also the editors responsible for the websites of the free dailies DAG and Spits. DAG invites readers to send in pictures and videos, SpitsNieuws is more focused on comments.

Lisbon Media Economics

At the 8th World Media Economics and Management Conference in Lisbon I talked about how mature free newspaper markets in Europe develop. In more than half of those markets - where free dailies were introduced at least five years ago and these dailies have substantial market share - circulation is actually going down. Consolidation and diversification is happening in most mature markets.

Alfonso Sánchez-Taberner, Juan P. Artero and Alejandro Armesto presented a paper on 'Free newspapers in Spain: a partial success'.

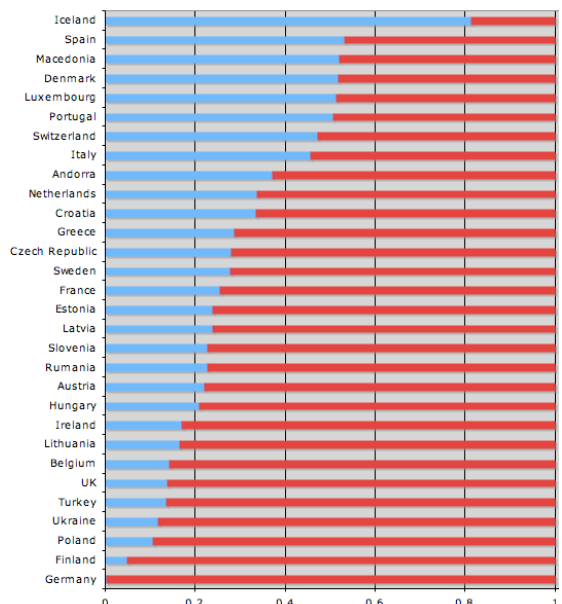
Reuters: newspapers will go free

Reuters reported that a slight majority of newspaper editors think that newspapers will be free in the future because that's the only way to compete with the Internet. The report was conducted by Zogby International for the World Editors Forum and Reuters.

"56 percent of respondents believed that the majority of news, be it via print or online, would be free in the future. That was up from 48 percent who answered yes a year ago. Those leaning towards the free model mostly came from 'emerging' newspaper markets in areas such as South America, Eastern Europe, Russia, the Middle East and Asia where 61 percent of respondents believed news would be free. Respondents in Western Europe were less likely to believe in news becoming free, with 48 percent of news executives thinking it likely, while North American editors were on par with the average."

Market shares free dailies Europe

Six countries have more than 50% free dailies as a share of total newspaper circulation in Europe, eight countries have a free share of 40% or more while in 13 countries the share of free dailies is at least 20%.



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