

Free Daily Newspapers

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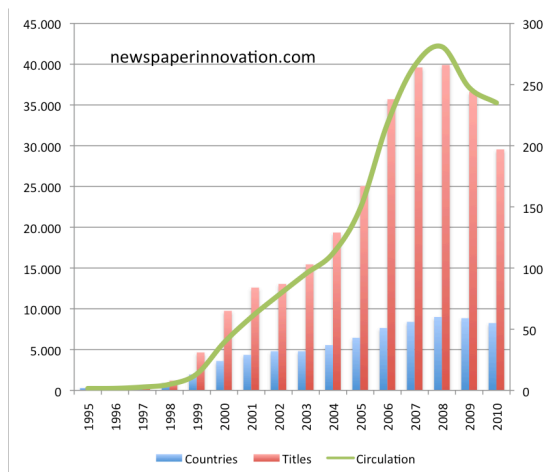
15 years of free dailies

The history of free dailies certainly shows rise and fall. A slow start in the first four years was followed by a permanent growth in the next 10 years. In 2008 there were 266 free papers published in 60 countries with a total average circulation of 42 million. In 2009 and 2010 the number of countries dropped to 55, while the number of papers is less than 200 in August 2010. Circulation is now 35 million.

The largest drop in circulation and number of titles was in Europe. In 2007 there were 140 papers with a circulation of 27 million, in 2010 this is down to 87 papers with a circulation of 19.3 million.

Does this mean the business model of free newspapers coming to an end? Probably not. In Latin America and Asia there is no sign of decline. In Europe the market was so competitive that closures were inevitable. What remains is a situation with fewer titles per market (3.6 per country), which is a healthier model than in 2007 and 2008 (4.7 per country).

As these numbers include local models, the actual competition is much lower of course. Spain, for instance, still has 15 titles but on a national level only three titles compete; in some areas with a local paper. In the US there are almost 40 titles, but there is only competition in New York, Washington, Palo Alto, Aspen, and Vail.

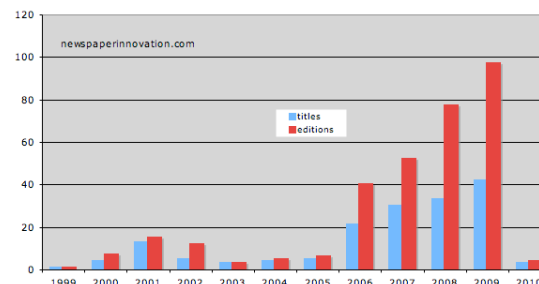


A note on method:

- Circulation is 'average', papers that are not published during the whole year (new entries and closed down papers) are only counted for the period they were published.
- Titles is the total number of titles published that year, including new and closed down titles.
- Countries indicate the number of countries with free newspapers during any moment of that year.

The worst in terms of closures, seems to be behind us. In 2007 30 titles (52 editions) closed down, a year later 33

free dailies closed (77 editions) while in 2009 no less than 42 titles (97 editions) were terminated. In the first 8 months of 2010, however, only 3 titles (4 editions) were closed.



FDN - BAROMETER

The FDN barometer is devoted to worldwide developments. In the table **average** and **end of year** circulation, the number of free dailies published in each year and the countries with free dailies are listed.

In 'end of year' circulation only free dailies that are published at the end of December are taken into account – closed down papers are not included while papers launched during that particular year count in full. In years with more closures than launches the average circulation is higher than the end of year circulation.

Circulation (x 1000), titles & countries worldwide

	Countries	Titles	Average circulation	End of year circulation
1995	2	2	231	231
1996	2	2	249	249
1997	4	4	403	558
1998	6	8	737	918
1999	13	31	2.005	2.891
2000	24	65	5.856	7.568
2001	29	84	8.973	10.045
2002	32	87	11.674	12.567
2003	32	103	14.286	15.227
2004	37	129	16.803	18.188
2005	43	167	22.323	24.852
2006	51	238	32.714	36.360
2007	56	264	39.807	41.855
2008	60	266	42.136	42.024
2009	59	244	37.171	34.897
2010	55	196	35.252	35.118

The 2010 data are from August 2010. As three titles closed down this year, the actual number of titles is 193. The number of countries is actually 54 in August 2010 as South Africa lost its only free paper this year.

LAUNCHES

Fourth Metro Brazil edition



Metro Brazil launched a new edition in Campinas, a city of approximately two million people, located 90 kilometers from Sao Paulo. The new edition has an circulation of 30,000 daily copies.

In 2007 Metro launched in Sao Paolo, in 2009 editions for the ABC area (Greater São Paulo: Santo André, São Bernardo do Campo, São Caetano do Sul) and Santos were added. The Brazil Metro

is majority (70%) owned by the Bandeirantes group. Metro's total circulation in Brazil now amounts to 240,000 daily copies.

