

EUROPEAN PUBLISHING MONITOR

GERMANY

MEDIA GROUP TURKU SCHOOL OF ECONOMICS

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1 INTRODUCTION

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

The market analysis comprises quantitative data covering market segmentations of three publishing sub-industries in each country chosen for economic analysis. The market analysis produces the quantitative analysis on production, sales and consumption of publications nationally, as applicable to each sub-industry. The analysis includes the annual title production, sales and circulation data on publications. The data is broken down by categories such as consumer and business-to-business, dailies, non-dailies, and free sheets, printed vs. electronic publishing, fiction, non-fiction, and education when the available national data provides for such subcategories. The production and consumption data is adjusted to the national population.

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

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

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

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

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

The major sources for the data for financial analysis are the Eurostat New Cronos Database and national statistical offices. Annual statements of individual companies are used for the analysis of the major players and to supplement the national statistical data.

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

2 EXECUTIVE SUMMARY

According to the Eurostat New Cronos Database the total number of publishing companies (newspaper, magazine and book publishing) in Germany in 2004 was approximately 3 600. The majority were (49 %) book publishing companies. The total number of companies in the publishing industries has declined almost 32 per cent since 1999.

The total number of employees in the publishing industries in Germany was almost 180 000 in 2004. Even though the total number of companies in the publishing industries has declined, the total number of employees was approximately 2 per cent higher in 2004 than in 1999. Employment costs have either declined or remained stagnant over the past six years.

In 2004, the combined turnover of the publishing industries in Germany was over 25,6 billion Euros. The total turnover of the publishing industries has decreased by 16 per cent since 1999. In 2004, the combined reported value added was approximately 9,3 billion Euros. In 2004, the publishing industries' contribution to the GDP was 0,45 per cent (0,56 % in 1999).

Newspaper publishing

The circulation of paid-for daily newspapers has been steadily declining for a decade. In 1995, the total circulation of paid-for dailies was over 25,5 million copies. By 2006, the total circulation had declined by 17 per cent to approximately 21,2 million copies. The total number of paid-for national daily newspaper titles (10 titles) has been very stable since the late 1990s.

The total circulation of paid-for non-daily newspapers was approximately 2,0 million copies in year 2006. The total circulation of paid-for non-daily newspapers has declined by 6,0 per cent since 1995. The total circulation of paid-for Sunday newspapers was approximately 3,7 million copies in year 2006. The total circulation of paid-for Sunday newspapers has decreased by 23,2 per cent since 1995.

The share of advertising revenue captured by newspapers is closely related to their circulation per thousand populations. In Germany, the share of newspaper advertising has been declining slowly since the late 1980s. Despite this development, newspapers still have clearly the

biggest share (43,5 % in 2004) of media advertising. Falling circulations accompanied by a fall in the share of advertising revenues is still one of the major challenges for newspapers in Germany.

There has been a general long-term trend towards increasing dependence on advertising rather than circulation revenues in most EU Member States since 1995. In 2000 and 2001, this trend either reversed or flattened in many member countries. Similar development took place in Germany too. Since 2000, the share of advertising revenues has declined from 65,2 per cent to 53,0 per cent (2003).

The total employment in the newspaper publishing industry started to decline in 2000. In 2000, the total number of employees in the newspaper publishing industry was 105 313. By 2004, the total number of employees had declined to 84 371 employees. The number of journalists working in the newspaper publishing industry is also declining slightly. At the same time average personnel costs per person employed have increased.

The total turnover of the newspaper publishing industry rose until the Millennium. After that the total turnover of the newspaper publishing industry has been close to 12,2 billion Euros. In 2004, the total turnover of the newspaper publishing industry in Germany remained static at 12,2 billion Euros. The average operating margin of newspaper publishing companies was 11,6 per cent in 2004. Value added in real terms in the newspaper publishing industries shows an increasing trend between 1999 and 2004. In 2004 the newspaper publishing industry's value added in real terms was 5 125 million Euros and the contribution to GDP was 0,25 per cent.

Magazine and periodical publishing

The total number of magazine titles has been growing steadily over the past decade. In 2004, the total number of magazines titles was 5 977 titles. The majority (61 %) of published titles were business-to-business magazines.

The total circulation of consumer magazines has been declining slowly over the last five years. In 2004, the total circulation of consumer magazines was 123,1 million copies. The total circulation of business-to-business magazines was 476 million copies in 2004.

In Germany, 55 per cent of consumer magazine distribution is through single copy sales. The share of advertising revenue captured by magazines has been quite stagnant since the mid-1990's. In 2004 the share of magazine advertising was 18,5 per cent. There has been a long-term trend towards increasing dependence on advertising rather than circulation revenues in the German magazine publishing industry since the mid-1990s. In 2001, this trend reversed in Germany. In 2000, the share of advertising was 62 per cent. Since 2001 the share of advertising revenues has been declining. In 2004, the share of advertising revenues was 49 per cent.

The total employment in the magazine publishing industry is increasing. In 2004 the total number of employees in the magazine publishing industry in Germany was 65 056 employees. At the same time, average personnel costs per person employed have been declining.

The total turnover of magazine publishing industry grew until the end of the last century. After that, the total turnover of the magazine publishing industry has been declining. In 2004 the total turnover of the magazine publishing industry was 7,0 billion Euros. The average operating margin of magazine publishing companies in Germany was 5,2 per cent in 2004. In 2004 the magazine publishing industry's total value added in real terms was 2 128 million Euros and the contribution to the GDP was 0,10 per cent.

Book publishing

The number of published titles has been growing during the last ten years. In 2005, the total number of published titles was 89 869. In 2004, the value of book sales was approximately 9,2 billion Euros. More than half of the books (56 per cent) in Germany are sold through specialized bookshops.

The number of book publishing companies has varied quite a lot over the past six years. In 2004 the total number book publishing companies was 1 784. The industry is very fragmented and the majority of the book publishing companies are small. The average number of published titles per book publishing company per year is 48,5 titles.

The number of books in public libraries provides an indicator of the free availability of literature to the public. In 2005, the number of books in public libraries per capita was 1,5. The intensity of public use is measured by loans per capita. The number of loans per capita has been quite stable since 1999. In 2005 the number of loans per capita in public libraries was 4,0.

The number of people employed in the book publishing industry started to decline in 2001. In 2004, the total number of employees in the book publishing industry grew by 5 per cent to 30 265 employees. Personnel costs per person employed in the book publishing industries show a slight increase.

The average operating margin in the book publishing industry was 10,5 per cent in 2004. There is no clear upward or downward trend in the development of the profitability of the book publishing industry in Germany. In 2004, the book publishing industry's value added in real terms was 2 020 million Euros and the contribution to the GDP was 0,10 per cent.

3 NEWSPAPER PUBLISHING

3.1 Market analysis

3.1.1 Definition of the sector

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

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

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

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

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

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

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

3.1.2 Circulation related measures

The total circulation of paid-for daily newspapers was approximately 21,2 million copies in year 2006. The total circulation of daily papers has declined by 11,5 per cent between since year 2000. The development of circulation has been a little different for national and regional newspapers. Between years 2000 and 2006 the total circulation of paid-for daily national newspapers decreased by 0,4 per cent. At the same time the total circulation of paid-for regional and local dailies decreased by 12,3 per cent.

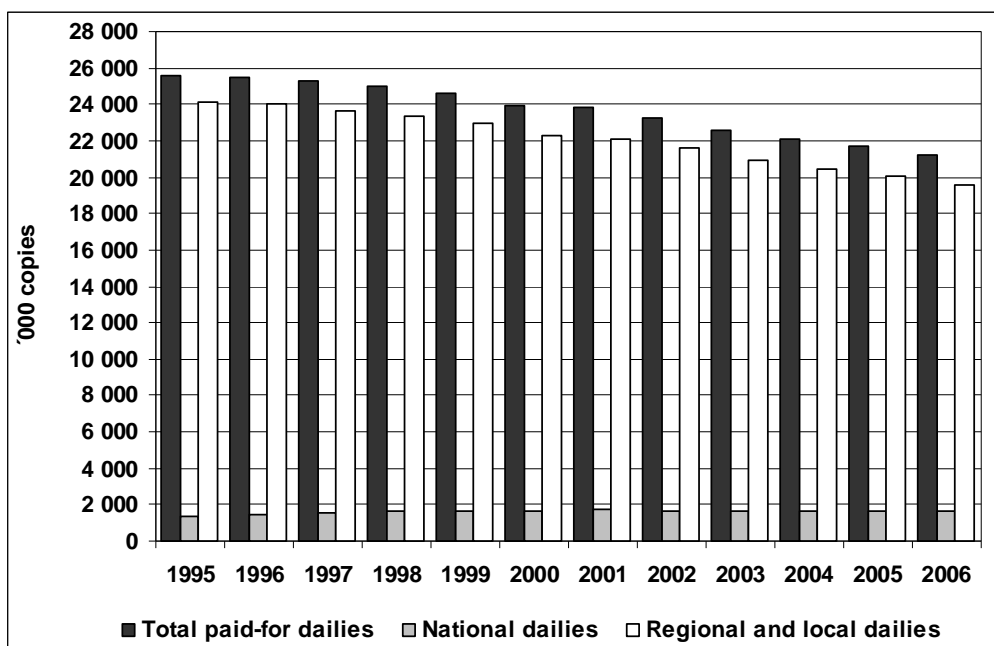


Figure 1 Total circulation of paid-for daily newspapers from 1995 to 2006 (Source: ZMG-Auflagestatistik and BVDA)

The total circulation of paid-for non-daily newspapers was approximately 2 million copies in year 2006. The total circulation of paid-for non-daily newspapers has increased by 1,1 per cent since year 2000.

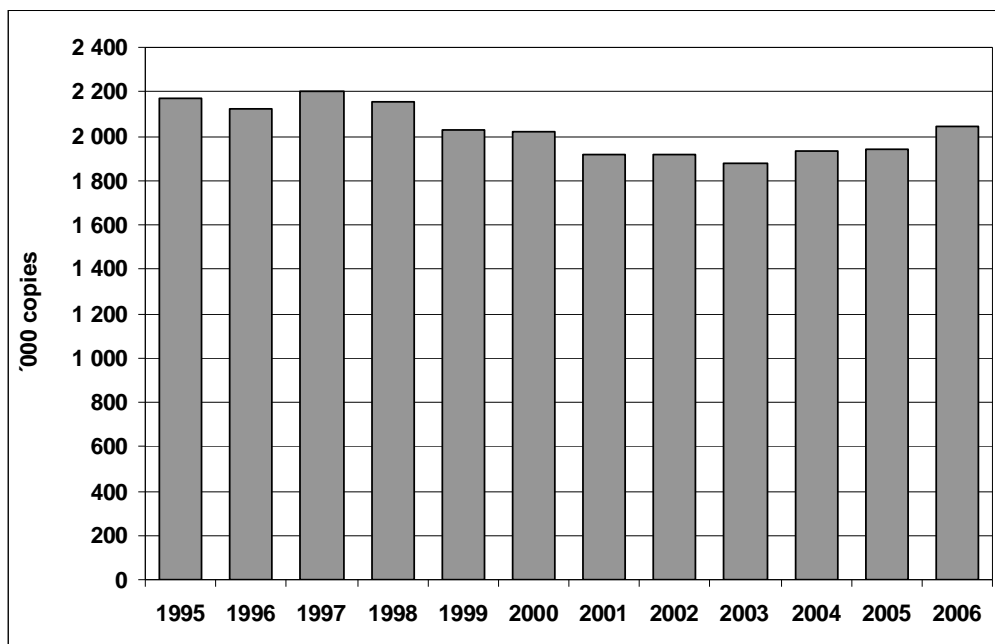


Figure 2 Total circulation of paid-for non-daily newspapers from 1995 to 2006 (Source: ZMG-Auflagestatistik and BVDA)

The total circulation of free non-daily newspapers was approximately 85 million copies in 2004. The total circulation of free non-daily newspapers has declined by 4,0 per cent since 2000.

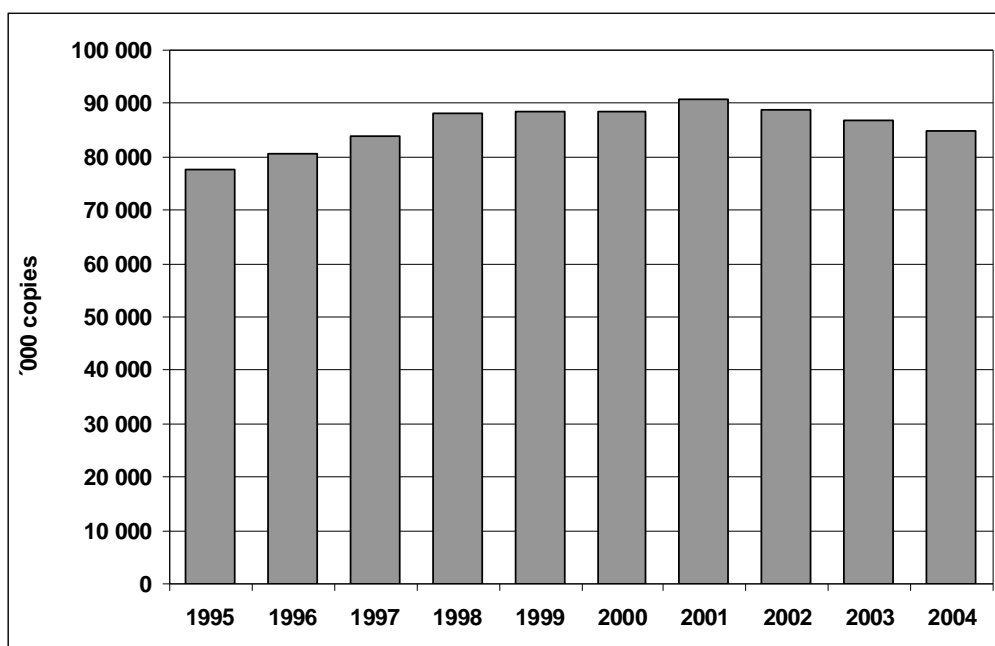


Figure 3 Total circulation of free non-daily newspapers from 1995 to 2004 (Source: ZMG-Auflagestatistik and BVDA)

The total circulation of paid-for Sundays was approximately 3,7 million copies in 2006. The total circulation of daily papers has declined by 7,1 per cent since 2000.

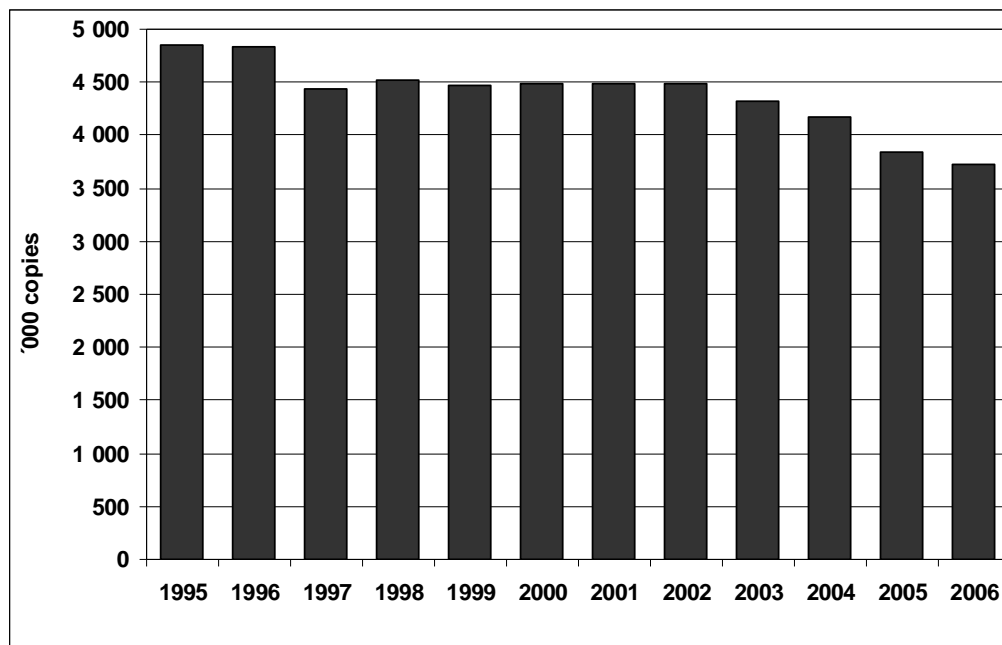


Figure 4 Total circulation of Sundays from 1995 to 2006 (Source: ZMG-Auflagestatistik and BVDA)

The number of newspaper readers per 1000 population is an important factor in terms of both revenue generated from selling newspapers and their ability to command advertising revenue. There is a relationship between daily circulation per 1000 population and the share of total advertising revenue taken by newspapers. The circulation of daily newspapers per 1000 population has been declining over the past ten years. In 2000, the circulation of paid-for daily newspapers per 1000 population was 291 copies. By 2006 the circulation per 1000 population had dropped to 257 copies. In 2006, the circulation of paid-for non-daily newspapers per 1000 population was 25 copies. The circulation of Sundays per 1000 population was 45 copies in 2006.

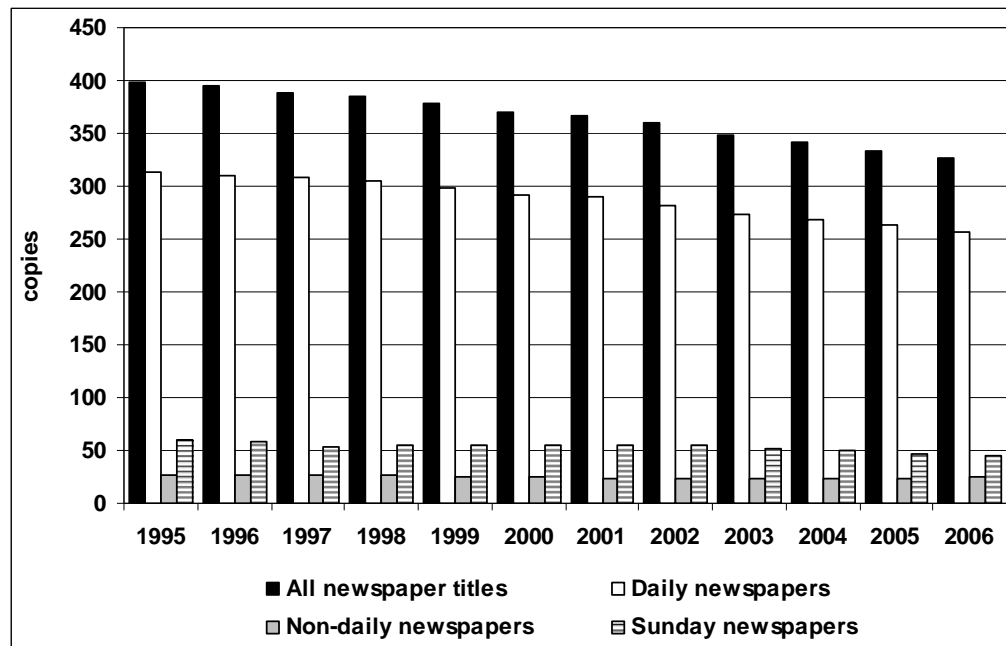


Figure 5 Circulation of newspapers per 1000 population (Source: ZMG-Auflagestatistik, BVDA and Statistics Finland, World in Figures)

In 2000, the average circulation of a paid-for daily newspaper was 62 700 copies. By the year 2006 the average circulation had declined by 4,2 per cent to 60 000 copies. During the same period, the average circulation of the paid-for non-daily newspapers dropped from 80 800 copies to 73 000 copies (-9,7 %). The average circulation of a Sunday newspaper was 620 800 copies in 2006.

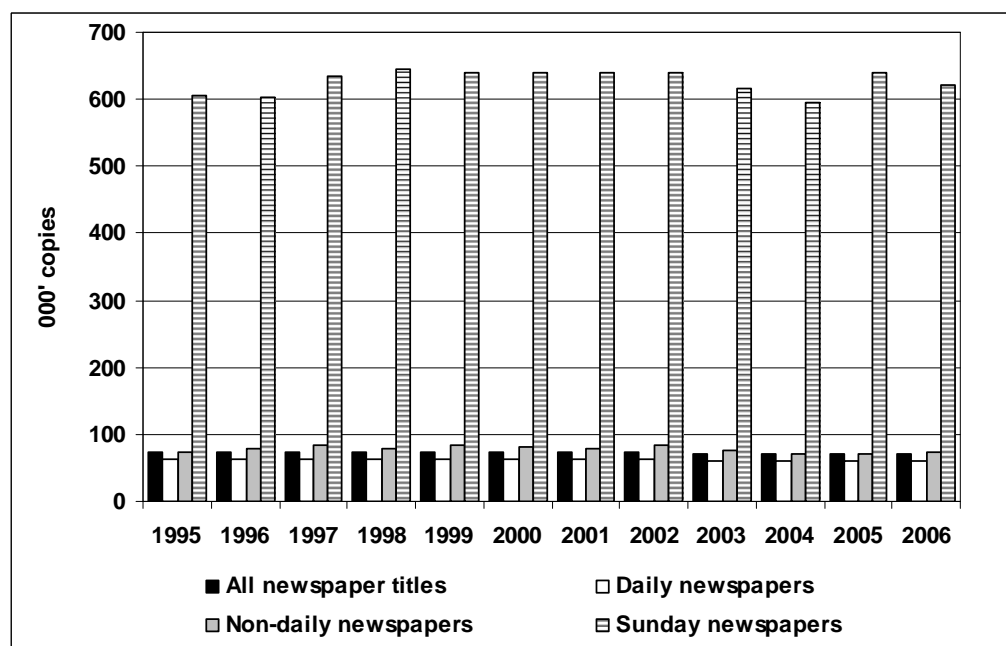


Figure 6 Average circulation of different types of newspapers from 1995 to 2006 (Source: ZMG-Auflagestatistik and BVDA)

The total annual sale of an individual newspaper is calculated by multiplying circulation by the annual number of issues. The total annual sale of newspapers is calculated by adding up individual newspapers' total annual sales. The total annual sales volume of paid-for daily newspapers was approximately 7,4 billion copies in 2001. The total annual sales volume of paid-for daily papers has declined 7,1 per cent since 1995.

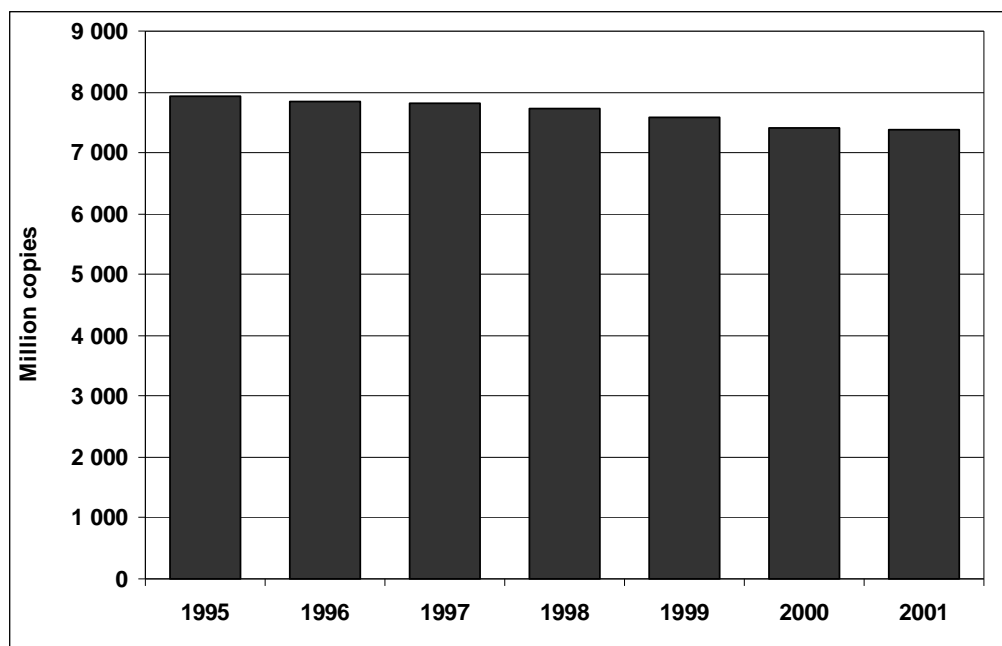


Figure 7 Annual sales of paid-for daily newspapers from 1995 to 2001, million copies (Source: ZMG-Auflagestatistik and BVDA)

The total annual sales volume of paid-for non-daily newspapers was 96 million copies in 2001. Thus, the total annual sales volume of paid-for non-daily papers has declined 15 per cent since 1995. At the same time the annual sales volume of free non-dailies increased by 14 per cent. The annual sales volume of free non-dailies was approximately 4,6 billion copies in 2001.

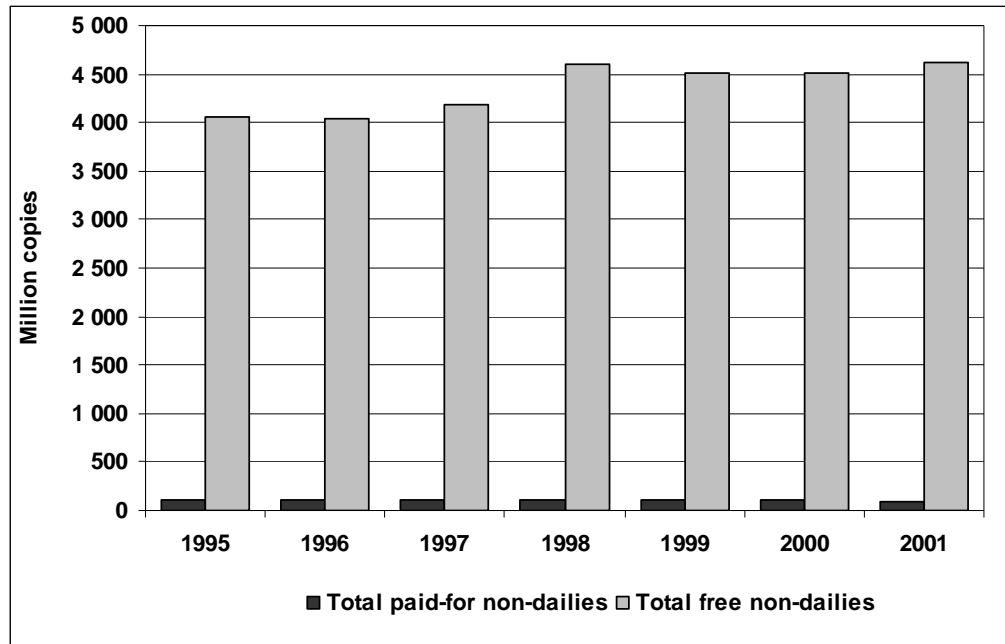


Figure 8 Annual sales of non-dailies from 1995 to 2001, million copies (Source: ZMG-Auflagestatistik and BVDA)

The total annual sales volume of paid-for Sunday newspapers was 229 million copies in 2001. Thus, the total annual sales volume of paid-for daily newspapers has declined by 7,1 per cent since 1995. At the same time the annual sales volume of paid-for Sunday newspapers decreased by 7,7 per cent.

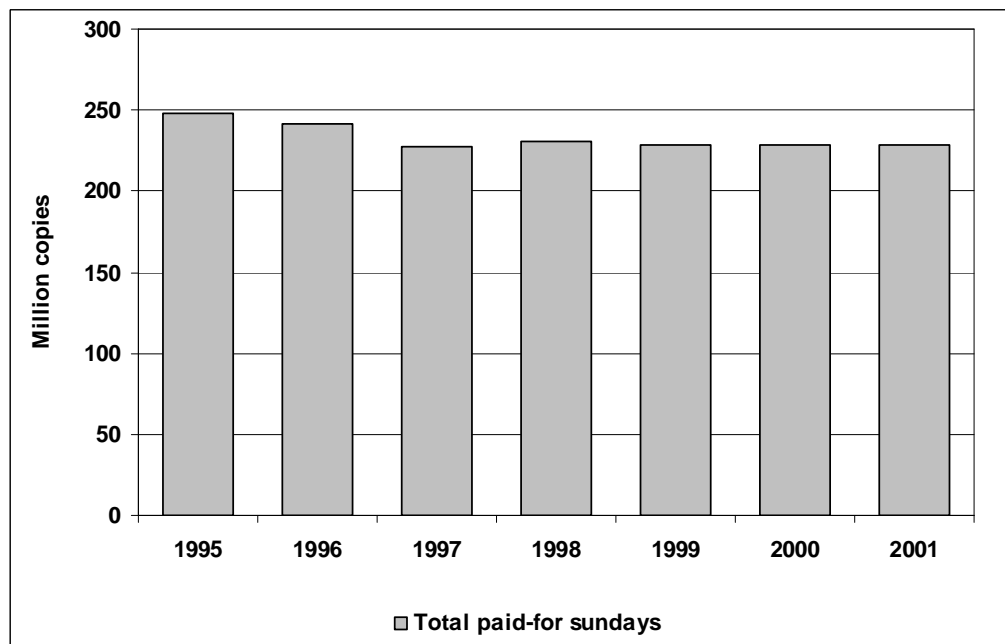


Figure 9 Annual sales of Sundays from 1995 to 2001, million copies (Source: ZMG-Auflagestatistik and BVDA)

3.1.3 Number of titles published

The total number of paid-for daily newspaper titles has been declining over the last decade. In 2000 the total number of paid-for daily newspaper titles was 382. By 2006 the total number of paid-for daily newspaper titles had declined to 353 titles. In 2006 the number of national paid-for daily newspapers was ten.

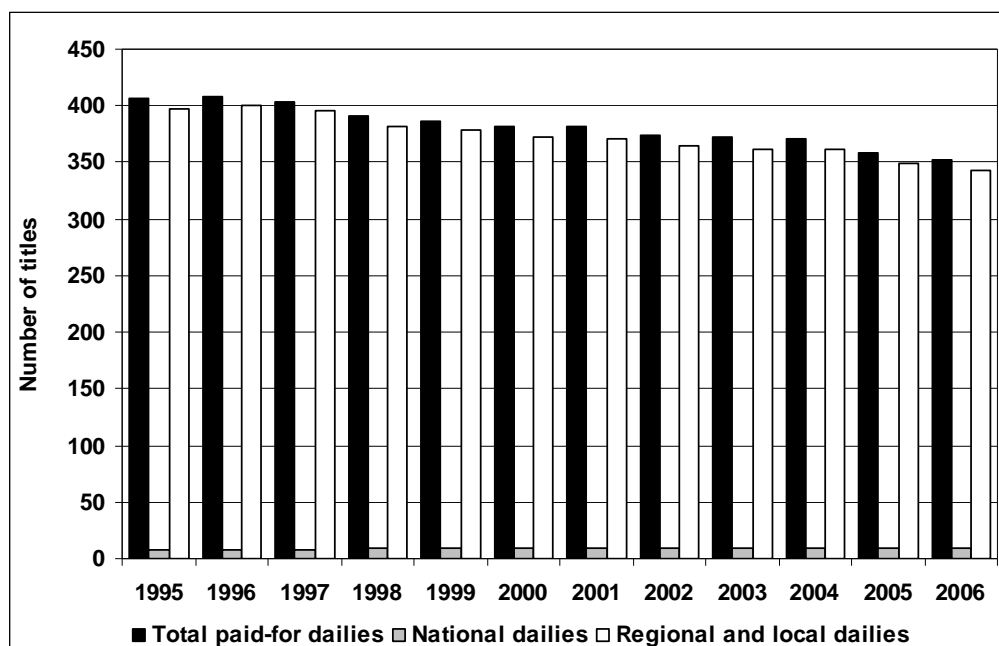


Figure 10 Number of paid-for daily newspaper titles from 1995 to 2006 (Source: Bundesverband Deutscher Zeitungverleger)

The total number of paid-for non-daily titles has been quite stable over the last decade. In 2006, the total number of paid-for non-dailies was 28 titles. Between 2000 and 2004, the total number of free non-daily titles declined by 2 per cent from 1 311 titles to 1 288 titles.