Publisport Mexico

Metro International announced that Publmetro, their Mexican edition, launched the semi-weekly free sports newspaper Publisport in Mexico City.

Publisport will have a circulation of 40,000 copies and will be hand delivered Monday and Friday. (MarketWire)

PLANS

Bolloré's expansion plans

The French 'Direct Plus' group of free newspapers, in which the Bolloré group has an important stake, will expand its circulation from 740,000 to 850,000. After this expansion the brand will be the free paper with the highest circulation in France, surpassing market leader 20 Minutes (765,000) and Metro (640,000).

Bolloré is also thinking about launching editions in some cities like Rennes, Clermont-Ferrand, Grenoble, Nancy and Saint-Etienne. (Les Echos)

In terms of readership, however, the Direct Plus papers are still lagging behind. In the last survey there were 1.7 million readers for the titles, against 2.7 million for 20 Minutes and 2.5 million for Metro.

Free Independent?

After converting the London Evening Standard to a free model, Independent chairman Evgeny Lebedev, son of owner Alexander Lebedev, thinks of doing the same with the recently acquired Independent.

Lebedev told the Financial Times "we will have to do something. The Independent can't stay in its present form because it will continue losing money." (EditorsWeblog)

OBITUARIES

El Nuveo Siglio online only

Free daily El Nuveo Siglio, published in Guadalajara (México), was recently closed down. It remains, however, as a news website. The title was founded in 2000 as a weekly paper; in 2004 it moved to a daily publication, also published on weekend days.

El Diario de Caracas

Already in September 2009, free El Diario de Caracas (Venezuela) closed down. El Diario de Caracas started in 1979 as a paid tabloid paper. In 1995 it was closed down after a financial crisis. In 2005 Consorcio TP brought the paper back to life as a free daily.

The paper had a circulation of 50,000 and was published seven days a week. Two free dailies remain in Venezuela: Primera Hora by paid paper El Nacional and Cuidad CCS, a government sponsored free daily.

Political and business issues seem to be behind the closure. Some information is on the noticias candela blog, where it is suggested that the people behind El Diario de Caracas had dealings with FARC (Colombia) and Sendero Luminoso (Peru). This information, however, is not substantiated with other material.

Global Noticias

Free Portuguese paper Global Noticias (Controlinveste) printed its last edition on 30 June. It was launched in September 2007 in Lisbon, in 2008 a Porto edition started. In 2009 the paper distributed 100,000 copies.

Controlinveste will also close down paid paper 24 Horas; Diario de Notícias, Jornal de Notícias and O Jogo (sports) will continue. (Publicitas)

The number of free dailies in Lisbon is now down to three, two general papers: Destak and Metro, both owned by Cofina, and the free business daily OJE. In 2007 also free sports daily Diário Desportivo and free 'quality paper' Meia Hora were published. Circulation then was around 650,000 – it is down to 280,000 now.

The Times (SA) converts to paid

Free South African daily The Times is converted to a paid daily. The paper will be sold for R2 (€0.20), which is still less than the price of for instance the Citizen. This paper dropped its price from R4.5 to R3 in the South-African newspaper price war. (Africa.com, Roy Greenslade)

The Times started in June 2007 as a free daily spin-off from the paid Sunday Times by Johnnic Communications (later in 2007 renamed as Avusa Media). Subscribers to the Sunday edition got the daily for free. Initial circulation was 120,000.

The Citizen (Caxton) started their own free newspaper Citizen Metro also in 2007, but this publication apparently closed down in 2008 or 2009.

CIRCULATION

Top 10 free newspapers

The 10 frees with the highest circulation in 2009 were:

1. Metro (UK): 1,334,000
2. Beijing Daily Messenger: 1,000,000*
3. Leggo (Italy): 963,000
4. City (Italy): 779,000
5. Headline Daily Hong Kong: 740,000
6. Metro Canada: 733,000
7. 20 Minutes France: 710,000
8. 20 Minuten Swiss: 701,000
9. Metro Korea: 700,000
10. 20 Minutos Spain: 687,000

* I doubt the reliability of the data of the Beijing Daily Messenger, my sources mention one million, but others claim that it is between 180,000 and 250,000. In that case the France Direct-Plus Group with 650,000 copies in 2009 is 10th.

Dutch frees cut circulation in 2010

All three Dutch national free newspapers have cut their circulation in Q1 of this year compared to the same period in the previous year. Market leader Metro went from 530,000 (Q1 2009) to 518,000 copies in 2010. Average circulation in 2009 was 505,000.

Second paper Spits distributed 424,000 copies in Q1 2010 against 460,000 in Q1 2009; average circulation in 2009 was 416,000. De Pers distributed 308,000 copies in Q1 2009, and is down to 216,000 copies now. In 2009 the average circulation was 221,000.

READERSHIP

Israel Today beats Yediot

Free daily Israel Today (Yisrael Hayom) had a reach of 35.2% in the first six months of 2010, surpassing paid market leader Yediot Acharonot that had a 34.9% reach in this period.

Yediot Acharonot was the best read paper in Israel for the last 30 years. Paid paper Maariv is third with a reach of 12.5%, while Haaretz is fourth and reaches 6.4% of the readers. (Israel National News)



Less readers for Spanish frees

The three national free dailies in Spain lost some readers according to the last AIMC research when the period April 2009 – March 2010 is compared with February – November 2009. The periods, however, are partly overlapping.

20 Minutos (2,353,000 daily readers) is again the second paper in Spain after sports paper Marca, Qué! is 4th (after El País) and ADN is 5th. The readership of Qué! dropped from 1,698,000 to 1,563,000), ADN went down from 1,381,000 to 1,341,000.

žurnal24 increases readership

Slovenian free daily žurnal24 is the second best-read newspaper in the country with 259,000 daily readers as it was in 2008 (212,000 readers). The title by Austrian publisher Styria, however, is closing in on market leader Slovenske novice (318,000 readers in 2009 against 350,000 in 2008).

All paid papers lost readers in the last year according to the 2009 NRB survey data. The weekend edition Zurnal is the best read in its category with 357,000 readers. Internet portal zurnal24.si attracts 340,000 monthly unique visitors.

ADVERTISING

Vienna sponsors newspapers

The Vienna city council is spending around €15m a year on advertising in three Austrian newspapers. Austrian paid market leader Kronen Zeitung is getting most from the city, but other paid papers lag behind free newspaper Heute and paid/free paper Österreich.

Österreich has 313,000 readers in Vienna, Kronen Zeitung is leading with 536,000 readers while Heute has

512,000 readers. In January and February – weak months for advertising – Kronen received €730,000, Heute €690,000 and Österreich €440,000.

Vienna is ruled by socialist party SPÖ, total PR budget of the city councils "Presse- und Informationsdienst" is €47 million. Estimates from other parties is that the total budget of the city is actually at least twice as high because also power plants, public transport and housing projects owned by the city spend millions on advertising.

According to an article on the website of Austrian magazine Profil the city council gets in return a very positive journalistic approach. The Vienna opposition does not hesitate to call it propaganda at the expense of taxpayers.

Le Matin profits from closure

After free daily Le Matin Bleu merged with competitor 20 Minutes in the French speaking part of Switzerland, the paid paper Le Matin saw the number of ads increase.

In the beginning also 20 Minutes profited from the closure, but as the paper increased its rates in 2010, advertising dropped. The high price of the ads in 20 Minutes also made some advertisers move over to the paid title. A third reason for the increased ad revenue of Le Matin is that the paper now sells its own ads, instead of selling through Publicitas. (Persoenlich)

INMA Award for Metro Poland

The Polish Metro (by Agora) received an INMA (News Media Marketing Association) award for their one-time German language Berlin edition. The first prize was awarded in the "Marketing Solutions for Advertising Clients" category. The goal of the issue, published in September 2009, was to acquaint Germans with Polish culture and most interesting tourist spots and encourage them to visit Poland more often.

Metro Canada campaign in October

Metro Canada will launch an 8-week nationwide brand awareness campaign in October. The campaign will have a budget of Can \$ 2.9 million (€2.2 million). The paper is read by 1.3 million Canadians on a daily basis, according to NADbank 2009 statistics. (MarketingMag)

The paper celebrated its tenth anniversary in June; it was launched in Toronto on June 29, 2000. There are now seven editions with a total circulation of 800,000.

Metro Holland Saturday edition

Usually Metro Holland only publishes on weekdays (and in 'green'), but as Holland played Spain in the Worldcup finals, the paper distributed a special (orange) Saturday edition with a circulation of 400,000. Front and back pages were sponsored by mobile telecom provider Lyca. Also Heineken, ING bank, Clinique and the Duisenberg School of Finance had a page of 'orange' advertising.

Metro NY with Queens edition

Metro New York launched a 40,000-circulation edition on Thursdays for Queens. Local advertisers can have an ad in Metro at lower rates. Metro is operated as a franchise in the USA. (Free-daily.com)

t.o.night billboard

Toronto free evening newspaper t.o.night started an advertising campaign on radio, TV and billboards. The TV ads and billboards can be viewed on the t.o.night website.

Metro UK ITV partnership

Metro UK (Associated Newspapers) distributed an 8-page glossy gatefold in 200,000 copies of its London edition. The issue promoted the new ITV1 HD Channel. 50,000 copies of the glossy gatefold were inserted from 19 to 22 April at different London stations. (Marketing Week)

ONLINE

Examiner.com redesign

The website Examiner.com, part of the Examiner brand that also operates free daily newspapers in San Francisco and Washington, will go through a major redesign soon. The website will also use a new Content Management System (Drupal 7) and is currently training its Examiners according to an article on 'Content Farms' in MediaShift.