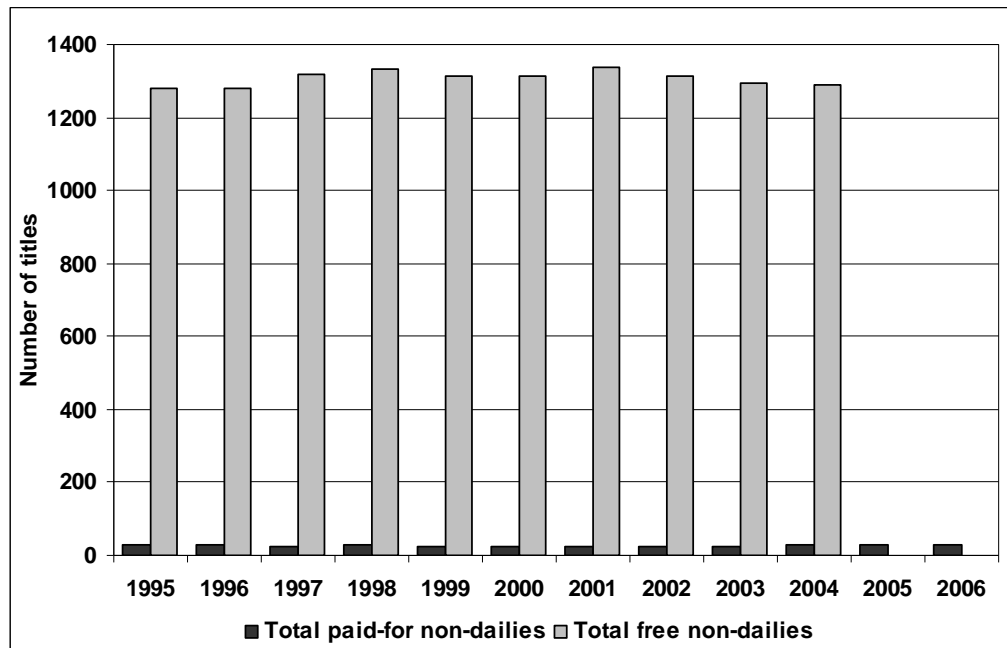


Figure 11 Number of non-daily titles from 1995 to 2006 (Source: Bundesverband Deutscher Zeitungsverleger)

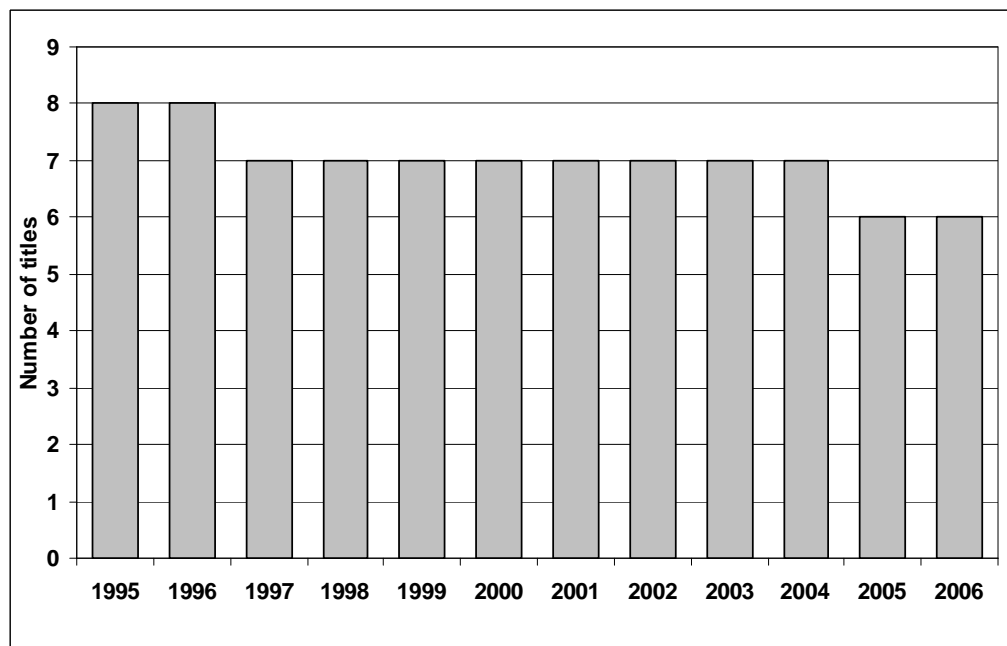


Figure 12 Number of paid-for Sunday titles from 1995 to 2006 (Source: Bundesverband Deutscher Zeitungsverleger)

The number of titles published per million populations gives a general indication of the intensity of competition for market share. The smaller countries have a higher density of titles per million populations. In Germany, the number of titles published per million populations is moderate. In 2006 the number of paid-for newspaper titles published per million populations was 4,7.

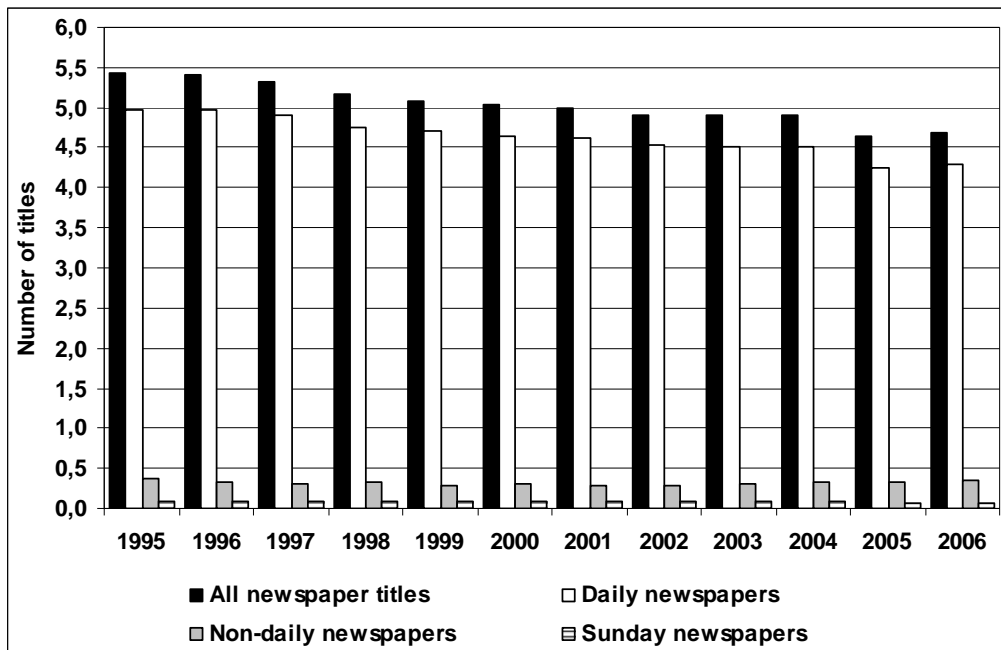


Figure 13 Number of paid-for newspaper titles per million populations from 1995 to 2006 (Source: Bundesverband Deutscher Zeitungsverleger and Statistics Finland, World in Figures)

The number of titles published can be assessed according to geographical area. A higher number of titles may be an indication of the intensity of competition among the regional press and that in urban centres. Newspapers which operate in countries with a high ratio of titles to geographical area are likely to encounter more competitive conditions. In Germany, the number of paid-for newspaper titles published per 1000 km² is moderate. In 2006 the number of titles published per 1000 km² was 1,1.

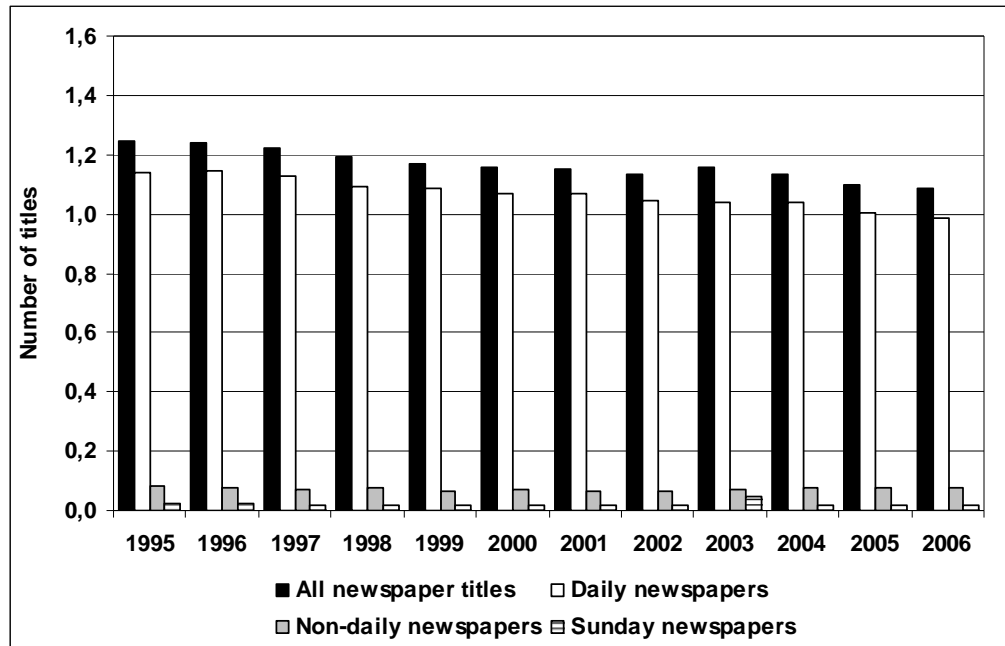


Figure 14 Number of paid-for newspaper titles per 1000 km² from 1995 to 2006 (Source: Bundesverband Deutscher Zeitungsverleger and Statistics Finland, World in Figures)

There are large variations in the way newspapers are distributed to consumers in the European Union. In Northern Europe, most newspapers are paid-for by subscription and delivered to readers' homes by postal service. In southern member states and in the UK, the distribution is mainly through single copy sales. In Germany, 33 per cent of newspapers are distributed through single copy sales.

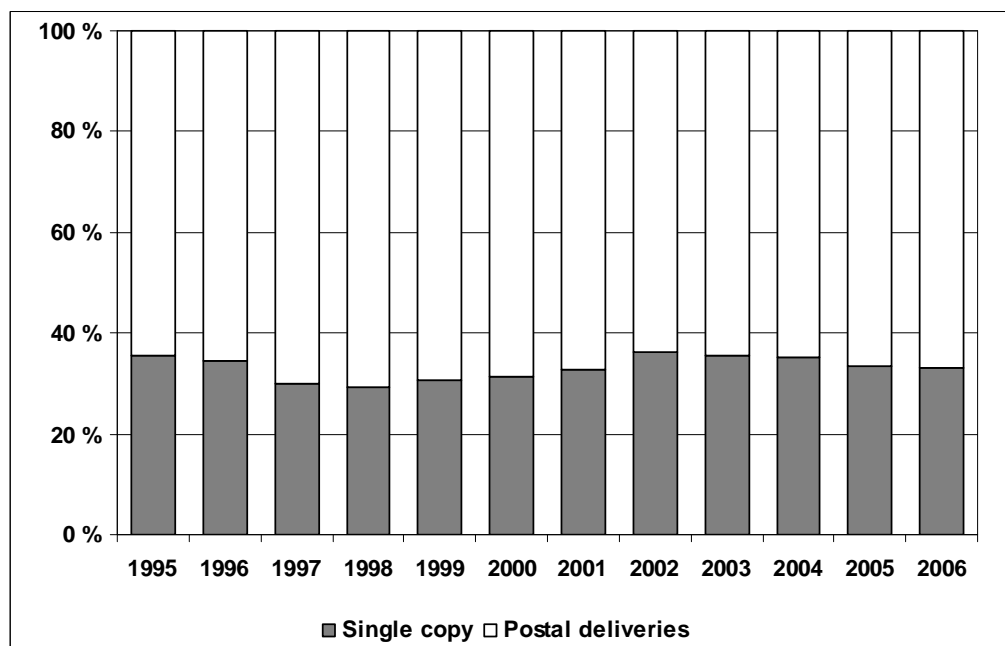


Figure 15 Type of newspapers sales (Source: ZMG Auflagenstatistik)

Table 1 Top 20 newspapers in Germany based on circulation in year 2006/Q1
(Source: Zeitungs Marketing Gesellschaft, IVW Q1 2006)

Rank	Newspaper	Circulation
1.	BILD	3 776 869
2.	WAZ Mediengruppe	952 912
3.	STZ Anzeigengemeinschaft	450 226
4.	Süddeutsche Zeitung	429 345
5.	Rheinische Post	399 215
6.	Zeitungsgruppe Thüringen	366 843
7.	Zeitungsgruppe Köln	353 621
8.	Augsburger Allgemeine	349 199
9.	Freie Presse	329 479
10.	Südwest Presse	325 259
11.	Neue Osnabrücker Zeitung	296 228
12.	Nürnberger Nachrichten	294 694
13.	Sächsische Zeitung	294 204
14.	Zeitungsregion Nordwest	272 157
15.	Leipziger Volkszeitung	261 977
16.	Mitteldeutsche Zeitung	259 285
17.	Hamburger Abendblatt	252 533
18.	Ztgsg. Neue Westfälische	243 675
19.	Die Rheinpfalz	242 560
20.	HNA	238 802

The Internet was introduced in the mid 1990s and German paid-for dailies moved quite rapidly to the Internet. By 2004, all paid-for daily newspapers had an online edition.

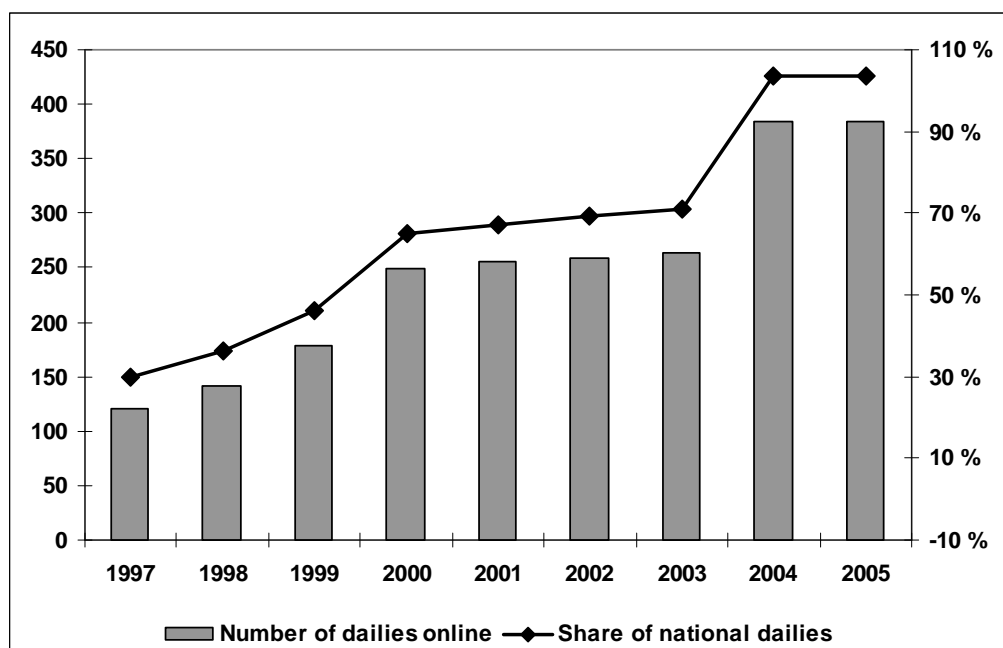


Figure 16 Number of paid-for daily newspapers online from 1997 to 2005 (Source: IVW)

3.1.4 Revenue related measures

In 2000 newspaper advertising¹ was 9,4 billion Euros (constant 2000 prices). By 2004 the value of newspaper advertising had declined by approximately 30 per cent to 6,7 billion Euros (constant 2000 prices). Figure 18 illustrates how newspaper advertising has developed compared to total media advertising.

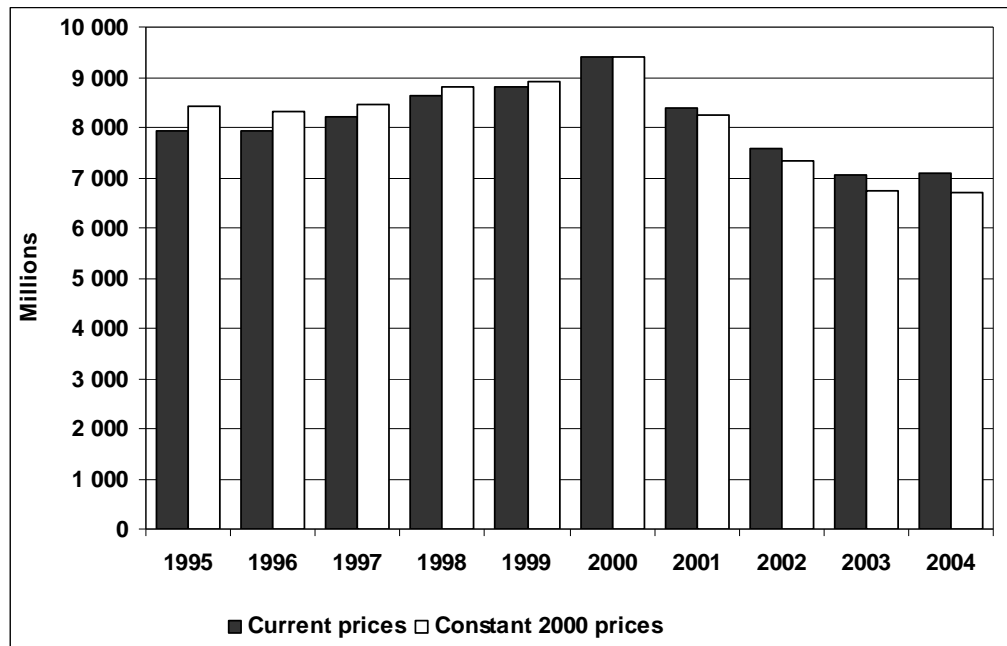


Figure 17 Newspaper advertising from 1995 to 2004 (Source: ZAW and European Advertising & Media Forecast 2005, WARC)

¹ Newspaper advertising includes paid-for and free newspapers

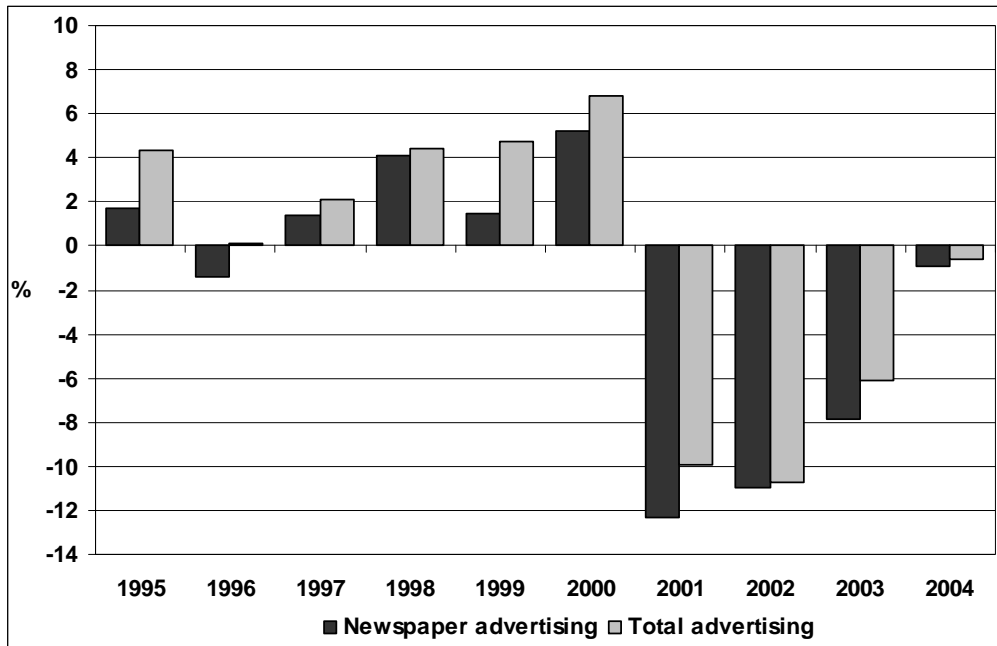


Figure 18 Annual change of newspaper and total advertising at constant prices from 1995 to 2004, constant 2000 prices (Source: ZAW and European Advertising & Media Forecast 2005, WARC)

The share of advertising revenue is closely related to the number of copies circulated per thousand populations. Newspapers in countries where circulation per thousand is high tend to command a higher share of the total advertising market. In Germany, the share of newspaper advertising² is still high. In 2004 the share of newspaper advertising was 43,5 per cent. Advertising growth in the newspaper industry fell slightly behind growth in advertising overall. This means that newspapers are losing share to other media.

² Newspaper advertising includes paid-for and free newspapers

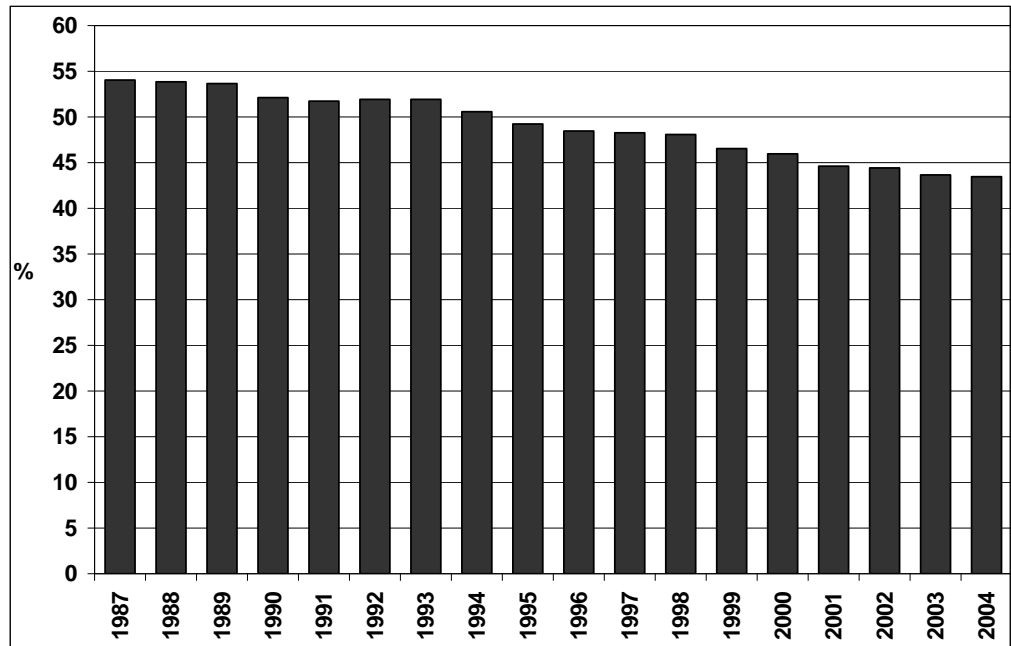


Figure 19 Share of newspaper advertising of total advertising (Source: ZAW and European Advertising & Media Forecast 2005, WARC)

There has been a general long-term trend towards increasing dependence on advertising rather than circulation revenues in most of the EU Member States since 1995. In 2000 and 2001, this trend either reversed or stagnated in many countries. A similar development took place in Germany too. Since 2000, the share of advertising revenues has declined from 65,2 per cent to 53 per cent.

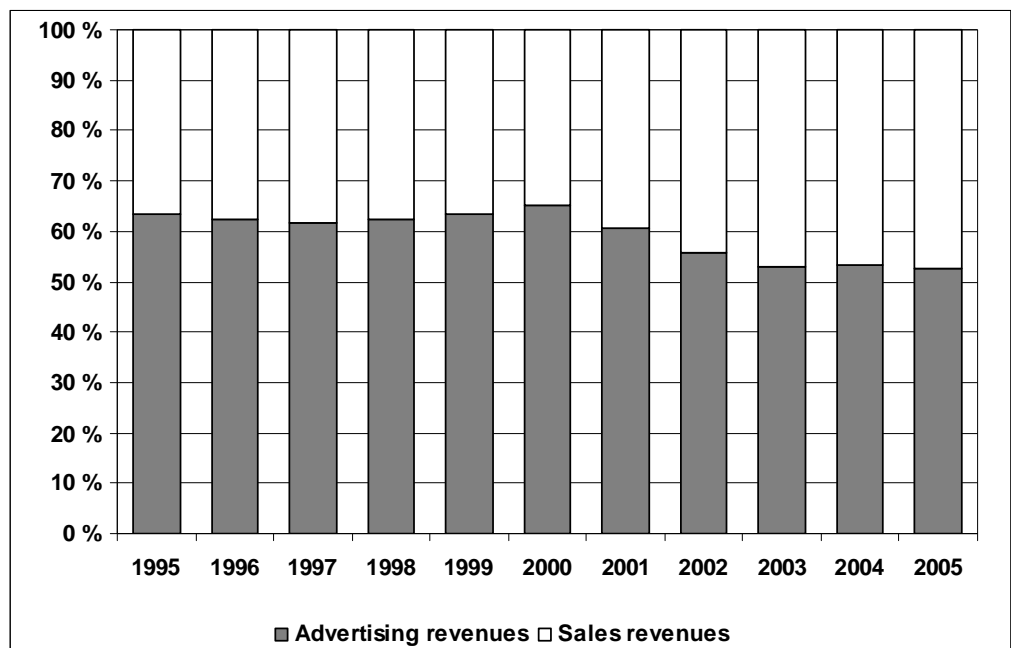


Figure 20 Revenue split between advertising and sales revenues in daily newspapers (Source: BDZV and ZMG)

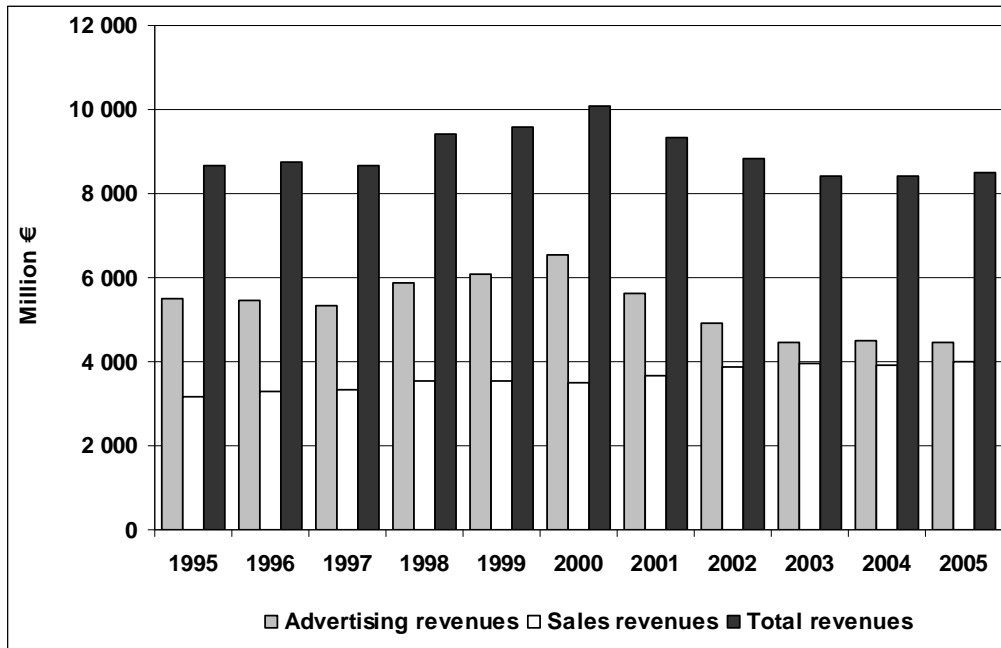


Figure 21 Advertising and sales revenues of daily newspapers from 1995 to 2005, current prices, Million € (Source: BDZV and ZMG)

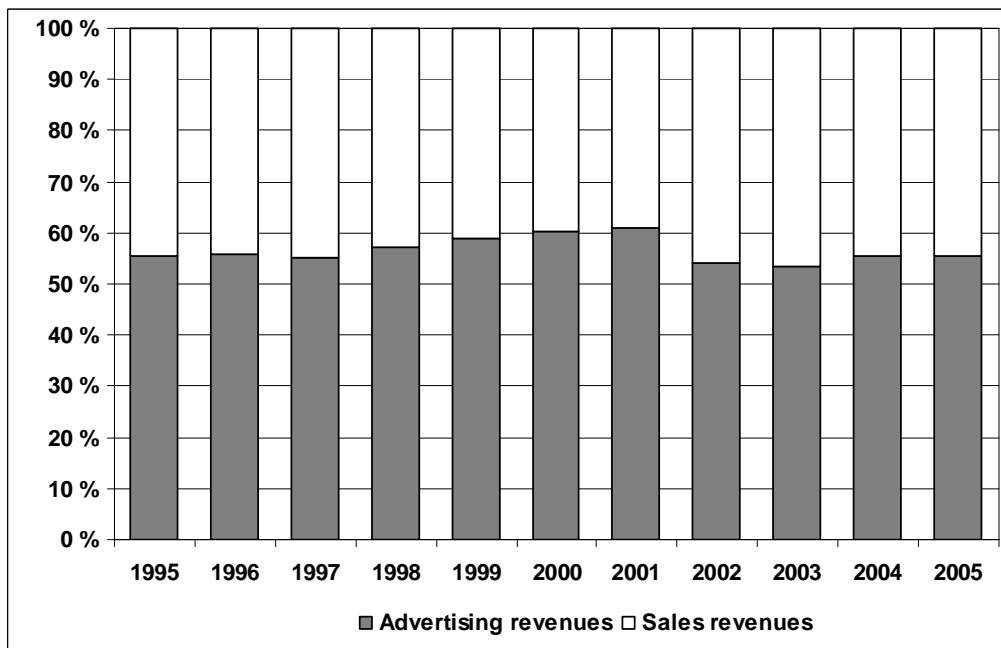


Figure 22 Revenue split between advertising and sales revenues in non-daily and Sunday newspapers (Source: BDZV and ZMG)

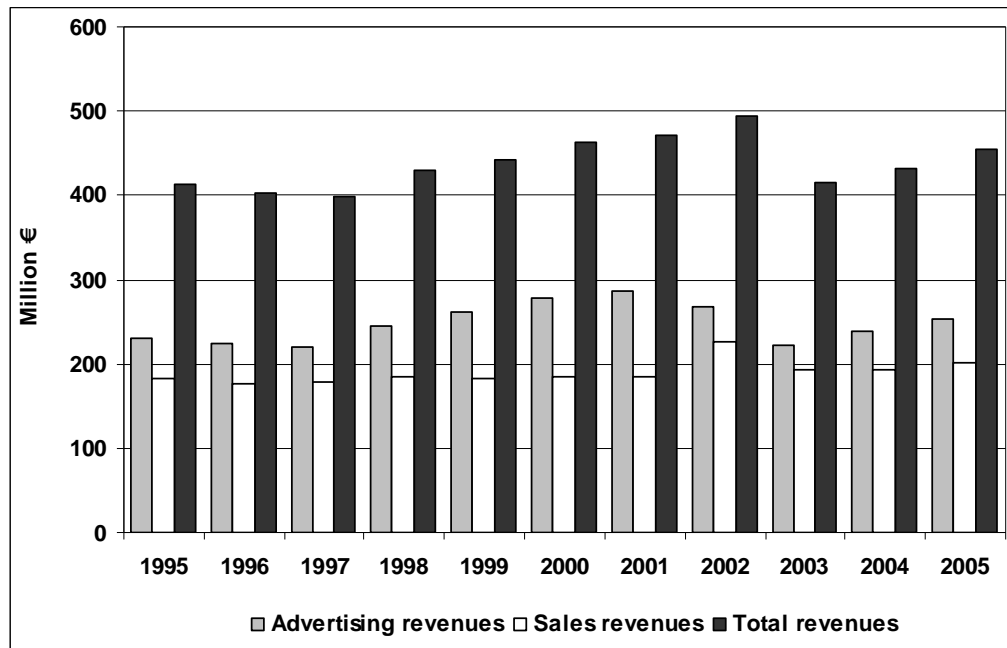


Figure 23 Advertising and sales revenues of non-daily newspapers from 1995 to 2005, current prices, Million € (Source: BDZV and ZMG)

Advertising expenditure will normally rise in line with a country's GDP. If advertising expenditure is rising faster it will gradually create a bigger market. In Germany, total newspaper advertising per GDP was 0,33 per cent in 2004.

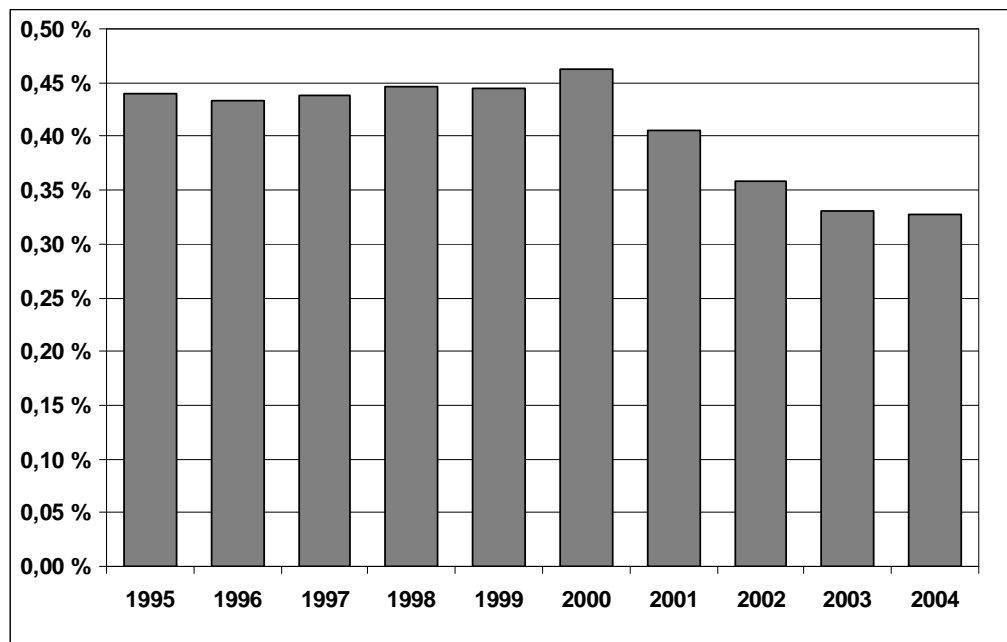


Figure 24 Newspaper advertising per GDP (Source: The Advertising Association; European Advertising & Media Forecast 2005, WARC)

3.2 Industry structure analysis

3.2.1 Number of companies

The total number of newspaper publishing companies has declined since the Millennium. In 2004 the total number of newspaper publishing companies in Germany was 580.