The site attracts more than 13 million people in the U.S. monthly. Every month 90,000 pieces of content are published. Examiner.com is available in 238 cities with more than 42,000 Examiners who cover local affairs.

City Mobile

Italian free daily City (RCS Mediagroup) introduced a mobile version. The news of the day – sport, arts, Italian and international politics – is displayed, plus a section about "what's going on" in your city (City has nine local editions).

There is also the City Community, with opportunities to interact with other readers, play and win tickets with the CityPass. The 'app' can be downloaded from the Nokia OviStore or from the City website for other platforms.

To celebrate the mobile version City will update news content also during the summer, for the first time since its launch in 2001. Normally the paper – like most Italian free dailies – closes down during the summer months.

Weekly video on City AM website

London free financial newspaper City AM launched a weekly video by financial journalist Allister Heath on April 30. The video is sponsored for the first 12 weeks by online trading services provider forex.com. (MediaWeek)

Tamedia combines online brands

Swiss publisher Tamedia, publisher of paid newspapers and free daily 20 Minuten will combine the ad-sales for its three online portals 20minuten.ch, Newsnetz and search.ch. The joint market of the three brands consists of 2.1 million unique monthly users. Booking ads on the separate websites will also be possible. The reach of the new Power-Pool will be around 60%.

Currently the joint Super-Pool is market leader with 2.8 million unique users and 80% of the market. The Tamedia titles were included in this combination, but the cooperation was terminated in July. (Persoenlich)

NowPublic sacks staff

Citizen journalism network NowPublic – acquired in 2009 for \$25 million by free newspaper / local news network Examiner.com, laid off several of its dozen staff members. NowPublic's founder Leonard Brody told PaidContent, however, that NowPublic is "absolutely not closed". The lay-offs would be the result of duplications.

LEGISLATION

Italian free papers join strike

Italian free newspapers Metro, Leggo, City, E Polis and DNews all joined the strike against the plans of Berlusconi's government to restrict reporting based on material gained from police wiretaps. The government says the wiretap law is needed to protect the privacy of individuals from arbitrary investigation but critics say it will hamper both the fight against organized crime and press reporting on corruption.

The bill can ban newspapers from using transcripts until preliminary investigations are complete, something which can take years. FNSI, the main Italian journalists' union, said the legislation would "severely limit the right of citizens to know how judicial investigations are proceeding, imposing serious limitations on the free circulation of information."

Among the few papers on newsstands were "Il Giornale", owned by the prime minister's brother, and "Libero", a pro-Berlusconi daily which said that "the true obstacles to justice are uncontrolled wiretaps." (RNW)

Metro UK sues Metro0

Associated Newspapers, the publisher of Metro UK has taken legal action against the distributors of the fake Metro that was handed out in London Friday July 2. The fake issue carried headlines like "Gordon Brown to be deported to Scotland", "Two days of actions against Racist Press" and "Myth-Busting the Media".

According to Indymedia UK "Metro has obtained a High Court injunction against all persons responsible for the publication and/or distribution" of the fake issue, but as the distributors are unknown, "the injunction seems to have been served upon the wrong people".

The fake Metro – called Metr0 (with a zero instead of the o) – is linked to a group that also set up a PressAction blog last month; the article on Indymedia is similar to that on PressAction.

Indymedia/PressAction:

The owners of Metro, Associated Newspapers Limited, claim this is an infringement of the company's trademark copyrights, while campaigners argue the company directors "do not have a sense of humour" and have "gone too far in suppressing free speech to protect their commercial interests."

A spokesperson for PressAction said:

It is very likely that whoever did the spoof was inspired by our callout and wanted to use our name and register the domain with a common address, such as LARC's, to protect their anonymity. To argue that LARC is 'clearly involved with the two days of action', as the Metro solicitors did in court, is just a desperate search for a scapegoat that is guilty by association.

The injunction order and other material is available on Indymedia.

Distributing fake free papers is not new, a fake activist version of free daily 20 Minuten in Switzerland appeared when the World Economic Forum gathered in Switzerland, while the French labour union published a fake Direct Matin issue during a strike. The New York Times and de Volkskrant (Netherlands) were also published earlier as free activist papers.

Israeli anti-freesheet bills

Israel Today owner Sheldon Adelson (casino magnate, the "richest Jew in the world"), flew to Israel to protect the right of his free daily to be published. A bill proposal was voted on in the ministerial legislative committee in June. The proposal, by Knesset member Marina Solodkin (Kadima party), suggested that newspapers should only be allowed one year to publish for free.