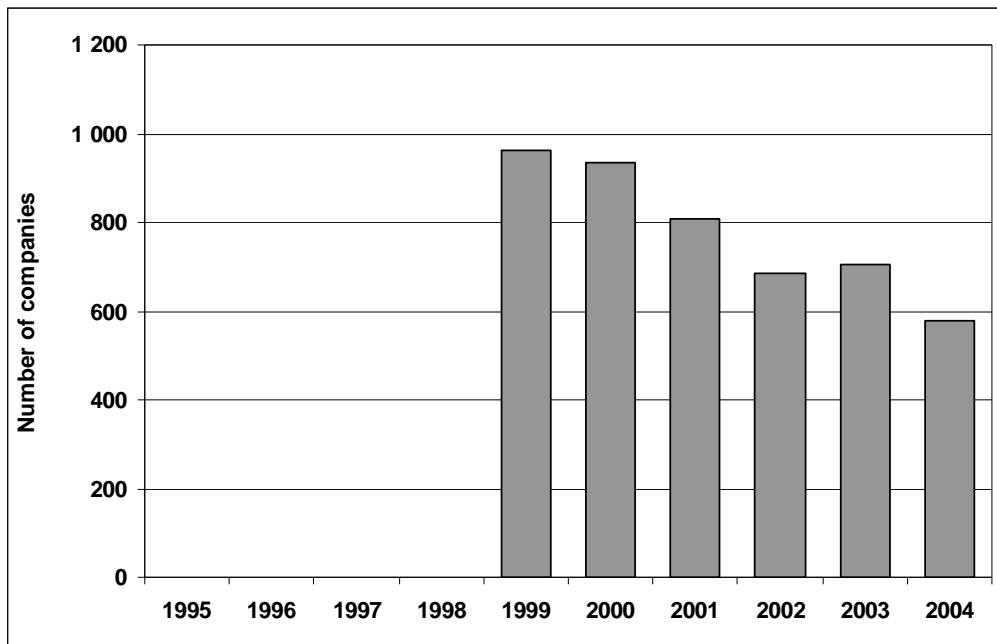


Figure 25 Number of companies in the newspaper publishing industry (Source: Eurostat New Cronos Database)

3.2.2 Biggest newspaper publishers

Table 2 Top 10 newspaper publishing companies in Germany based on circulation in 2004 (Source: Media Perspektiven 2004)

Rank	Newspaper	Circulation
1.	Axel Springer	5 378 000
2.	Verlagsgruppe WAZ	1 461 000
3.	Verlagsgruppe Stuttgarter Zeitung/Die Rheinpfalz/Südwestpresse	1 155 000
4.	Verlagsgruppe Münchener Zeitungverlag/Zeitungsverlag tz München/Westfälischer Anzeiger/Dirk Ippen	1 002 000
5.	Georg von Holtzbrinck	979 000
6.	Verlagsgruppe M. DuMont Schauberg	934 000
7.	Gruener + Jahr	832 000
8.	Verlagsgruppe Madsack	743 000
9.	Verlagsgruppe Frankfurter Allgemeine Zeitung	675 000
10.	Verlagsgruppe Süddeutscher Verlag	656 000

Company	Shareholder Name	Share, %	Total, %	Subsidiaries
AXEL SPRINGER AKTIENGESellschaft	AXEL SPRINGER GESELLSCHAFT FÜR PUBLIZITÄT GMBH & CO.	50,00	n.a.	AXEL SPRINGER VERLAG BETEILIGUNGSGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
	HELMUTER & FRIEDMAN LLC	19,40	n.a.	ACHTSCHER ROT: WOCHENBLATT VERLAG GMBH
	PUBLIC	10,80	n.a.	AS AUF-VERLAG GMBH
	AUTOCORP INC	8,80	n.a.	AS ETRA MEDIEN GMBH
	SPRINGER, FRIEDE	5,00	n.a.	AS OSTEUR-PA GMBH
	AFFILIATED MANAGERS GROUP INC via its funds	4,75	n.a.	AS TV-PRODUKTIONS- UND VERTRIEBSGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
	LEWIS, MICHAEL	3,00	n.a.	AS VENTURE GMBH
	DÖPFNER, MATTHIAS	2,00	n.a.	AS ZEITSCHRIFTEN BERLIN GMBH
	NATINGS BLECHROEDER INC via its funds	2,00	n.a.	ASV DRUCKMARKETING GMBH
	SCHROEDERS PLC via its funds	-	0,89	AXEL SPRINGER EDITORA SRL
	ENSMANNE FUND MANAGEMENT LIMITED via its funds	-	0,28	AXEL SPRINGER FINANZEN VERLAG GMBH
	JULIUS BAER HOLDING LTD via its funds	-	0,21	AXEL SPRINGER FRANCE
	FIDELITY INVESTMENTS LIMITED via its funds	-	0,11	AXEL SPRINGER MEDIA LOGISTIK GMBH
				AXEL SPRINGER MEDIAHOUSE MÜNCHEN GMBH
				AXEL SPRINGER FRANK A.G.
				AXEL SPRINGER TV PRODUCTIONS GMBH
				AXEL SPRINGER VERLAG AG
				AXEL SPRINGER VERLAG VERTIEBSGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
				BRUNNEN BUCHDRUCKEREI VON ED. WÄNDEL (GMBH & CO.)
				BERLINER WOCHENBLATT VERLAG GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
				BUCHSERVICE GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
				DRUCK- UND VERLAGSHAUS BERGSDORF GMBH
				HANDEMICH & LESSE & ZEITSCHRIFTEN- UND BUCHVERLAG
				HANDELSZEITUNG UND FINANZNRUNGSU AG
				INFORMATIONSMEDIEN HANDELS-G.M.B.H.
				NORDDEUTSCHE ALLGEMEINE VERLAGS-GESELLSCHAFT MBH & CO. KG
				OPF PRESSE VERWALTUNGS GMBH
				PREP PRESSEPROGRAMMSERVICE GMBH
				ULISTEN GMBH
				WEB WOCHENBLATT VERLAG GMBH
				ZZKURE G ESELLSCHAFT FÜR ZEITUNGS- UND ZEITSCHRIFTENVERTRIEB MBH
				AXEL SPRINGER ESPAÑA SA
				AXEL SPRINGER PRESSE
				ENRPA WYDAWNICTWA AXEL SPRINGER SP. Z O.O.
				HANDELSZEITUNG FACHVERLAG AG
				LES PUBLICATIONS GRAND PUBLIC
				SCHWARZDOPFF TV PRODUCTIONS GMBH & CO. KG
				VVO VERLAGS- UND INDUSTRIEVERSICHERUNGSDIENSTE GMBH
				ZAO "AXEL SPRINGER RUSSIA"
				AXEL SPRINGER INTERNATIONAL GROUP LIMITED
				NERULISÁG KORLÁTOZT FELELOSÉGO TÁRSASÁG
				PETIT ZEITUNGS- UND BUCHVERLAG GMBH
				AXEL SPRINGER UNDEN GMBH
				ZOOZ USAG MASSEMEDIEI UND VERLAGS KG
				AXEL SPRINGER-BÜCHERSTRAßE KORLÁTOZT FELELOSÉGO TÁRSASÁG
				PACE PARARAZI CATERING & EVENT GMBH
				BUCH- UND PRESSE-GRUPPENTRIEB HAMBURG G.M.B.H. & CO. KG
				NENDORFER WOCHENBLATT VERLAG GMBH & CO. KG
				MINCKET GMBH
				SMZ DRUCKEREI/VERWALTUNGS GMBH
			BILD-T-ONLINE DE AG & CO. KG	
			BILD-T-ONLINE DE VERWALTUNGS AG	
			KOMMANDITGESELLSCHAFT HAMBURG I FERNSEHEN BETEILIGUNGS G.M.B.H. & CO.	
			I.V. VERTIEBSVER BERLINER ZEITUNGS UND ZEITSCHRIFTEN G.M.B.H. & CO. KG	
			SMARTHOUSE MEDIA GMBH	
			AXEL SPRINGER MEDIA GROUP NEDERLAND BV	
			COXA VERLAG G.M.B.H. & CO. KG	
			FAMILY MEDIA G.M.B.H. & CO. KG	
			FAMILY MEDIA VERWALTUNGS GMBH	
			BHR TOP SPECIAL VERLAG VERWALTUNGS GMBH	
			KOMMANDITGESELLSCHAFT LUDWIG MELOSCH VERTRIEBS G.M.B.H. & CO.	
			LAGER- UND VERSANDSERVICE MELOSCH G.M.B.H. & CO.	
			LEPZIGER VERLAGS- UND DRUCKEREI GESELLSCHAFT MBH & CO. KG	
			MELOSCH G.M.B.H.	
			OSTSEE ZEITUNG G.M.B.H. & CO. KG	
			VERTIEBSGESELLSCHAFT FÜR PAPERRECYCLING M.B.H.	
			STEPSTONE DEUTSCHLAND AG	
			LÜBECKER NACHRICHTEN GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG	
			BAT 1 BETEILIGUNGS GMBH	
			PRESSE-VERTRIEB FRAZ G.M.B.H. & CO. KG	
			EDIPRESSE & S. SRL	
			ZEITUNGS- U. ZEITSCHRIFTEN- VERTRIEB BERLIN GESELLSCHAFT M.B.H.	
			BETEILIGUNGSGESELLSCHAFT RADIO HAMBURG MBH	
			RADIO HAMBURG G.M.B.H. & CO. KG	
			INTE-MEDIA STANDARD PRESSE-CODE GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG	
			SPIC INTERMEDIA STANDARD PRESSE-CODE G.M.B.H. & CO.	
			PIA INTELLEKTUELLE DIENSTLEISTUNGS ACTINGSGESELLSCHAFT	
			HAMBURG 1 FERNSEHEN BETEILIGUNGS G.M.B.H.	
			PUB PRESSE-VERTRIEB G.M.B.H. & CO. KG BERLIN	
			PRIMODUS LTD. & CO. KG	
			E-C-S (SPRINGER)COMPUTERSATZ MEDIENPRODUKTION G.M.B.H.	
			BUECHER-DE G.M.B.H. & CO. KG	
			BUECHER-DE VERWALTUNGS G.M.B.H.	
			HÄCHETTE DISTRIBUTION SERVICES IMMEDI SRL	
			PVP PRESSE-VERTRIEB FRAZ G.M.B.H. & CO. KG	
			HARBURGER ZEITUNGS-VERWALTUNGS-GESELLSCHAFT MBH	
			LÜNBACHDRUCK HAMBURGER ZEITUNGSGESELLSCHAFT MBH & CO. KG	
			KIELER ZEITUNG VERWALTUNGS G.M.B.H.	
			KIELER ZEITUNG G.M.B.H. & CO. OPFERDRUCK KG	
			KIELER ZEITUNG VERWALTUNGS G.M.B.H. & CO. BETEILIGUNGS KG	
			KIELER ZEITUNG, VERLAGS- UND DRUCKEREI KG G.M.B.H. & CO.	
			YUJOM MARKET UND MITTELSTAND G.M.B.H. & CO. KG	
			INDRUCK G.M.B.H.	
			4. BEIG DRUCKEREI UND VERLAG G.M.B.H. & CO. KG	
			HANDELS- UND VERLAGS-GESELLSCHAFT AKTIENGESELLSCHAFT	
			RADIO SCHLESWIG-HOLSTEIN KOMMANDITGESELLSCHAFT G.M.B.H. & CO.	
			KOM FFR G.M.B.H. & CO. KOMMANDITGESELLSCHAFT	
			ANTENNE BAYERN G.M.B.H. & CO. KG	
			ANTENNE BAYERN VERWALTUNGS G.M.B.H.	
			PRESSE-VERTRIEB DRESDEN G.M.B.H. & CO. KG	
			DALIM SOFTWARE G.M.B.H.	
			RADOTEL FFM G.M.B.H. & CO. RETRIEBERS KG	
			WESTFALEN-BLATT VEREINIGTE ZEITUNGSVERLAGE GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG	
			MPF MITTELDEUTSCHES PRESSE-VERTRIEBS G.M.B.H. & CO. KG	
			PRESSE-VERTRIEB LEIPZIG G.M.B.H. & CO. KG	
			PRESSE- VERTRIEB MCHENBURG WEST G.M.B.H. & CO. KG	
			PRESSE-UNION NORDRHEIN-WESTFALEN G.M.B.H. & CO. KG	
			PUB PRESSE-KONTAKT DEUTSCHLAND VERWALTUNGS G.M.B.H.	
			PRESSE-VERTRIEB MACHENBURG G.M.B.H. & CO. KG	
			STUTTGART REGIONAL HORFUNK VERWALTUNG G.M.B.H.	
			PRESSE- VERTRIEB HALLE G.M.B.H. & CO. KG	
			PVP PRESSE-VERTRIEB VERWALTUNGS G.M.B.H.	
			RESPECT G.M.B.H. & CO. KOMMANDITGESELLSCHAFT	
			FUNK & FERNSEHEN NORDWESTDEUTSCHLAND G.M.B.H. & CO. KG	
			MAKEMME DES DEUTSCHEN BUCHHANDELS G.M.B.H. LITERATURHAUS MÜNCHEN	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder Name	Share, %	Total, %	Subsidiaries
VERLAGSGRUPPE GEORG VON HOLTZBRINCK GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG	SCHWITTE, DIETER	33,33	n.a.	PROLOG AG
	SCHWITTE, MONIKA	33,33	n.a.	PIA INTELLEKTUELLE DIENSTLEISTUNGS AKTIENGESELLSCHAFT
	VON HOLTZBRINCK, GEORG DIETER	33,33	n.a.	MANUS PRESSE GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG

Source: Bureau van Dijk Amadeus-database

Company	Shareholder Name	Share, %	Total, %	Subsidiaries
BÜCHERISCHER VERLAG ZEITUNGSBUCK MÜNCHEN G.M.B.H.	BÜCHERISCHER VERLAG GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG	100,00	n.a.	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder Name	Share, %	Total, %	Subsidiaries
M. DUMONT SCHAUBERG EXPEDITION DER KÖLNISCHEN ZEITUNG G.M.B.H. & CO. KG	SCHWITTE, DIETER	28,00	n.a.	DISKRET G.M.B.H.
	HEINRICH DUMONT, ALFRED	25,00	n.a.	DUMONT FUNK UND FERNSEHEN G.M.B.H.
	HA WEITERS BETEILIGTE	22,33	n.a.	DUMONT FUNK UND FERNSEHEN G.M.B.H. & CO. KOMMANDITGESELLSCHAFT
	DUMONT SCHWITTE, CHRISTIAN	8,00	n.a.	DUMONT KALENDERVERLAG G.M.B.H.
	VISSCHER, CORNELIA	8,00	n.a.	DUMONT KALENDERVERLAG G.M.B.H. & CO. KOMMANDITGESELLSCHAFT
	NEUENDUMONT, FERDINAND	5,00	n.a.	DUMONT LITERATUR UND KUNST VERLAG GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
	BRÜCHER, MARIELLA	2,66	n.a.	DUMONT LITERATUR UND KUNST VERLAG G.M.B.H. & CO. KOMMANDITGESELLSCHAFT
	SCHLAGMÜLLER, SILVIA	1,00	n.a.	DUMONT MEDIEN SERVICE, VERWALTUNGS- UND BETEILIGUNGS G.M.B.H.
	M. DUMONT SCHAUBERG GESCHAFTSFÜHRUNGS-GES. MIT BESCHRÄNKTER HAFTUNG			DUMONT VERLAGS BETEILIGUNGS VERWALTUNGS G.M.B.H.
				FOTON DEUTSCHLAND G.M.B.H. & CO. KG
				K 1 - MEDIENGESELLSCHAFT MBH
				KOLA TOCOTI G.M.B.H.
				KREATIVE MEDIENINNOVATIONS G.M.B.H. & CO. KG
				KREATIVE MEDIENINNOVATIONS VERWALTUNGS G.M.B.H.
				MITTELDEUTSCHES DRUCK- UND VERLAGSHAUS GESCHAFTSFAHRUNGS-GES. MBH
				MITTELDEUTSCHES DRUCK- UND VERLAGSHAUS G.M.B.H. & CO. KG
				MSG MEDIA SERVICE GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
				RHEINISCHE ZEITUNGS- ZUSTELLEGESELLSCHAFT KÖLN MIT BESCHRÄNKTER HAFTUNG
				RHEINISCHE ZEITUNGS-ZUSTELLEGESELLSCHAFT KÖLN MBH
				WEST MAIL ZUSTELLEDEUTSCHLAND G.M.B.H.
				MSG MEDIA SERVICE GESELLSCHAFT MBH & CO. KOMMANDITGESELLSCHAFT
				RHEINISCHE ANZEIGENBLATT G.M.B.H.
				RHEINISCHE ANZEIGENBLATT G.M.B.H. & CO. KG
				RHEINISCHE ANZEIGENBLATT G.M.B.H. & CO. KG
				RHEINISCHE ANZEIGENBLATT G.M.B.H. & CO. KG
				WEST MAIL G.M.B.H. & CO. KG
				WEST MAIL VERWALTUNGSUND BETEILIGUNGS G.M.B.H.
				BUNDESANZEIGER VERLAGS-GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
				KOMMUNIKATIONSGESELLSCHAFT MBH
				APPORTA LIEFERSERVICE G.M.B.H.
			SRV GESELLSCHAFT FÜR RATIONELLEN VERTRIEB MBH	
			MTE MEDIA-TRANSPORT BONN G.M.B.H.	
			ENTIME AIRLIEFERUNGSDEINSET G.M.B.H.	
			OPTIMUS VERTRIEBSBETRIEB G.M.B.H.	
			PROFITRANS ZUSTELLEGESELLSCHAFT	
			PROMPTO LIEFERGESELLSCHAFT MBH	
			STELLAMATHS DYSTROPHIESTELLUNG G.M.B.H.	
			SYSTEM VERTRIEB REGION SIEBENBERG G.M.B.H.	
			TOP TERMINBEDIENST G.M.B.H.	
			VCV VERTRIEBS-CONCEPT VORFELDE G.M.B.H.	
			RHEINISCHE-PRESSE RUNDUM G.M.B.H.	
			PRISMA VERLAG G.M.B.H. & CO. KOMMANDITGESELLSCHAFT	
			DUMONT REISE VERLAG G.M.B.H. & CO. KG	
			HEINEN VERLAG	
			MARSDANKONT G.M.B.H. & CO. KG	
			MARSDANKONT VERWALTUNGS G.M.B.H.	
			TV ARRY BETEILIGUNGS G.M.B.H.	
			BONNER ZEITUNGSDRUCKEREI UND VERLAGSANSTALT H. NEUSSER G.M.B.H.	
			KÖLNISCHE VERLAGSDRUCKEREI GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG	
			FORSCHERANSTELLE ZEITSTOFF UND PAPIER GESELLSCHAFT MIT BESCHR. HAFTUNG	
			KCN ANZEIGEN-KOOPERATION NORDRHEIN G.M.B.H.	

Source: Bureau van Dijk Amadeus-database

3.2.3 Employment related measures

The number of employees measures the number of people involved in the operations of an industry. When this number is compared with total employment it indicates the relative importance of that industry in employment terms. This indicator should preferably be counted from the full-time equivalent number of employees. However, this number is rarely available from statistical sources. In these tables, the number of employees includes temporarily employed and part-time employed persons for each given year. Since the Millennium the total number of employees in the newspaper publishing industry has declined. In 2000 the total number of employees in the newspaper publishing industry was 105 313. By 2004, the total number of employees was declined by 20 per cent to 84 371 employees.

In 2000 the total number of journalists in the newspaper publishing industry was 15 306. By 2005, the total number of employees was declined by 2,5 per cent to 14 920 journalists.

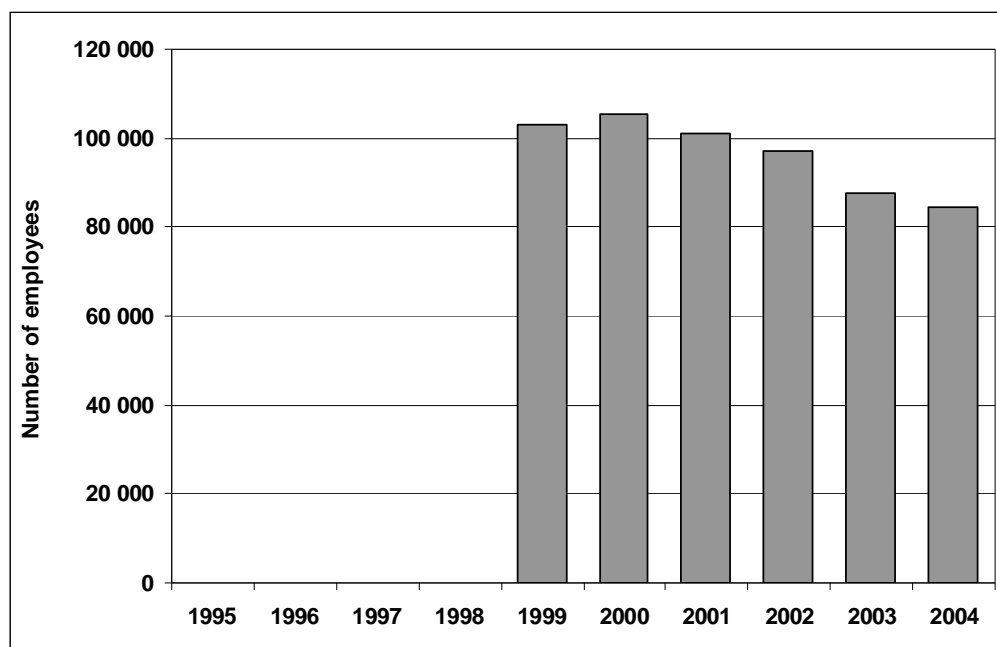


Figure 26 Employment in the newspaper publishing industry (Source: Eurostat New Cronos Database)

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

(75 700 € in 2003). In Germany, the personnel costs per person were 44 400 Euros in 2004.

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

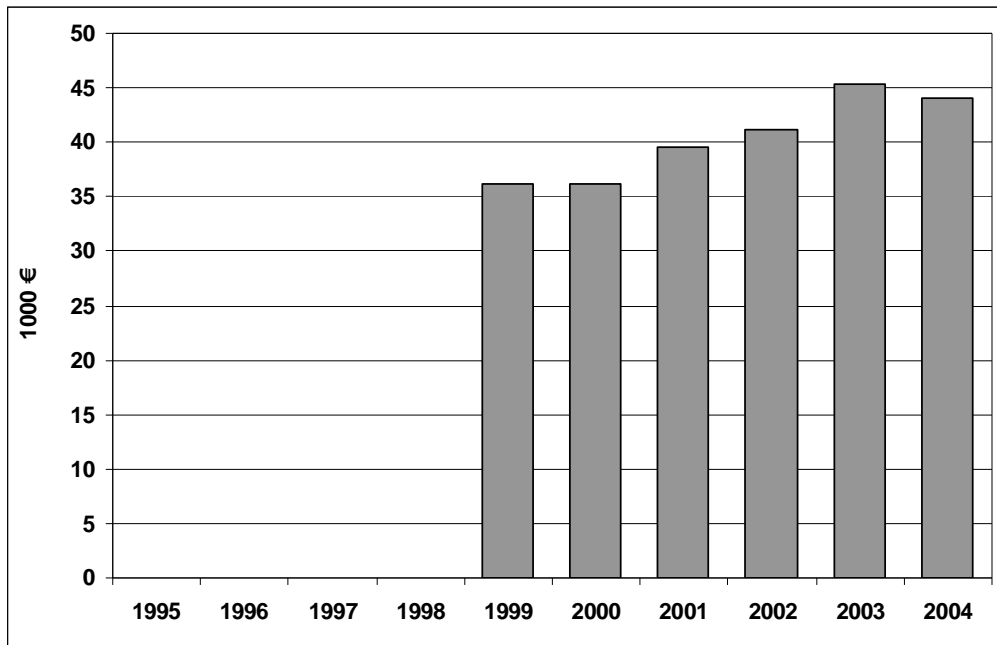


Figure 27 Personnel costs per person employed in the newspaper publishing industry (Source: Eurostat New Cronos Database)

3.2.4 Financial measures

Turnover

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

In Germany, the total turnover of the newspaper publishing industry has declined since the Millennium. In 2004, the total turnover of the newspaper publishing industry was approximately 12,2 billion Euros.

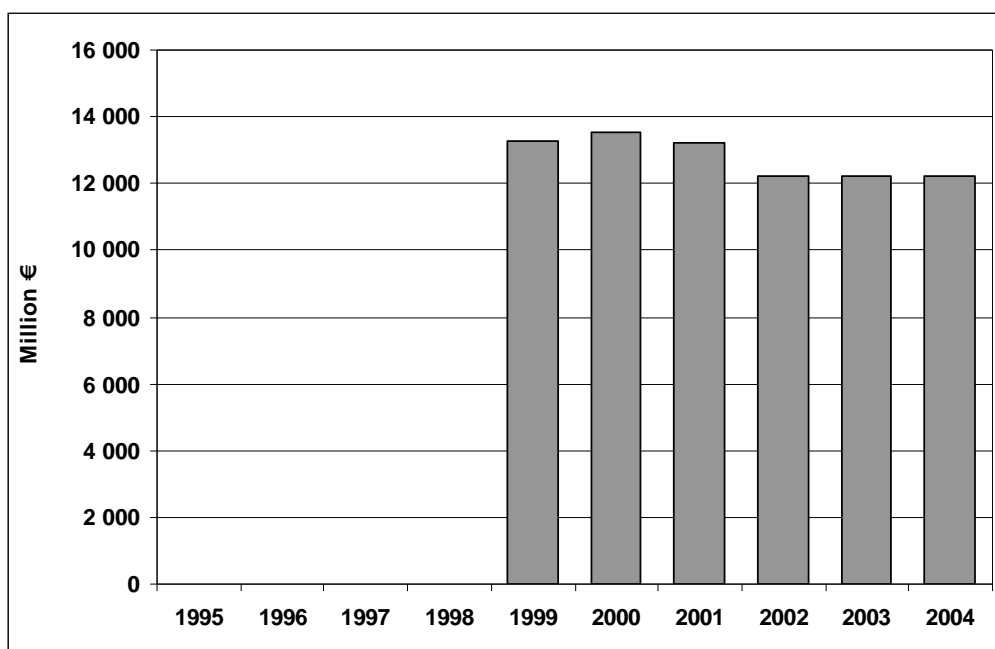


Figure 28 Total turnover of the newspaper publishing industry (Source: Eurostat New Cronos Database)

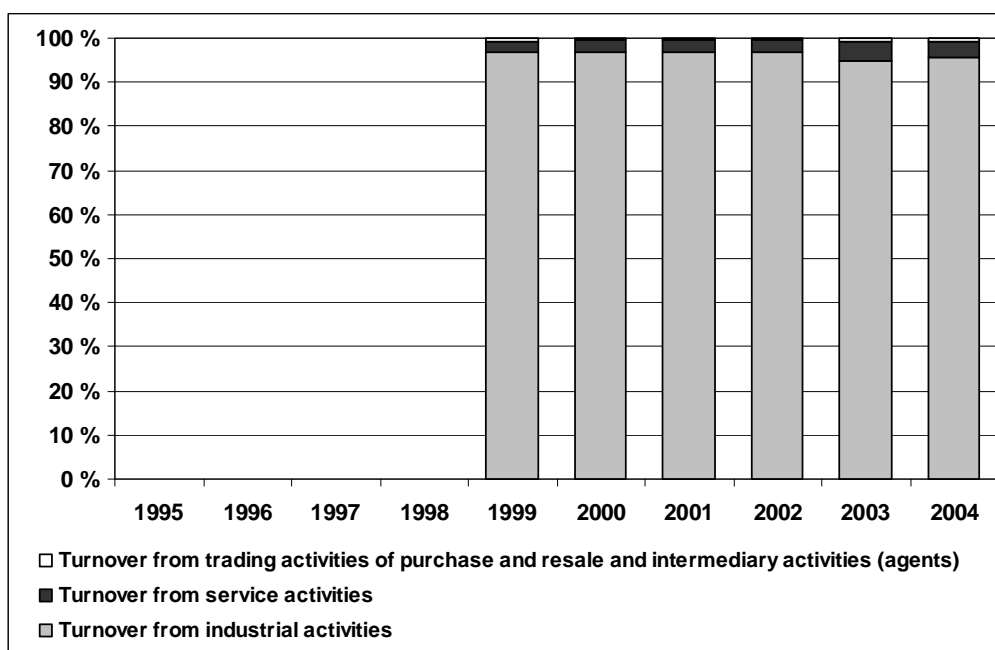


Figure 29 Distribution of turnover of the newspaper publishing industry by business activities (Source: Eurostat New Cronos Database)

Change in turnover

The percentual change in turnover in the newspaper publishing industry varied a great deal during 2000-2004. In 2004, the total turnover on of the newspaper publishing industry increased 0,1 per cent.

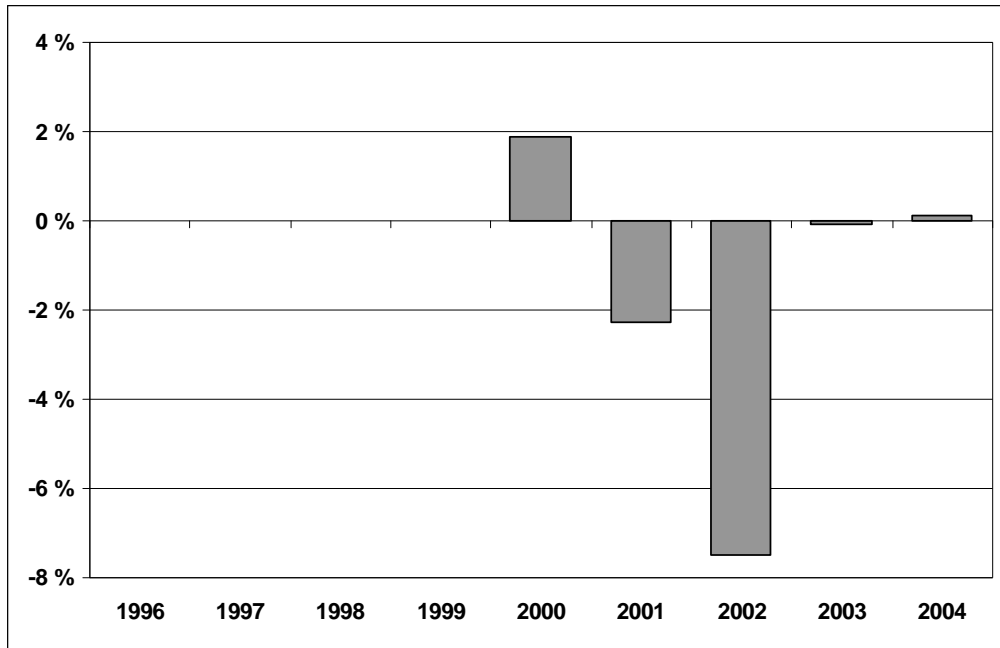


Figure 30 Annual changes in turnover in the newspaper publishing industry (Source: Eurostat New Cronos Database)

Value added

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

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

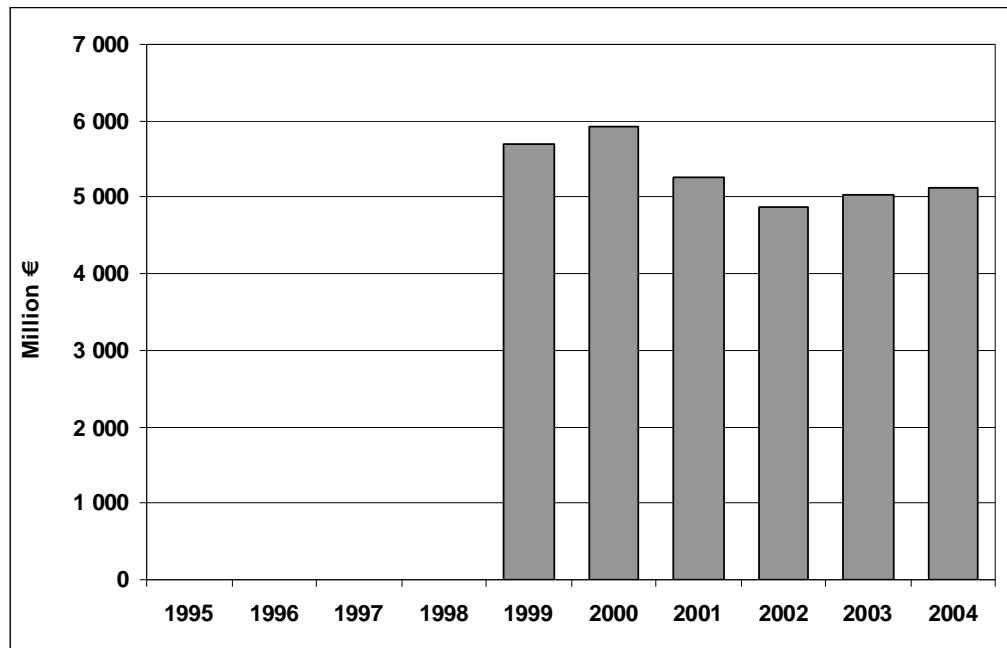


Figure 31 Total value added of the newspaper publishing industry at factor costs (Source: Eurostat New Cronos Database)

The sum of value added of all industries and households is equal to the Gross Domestic Product (GDP). Therefore the share of an industry's value added of a country's GDP measures directly that industry's contribution to the national economy. In Germany, the newspaper publishing industry's contribution to GDP was 0,25 per cent in 2004.