In Israel it is clear that the bill was aimed at Israel Today, which is considered to be very close to Prime Minister Netanyahu. Meanwhile, Israel Today has increased its print run from 255,000 to 300,000 copies.

The Israeli parliament, however, will not vote on the bill. The legislative committee rejected the proposed bill. Only half of the committee members voted against the bill, but as seven members were absent or did not vote, there still was a majority against the proposal.

After two free anti-freesheet bills are rejected, one on restricting free distribution to one year and one to restrict foreign ownership, the next move is examining 'tycoon' power in newspapers, which seems to be directed at Israel Today paper as well. According to Globes:

The Knesset Finance Committee will be asked to examine the involvement of US business Sheldon Adelson, an associate of Prime Minister Benjamin Netanyahu and publisher of "Israel Today", in the Israeli media market. The decision comes after the committee decided to move forward on a private members bill by MK Haim Oron (Meretz), which calls for government intervention to dilute the concentration of tycoons' holdings, and to establish a public committee to examine concentration in the economy.

PEOPLE

Cipriani's leave DNews

Antonio and Gianni Cipriani, founders of Italian free daily DNews, left the paper. According to Italian sources (Iris Press, Il Salvagente), publisher Mario Farina wanted to get rid of the brothers because they advocated a more critical style of journalism.

In 2004, the Cipriani brothers were involved in the launch of another free daily: E Polis, but left after quarrels with the new management and started DNews in 2008. DNews has editions in Rome, Milan, Bergamo and Verona, and prints around 500,000 copies daily.

New Board Directors for Metro

Metro International proposed the election of Michelle Guthrie and Patrick Stähle as new Board Directors at the Annual General Meeting on 27 May.

Michelle Guthrie is Chairman of Plan International Hong Kong, a global aid agency working on behalf of children in developing countries. She was Managing Director and Senior Adviser of Providence Equity Partners, the world's leading private equity firm focused on media, entertainment, communications and technology from 2007 to 2010. Mrs. Guthrie began her career at STAR, a media and entertainment company in Asia wholly owned by News Corporation, finally as CEO from 2003 to 2007.

Patrick Stähle is a Board Director of Charm Communication Ltd, a TV advertising service provider in China and one of the biggest brokers to China Central TV. Mr. Stähle works part-time with Aegis Media Global Solutions which involves oversight of global strategy, product development and work within Aegis' Executive Committee. He was until 1 April 2010 the Singapore

based Chairman and CEO for Aegis Media APAC, part of the media and market research network Aegis Plc, listed on the London Stock Exchange.

Cristina Stenbeck, Chairman of the Nomination Committee linked the proposals to the Asia-strategy of Metro:

Their individual media backgrounds and geographic focus on Asia during the course of their careers will provide valuable insight to the key strategic growth areas for Metro, both in terms of product development and geographic footprint.

Changes at Swiss 20 Minutes

Editor Tristan Cerf will move from free daily 20 Minutes (published in the western French part of Switzerland) to paid Sunday paper Le Matin Dimanche. Cerf was formerly editor of free daily Matin Bleu but became editor on 20 Minutes in 2009 after the publishers of the free dailies decided to merge the titles. Also 20 Minutes director Joseph Crisci stepped down.

Philippe Favre will be the successor as editor of 20 Minutes. Favre was editor before the merger with Le Matin Bleu in 2009. (Persoenlich)

PUBLISHERS

Heute & Krone fasten family ties

After the death of 50% Kronen Zeitung owner Hans Dichand (at the age of 89, 16 June 2010) his son Christoph is taking over as publisher of the best read paper in Austria. German publisher WAZ – owning the other 50% – reluctantly agreed.

WAZ and Dichand have been quarreling over the paper since decades. A planned sale of the WAZ shares to Dichand did not succeed – the new publisher will probably make a new bid in the near future.

One of the disputed areas between the Dichand family and WAZ was publishing a free daily. In 2001 they jointly launched U-Express in Vienna. After three years the paper was closed, much against Dichand wishes. Within half a year an independent company launched free daily Heute. It was rumored that Dichand actually was behind the launch, also because his daughter-in-law Eva became publisher. (The Dichand family cannot participate in any other newspaper without the consent of WAZ.)

Eva Dichand is still publisher of Heute, and now her husband is publisher of Kronen Zeitung, which is leading to an even closer relationship.

Metro on track towards profitability

Swedish media website Resume reported on the interview Per Mikael Jensen did after the presentations of the Q1 2010 results. Although Jensen did not want to make predictions he said that a SEK 50 million (€5m) profit for the company "would not be unrealistic".

Jensen was very pleased with the results for Canada, Brazil, Hong Kong and Sweden. Also the Russian editions were profitable in Q1. In Russia there are plans for expansion. Denmark and the Netherlands, however, "must do better" in Q2 2010 according to the CEO.

The digital operations still lose money: SEK 20m (€2m) on a full year basis, although the company is launching a new online strategy with Sweden and Denmark already showing a small profit.

More advertising revenues and cost cuts were responsible for the improved results for 2010 Q1. Metro

expects a 5% rise in advertising revenue in 2010 compared to the previous year. Selling unprofitable operations and reducing the workforce with 200 people cut costs.

With profits again for Q2 2010 and without the burden of another loss-making edition (Greece), Metro indeed seems to be heading to profitability in 2010, provided the second half of the year will not bring any unpleasant surprises. Earlier Metro divested the Italian and Portuguese editions.

The results for Q2 2010 showed a small net profit (€476,000) compared to a loss in Q2 2009. For first six months of 2010 Metro still showed a loss (€5.3m). This loss, however, was much lower than in 2009.

Results for Sweden (€3.3m EBIT profit in Q2) and Hong Kong were very good, while also Brazil and Mexico performed very well. Also Denmark, the Netherlands, Russia, Hungary and Chile showed a profit. The French edition reported a loss in Q2 2010.

Per Mikael Jensen:

Metro is on good track to full year EBIT profits. A more positive outlook in advertising markets allows us to re-confirm this message with greater confidence. Q3 is traditionally the weakest quarter for Metro, whereas Q4 is the strongest. The 2010 results will therefore to a great extent be determined in Q4.

In terms of readership, Russia, Canada, Hungary, the Czech Republic and particularly Brazil (+95%) performed positively. In most cases circulation was also higher in these markets.

Metro majority shareholder Mexico

Metro International will acquire minimal 15% of the total equity of Publmetro Mexico from Inmobiliaria Torraco, S.A. Torraco Investments now holds 23.54% of the company, valued at US\$ 5.15m (€4m).

Based on the current agreement, the third partner of Publmetro Mexico, MX Shares, has pre-emptive rights to acquire the remaining 8.54% of Torraco Investments, or else Metro will acquire the full 23.54%. Metro now controls 49% of the shares, meaning it will be a majority shareholder once the deal is closed.

Publmetro Mexico recorded sales of €7.8 million in 2009, with high growth rates (50% in Q1) expected to continue in the coming years. The operation showed profitability in its second year after launch in 2007 with EBIT margins between 15-20%. The paper distributes 180,000 daily copies in Mexico City and Monterrey.

Wegener distributing Spits in 2011

Three Dutch newspaper publishers, Telegraaf Media Group, Wegener (part of Mecom) and NDC, will join efforts to distribute newspapers together in those parts of the country where Wegener and NDC distribute local newspapers. This includes all Dutch provinces except the Western part (North and South Holland) and Limburg. As subscription is the dominant distribution model in the Netherlands (90% of the total circulation), cutting costs is the main goal of the operation.

Also free daily Spits, part of Telegraaf Media Group, will be distributed by the joint venture. As Wegener is doing most of the distribution, this company will now distribute two free dailies, as it also takes care of the distribution of De Pers, the third free daily in the country (after Metro and Spits). In December the new distribution model will start, and in 2011 it is expected to be fully operational.

Ringier Axel Springer operational

The Ringier and Axel Springer Eastern Europe joint venture "Ringier Axel Springer Media AG" became operational 1 July 2010. The Eastern European operations of both companies are part of the company. Free Serbian daily 24 Sata is one of the titles involved.

Antitrust authorities in Poland, Serbia, Slovakia, Czech Republic, Switzerland, Germany and Austria have approved the merger. The decision in Hungary is still pending.

20 Minutes / Minutos

According to the Q1 2010 report of Norwegian media group Schibsted, free daily newspaper 20 Minutes in France showed a 12% growth in operating revenues. The paper, however, still lost money in Q1 as it showed an operating margin (EBITA) of -7% (-€0.9m) (-18% in Q1 2009).

There was a 15% decline in operating revenues for 20 Minutos Spain while the operating margin (EBITA) was -13% (-€0.8m) (-26% in Q1 2009). Also both online versions lost money in Q1 2009 – in both cases the losses were less than in the same quarter of 2009.

The combined losses (EBITA) of the Schibsted free dailies in Spain (20 Minutos) and France (20 Minutes) amounted to €2.7 million in 2009. The French operation made a small profit of €0.9m while there was a total loss in Spain of €3.6m according to the annual report.

The results, however, were better than in 2008 when the total loss was €5m. The publisher is positive about the results because at the end of 2009 and the beginning of 2010 results improved in both markets.

Revenues (± €50m) and profit in France (Schibsted holds 50% of the French operation) were almost the same in 2008 and 2009 although the number of employees decreased from 192 to 175.