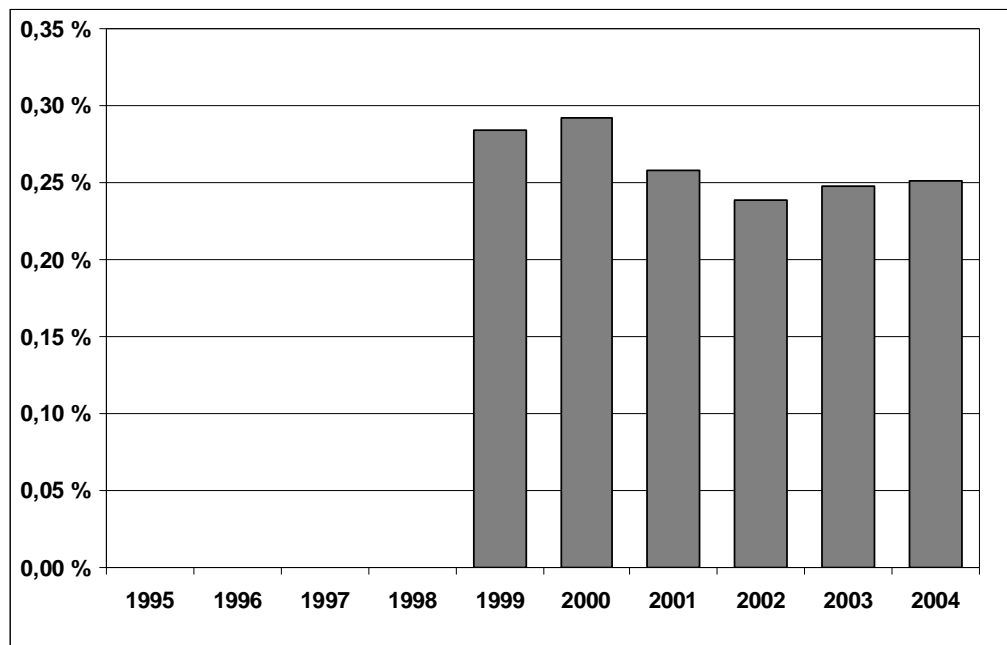


Figure 32 Value added to GDP (Source: Eurostat New Cronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed a decrease in productivity during 2000-2002. After that, value added per employee has been increasing. In 2004, value added per employee was 60 700 Euros.

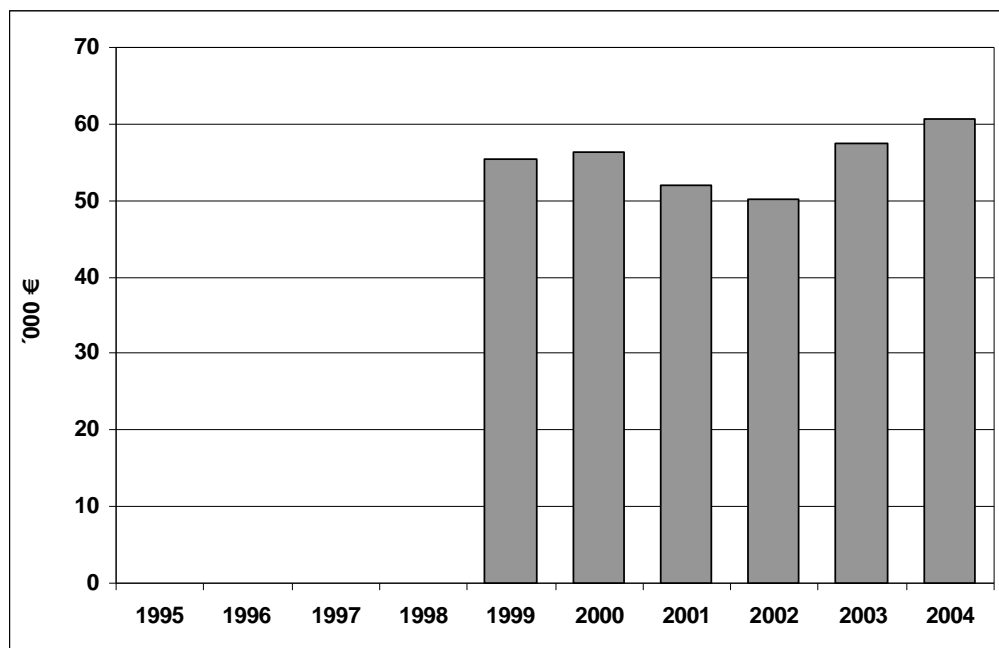


Figure 33 Value added per employee, 1000 € (Source: Eurostat New Cronos Database)

Value added per personnel costs

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

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

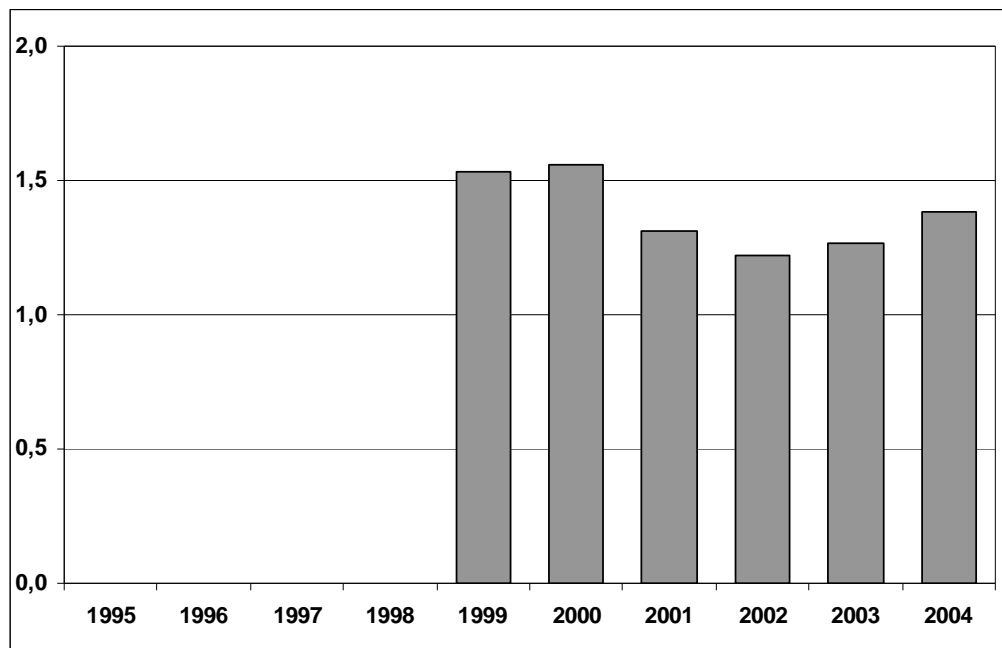


Figure 34 Value added per employee costs (Source: Eurostat New Cronos Database)

Turnover per employee

Turnover per employee in the newspaper publishing industry showed a positive trend between 1999 and 2004. In 2004, turnover per employee was 144 500 Euros.

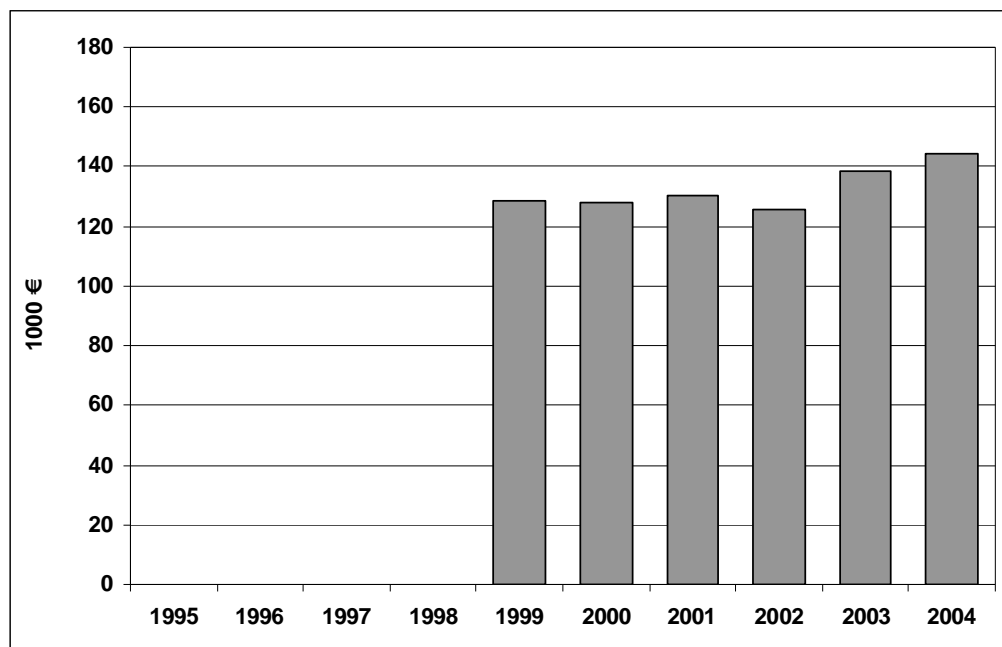


Figure 35 Turnover per employee (Source: Eurostat New Cronos Database)

Operating margin

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

The result of turnover, less value added and personnel costs is the operating profit. The operating margin of the newspaper industry remained on a high level in 1999 and 2000. In 2004, the operating margin of the newspaper industry was 11,6 per cent.

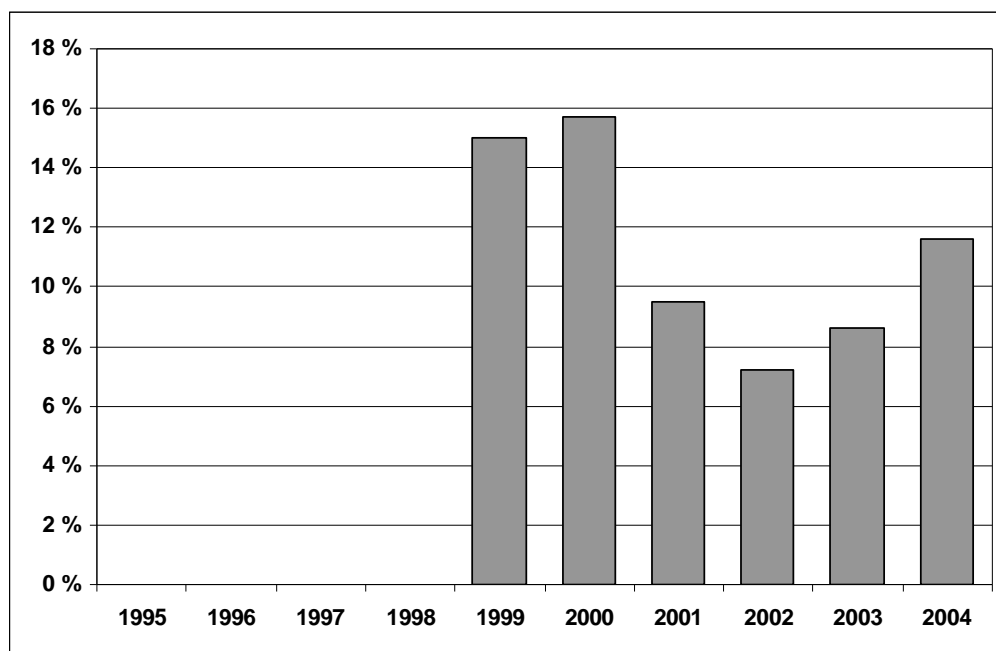


Figure 36 Operating margin of the newspaper publishing industry (Source: Eurostat New Cronos Database)

4 MAGAZINE AND PERIODICAL PUBLISHING

4.1 Market analysis

4.1.1 Definition of the sector

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

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

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

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

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

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

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

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

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

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

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

4.1.2 Circulation related measures

The total circulation of consumer magazines was approximately 123 million copies in 2005. The total circulation of consumer magazines has declined only 1,1 per cent since 2000.

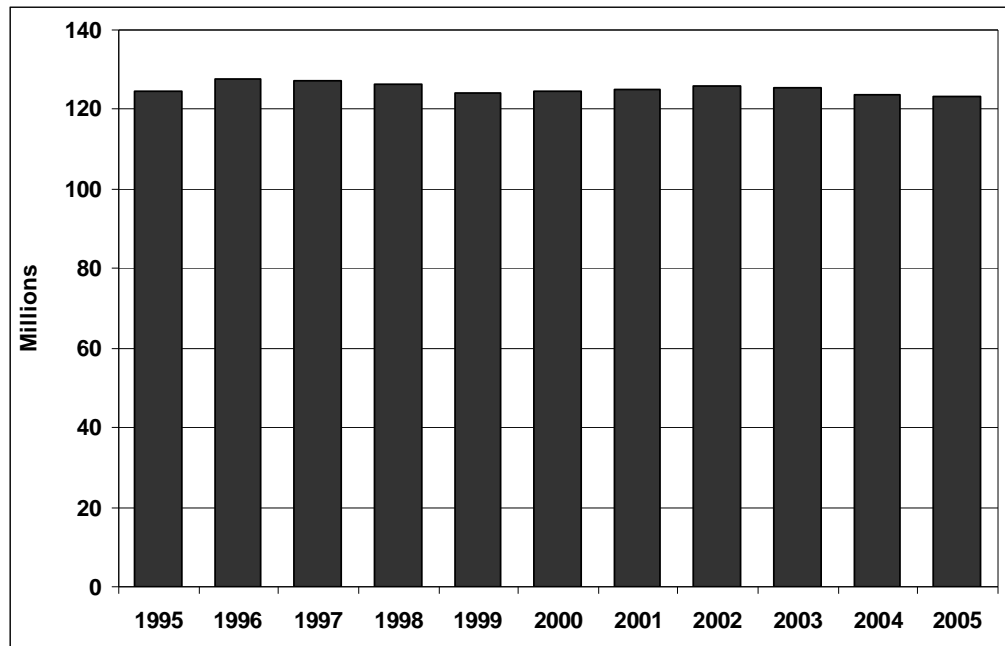


Figure 37 Total circulation of consumer magazines from 1995 to 2005 (Source: IVW)

The total circulation of business-to-business magazines was approximately 476 million copies in 2005. The total circulation of consumer magazines has declined 5,2 per cent since 2000.

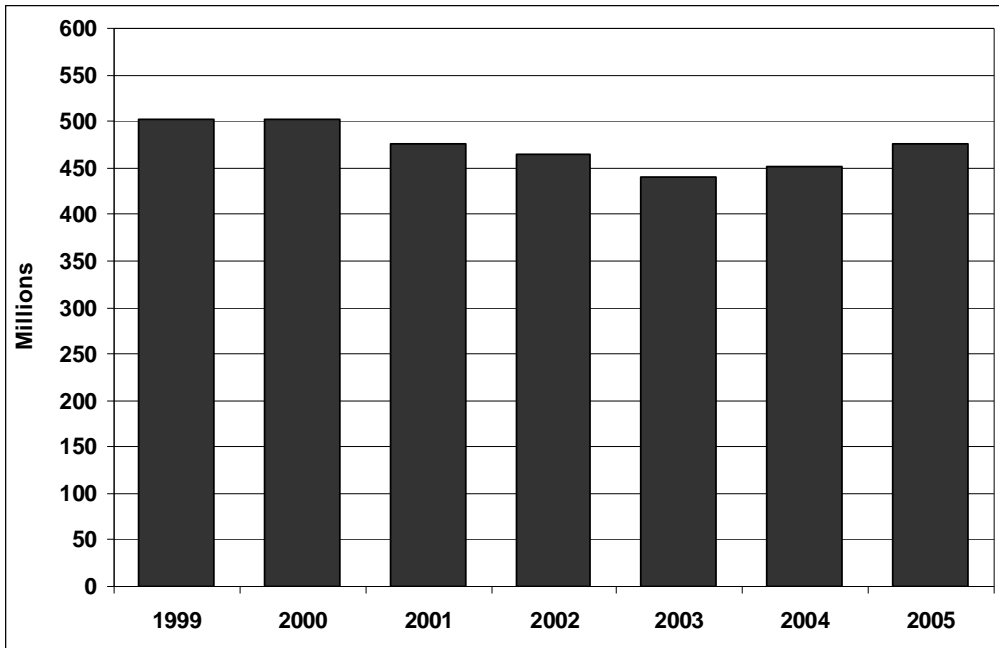


Figure 38 Total circulation of business-to-business magazines from 1999 to 2005 (Source: Fachpresse Statistik)

In 2000, the average circulation of consumer magazine was approximately 146 900 copies. By 2004, the average circulation had declined by 4 per cent to 141 100 copies. One of the reasons for this is the increased number of published titles.

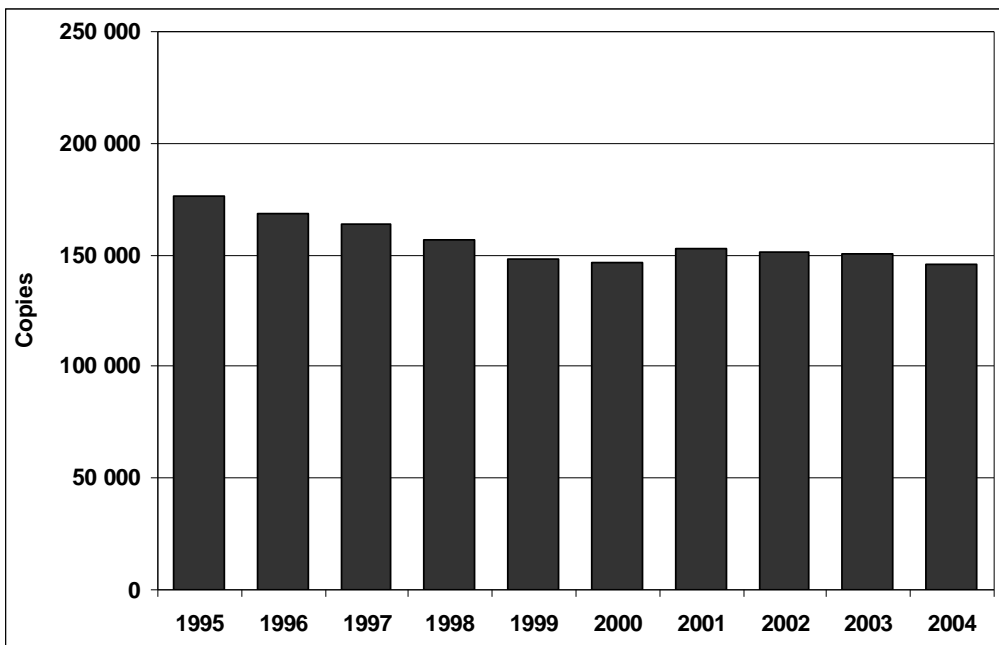


Figure 39 Average circulation per consumer magazine title from 1995 to 2004 (Source: IVW)

In 2000, the average circulation of business-to-business magazine was approximately 139 800 copies. By 2004, the average circulation had declined by 7,7 per cent to 129 100 copies.

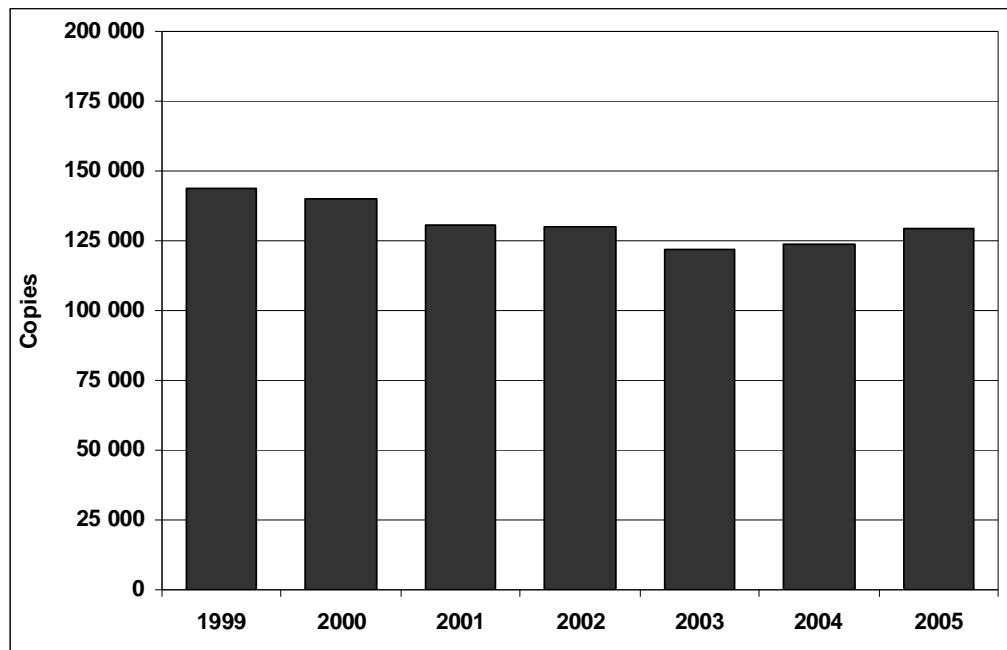


Figure 40 Average circulation per consumer magazine title from 1995 to 2004
(Source: Fachpresse Statistik)

4.1.3 Number of titles published

In 1997, the total number of magazine titles was close to 5 320 titles. After that the total number of magazine titles has been steadily increasing. By 2004, the number of magazine titles had increased by 11 percent to 5 977 titles. In 2004, the number of consumer magazine titles was 2 340 titles. This means that approximately 60 per cent of the published magazine titles are business-to-business magazines.

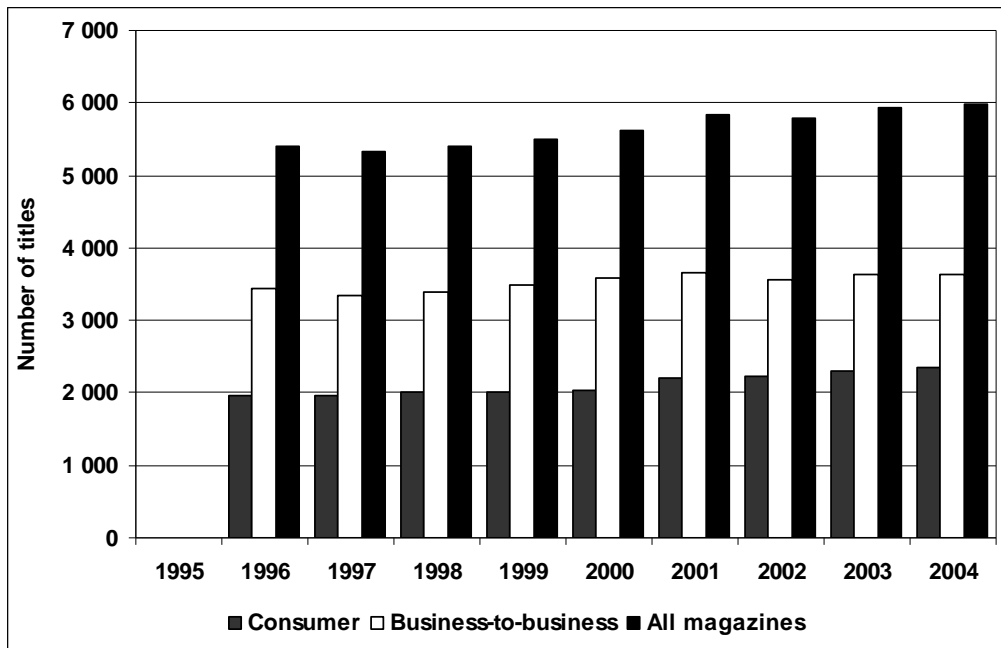


Figure 41 Number of published magazine titles (Source: Fachpresse Statistik)

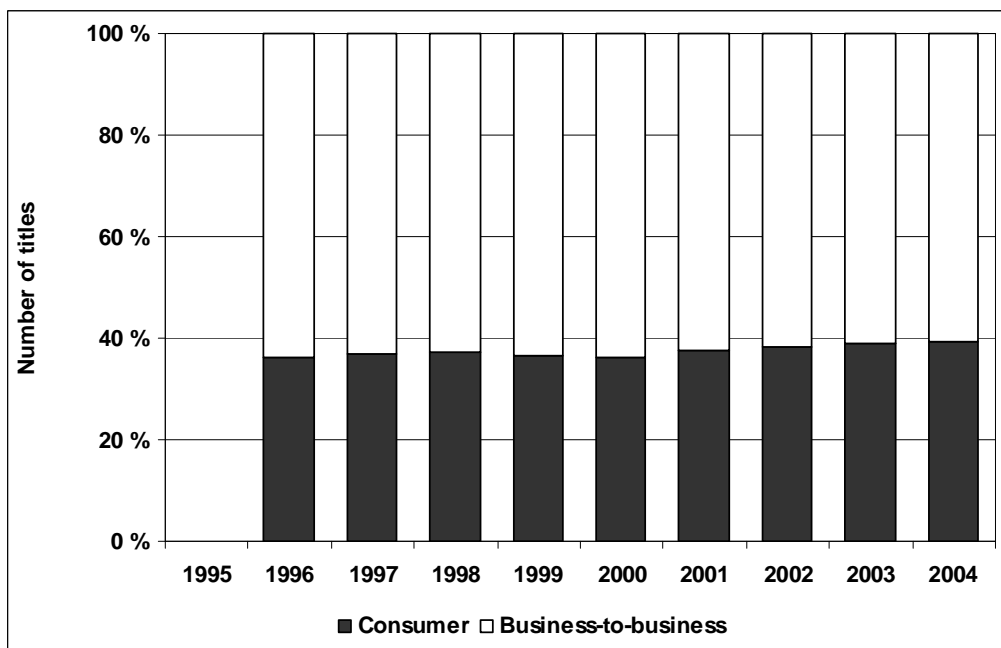


Figure 42 Magazine titles share between consumer titles and business-to-business titles (IVW, VDZ and Fachpresse Statistik)

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

In 2000, the number of published consumer magazine titles per million populations was 24,8 titles. In 2004, the number of consumer magazine titles per million populations was to 28,4 titles. The number of business-to-business magazine titles per million populations was 44,1 titles in 2004. In Germany, the number of magazine titles published per million populations is moderate.

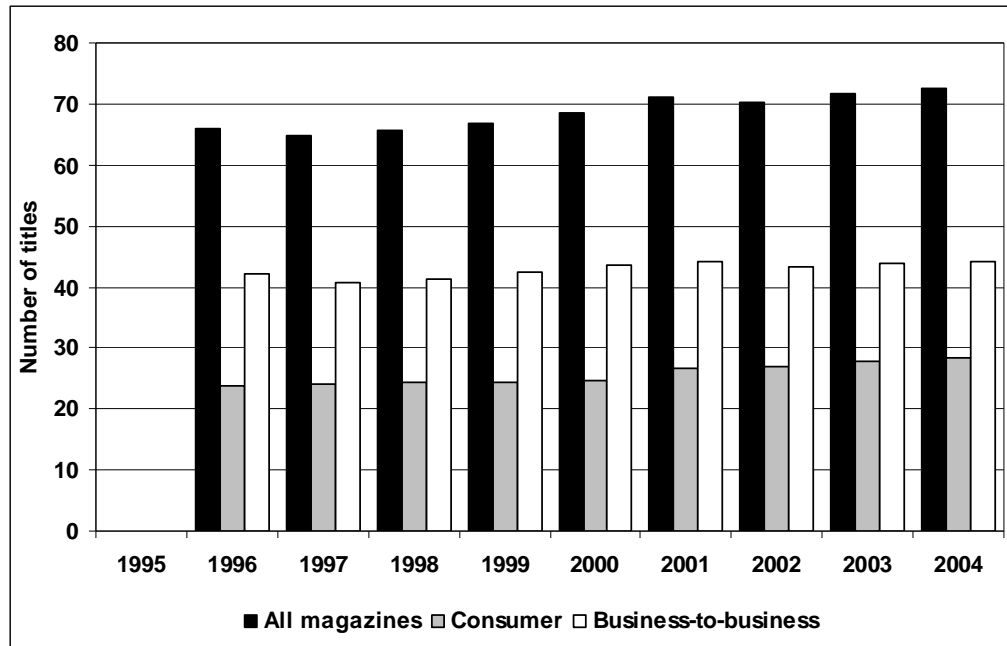


Figure 43 Number of magazine titles per million populations (Source: IVW, VDZ, Fachpresse Statistik and Statistics Finland, World in Figures)

The number of titles published can be assessed according to area. A higher number of titles may be an indication of intensity of competition. Magazines which operate in countries with a high ratio of titles to area are likely to encounter more competitive conditions. In 2004, the number of published consumer magazine titles per 1000 km² was 6,6 titles. The number of business-to-business magazine titles per 1000 km² was 10,2 titles in 2004.

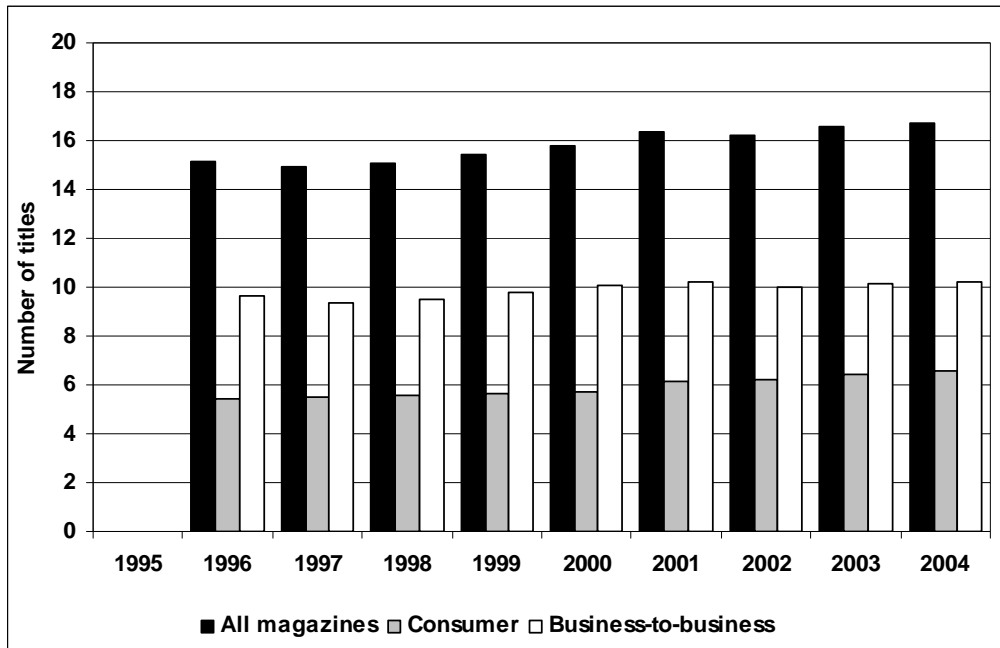


Figure 44 Number of magazine titles per 1000 km2 (Source: IVW, VDZ, Fachpresse Statistik and Statistics Finland, World in Figures)

There are quite large variations in the way magazines are distributed to consumers in the European Union. In Central and Northern European countries most magazines are paid for by subscription and delivered to readers' homes by the national postal service. In Southern member states and in the UK the distribution is mainly through single copy sales. In Germany, approximately 55 per cent of consumer magazines are distributed through single copy sales.

In 2001³ approximately 78 per cent of business-to-business magazines were distributed through subscriptions.

³ The latest available data from IVW and VDZ

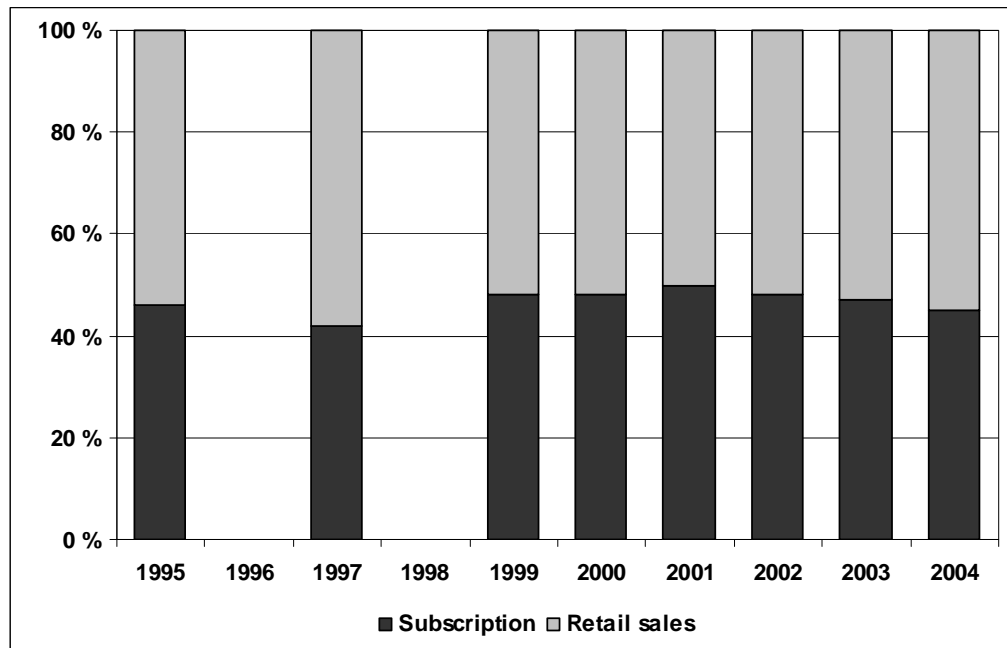


Figure 45 Sales distribution breakdown of consumer magazines (Source: IVW)

Table 3 Top 20 magazines in Germany based on circulation in 2003 (Source: IVW 4/2003, agency records)

Rank	Magazine	Publisher	Total average circulation 2003
1.	ADAC Motorwelt	ADAC Verlag	13 777 000
2.	Gruppe Mein Eigenheim	Die Publikation	2 692 000
3.	TV 14	Bauer Media	2 252 000
4.	TV Movie	Bauer Media	2 069 000
5.	Bild am Sonntag	Axel Springer	2 023 000
6.	Das Haus	Hubert Burda Media	1 929 000
7.	TV Spielfilm	Hubert Burda Media	1 827 000
8.	HÖRZU	Axel Springer	1 678 000
9.	Auf Einen Blick	Bauer Media	1 624 000
10.	TV Digital	Axel Springer	1 301 000
11.	TV Hören und Sehen	Bauer Media	1 217 000
12.	Bild der Frau	Axel Springer	1 186 000
13.	STERN	Gruner + Jahr	1 091 000
14.	Der Spiegel	Spiegel Verlag	1 076 000
15.	Wohnen im eigenen Haus	BHW Holding	1 051 000
16.	Freizeit Revue	Hubert Burda Media	1 028 000
17.	Neue Post	Bauer Media	994 000
18.	TV direkt	Gong Verlag	993 000
19.	Funk Uhr	Axel Springer	907 000
20.	COMPUTER BILD	Axel Springer	859 000

Table 4 Top 25 magazines in Germany based on circulation in 2006 (Source: Media Group based on IVW 4/2006 data)

Rank	Magazine	Publisher	Circulation IV/2006
1.	ADAC Motorwelt	ADAC Verlag GmbH	13 849 000
2.	TV 14	Heinrich Bauer Zeitschriften Verlag KG	2 484 800
3.	Mein Eigenheim, Wohnen & Leben	Die Publikation GmbH	2 396 100
4.	TV-Spielfilm Plus	TV Spielfilm Verlag GmbH	2 232 000
5.	house and more	Bellevue and More AG	2 216 600
6.	TV Movie	Heinrich Bauer Zeitschriften Verlag KG	1 934 800
7.	Metall	IG Metall-Vorstand Herrn Weißmann	1 933 300
8.	TV Digital	Axel Springer AG	1 917 900
9.	Das Haus	Internet Magazin Verlag GmbH	1 874 300
10.	Bild am Sonntag	Axel Springer AG	1 807 000
11.	TV Spielfilm	Hubert Burda Media	1 602 900
12.	Hörzu	Axel Springer AG	1 585 100
13.	Auf Einen Blick	Heinrich Bauer Zeitschriften Verlag KG	1 514 600
14.	Die Johanniter	Hofmann Druck Nürnberg GmbH & Co.	1 344 700
15.	Vdk-Zeitung	Sozialverband VdK Deutschland e.V	1 252 000
16.	Bild der Frau	Axel Springer AG	1 083 300
17.	TV Hören und Sehen	Heinrich Bauer Zeitschriften Verlag KG	1 072 100
18.	TV direkt	Gong Verlag GmbH + Co. KG	1 049 400
19.	Der Spiegel	Spiegel Verlag	1 038 400
20.	STERN	Gruner + Jahr	1 019 300
21.	Freizeit Revue	Burda Senator Verlag GmbH	1 009 800
22.	Neue Post	Heinrich Bauer Zeitschriften Verlag KG	881 100
23.	Gong plus Bild + Funk und Super TV	Gong Verlag GmbH + Co. KG	786 300
24.	Funk Uhr	Axel Springer AG	772 900
25.	TV Pur	Heinrich Bauer Zeitschriften Verlag KG	747 400

4.1.4 Revenue related measures

In 2000, magazine advertising was 3,8 billion Euros (constant 2000 prices). By 2004, the value of magazine advertising had declined to 2,8 billion Euros (constant 2000 prices). Figure 47 illustrates how magazine advertising has developed compared to total media advertising.

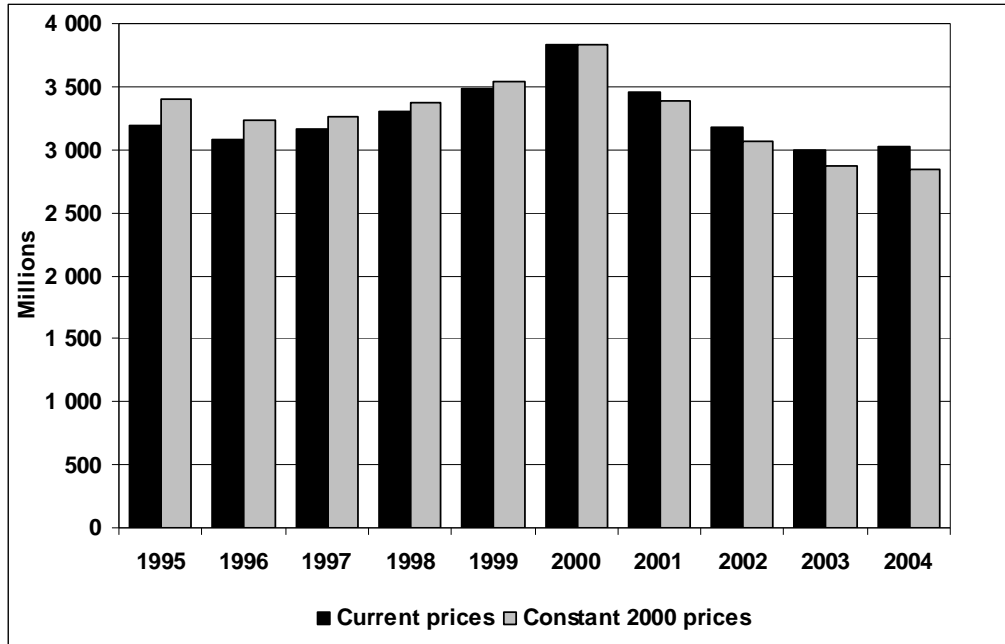


Figure 46 Magazine advertising from 1995 to 2004 (Source: World Advertising Trends)

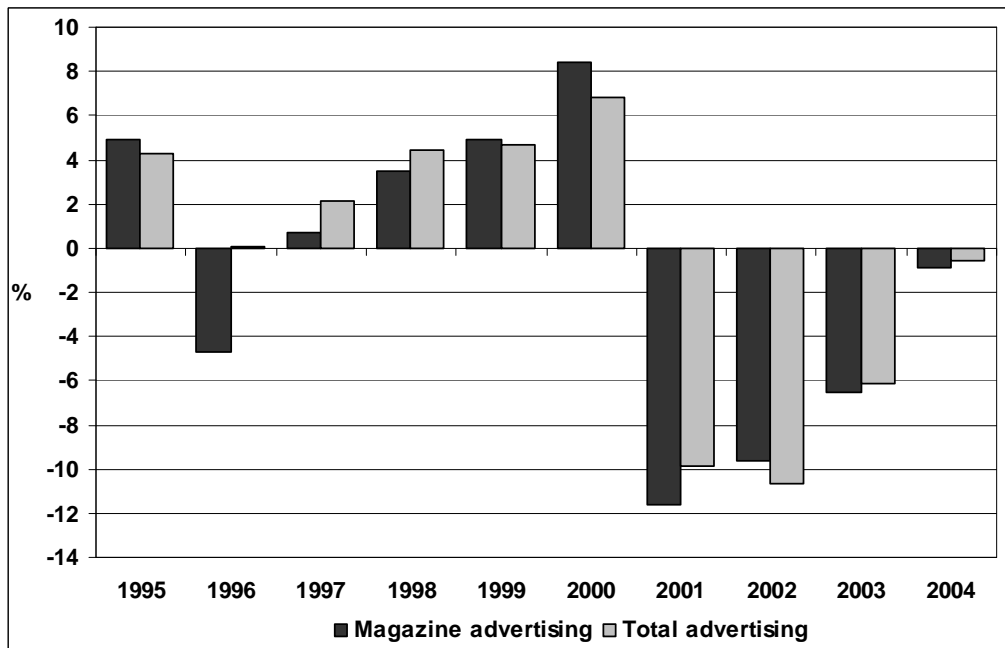


Figure 47 Annual change of magazine and total advertising at constant prices from 1995 to 2004, constant 2000 prices (Source: ZAW and European Advertising & Media Forecast 2005, WARC)

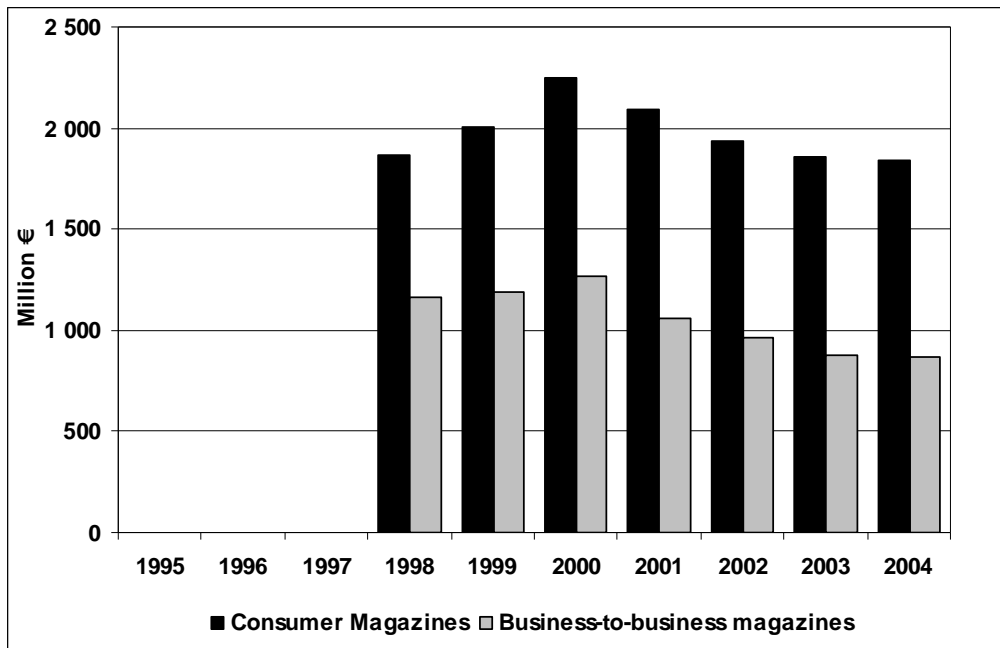


Figure 48 Net expenditure on consumer and business-to-business magazine advertising from 1998 to 2004 (Source: ZAW and VDZ)

The share of magazine advertising has declined since the late 1980s. After the mid 1990s the share of magazine advertising has been stable. In 2004, the share of magazine advertising was 18,5 per cent.

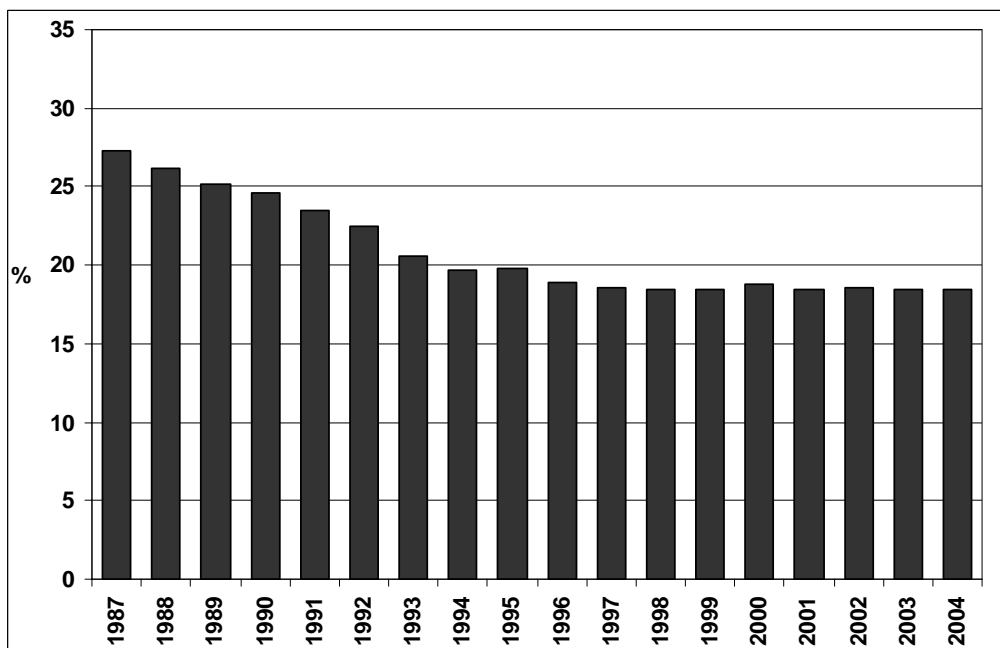


Figure 49 Share of magazine advertising of total advertising (Source: World Advertising Trends)

There has been a long-term trend towards increasing dependence on advertising rather than circulation revenues in the German magazine publishing industry since the mid 1990s. In 2001, this trend reversed in

Germany. In 2000 the share of advertising was 62 per cent. Since 2001 the share of advertising revenues has been declining. In 2004, the share of advertising revenues was 49 per cent.

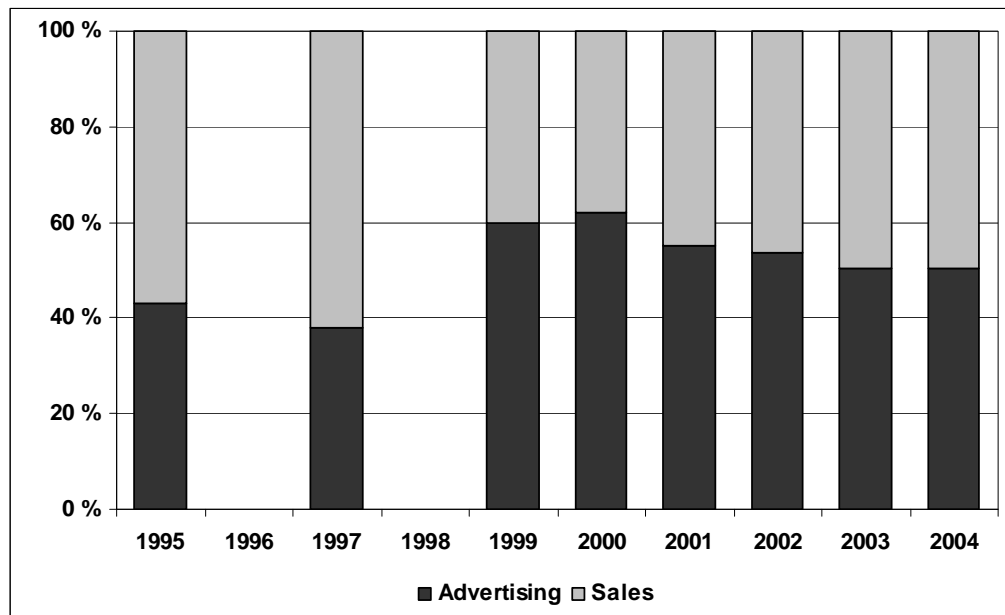


Figure 50 Revenue split between advertising and sales revenues, consumer magazines (Source: IVW)

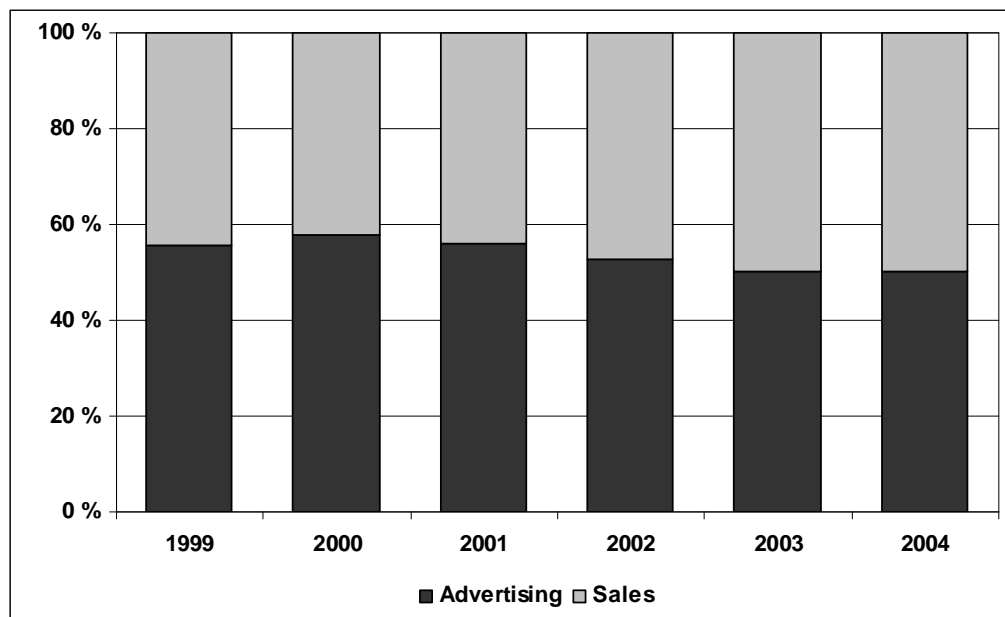


Figure 51 Revenue split between advertising and sales revenues, business-to-business magazine (Source: Fachpressestatistik)

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

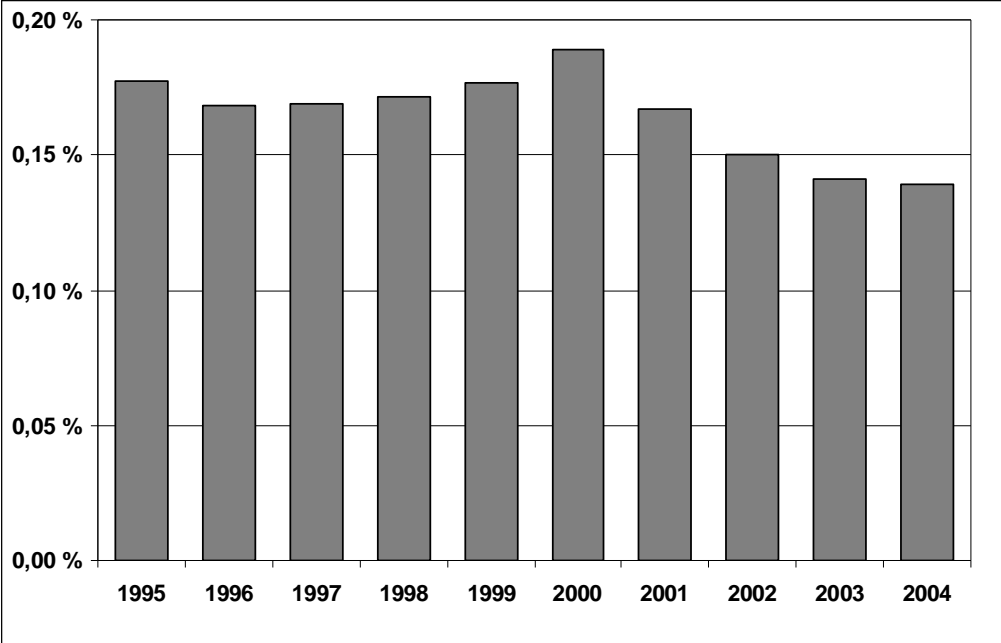


Figure 52 Magazine advertising per GDP (Source: World Advertising Trends)

4.2 Industry structure analysis

4.2.1 Number of companies

The total number of magazine publishing companies has declined since the Millennium. In 2004 the total number of magazine publishing companies in Germany was 1 255.

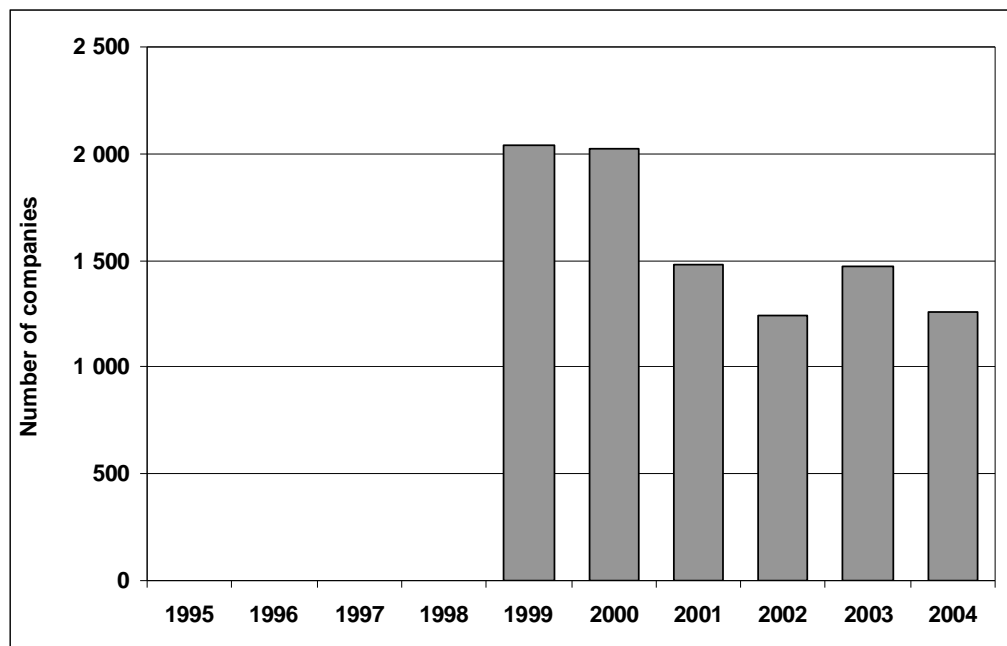


Figure 53 Number of magazine and periodical publishing companies (Source: Eurostat New Cronos Database)

4.2.2 Biggest magazine publishers

Table 5 Major consumer magazine publishers in Germany in 2004 (Source: Nielsen Media Research, www.pz-online.de)

Company	Total circulation (Million)	Share of adspend
Gruner + Jahr	8,8	16,6 %
Hubert Burda Media	15,2	14,5 %
Axel Springer Verlag	12,2	13,4 %
Heinrich Bauer Verlag	17,2	13,4 %
Spiegel Verlag	1,7	5,8 %
Verlagsgruppe Milchstrasse	2,5	4,6 %

Table 6 Major business magazine publishers in Germany in 2004 (Source: Agency records)

Company
Springer Science & Business Media
Verlagsgruppe Georg von Holtzbrink
Süddeutscher Verlag Hüthig Fachinformationen
Weka Filmengruppe
Wolters Kluwer Deutschland
Reed Elsevier Deutschland
Vogel Medien Gruppe
Haufe Medien Gruppe

Company	Shareholder-Name	Direct. %	Total %	Subsidiary
AXEL SPRINGER AKTIENGESELLSCHAFT	AXEL SPRINGER GESELLSCHAFT FÜR PUBLISTIK GMBH & CO. HELLMAN & FRIEDMAN LLC	20.0	n.a.	AXEL SPRINGER VERLAG BETEILIGUNGSGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
	PUBLIC AUTOCONTROL	19.40	n.a.	SÄCHSISCHER BOTE WOCHENBLATT VERLAG GMBH
	SPRINGER FRIEDE	9.80	n.a.	AS AUTOVERLAG GMBH
	LEHNE MICHAEL	5.00	n.a.	AS EXTRA MEDIEN GMBH
	DOFFNER, MATTHIAS	4.75	n.a.	AS OSTEUROPA GMBH
	NATEWS BLECHROEDER INC via its funds	3.80	n.a.	AS TV PRODUKTIONS- UND VERTRIEBSGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
	SCHROEDER PLC via its funds	2.00	n.a.	AS VENTURE GMBH
	ENNSMORE FUND MANAGEMENT LIMITED via its funds	0.90	n.a.	AS ZEITSCHRIFTEN BERLIN GMBH
	KALUS BARR HOLDINGS LTD via its funds	0.26	n.a.	ASV DREHMARKETING GMBH
	FIDELITY INVESTMENTS LIMITED via its funds	0.21	n.a.	AXEL SPRINGER EDITURA SRL
		0.11	n.a.	AXEL SPRINGER FINANZEN VERLAG GMBH
			n.a.	AXEL SPRINGER FRANZ
			n.a.	AXEL SPRINGER MEDIA LOGISTIK GMBH
			n.a.	AXEL SPRINGER MEDIAHOUSE MÜNCHEN GMBH
			n.a.	AXEL SPRINGER PRAHA, A.S.
			n.a.	AXEL SPRINGER TV PRODUCTIONS GMBH
			n.a.	AXEL SPRINGER VERLAG AG
			n.a.	AXEL SPRINGER VERLAG VERTRIEBSGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
			n.a.	BERGENDORFER BUCHDRUCKEREI VON ED. WAGNER (GMBH & CO.)
			n.a.	BERLINER WOCHENBLATT VERLAG GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
			n.a.	BUCHSERVICE GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
			n.a.	DRUCK- UND VERLAGSHAUS BERGENDORF GMBH
			n.a.	HAMMERICH & LESSER ZEITSCHRIFTEN- UND BUCHVERLAG
			n.a.	HANDELSZEITUNG UND FINANZRUNDSCHAU AG
			n.a.	INFORMATIONSMEDIEN HANDELS.G.M.B.H.
			n.a.	NORDDEUTSCHE ALLGEMEINE VERLAGS-GESELLSCHAFT MBH & CO. KG
			n.a.	PVP PRESSE VERWALTUNGS GMBH
			n.a.	PPS PRESSE PROGRAMM-SERVICE GMBH
			n.a.	ULSTEIN GMBH
			n.a.	WBV WOCHENBLATT VERLAG GMBH
			n.a.	ZEICHNER GESELLSCHAFT FÜR ZEITUNGS- UND ZEITSCHRIFTEN-VERTRIEB MBH
			n.a.	AXEL SPRINGER ESPANA SA
			n.a.	AXEL SPRINGER PRESSE
			n.a.	GRUPA WYDAWNICZA AXEL SPRINGER SP. Z O.O.
			n.a.	HANDELSZEITUNG FACHVERLAG AG
			n.a.	LES PUBLICATIONS GRAND PUBLIC
			n.a.	SCHWARTZDOPFF TV PRODUCTIONS GMBH & CO. KG
			n.a.	VIVID VERLAGS- UND INDUSTRIE-FRISCHBEREITUNGS-GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
			n.a.	ZAD "AXEL SPRINGER RUSSIA"
			n.a.	AXEL SPRINGER INTERNATIONAL GROUP LIMITED
			n.a.	NEPLUSAG KORLATOLT FELELOSSEGU TARSASAG
			n.a.	PEYTON ZEITUNGS- UND BUCHVERLAG GMBH
			n.a.	AXEL SPRINGER UNKARN GMBH
			n.a.	ZOLUSAG MASSMEDIEN UND VERLAGS AG
			n.a.	AXEL SPRINGER BUDAPEST KADDO KORLATOLT FELELOSSEGU TARSASAG
			n.a.	PACE PAPERAZZI CATERING & EVENT GMBH
			n.a.	BUCH- UND PRESSE-GRUPPE VERTRIEB HAMBURG G.M.B.H. & CO. KG
			n.a.	BERNDORFER WOCHENBLATT VERLAG GMBH & CO. KG
			n.a.	MINONET GMBH
			n.a.	GMZ DRUCKEREI-VERWALTUNGS GMBH
			n.a.	BILD 1 ONLINE DE AG & CO. KG
			n.a.	BILD 1 ONLINE DE VERWALTUNGS AG
			n.a.	KOMMANDITGESELLSCHAFT HAMBURG 1 FERNSEHEN BETEILIGUNGS GMBH & CO.
			n.a.	V.V. VERTRIEBSVER BERLINER ZEITUNGS- UND ZEITSCHRIFTEN GROSSISTEN GMBH & CO. KG
			n.a.	SMARTMEDIA MEDIA GMBH
			n.a.	AXEL SPRINGER MEDIA GROEP NEDERLAND BV
			n.a.	DOVA VERLAG GMBH & CO. KG
			n.a.	FAMILY MEDIA GMBH & CO. KG
			n.a.	FAMILY MEDIA VERWALTUNGS GMBH
			n.a.	JAHN TOP SPECIAL VERLAG VERWALTUNGS GMBH
			n.a.	KOMMANDITGESELLSCHAFT LUDWIG MELOSCH VERTRIEBS GMBH & CO.
			n.a.	LÄSSER- UND VERSAND-SERVICE MELOSCH GMBH & CO.
			n.a.	LEIPZIGER VERLAGS- UND DRUCKEREI-GESELLSCHAFT MBH & CO. KG
			n.a.	MELOSCH GMBH
			n.a.	OSTSEE ZEITUNG GMBH & CO. KG
			n.a.	VERTRIEBSGESELLSCHAFT FÜR PAPIERRECYCLING M.B.H.
			n.a.	STEPSTONE DEUTSCHLAND AG
			n.a.	LIEBERER NACHRICHTEN GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
			n.a.	SAT 1 BETEILIGUNGS GMBH
			n.a.	PRESSEVERTRIEB PFALZ GMBH & CO. KG
			n.a.	EXPRESSE A.S. SRL
			n.a.	ZEITUNGS- U. ZEITSCHRIFTEN- VERTRIEB BERLIN GESELLSCHAFT M.B.H.
			n.a.	BETEILIGUNGSGESELLSCHAFT RADIO HAMBURG MBH
			n.a.	RADIO HAMBURG GMBH & CO. KG
			n.a.	INTERMEDIA STANDARD PRESSE CODE GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
			n.a.	SPIC INTERMEDIA STANDARD PRESSE CODE GMBH & CO.
			n.a.	PIV INTELLIGENCE SERVICES/INFORM. ANTIENGESELLSCHAFT
			n.a.	HAMBURG 1 FERNSEHEN BETEILIGUNGS GMBH
			n.a.	PIV PRESSE VERTRIEB GMBH & CO. KG BERLIN
			n.a.	PRINOVIS LTD. & CO. KG
			n.a.	E.C.S. SPERLINGSCOPUS/ERSATZ MEDIENPRODUKTION GMBH
			n.a.	BUECHER-DE GMBH & CO. KG
			n.a.	BUECHER-DE VERWALTUNGS GMBH
			n.a.	NACHRICHTLICHE VERWALTUNGS SERVICES RME/D O SRL
			n.a.	PVP PRESSE VERTRIEB PFALZ GMBH
			n.a.	HAMBURGER ZEITUNGSVERWALTUNGSGESELLSCHAFT MBH
			n.a.	LÜHMANN/DRUCK- HANDBUCHER ZEITUNGSVERWALTUNGSGESELLSCHAFT MBH & CO. KG
			n.a.	KIELER ZEITUNG VERWALTUNGS GMBH
			n.a.	KIELER ZEITUNG GMBH & CO. OFFSETDRUCK KG
			n.a.	KIELER ZEITUNG VERWALTUNGS GMBH & CO. BETEILIGUNGS KG
			n.a.	KIELER ZEITUNG UND DRUCKEREI KG GMBH & CO.
			n.a.	PKS/MARKANT UND MITTELSTAND GMBH & CO. KG
			n.a.	KN-DRUCK GMBH
			n.a.	A. BEIG DRUCKEREI UND VERLAG GMBH & CO. KG
			n.a.	HANDELTISCHE VERLAGS BETEILIGUNGS AKTIENGESELLSCHAFT
			n.a.	RADIO SCHLESWIG-HOLSTEIN KOMMANDITGESELLSCHAFT GMBH & CO.
			n.a.	KOM FOR GMBH & CO. KOMMANDITGESELLSCHAFT
			n.a.	ANTENNE BAYERN GMBH & CO. KG
			n.a.	ANTENNE BAYERN VERWALTUNGS GMBH
			n.a.	PRESSE-VERTRIEB DRESDEN GMBH & CO. KG
			n.a.	DALIM SOFTWARE GMBH
			n.a.	RADIO TELE FTH GMBH & CO. BETRIEBS KG
			n.a.	WESTFALENBLATT VEREINIGTE ZEITUNGSVERLAGS GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
			n.a.	MPV MITTELDEUTSCHER PRESSE- VERTRIEB GMBH & CO. KG
			n.a.	PRESSE-VERTRIEB LEFZIG GMBH & CO. KG
			n.a.	PRESSE- VERTRIEB MECKLENBURG WEST GMBH & CO. KG
			n.a.	PRESSEFUNK NORDRHEIN-WESTFALEN GMBH & CO. KG
			n.a.	PMG PRESSE MONITOR DEUTSCHLAND VERWALTUNGS GMBH
			n.a.	PRESSE-VERTRIEB MAGDEBURG GMBH & CO. KG
			n.a.	STUTTGART REGIONAL MEDIEN UND VERWALTUNGS GMBH
			n.a.	PRESSE-VERTRIEB HALLE GMBH & CO. KG
			n.a.	PIV PRESSE VERTRIEB VERWALTUNGS GMBH
			n.a.	REGIOCAST GMBH & CO. KOMMANDITGESELLSCHAFT
			n.a.	ELK & FERNSEHEN NORDRHEIN-DEUTSCHLAND GMBH & CO. KG
			n.a.	AKADEMIE DES DEUTSCHEN BUCHHANDELS GMBH IM LITERATURHAUS MÜNCHEN