In Spain where Schibsted bought the 20% share of Zeta in 2009, revenues declined sharply from €37 to €28. The number of employees went down from 241 to 188. The free newspapers in Lithuania (15 Min) and Estonia (Linnaleht) went non-daily in 2009.

Mladá fronta's free weekly

In April 2009 Czech publisher Mladá fronta launched '7' Sedmička, a free weekly newspaper, in more than 40 markets across the Czech Republic. This followed the launch in 2007 of the free economic daily newspaper E15.

The weekly is published in 29 editions with a circulation of 700,000. The paper is distributed through 2000 special "7" stands. Page count is usually 48 pages, but sometimes up to 64 pages when carrying special commercial supplements. The format is just larger than A4.

During 2010 the paper will also be implementing the latest on line self serve advertising creation and ordering system from Wave2 in the UK. They will be the first publisher in this part of Europe to offer such a solution.

TITLES

Belgian Metro takes summer break

Metro Belgium is only published on Tuesdays and Fridays during July and August. Free papers in the South of Europe, but also in Sweden and Denmark stop during the summer or are only distributed once a week or even less.

Metro Belgium distributed a special Summervent magazine in June. Circulation of the glossy was 290,000. In the magazine are articles on a number of rock and music festivals in Belgium, with some interviews of performing artists as well. Additional there are articles on Belgian beer and camping.

On April 22 it issued a special green edition with extra attention for the environment. Articles devoted to the theme were branded with a green maple leaf logo. There were articles on waste, green cars, green investments, eco tourism, biking and healthy food. Also advertisers (Tridos Bank, Volkswagen, solar energy, soya food) linked to environmental issues in their ads.

Evening Standard

The Evening Standard broke even for the first time in the last week of June. The paper made £1.1 million in ad revenue while it claims the cost of running the paper also amounts to £1.1 million. In January the paper was acquired by Alexander Lebedev and turned into a free publication.

In 2012 the paper expects to be profitable for the first full year. The paper is also planning to increase circulation from 600,000 to 750,000.

In the nine months up to October 2009 the paper lost £18 million. This does not include £9.9m (€12m) of exceptional restructuring costs including redundancies and moving from a paid-for title to a free daily.

According to the Guardian it also emerges that Lebedev paid £6.7 million to acquire the title, not the oft-quoted nominal £1, and that they kept the paper afloat by providing a loan. DMGT (Associated Newspapers), which retained a 24.9% holding in the Standard, also loaned money.

Metro Greece sold

Metro International sold Metro Greece, founded in 2000, to Voisins Limited. In the beginning of this year Metro CEO Per Mikael Jensen already said that the Greek edition would be divested if results did not improve. In the current economic situation in Greece, chances for improvement are minimal.

The transaction will result in a one-off cost for Metro of approximately €1.8 million, of which €0.2 million is the expected cash expense, according to the Metro press release. Voisins Limited – a company registered in Plymouth, UK – will continue the operation as a franchise. Metro has a circulation of around 110,000 in Athens; in Thessaloniki it operates a weekend edition.

There is still 'free' competition from free dailies City Press and Metropolis in Greece.

The sale ends Metro's South European adventure (except for franchises and partnerships). After Italy and Portugal it is the third South European Metro sold; the Spanish and Croatian (franchise) editions were closed down.

Profits again for Metro UK

Even in the recession year 2009, Metro UK (Associated Newspapers) made a profit according to an article in the Financial Times. This is the 7th year of profits for Metro, after three loss making startup years.

In 2009 the paper got rid of two competitors, London Lite (Associated Newspapers) and the London Paper (News Corp). It now competes in the free market with the Evening Standard, a paper that only recently went free.

Metro distributes 1.3 million copies in ten different editions in the UK. More than half of it is distributed in London.

Queuing up for ADN Bogotá

Picking up a free newspaper in the Colombian capital Bogotá is not easy. You have to line up in a queue to get one; which is what I did at one of the major bus stations in the city. Distributors of ADN, the only Bogotá free daily, are protected from the sun by big yellow umbrellas and hand out hundreds of copies per hour.

ADN is the Colombian version of the Spanish ADN, launched by the Planeta group in 2006 in more than a dozen Spanish markets.

The Colombian edition is published by newspaper El Tiempo, part of Editorial Planeta Colombia. The paper started in September 2008 with editions for Bogotá, Medellín, Barranquilla and Cali. Joint circulation is around 300,000.

New look for Lyon Plus

French free daily Lyon Plus introduced a new design. The masthead is in darker red, had rounded corners and a bold typeface of the 'Plus' brand. Also inside pages have been redesigned.

The paper was launched in March 2004, by the Groupe Est Républicain (Le Progrès) to compete with Metro and 20 Minutes.

In 2007 the 'Ville Plus' group – also titles in Lille, Marseille, Bordeaux and Montpellier – got a boost when the Groupe Bolloré launched their Direct free daily in Paris.