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name
DRUCK- UND VERLAGSHAUS GRUNER + JAHR AKTIENGESELLSCHAFT	BERTELSMANN AG
	CONSTANZE-VERLAG GMBH & CO. KG

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total %	Subsidiary
ALBERT BURDA MEDIA HOLDING GMBH & CO. KOMMANDITGESELLSCHAFT	BURDA MEDIA HOLDING G.M.B.H. & CO. KOMMANDITGESELLSCHAFT MBH	100	n.a.	BURDA BROADCAST MEDIA BADEN-WÜRTTEMBERG GMBH & CO. KG
			n.a.	BURDA BROADCAST MEDIA GESCHÄFTSFÜHRUNGS GMBH
			n.a.	BURDA BROADCAST MEDIA GMBH & CO. KG
			n.a.	BURDA BROADCAST VERWALTUNGS GMBH
			n.a.	BURDA BURDA-HOLDING GMBH
			n.a.	BURDA VERLAG OSTEUROPA GMBH
			n.a.	BURDA-GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG
			n.a.	BVZ ZEITSCHRIFTEN VERLAG GMBH & CO. KG
			n.a.	BVZ ZEITSCHRIFTEN VERLAG VERWALTUNGS GMBH
			n.a.	ESSENTIAL PUBLISHING LIMITED
			n.a.	TYPOLOGIE DER WIRTSCHAFTS INTERMEDIA GMBH & CO. KG
			n.a.	TOMORROW FOCUS AG
			n.a.	PMG PRESSE MONITOR DEUTSCHLAND VERWALTUNGS GMBH

Source: Bureau van Dijk Amadeus-database

Company	Shareholder Name	Direct %	Total %	Subsidiaries
SPIEGEL-VERLAG RUDOLF AUGSTEN GMBH & CO. KG	KOMMANDITISTENGESELLSCHAFT BETEILIGUNGSGESELLSCHAFT FÜR SPIEGEL-MITARBEITER M.B.H. AUGSTEN, RUDOLF GRÜNER + JAHN AG & CO KG BERTHELMANN KG RUDOLF AUGSTEN GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG	50,00 25,00 25,00 -	n.a. n.a. n.a. n.a.	SPIEGEL TV GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG SPIEGELNET GMBH MANAGER MAGAZIN VERLAGSGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG DER AUDIO-VERLAG GMBH SPIEGEL ONLINE GMBH PMG PRESSE-MONITOR DEUTSCHLAND VERWALTUNGSGES. GMBH FVB PRESSE-VERTRIEB GMBH & CO. KG BERLIN PRESSE-VERTRIEB DRESDEN GMBH & CO. KG MPV MITTELDEUTSCHER PRESSE-VERTRIEB GMBH & CO. KG PRESSE-VERTRIEB LEIPZIG GMBH & CO. KG PRESSE-VERTRIEB MECKLENBURG-VEST GMBH & CO. KG PRESSE-VERTRIEB MAGDEBURG GMBH & CO. KG PRESSE-VERTRIEB PEAK GMBH & CO. KG

Source: Bureau van Dijk Amadeus-database

Company	Shareholder Name	Direct %	Total %	Subsidiaries
HEINRICH BAUER GMBH & CO. KG	BAUER, HEINRICH BAUER-VERWALTUNGSGESELLSCHAFT M.B.H.	100,00	n.a.	

4.2.3 Employment related measures

The number of employees measures the number of people involved in the operations of an industry. When this number is compared to total employment it indicates the relative importance of that industry in employment terms. Employment in the magazine publishing industry has been increasing for the last couple of years. In 2004, the total number of employees in the magazine publishing industry in Germany was approximately 65 100.

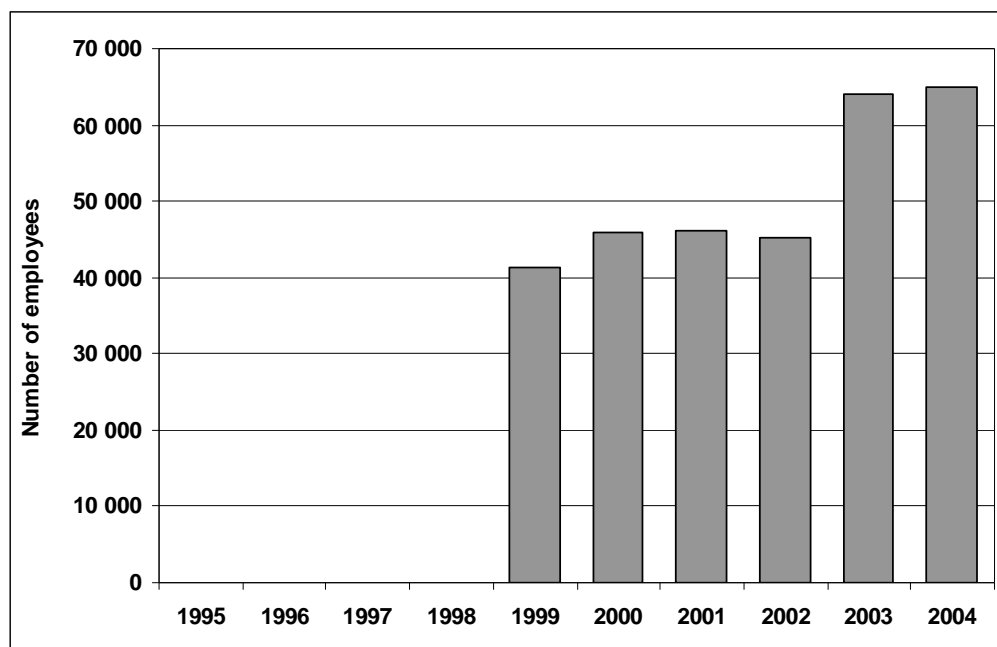


Figure 54 Employment in the magazine publishing industry (Source: Eurostat New Cronos Database)

The cost of employing a person within the magazine publishing industry differs considerably between Member States. In Germany the personnel costs per person were 27 100 Euros in 2004.

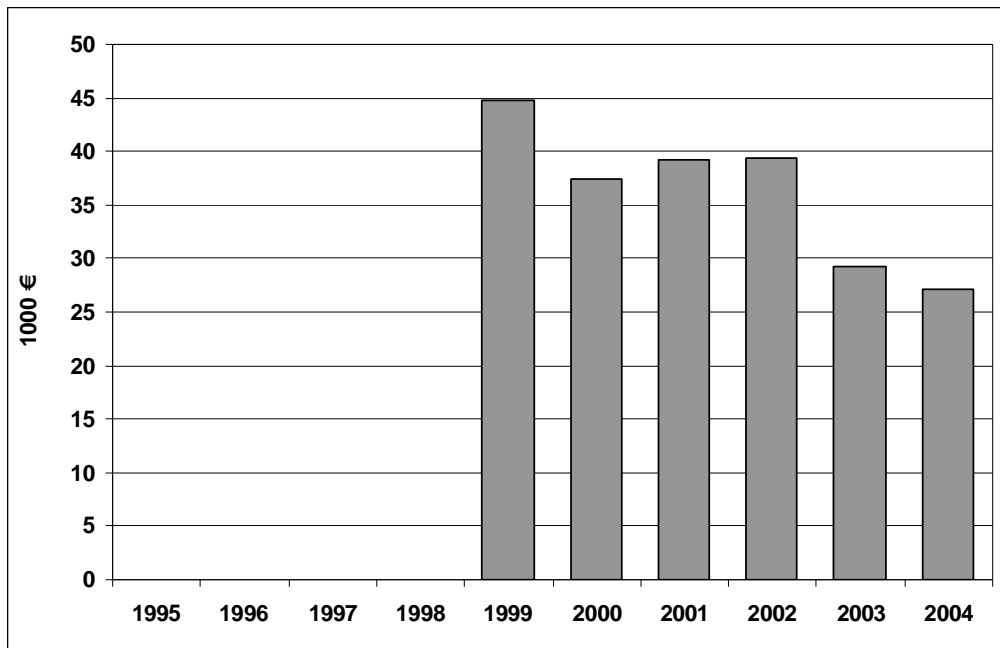


Figure 55 Personnel costs per person employed in the magazine industry (Source: Eurostat New Cronos Database)

4.2.4 Financial measures

Turnover

The total turnover of the magazine publishing industry has declined steadily for the last six years, starting at 9 387 million Euros in 1999 and ending in 6 975 million Euros in 2004.

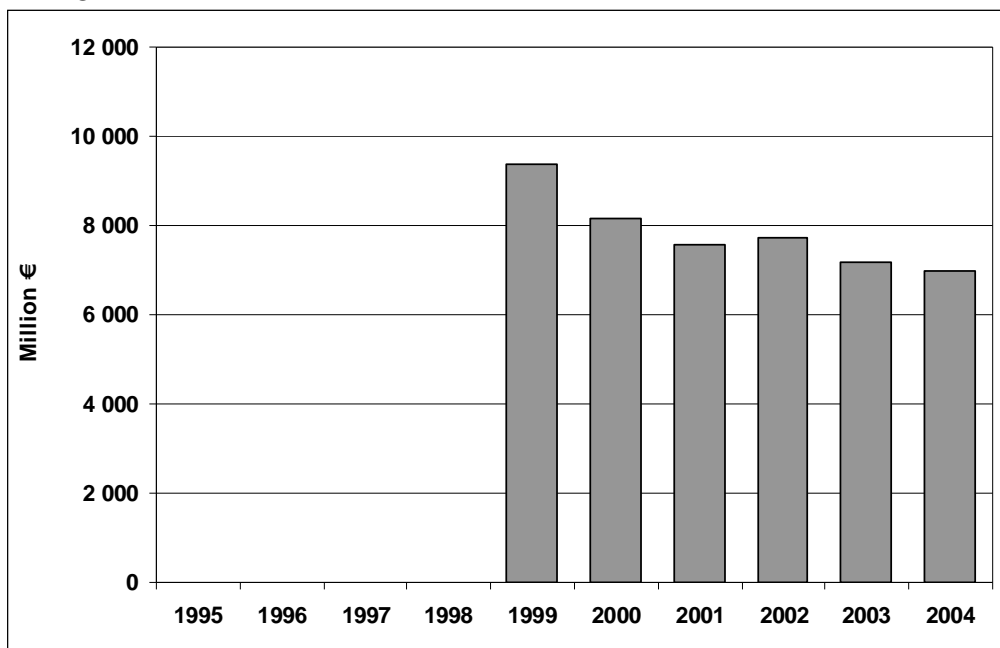


Figure 56 Total turnover of the magazine publishing industry (Source: Eurostat New Cronos Database)

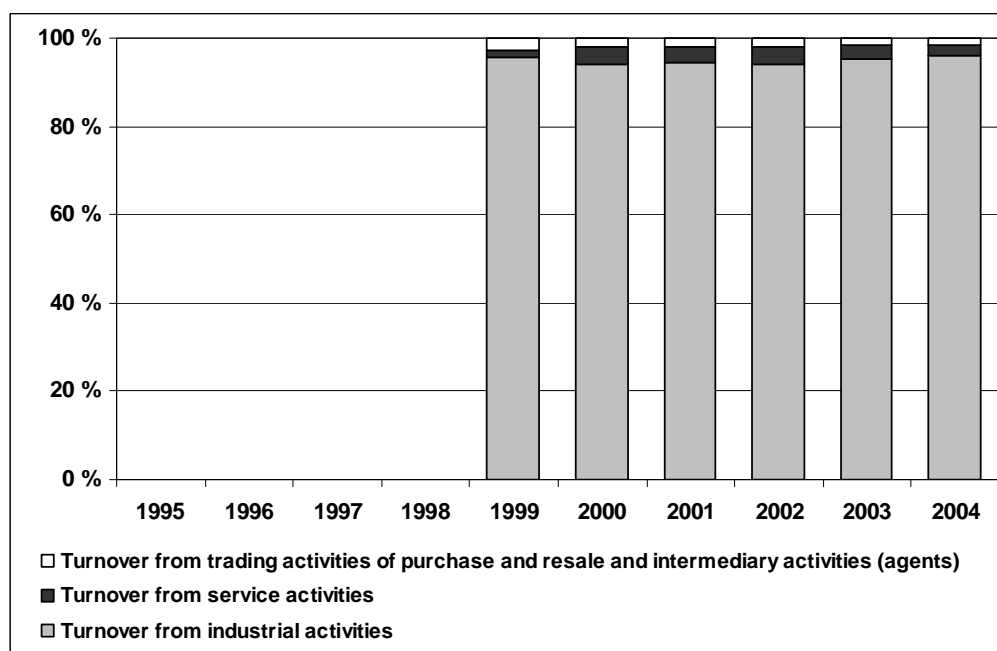


Figure 57 Distribution of total turnover of the magazine publishing industry by business activities (Source: Eurostat New Cronos Database)

Change in turnover

The change in turnover in the magazine publishing industry varied a great deal during 2000-2004. In 2002, the magazine publishing industry saw the only growth during the last five years, growing 1,7 per cent. In 2004, the total turnover of the magazine publishing industry declined by 3,1 per cent.

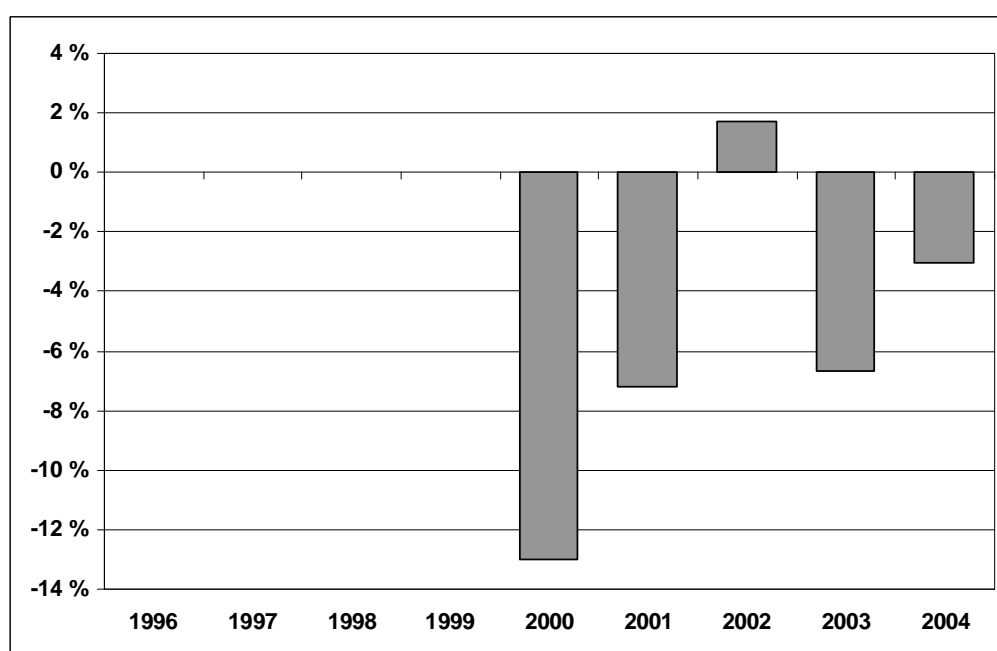


Figure 58 Annual changes in turnover (Source: Eurostat New Cronos Database)

Value added

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

Value added is an important measure as it has a considerable impact on the ability of an enterprise to pay its workforce and generate a profit. In 2004, the total value added of the magazine publishing industry was 2 128 million Euros.

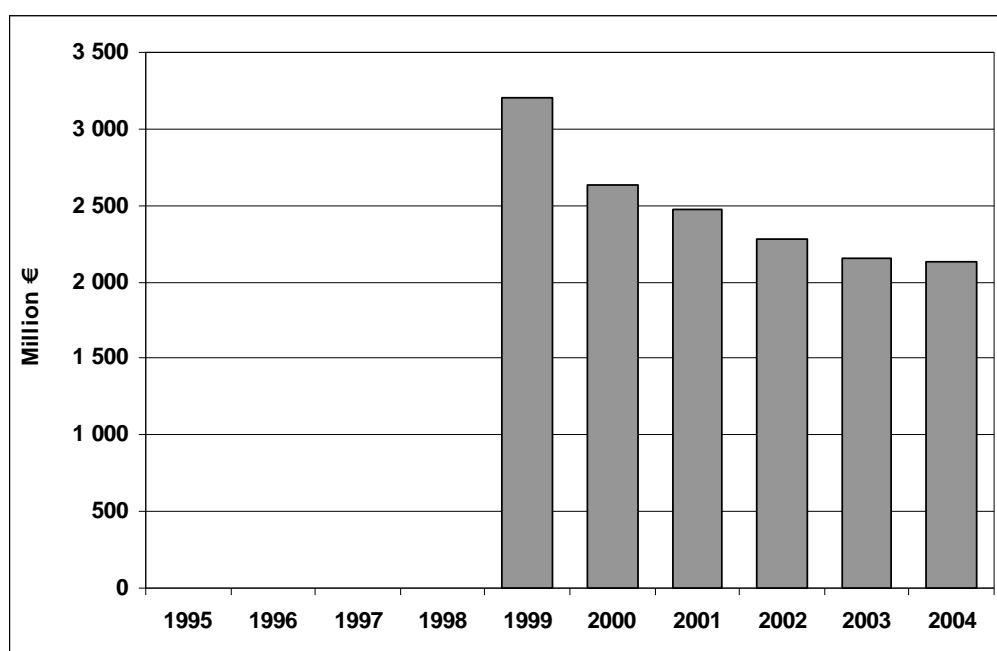


Figure 59 Total value added of the magazine publishing industry at factor costs (Source: Eurostat New Cronos Database)

The sum of value added of all industries and households is equal to the Gross Domestic Product (GDP). Therefore the share of an industry's value added of a country's GDP measures directly that industry's contribution to the national economy. The magazine publishing industry's contribution to GDP was 0,10 per cent in 2004.

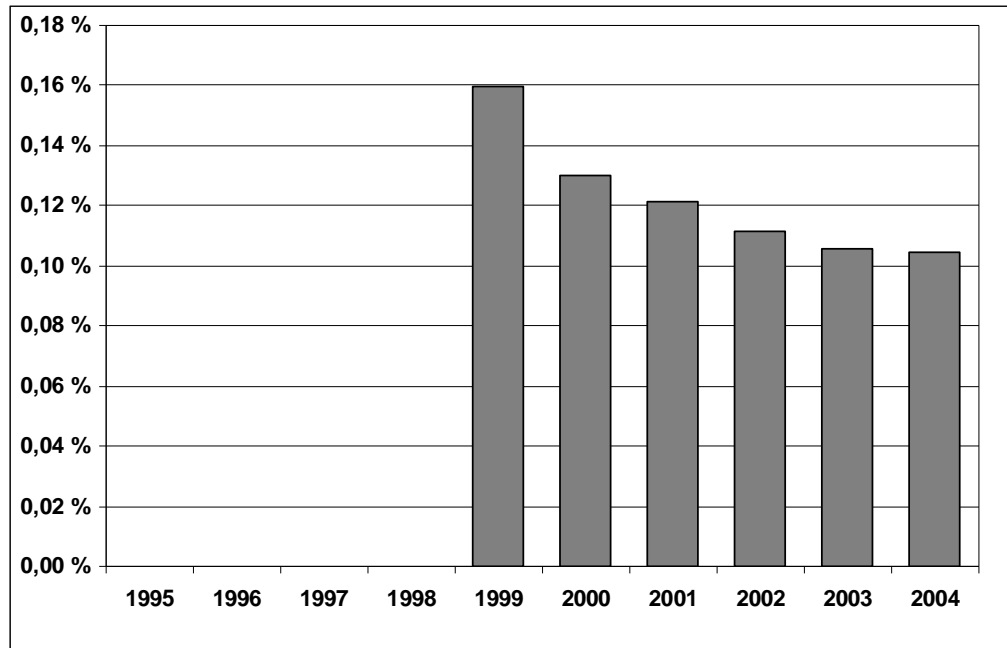


Figure 60 Value added to GDP (Source: Eurostat New Cronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure showed a decrease in productivity during 1999-2004. In 2004, value added per employee was 32 700 Euros.

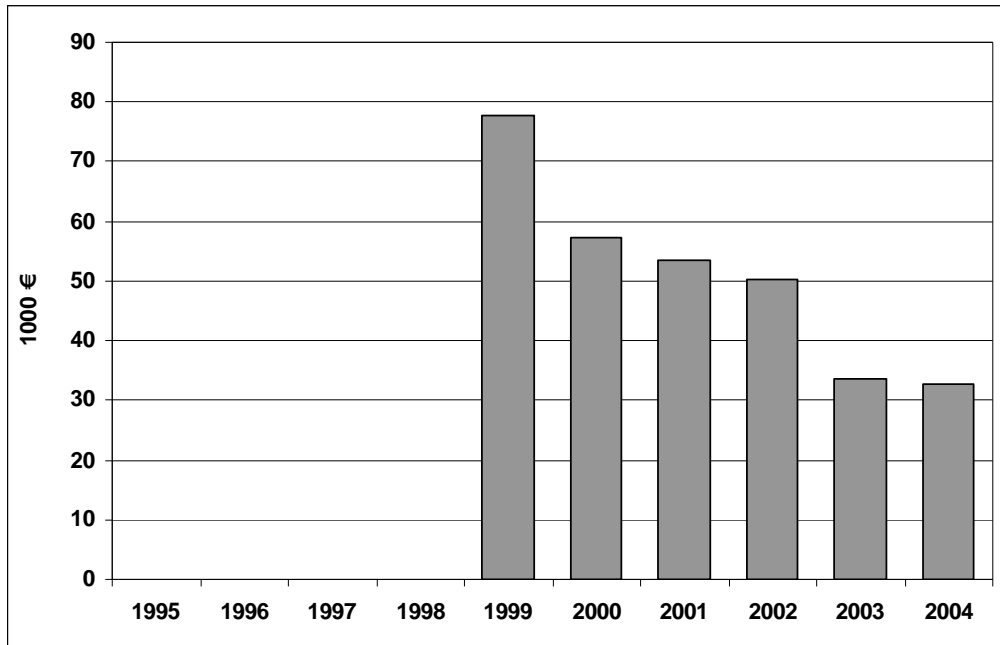


Figure 61 Value added per employee, 1000 € (Source: Eurostat New Cronos Database)

Value added per personnel costs

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

The critical value is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2004 value added per personnel costs was 1,2.

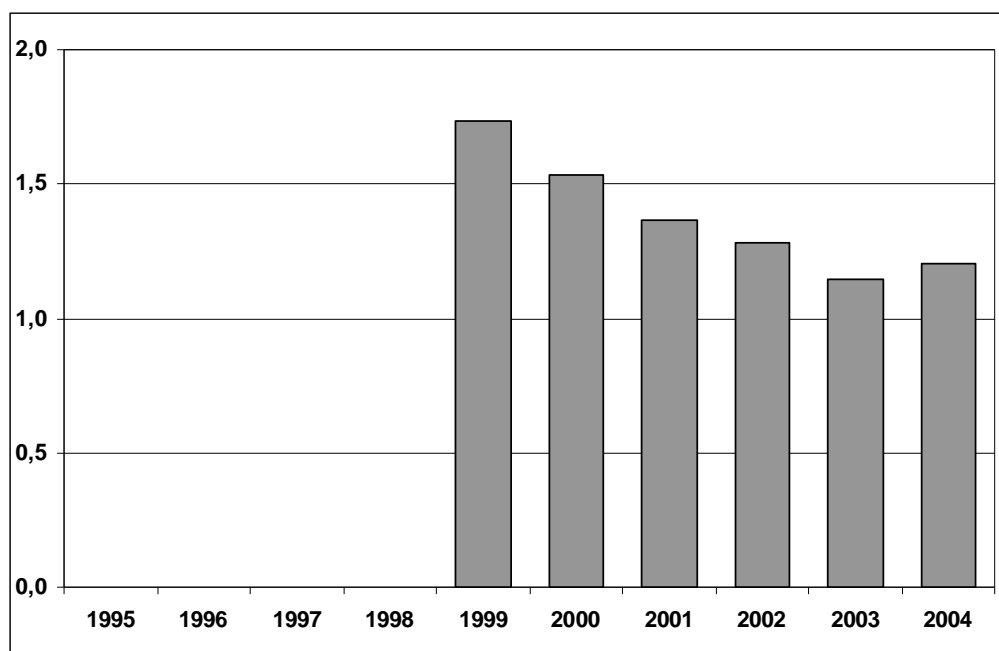


Figure 62 Value added per employee costs (Source: Eurostat New Cronos Database)

Turnover per employee

Turnover per employee in the magazine publishing industry showed a clear negative trend between 1999 and 2004. Turnover per employee declined to 106 300 Euros in 2004.

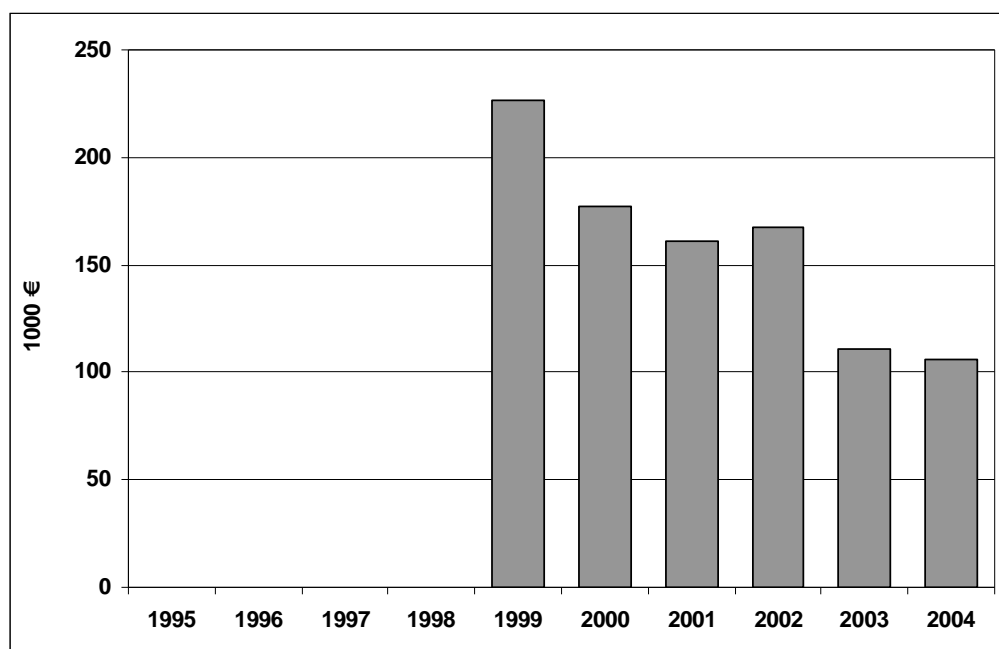


Figure 63 Turnover per employee (Source: Eurostat New Cronos Database)

Operating margin

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

The result of turnover, less value added and personnel costs is operating profit. The operating margin of the magazine industry varied around 20 per cent. In 2004, operating margin of the magazine publishing industry was 5,2 per cent.

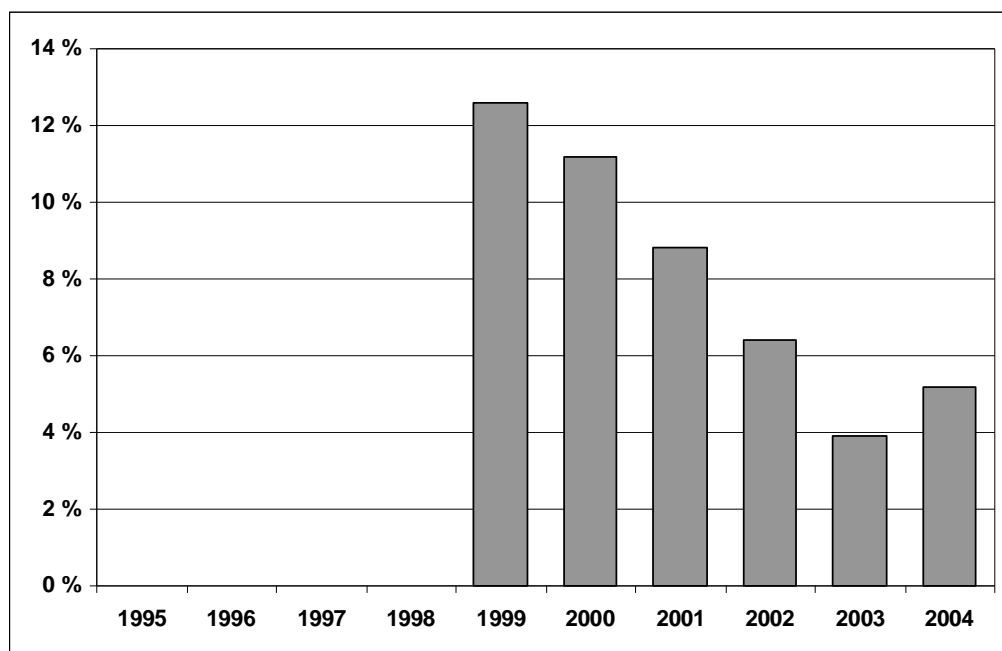


Figure 64 Operating margin of the magazine publishing industry (Source: Eurostat New Cronos Database)

5 BOOK PUBLISHING

5.1 Market analysis

5.1.1 Definition of the sector

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

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

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

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

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

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

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

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

- Children's books
- Religious books

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

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

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

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

5.1.2 Book sales

The total sales value of books was 9,2 billion Euros in 2005. That is approximately 3 per cent less than in 2000. The value of book sales per capita was 110,1 Euros in 2005. That is approximately 3 per cent less than in 2000 (114,5 €).