Editions for Nantes, Strasbourg, Nice and Toulouse were added by Bolloré. Lyon Plus distributes almost 70,000 copies. Total circulation of all Direct-plus editions is 650,000.



Four years Heute / Blick am Abend

On May 15 2006, Swiss publisher Ringier launched 'Heute', a free evening paper competing with the morning market leader 20 Minuten. Two years later, May 30 2008, the paper closed down. From the ashes rose Blick am Abend, a new more aggressive format, and moreover, a paper using the name of Ringier's flagship Blick, the leading paid (tabloid) paper in the country.

Heute's circulation was 235,000 in 2006; the circulation of Blick am Abend rose to 260,000 with extra editions in St. Gallen and Luzern (apart from Zurich, Berne and Basle). In terms of readership the growth was more spectacular, with Heute reaching never more than 290,000 readers, Blick am Abend increased readership to more than 400,000 in the latest WMEF research.

Celebrating the fourth anniversary, Personally interviewed editor in chief Peter Röhlsberger who is happy about the development of readership, but not with the amount of advertising in the free evening paper:

"we're not there yet". Persoenlich calculated a 17% drop in advertising in Q1 2010 (94 pages of ads in three months, 1.5 per day) compared to the previous year.

The integration between the paid paper, the Sunday paper and the websites, however, is working very well for Blick am Abend as it profits from the strong brand name. Both papers also profit from joint advertising deals.

According to R thlisberger, the circulation is now around 350,000 (last official number was 225,000 – before the launch in St. Gallen and Luzern), with 2% not being picked up. Many papers, however, are picked up only the next day according to Persoenlich, when the paper is lying next to free morning paper 20 Minuten, the only competitor (in 2008 there were six free dailies competing).

Subway contract Honk Kong Metro

The contract between Metro Hong Kong and MTR Corporation (MTR) for distribution Metro in the public transportation system in Hong Kong has been renewed. The agreement will be effective from 1 October 2010 and is valid for a period of three years under similar terms as previously.

The new contract continues to provide Metro Hong Kong the exclusive right to distribute along five MTR lines and selected stations along the East Rail Line and the Man On Shan Line, a total of 63 stations across the MTR network.

The partnership between Metro and MTR dates back to 2002, when Metro was launched as the first free daily newspaper in Hong Kong. (Metro Press release)

Free issues of Dutch paid papers

Normally, on Ascension Day, there are no newspapers published in the Netherlands as it is a holiday and all shops and businesses are closed.

But as the news of the Tripoli plane crash dominated the media (more than 100 casualties, 70 of those from the Netherlands – only one boy survived), De Telegraaf published a 16-page tabloid that was available for free at major gas stations in the country. Also regional newspapers Noordhollands Dagblad and Haarlems Dagblad published free special issues.

Score Media teams up with t.o.night

The sports pages of free Toronto newspaper t.o.night, will be branded by the logo of the Score, owner of The Score Television Network, ScoreMobile, theScore.com and Hardcore Sports Radio.

The pages will feature exclusive daily content from Score personalities including James Sharman, the creator and host of the popular 'The Footy Show.' Score on-air talent will be discussing their daily t.o.night columns on-air and with their fans through social media.

City AM one day City PM

London financial free daily City A.M. does not carry the A.M. title without reason. Normally it is distributed early in the morning in London's financial district.

But when complete UK election results were only available after the closing time of the morning edition on May 7, a special afternoon issue was published, called City



P.M. The paper makes no secret of its point of view when it called a possible lib-lab coalition 'terrible'. IG Index – a spread betting provider – sponsored the issue.

Mashable in Metro US

Popular social media website Mashable is syndicating its content for the US edition of free daily Metro. The articles will run in the Thursday editions of Metro.

Mashable started in July 2005, the site says it records more than 15 million monthly pageviews. Articles are shared by hundreds of readers on social networks, in particular on Twitter and Facebook.

RESEARCH

Article on Spanish free dailies

In the 2010-2 issue of Infoam rica, I published an article on free papers, with some special attention on Spain. The article contains information on the development of the number of free dailies in Europe, increasing to 139 in 2007 and dropping after that to 82 in 2010.

The article (in Spanish: "De la competencia al monopolio; Los periodicos gratuitos despues de la crisis") can be downloaded from the website of the magazine and from the resources page on newspaperinnovation.com.

EVENTS

London: 8-11 September

I will present a paper about user-generated content at the RIPE conference on "Public Service Media After the Recession" in London.

<http://www.uta.fi/jour/ripe/>

Hamburg: 12-15 October

At the third European third European Communication Conference in Hamburg I will present papers on free newspaper developments together with colleagues from Sweden and Spain.

<http://www.ecrea.eu/news/article/id/92>

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