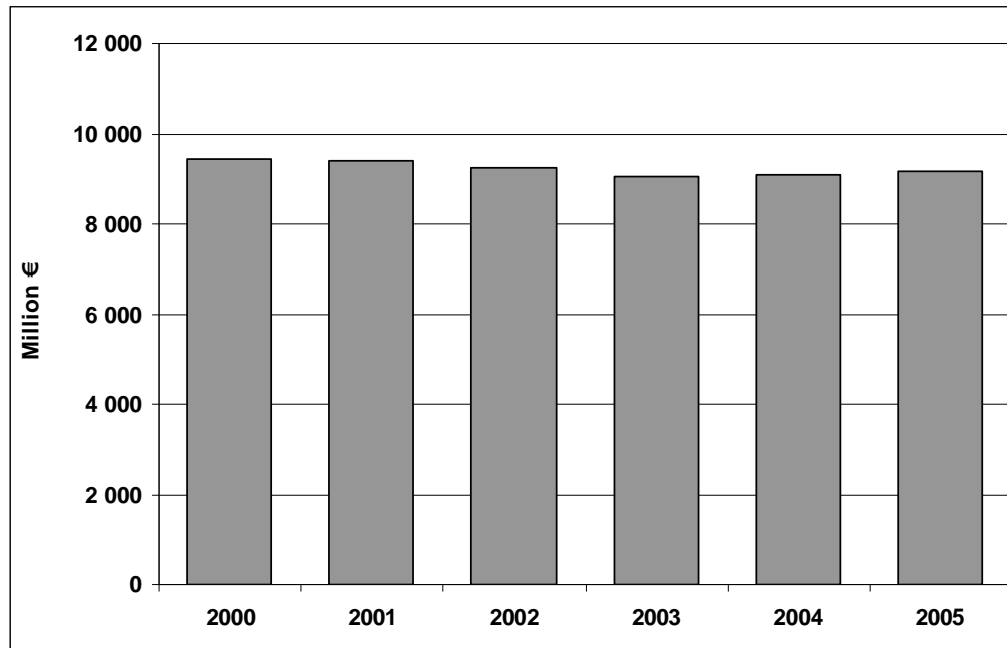


Figure 65 Value of book sales (Source: Börsenverein des Deutschen Buchhandels)

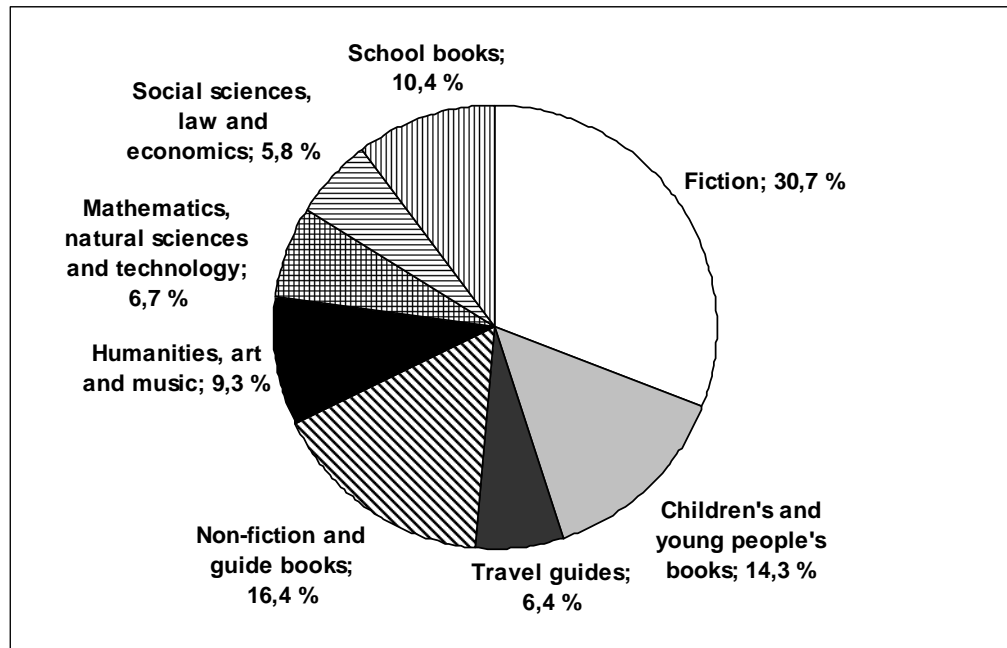


Figure 66 Value of book sales by genre 2005 (Source: Börsenverein des Deutschen Buchhandels)

Table 7 Book sales by category (Source: Media Control GFK International)

CATEGORY	2003	2004	2005
Fiction	29,5 %	31,0 %	30,7 %
Non-fiction and guide books	17,3 %	17,3 %	16,4 %
Children's and young people's books	14,1 %	12,6 %	14,3 %
School books	8,3 %	9,3 %	10,4 %
Humanities, art and music	11,2 %	10,0 %	9,3 %
Mathematics, natural sciences and technology	6,5 %	6,6 %	6,7 %
Travel guides	7,0 %	7,0 %	6,4 %
Social sciences, law and economics	6,3 %	6,2 %	5,8 %
TOTAL	100 %	100 %	100 %

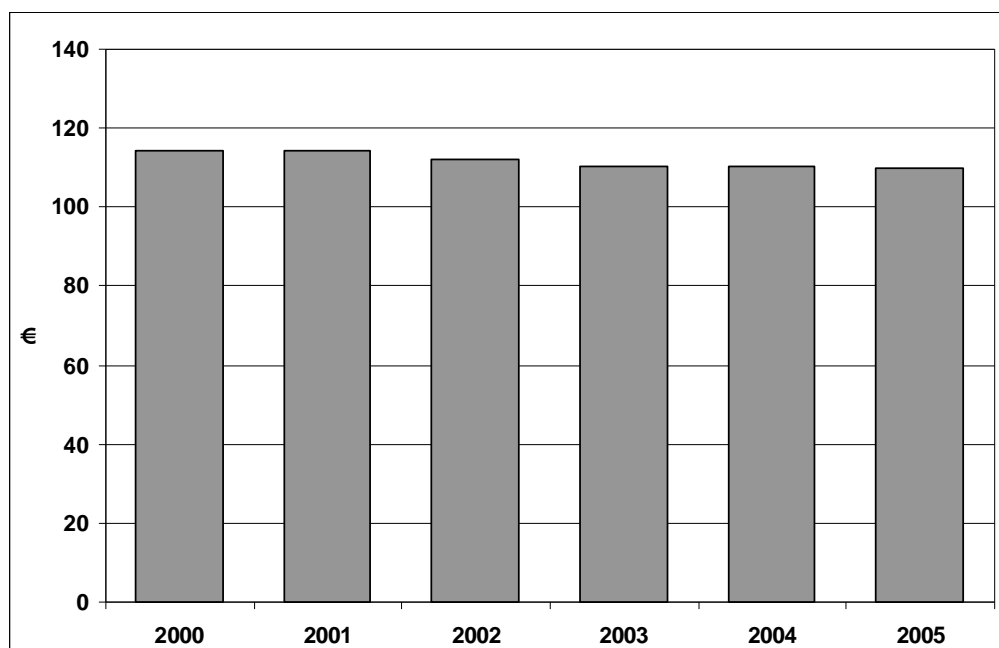


Figure 67 Value of book sales per capita (Source: Börsenverein des Deutschen Buchhandels and Statistics Finland, World in Figures)

Table 8 Estimated values of book sales by distribution outlets (Source: Börsenverein des Deutschen Buchhandels)

	2000	2001	2002	2003	2004	2005
Retail book trade	58,0 %	57,8 %	57,0 %	56,5 %	56,0 %	55,8 %
Department stores	4,6 %	4,6 %	4,6 %	4,5 %	4,0 %	4,4 %
Door-to-door & mail order	8,1 %	8,5 %	9,1 %	9,4 %	10,0 %	9,9 %
Publisher's direct sales	16,6 %	16,8 %	17,2 %	17,3 %	18,0 %	17,7 %
Book clubs	3,7 %	3,6 %	3,4 %	3,4 %	3,0 %	3,3 %
Other sales outlets	8,9 %	8,7 %	8,7 %	8,8 %	9,0 %	9,0 %
	100 %	100 %	100 %	100 %	100 %	100 %

5.1.3 Book production

In 2004, the number of published titles was 89 869. That is 8,4 per cent more than in year 2000 and almost 50 per cent more than in 1990.

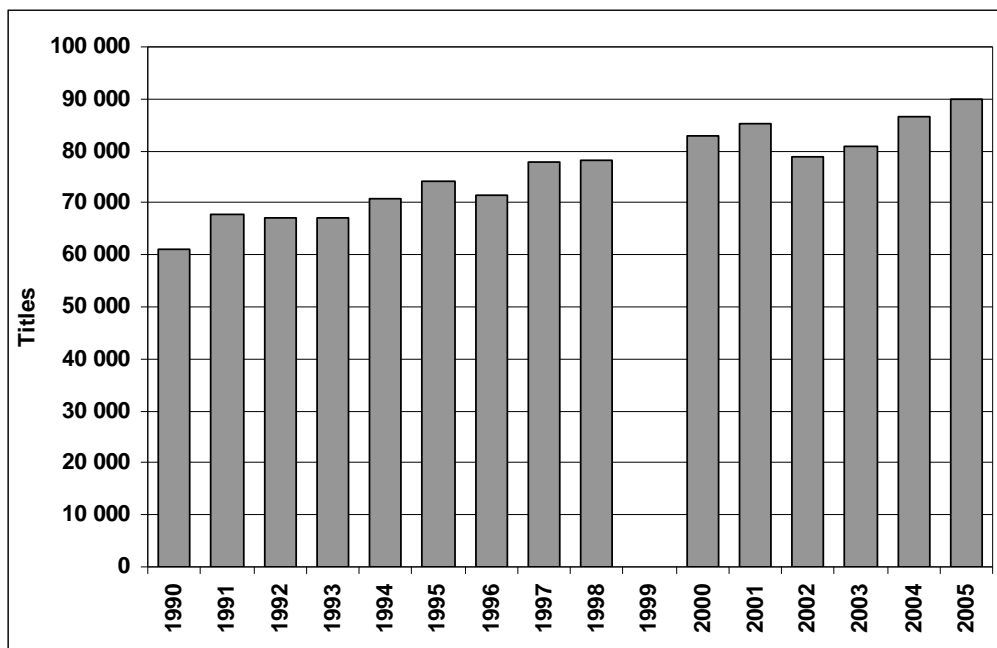


Figure 68 Number of published titles (Source: Deutsche Nationalbibliografie)

In 2005, children's and young people's books represented 7,2 per cent of published titles. Fiction titles represent 14,3 per cent of published titles. Category other subject groups represented over 30 per cent of the published titles. This category includes books that are not categorised in to the other twelve categories of books.

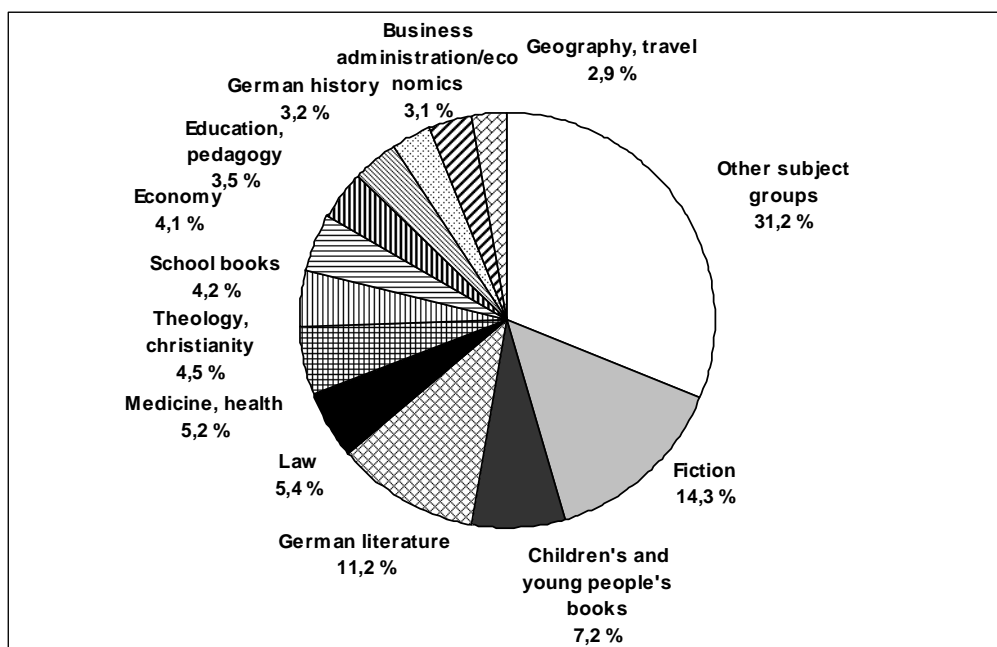


Figure 69 Book title production by genre 2005, first editions (Source: Börsenverein des Deutschen Buchhandels)

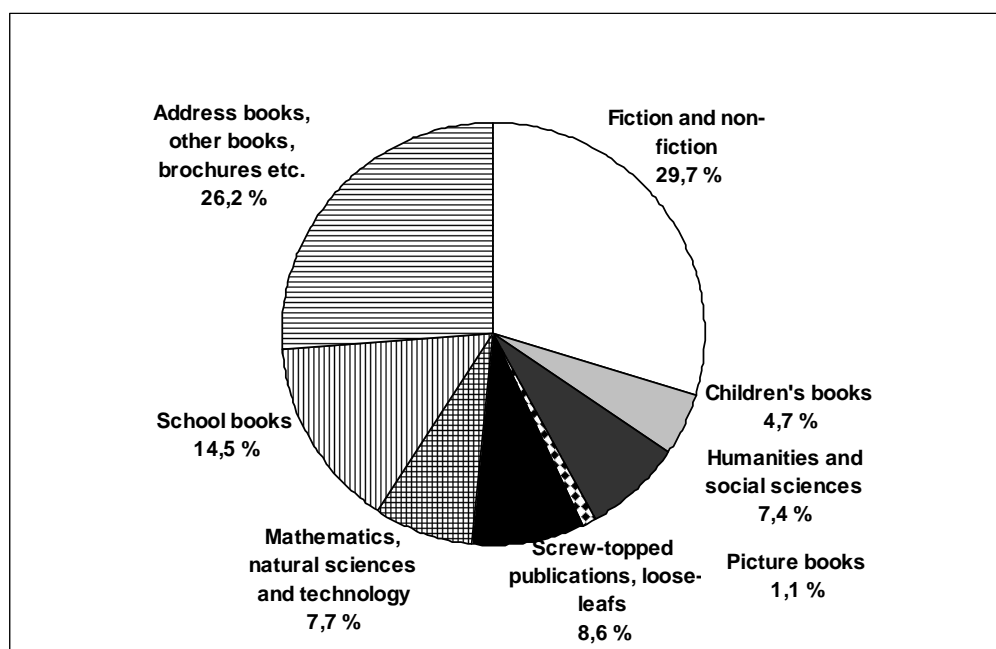


Figure 70 Value of book production by category 2005 (Source: Börsenverein des Deutschen Buchhandels)

Table 9 Fiction book production by genre 2003-2005 (Source: Media Control GFK International)

CATEGORY	2003	2004	2005
Novels	49,8 %	49,3 %	48,6 %
Detective stories	21,5 %	21,6 %	22,3 %
Humour/Caricatures/Comics/Satire	5,8 %	6,1 %	6,5 %
Letters/Diaries/Biographies	6,2 %	6,6 %	6,3 %
Science fiction/Fantasy	6,9 %	6,2 %	5,8 %
Gift books	4,7 %	4,7 %	4,7 %
Books in a foreign language	1,7 %	1,8 %	2,7 %
Poetry/Drama/Essays/	2,7 %	2,8 %	2,5 %
Story-books/Sagas/Legends/Fables	0,7 %	0,9 %	0,6 %
TOTAL	100 %	100 %	100 %

The number of titles published per million populations is an indication of the activity publishers undertake to provide a market with the range they believe it will support. A lower number indicates that consumers have limited choice; conversely, a higher number may indicate that publishers are being unselective in what they choose to publish, which suggest inefficiencies. In 2005 the number of published titles per million of population was 1 087 titles.

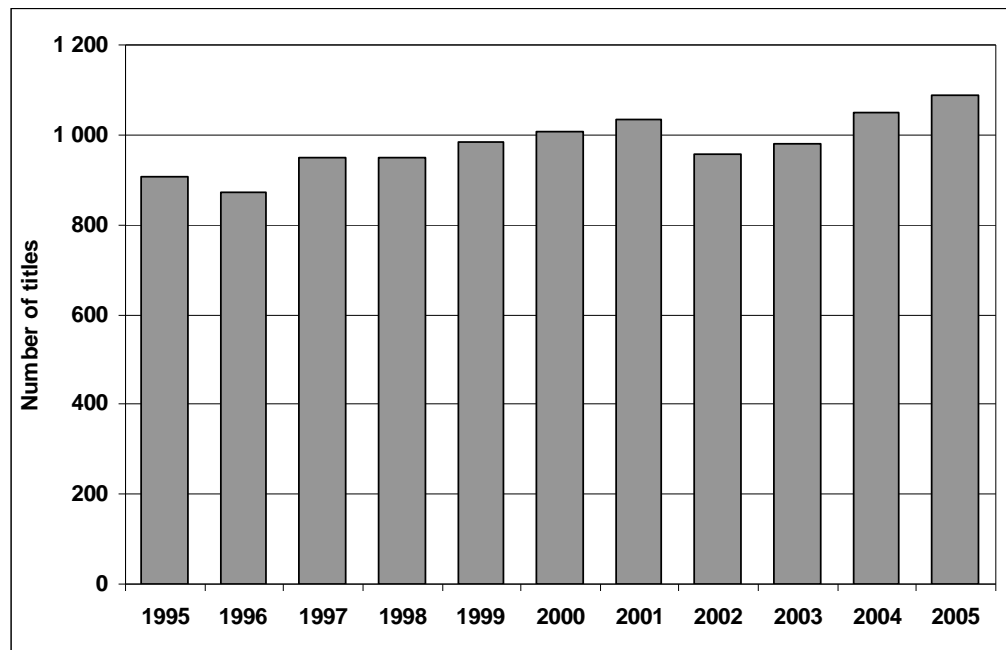


Figure 71 Number of titles published per million populations (Source: Deutsche Nationalbibliografie and Statistics Finland, World in Figures)

The number of book publishing companies can be related to the total size of the market. The number of titles published per company gives an idea of the scale of the companies and activities that they must sustain. In 2004 the average number of titles published per company was 48,5 titles.

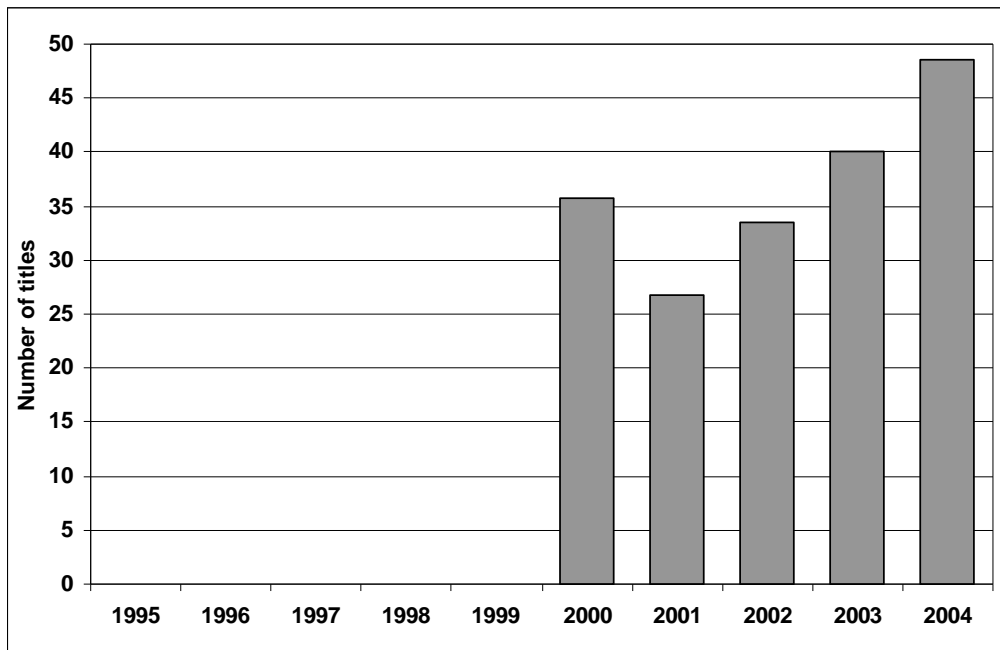


Figure 72 Number of published titles per book publishing company (Source: Deutsche Nationalbibliografie and Eurostat New Cronos Database)

5.1.4 Public libraries

The number of books in public libraries provides an indicator of the free availability of literature to the public. In 2005, the number of books in public libraries per capita was 1,5.

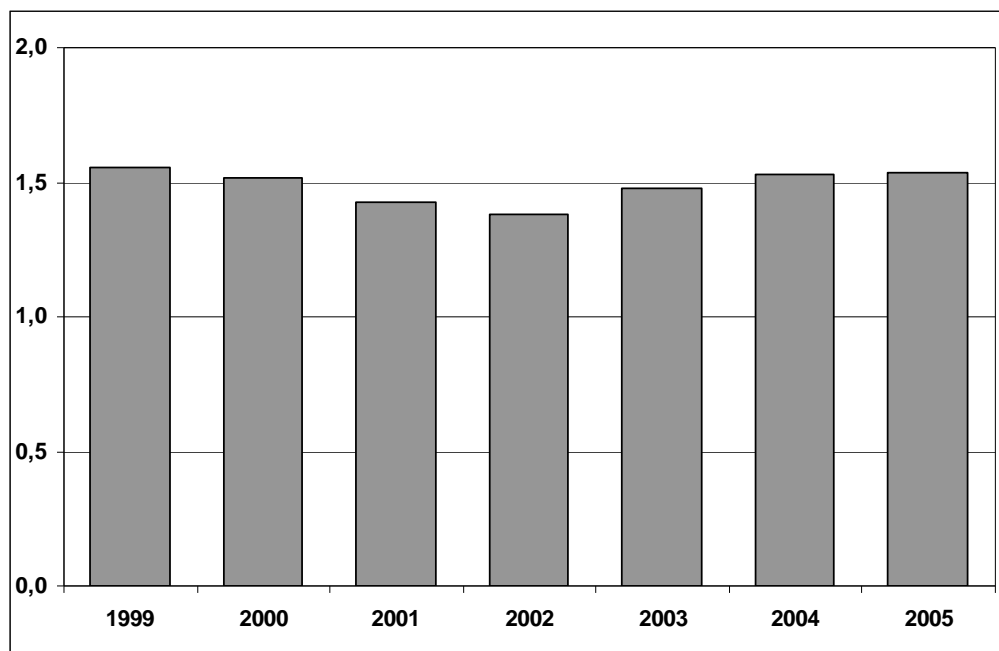


Figure 73 Number of books in public libraries per capita (Source: Deutsche Bibliotheksstatistik and Statistics Finland, World in Figures)

The intensity of the public use is measured by loans per capita. The number of loans per capita has been relatively stable since 1999. In 2005, the number of loans per capita was 4,0.

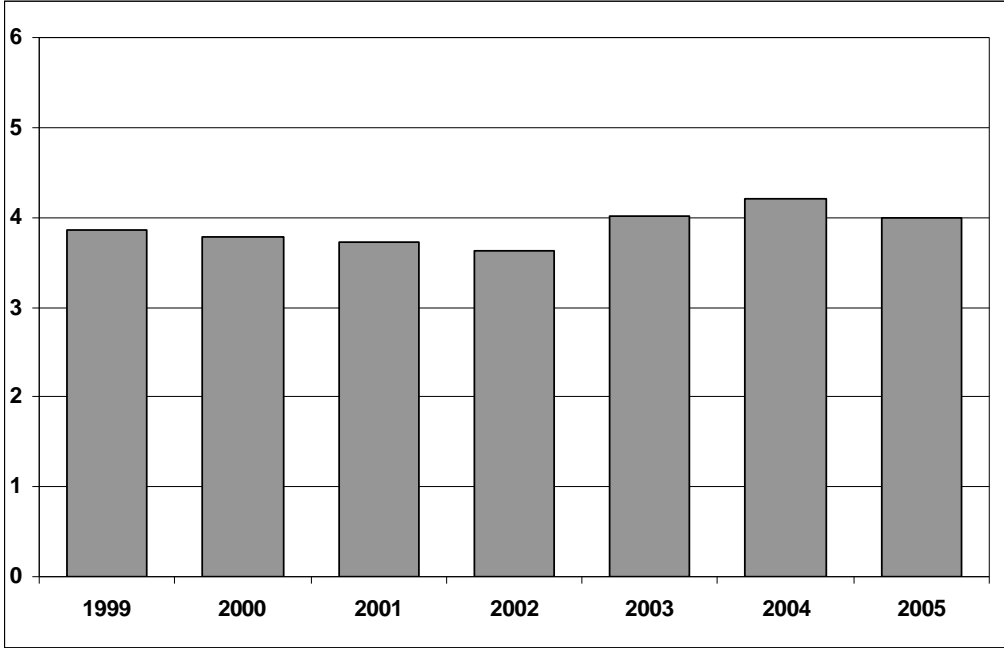


Figure 74 Number of loans per capita in public libraries per capita (Source: Deutsche Bibliotheksstatistik and Statistics Finland, World in Figures)

5.2 Industry structure analysis

5.2.1 Number of companies

The total number of book publishing companies has declined since 2001. In 2004 the total number of book publishing companies in Germany was 1 784.

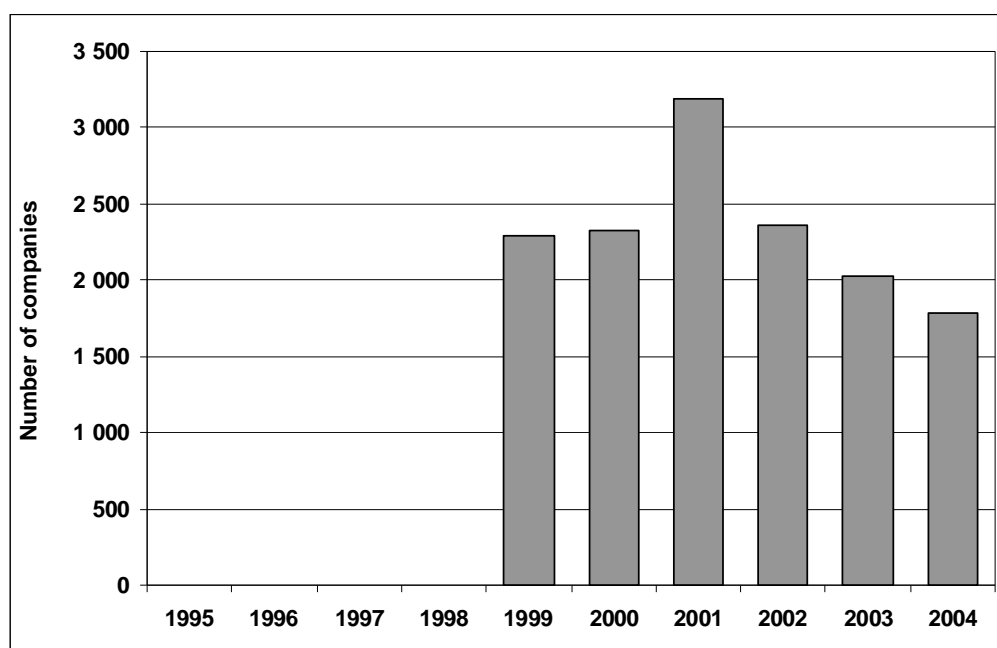


Figure 75 Number of companies in the book publishing industry (Source: Eurostat New Cronos Database)

Table 10 VAT-based book publishers in Germany by turnover size (Source: Umsatzsteuersstatistik 2004, Statistisches Bundesamt)

Turn over (€)	2000		2001		2002		2003		2004	
	Companies	%	Companies	%	Companies	%	Companies	%	Companies	%
17 500 - 50 000**	844	22,6 %	820	26,8 %	497	18,7 %	529	19,5 %	529	19,1 %
50 000 - 100 000	619	16,5 %	***	n/a	423	15,9 %	406	15,0 %	447	16,1 %
100 000 - 250 000	737	19,7 %	753	24,6 %	521	19,6 %	530	19,6 %	562	20,3 %
250 000 - 500 000	457	12,2 %	439	14,3 %	347	13,1 %	377	13,9 %	375	13,5 %
500 000 - 1 000 000	341	9,1 %	356	11,6 %	264	9,9 %	250	9,2 %	260	9,4 %
1 000 000 - 2 000 000	246	6,6 %	241	7,9 %	189	7,1 %	207	7,6 %	198	7,1 %
2 000 000 - 5 000 000	232	6,2 %	232	7,6 %	188	7,1 %	190	7,0 %	185	6,7 %
5 000 000 - 10 000 000	95	2,5 %	90	2,9 %	77	2,9 %	73	2,7 %	70	2,5 %
10 000 000 - 25 000 000	93	2,5 %	87	2,8 %	84	3,2 %	83	3,1 %	85	3,1 %
25 000 000 - 50 000 000	40	1,1 %	46	1,5 %	35	1,3 %	35	1,3 %	34	1,2 %
Over 50 000 000	37	1,0 %	***	n/a	32	1,2 %	30	1,1 %	26	0,9 %
Total	3741		3064		2657		2710		2771	

* Including address book publishers, excluding companies with turn over under 17 500 € without VAT

** 2000 and 2001; from 16 617 €

*** Not available due to tax secrecy

Table 11 Top 50 book publishing companies in Germany based on turnover in 2004 (Source: Buchreport 2005)

Rank	Company	Region	Turn over (Million €)
1	Springer Science+Business Media	Berlin	588,0
2	Cornelsen Verlagsgruppe	Berlin	346,9
3	Klett-Gruppe	Stuttgart	344,0
4	Westermann Verlagsgruppe	Braunschweig	226,8
5	Weltbild	Augsburg	224,2
6	Weka Firmengruppe	Kissing	208,3
7	Random House	München	201,8
8	Wolters Kluwer Deutschland	Unterschleißheim/München	180,0
9	Haufe Gruppe	Freiburg/Breisgau	159,3
10	Vogel Medien Gruppe	Würzburg	144,0
11	MairDuMont	Ostfildern	143,0
12	C.H. Beck	München	130,0
13	Deutscher Fachverlag	Frankfurt/Main	124,3
14	Thieme	Stuttgart	117,0
15	Rentrop Verlagsgruppe	Bonn	115,0
16	Langenscheidt	München	86,9
17	BI/Brockhaus	Mannheim	83,0
18	Wiley-VCH	Weinheim	82,9
19	Verlagsgruppe Lübbe	Bergisch Gladbach	75,3
20	Verlagsgruppe Droemer Knaur	München	69,6
21	Rowohlt	Reinbek	66,3
22	S. Fischer	Frankfurt/M	62,9
23	Carlsen	Hamburg	61,7
24	Elsevier GmbH	München	61,0
25	Egmont Holding	Berlin	60,0
25	VG Huthig Jehle Rehm	Heidelberg	60,0
27	Gräfe und Unzer	München	57,0
28	ADAC Verlag	München	56,2
29	Landwirtschaftsverlag	Münster	55,0
30	Deutscher Taschenbuch Verlag	München	53,5
31	Delius Klasing	Bielefeld	51,0
32	Hanser	München	49,2
33	Deutscher Ärzte Verlag	Köln	48,4
34	DAV Verlagsgruppe	Stuttgart	48,0
35	Ravensburger Buchverlag Otto Maier	Ravensburg	46,4
36	Suhrkamp	Frankfurt/Main	46,1
37	Beuth Verlag GmbH	Berlin	45,8
38	Ullstein Buchverlage	Berlin	43,7
39	Herder	Freiburg (Breisgau)	42,9
40	Piper	München	39,6
41	Kohlhammer	Stuttgart	39,2
42	Langen Müller Herbig	München	37,6
43	Friedrich Oetinger GmbH	Hamburg	35,1
44	Dr. Otto Schmidt	Köln	30,9
45	Verlag Neue Wirtschafts-Briefe	Herne	30,9
46	Carto Travel	Bad Soden/Taunus	30,6
47	Süddeutsche Zeitung	München	30,0
48	Pearson Education Deutschland	München	29,8
49	Heymanns	Köln	29,0
50	Stollfuß	Bonn	28,0

5.2.2 Biggest book publishers

Company	Shareholder-Name	Direct. %	Total. %	Subsidiaries
SPRINGER-VERLAG GMBH	SPRINGER SCIENCE+BUSINESS MEDIA GMBH	100,00	100,00	FUCHSBRIEFE DR. HANS FUCHS GMBH DGVY FACHVERLAG GMBH

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total %	Subsidiaries
CORNELSEN VERLAGSHOLDING GMBH & CO.	FRANZ CORNELSEN STIFTUNG - RESTAURIERUNGEN - KARL RAUCH VERLAG KOMMANDITGESELLSCHAFT LOESING, MANFRED CORNELSEN VERLAGSHOLDING VERWALTUNGS GMBH	95,21 13,15 2,03 -	n.a. n.a. n.a. n.a.	CORNELSEN DRUCK GMBH & CO. CORNELSEN DRUCK VERWALTUNGS GMBH CORNELSEN EXPERIMENTA GMBH & CO. CORNELSEN GMBH & CO. CORNELSEN KLETT LEARNING SOLUTIONS VERWALTUNGS GMBH CORNELSEN PRESS VERWALTUNGS GMBH FRANZ CORNELSEN VERLAG GESELLSCHAFT MIT BESCHRANKTER HAFTUNG P2V PÄDAGOGISCHER ZEITSCHRIFTENVERLAG GMBH & CO. P2V PÄDAGOGISCHER ZEITSCHRIFTENVERLAG VERWALTUNGS GMBH K. DALENBURG VERLAG GMBH STUDIENKREIS GMBH STUDIENKREIS PARTNERSYSTEME GMBH AKAD-KADAMMERGESELLSCHAFT FÜR ERWACHSENENFORTBILDUNG MBH PATMOS VERLAG GMBH & CO. KG PEOPLE ONLINE GMBH CORNELSEN VERLAGSKONTOR VERWALTUNGSGESELLSCHAFT MBH BIROU DE INGÉNIERIE SI CONSULTING ALL SRL CS DRUCK CORNELSEN STURTZ GMBH & CO. KG CS DRUCK VERWALTUNGS GMBH ALL EDUCATIONAL SA BIC ALL DISTRIBUTE SRL CORNELSEN VERLAG GMBH & CO. OHG VERTIS-VERLAGS-UND HANDELSGESELLSCHAFT M.B.H. & CO. OHG

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total %	Subsidiaries
ERNST KLETT AG	KLETT FAMILIENKOMMANDITGESELLSCHAFT	100,00	100,00	ERNST KLETT INFORMATION BETEILIGUNGSGESELLSCHAFT MBH ERNST KLETT VERLAG GMBH KLETT DRUCK GMBH KLETT SYSTEME UND SERVICE GMBH KLETT HAUS STUTTGART BETEILIGUNGSGESELLSCHAFT MBH SKE GRUNDSTÜCKSERWALTUNGSGESELLSCHAFT MBH SKE KORB GRUNDSTÜCKSGESELLSCHAFT MBH STUTTGARTER VERLAGSKONTOR SVK GMBH MSH MEDIEN SYSTEM HAUS GMBH & CO. KG MSH MEDIENSYSTEM HAUS VERWALTUNGSGESELLSCHAFT MBH

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total %	Subsidiaries
BILDUNGS- UND SCHULBUCHVERLAG WESTERMANN SCHRÖDELE	GEORG WESTERMANN VERLAG DRUCKEREI UND KARTOGRAFISCHE ANSTALT	100,00	100,00	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total %	Subsidiaries
VERLAGSGRUPPE WELTBILD GMBH	BISCHÖFliches ORDINARIAT ERZDIOZEESE MÜNCHEN UND FREISING DIOZEESE ALGSBURG ERZBISTUM KOELN ERZBISCHÖFliches GENERAL-VIKARIAT BISCHÖFlicher STUHL ZU PASSAU (DIOZEESE UND BISTUM) BISCHÖFlicher STUHL ZU REGENSBURG BISTUM MUEZBURG ERZDIOZEESE BAMBERG DIOZEESE TRIER KOERPERSCHAFT D. OFFENTL. RECHTS KATHOLISCHES MILITARISCHES KOPFAMT BISTUM AACHEN BISCHÖFliches GENERAL-VIKARIAT DIOZEESE EICHSTAETT ERZBISTUM FREIBURG BISCHÖFliches GENERAL-VIKARIAT	17,04 13,22 11,75 7,23 5,07 5,07 5,07 5,07 4,26 4,26 4,20 3,40 2,69 2,43	n.a. n.a. n.a. n.a. n.a. n.a. n.a. n.a. n.a. n.a. n.a. n.a. n.a. n.a.	JOHANN MICHAEL SAILER VERLAG GESCHAFTSFUHRUNGS GMBH JOHANN MICHAEL SAILER VERLAG GMBH & CO. KG KIDOH! GMBH BAYARD MEDIA GMBH & CO. KG BSH BUCH HANDELS VERWALTUNGS GMBH DMC DIREKT-MARKET-ING-CONSULTING GMBH LIVING & MORE VERLAG GMBH WELTBILD PLUS HOLDING GMBH & CO. KG WELTBILD PLUS MEDIEN-ERTRIEBS GMBH & CO. KG WELTBILD PLUS MEDIEN-ERTRIEBS-VERWALTUNGS GMBH BLUECHER.DE GMBH & CO. KG BLUECHER.DE VERWALTUNGS GMBH

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total %	Subsidiaries
CMP-WEKA VERLAG GMBH & CO. KG	CMP MEDIA GMBH WEKA H&M VERLAG GMBH & CO. KG CMP-WEKA-VERLAG BETEILIGUNGS-GMBH	50,00 50,00 -	n.a. n.a. n.a.	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total %	Subsidiaries
WEKA INFO-VERLAG GMBH	WEKA L&K-ING GMBH & CO. KG	100,00	100,00	

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total %	Subsidiaries
WOLTERS KLUWER DEUTSCHLAND GMBH	WOLTERS KLUWER GERMANY HOLDING GMBH	100,00	100,00	CARL HEYMANN'S VERLAG KG VERLAG PRAKTISCHES WISSEN GMBH

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total %	Subsidiaries
RUDOLF HAUFE VERLAG GMBH & CO. KG	HAUFE, ANDREA HAUFE, FRANK HAUFE, SYLVIA HAUFE-LAQUA, MANUELA HAUFE VERWALTUNGS GMBH	25,00 25,00 25,00 25,00 -	n.a. n.a. n.a. n.a. n.a.	HAUFE AKADEMIE GMBH HAUFE FACHMEDIA GMBH & CO. KG HAUFE FACHMEDIA ERWALTUNGSGESELLSCHAFT MBH HAUFE SERVICE CENTER GMBH INFORMATIONEN VERLAGSGESELLSCHAFT MBH LEXWARE GMBH & CO. KG LEXWARE VERWALTUNGS GMBH VIRS VERLAG WIRTSCHAFT, RECHT UND STEUERN GMBH & CO. FACHVERLAG VIRS VERLAG WIRTSCHAFT, RECHT UND STEUERN GMBH MARTINSREED LEGOS GMBH IURIS GMBH JURISTISCHES INFORMATIONSSYSTEM FÜR DIE BUNDESREPUBLIK DEUTSCHLAND

Source: Bureau van Dijk Amadeus-database

Company	Shareholder-Name	Direct. %	Total %	Subsidiaries
VOGEL MEDIEN GMBH & CO. KG	ECKERNKAMP, NINA MARIA FRIEDRICH VON WANGENHEIM, KLAUS-ULRICH PUGMEISTER, KATHARINA ECKERNKAMP, KURT VOGEL MEDIEN VERWALTUNGS GMBH	31,00 30,00 30,00 9,00 -	n.a. n.a. n.a. n.a. n.a.	WVV INSTITUT FÜR WIRTSCHAFTSPUBLIZISTIK VERLAG STEUERN RECHT VERW. GMBH VOGEL BUSINESS MEDIEN GMBH & CO. KG VOGEL BUSINESS MEDIEN VERWALTUNGS-GMBH VOGEL GMBH VOGEL INDUSTRIE MEDIEN GMBH & CO. KG VOGEL INDUSTRIE MEDIEN VERWALTUNGS GMBH VOGEL MEDIEN VERWALTUNGS GMBH DATAM - SERVICES GESELLSCHAFT F. ADRESSMANAGEMENT DIREKT. U. VERTR. MBH VOGEL MOTOR-PRESSE PRODUKTEMENT GMBH AKADEMIE DES DEUTSCHEN KOBALT-ZUBEHÖRGEWERBES GMBH (TAK)

Source: Bureau van Dijk Amadeus-database

5.2.3 Employment related measures

The number of employees provides a measure of employment in the operations of an industry. When this number compared with total employment in the economy, it provides an indicator of the relative importance of that industry in terms of employment. The total number of employees in the book publishing industry in 2004 was 30 265.

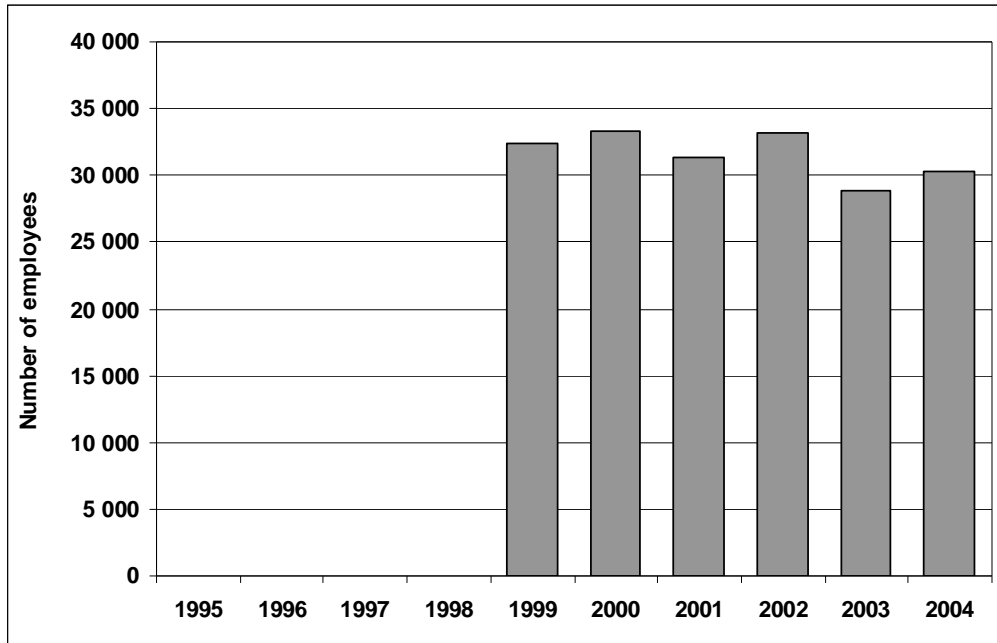


Figure 76 Number of employees in the book publishing industry (Source: Eurostat New Cronos Database)

The employment costs of a particular industry depend upon the work intensity of value creation, the value created and the bargaining power of the workforce in the labour market. Per-employee costs in the book publishing industry show an unchangeable trend. In 2004 the personnel costs per person employed were 44 300 Euros.

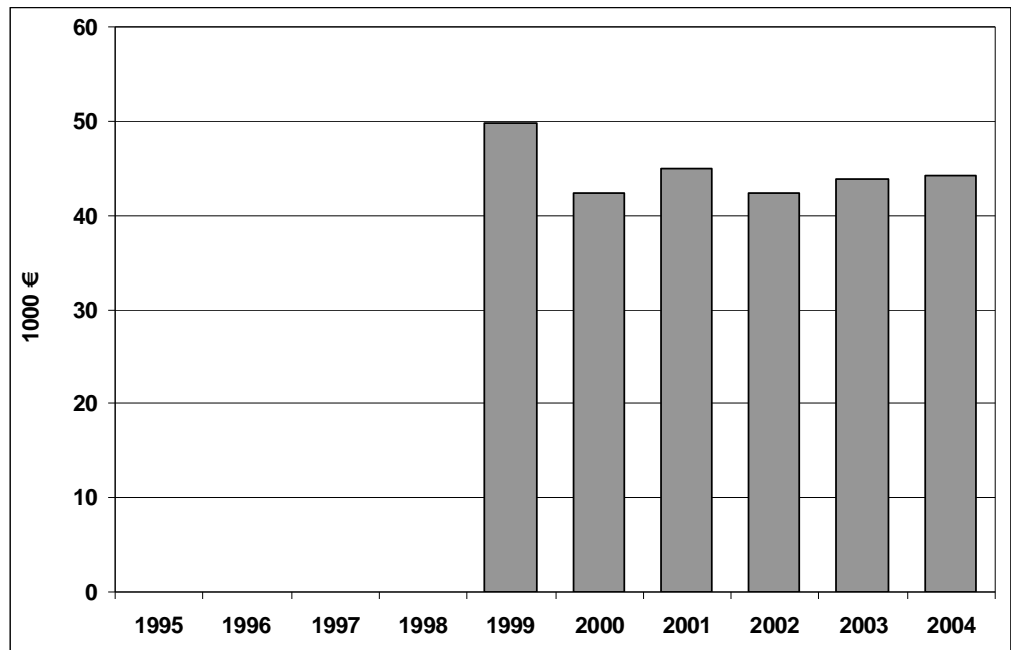


Figure 77 Personnel costs per person employed in the book publishing industry (Source: Eurostat New Cronos Database)

5.2.4 Financial measures

Turnover

The total turnover of the book publishing industry has declined since 1999, starting at 7,7 billion Euros in 1999 and falling to 6,4 billion Euros in 2004.

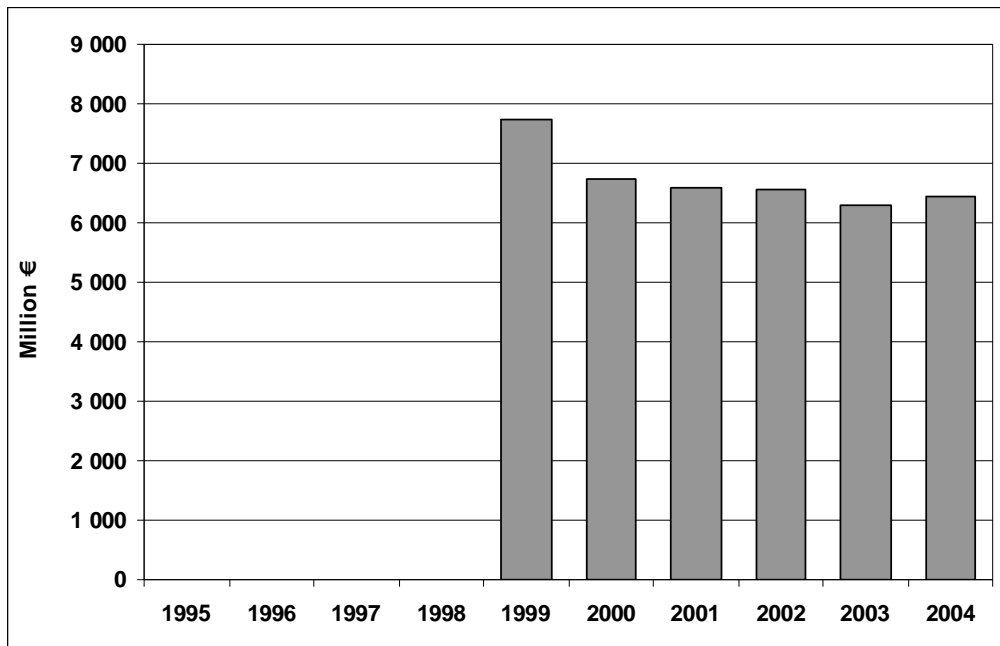


Figure 78 Total turnover of the book publishing industry, Million €(Source: Eurostat New Cronos Database)

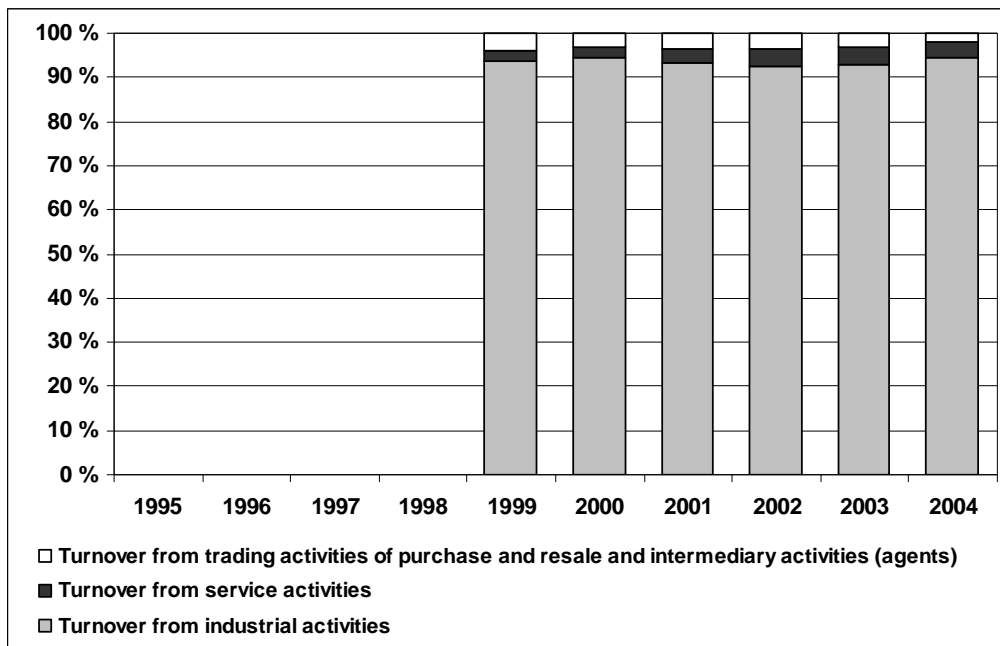


Figure 79 Distribution of the total turnover of the book publishing industry by business activities (Source: Eurostat New Cronos Database)

Change in turnover

The percentual change in turnover in the book publishing industry varied a great deal during 2000-2004. In 2004, the percentual change in total turnover of the book publishing industry was 2,4 per cent.

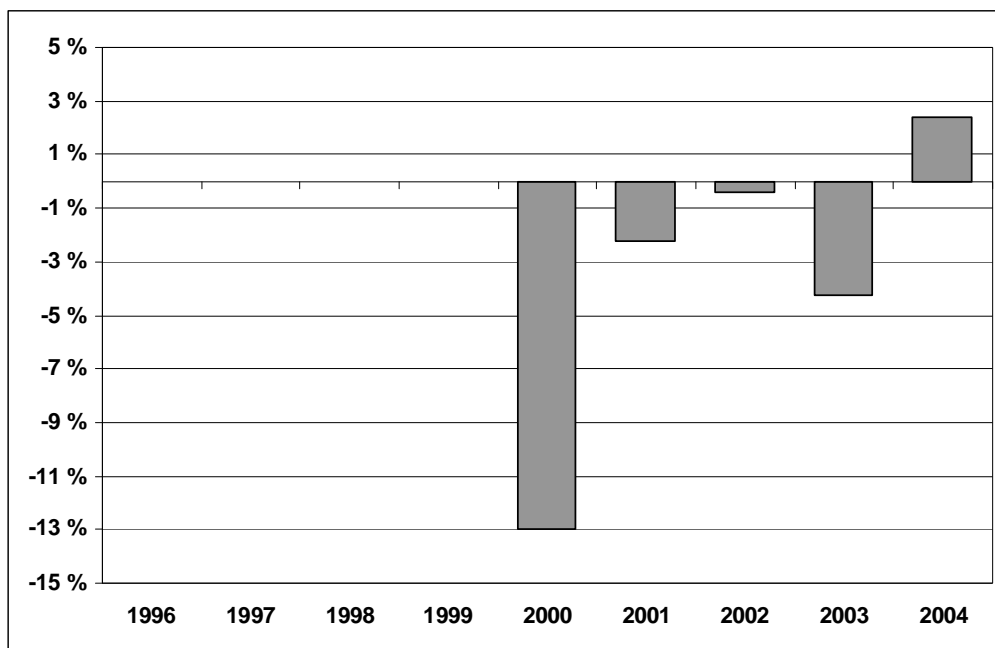


Figure 80 Annual changes in turnover, % (Source: Eurostat New Cronos Database)

Value added

Value added provides a measure of the total annual output of goods and services produced by the companies in a particular industry. This is the value of the turnover of the industry less the value of inputs from other industries. In 2004 the total value added of book publishing industry was 2 020 million Euros.

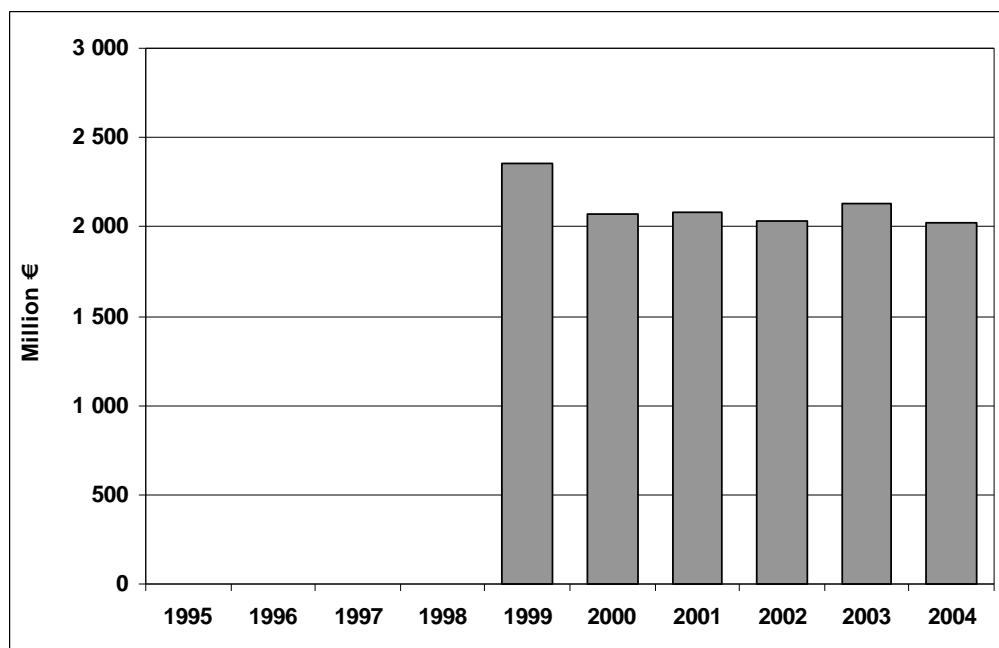


Figure 81 Total value added of book publishing industry at constant prices, Million € (Source: Eurostat New Cronos Database)

The sum of value added of all industries and households is equal to the Gross Domestic Product (GDP). Therefore the share of an industry's value added of a country's GDP measures directly that industry's contribution to the national economy. The book publishing industry's contribution to GDP was 0,10 per cent in 2004.

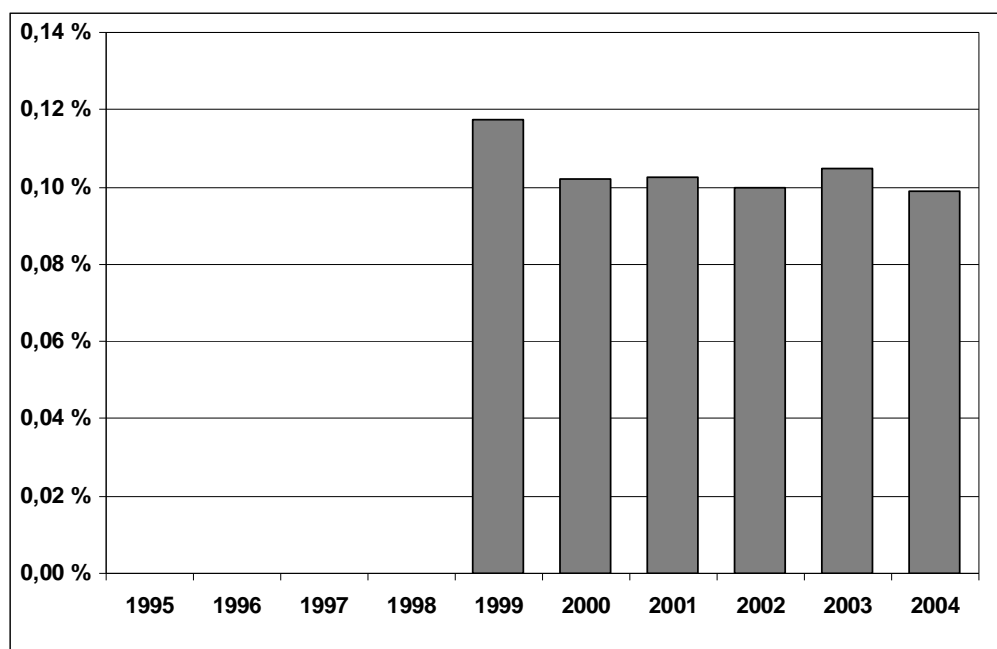


Figure 82 Value added to GDP (Source: Eurostat New Cronos Database)

Value added per employee

Value added per employee is a measure of productivity. This measure has varied quite a lot during the last six years. At its highest, it was 74 000 Euros in 2003. In 2004, value added per employee was 66 700 Euros.

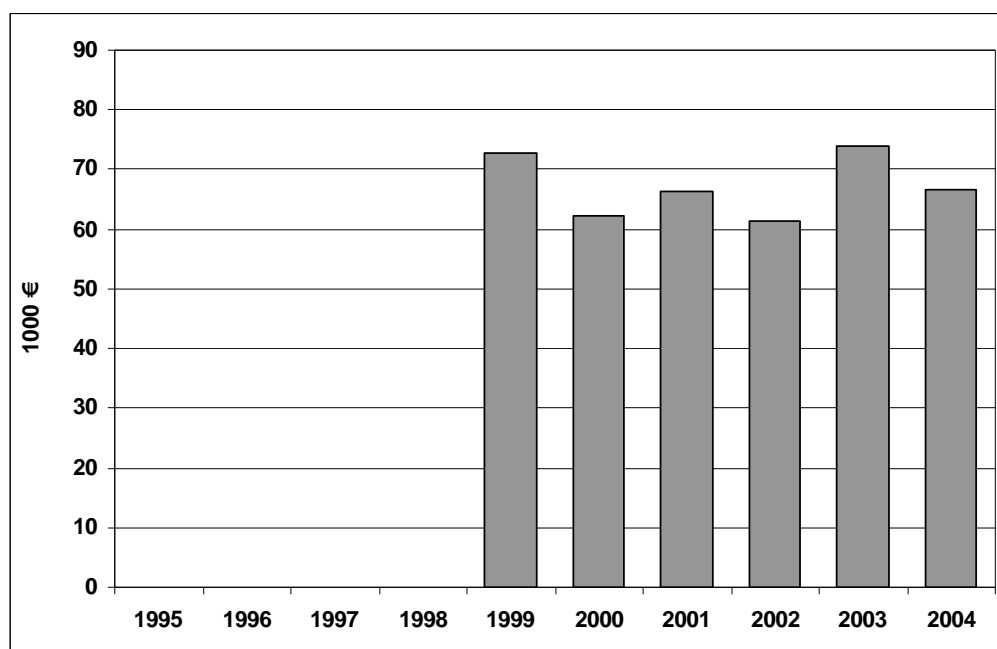


Figure 83 Value added per employee, 1000 € (Source: Eurostat New Cronos Database)

Value added per personnel costs

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

The critical value is 1. If the indicator is below 1, it means the value created does not cover the employment costs, creating an operational loss. In 2004 value added per personnel costs was 1,5.

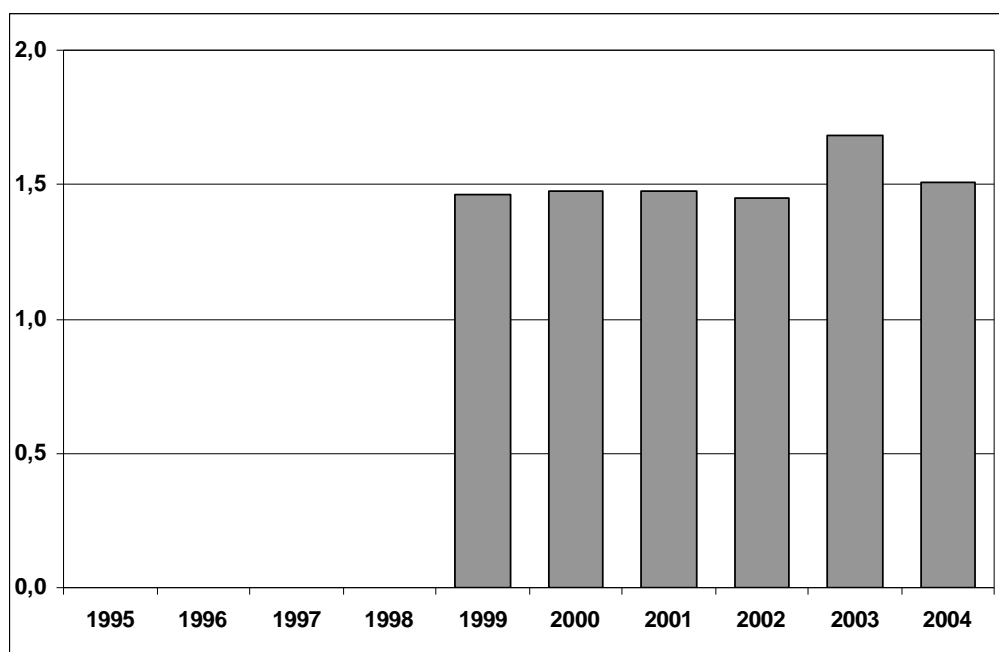


Figure 84 Value added per employee costs (Source: Eurostat New Cronos Database)

Turnover per employee

Turnover per employee was 206 300 Euros in 2004.

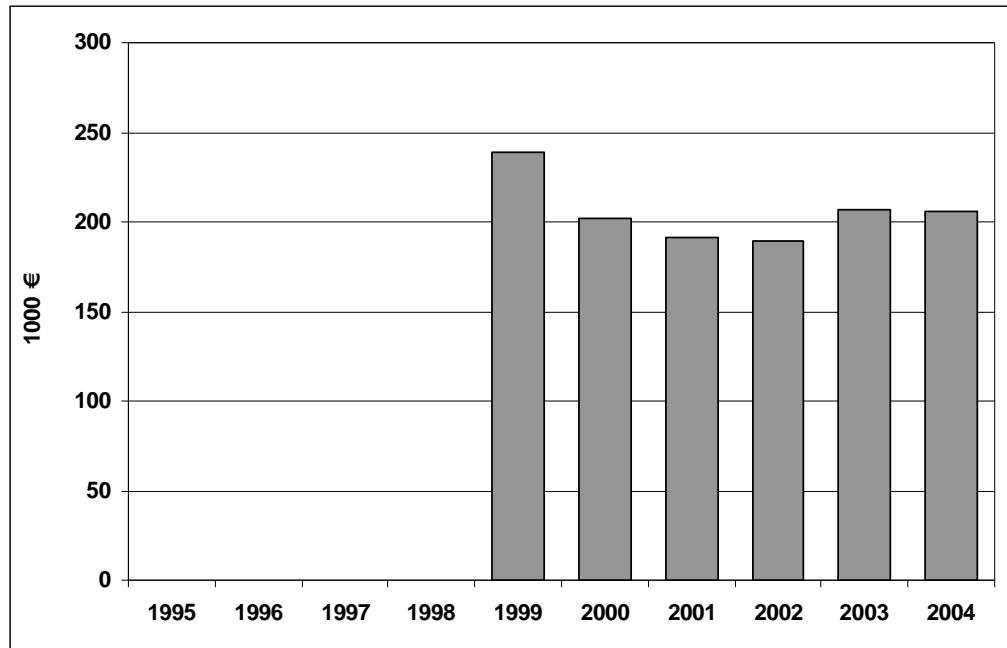


Figure 85 Turnover per employee (Source: Eurostat New Cronos Database)

Operating margin

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

The operating margin of the book publishing industry has been close to 10 per cent over the couple over the last six years (except in 2003). In 2004 the operating margin of the book publishing industry in Germany was 10,5 per cent.

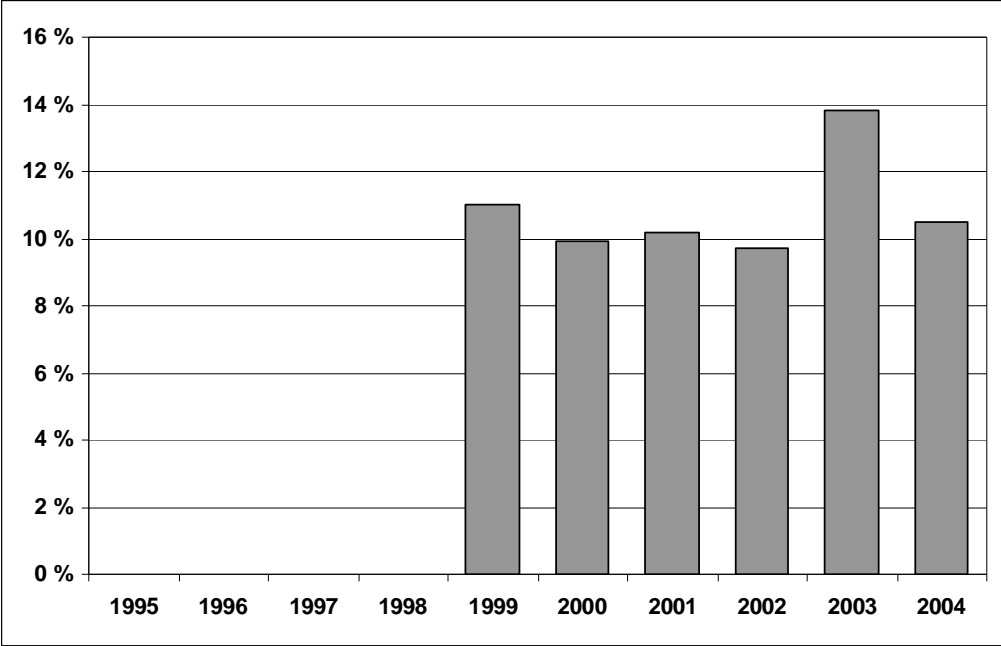


Figure 86 Operating margin of the book publishing industry, % (Source: Eurostat New Cronos Database)