SPECIAL REPORT

Americas

WORLD MAGAZINE TRENDS

2014 / 15

FIPP INSIGHT

AMERICAS

> COUNTRIES COVERED

- > Argentina
- > Brazil
- > Canada
- > Chile
- > Colombia
- > Mexico
- > Peru
- > USA

>SUMMARY: LATIN AMERICA

Similar to Central & Eastern Europe and fast-track Asia, Latin America is a region with rapidly growing economic output (10% GDP growth in 2013), and its ad market is growing at a similar rate. Advertising expenditures grew 9.7% in 2013 to a total of US$35,484 million, which accounts for 7% of global adspending.

Brazil is the largest South American market by a distance, accounting for 42% of adspend in the region in 2013. Mexico with 17% of total adspend is the second largest country. Argentina is the third country (14% share) but because of exceptional annual growth predictions of 28% it will overtake Mexico with a 21% share in 2016.

Strongest growth market

In 2016 the advertising expenditures in the South America region will grow by 39%, which makes it the number one growth market of the world. The ZenithOptimedia forecast shows an average annual growth rate of 11.6% a year between 2013 and 2016 to a total of US$49,329 million in 2016, boosted by the World Cup in 2014 and the Olympics in 2016, both to be hosted in Brazil. Global market share is also growing to 9%.

A typical media mix

In 2013 TV and newspapers were the most important media, with a combined share of 78% of total spending. A market share of 16% for newspapers is about the same as the global situation (17%, index 94), but TV is much more dominant in this region with a share of 62%, where this is 40% globally (index 157). Even though internet is the fastest growing of all media it only has 6% market share, at an index of 29 (21% worldwide). The situation will not change much over the coming years. In 2016 the share of internet increases to 9% (revenue is doubled to US$4,381 million) but the index is still only 31 (28% worldwide), so the roll in the media mix doesn't change much if compared globally. The small proportion of Latin American advertising expenditure channelled into online ads can be largely attributed to the relatively low level of regional internet penetration.

The medium reaches around 55% of South Americans and 38% of Central Americans, compared with 85% of North Americans and 69% of the European population according to Internet World Stats. TV will grow with an annual average of 10.5% and as the only region in the world where newspapers will increase by an annual average of 12.6%, therefore the media mix will still be atypical in 2016.

The only region in the world with increasing magazine revenues

Magazines are a small medium in the Latin America region – only 4% market share compared with 8% worldwide – however they represent a healthy industry. According to ZenithOptimedia data, 2013 was a difficult year for magazines with a decline in adspend of 2.6% to a total of US$1,574 million. However the forecast is very positive with a total growth of 13% in 2016 to a total of US$1,773 million. Although absolute numbers differ for advertising spend, PwC is predicting the same growth scenario for magazines in Latin America. It is the only region in the world where magazine revenue is increasing.

Consumer magazines are responsible for the majority of total magazine revenue with 87% (US$3,578 million), where B2B magazines represent 13% (US$579 million).

Economic growth makes print magazines affordable for more people

About half of the revenue comes from circulation. Circulation has grown over the past few years and is set to continue as economic growth in the region makes print magazines affordable for a greater number of people. Total magazine circulation revenue will continue to grow, rising to US$2,353 million in 2016 from US$2,045 million in 2013, an absolute growth of 15%.

Digital magazine circulation revenue will increase rapidly over the next three years, rising by a yearly average of 78% between 2013 and 2016, but the low baseline of US$12 million in 2013 means that digital circulation revenue will be US$65 million in 2016 and account for just 3% of total magazine circulation revenue. Digital revenues will comprise 6% of total magazine revenue in 2016, but relatively low tablet and fixed broadband penetration rates will limit growth and mean that digital revenues will not make up as large a proportion of total magazine revenue in Latin America as in other regions.

**ZenithOptimedia reports on Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Panama, Peru, Puerto Rico, Uruguay and Venezuela in the Latin America region. Smaller markets are not included in the data. PwC includes Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela in its statistics for Latin America.*

In 2016 the advertising expenditures in the South America region will grow by 39%, which makes it the number one growth market of the world

The region of North America is – with a market share of 36% and a total of US$178,134 million in 2013 – still the number one advertising region in the world. Not so surprising taking in account that it contains the number one advertising market (USA with US$167,299 million) and the number 10 (Canada with US$10,835 million) in 2013. Within the years to come this situation will not change. The USA will even be the largest contributor of adspend growth until 2016 according to ZenithOptimedia. Between 2013 and 2016 it expects the USA to contribute 26% of the US$90bn that will be added to global adspend.

In 2013 television continued to be the number one medium and made up a majority of adspend, with a stable 38% share (US$67,646 million), followed by 22% for the internet (US$39.618 million), 14% for newspapers (US$24,585 million), 10% for both magazines (US$18,492 million) and radio (US$18,627 million) and 5% for outdoor US$8,404 million).

Advertising expenditure is still growing in North America's print media

Although the growth of advertising expenditures is still continuing in North America's print media – newspapers and magazines as well – it still faces negative adspend revenues. Magazines aren't being hit as hard as newspapers though. In 2013 magazine spending stabilised with a negligible decline of 0.3% and will face a decline of approximately 1% a year. Newspapers saw a substantial decline of 8.7% and will do so over the next few years with a decline of around 7.5%.

The forecast for 2014 and beyond shows that the total advertising revenue in the region will grow on average 4.5% a year to a total of US$203,125 million in 2016 and therefore will remain the number one region in the world. Television will still be the biggest medium, with an average of 2.5% growth a year. Internet continues to be the second largest medium with double digit growth figures (an average of 16.8% a year). In 2016 the prognosis is a media landscape with TV and internet as the big players with approximately a third of market share each (36% TV and 31% the internet) and newspapers, magazines and radio with an equal share of around 10% each.

According to data from PwC, total magazine publishing revenue (both advertising and circulation and consumer and B2B) is stable over the last few years and will remain so for the next couple of years. In 2013 the total revenue was US$32,427 million. Consumer magazines take a share of 81% (US$26,156 million) and B2B 19% (US$6,271).

Consumer magazines

There are two visible changes for consumer magazines. One of the changes is that the share between advertising and circulation revenue is slowly shifting. In 2009 advertising revenue accounted for 62% of total revenue and circulation for 38%. In 2013 this is 67% versus 33% and in 2016 the share is forecast by PwC to be 69% versus 31%.

The second change is that digital revenue shows growth and will become a more and more significant driver for the North American consumer magazine market. In 2013 digital revenue (both advertising and circulation) has a share of 15% (US$ 3,860 million). However in 2016, digital revenue is expected to be almost double (US$6,966 million) with a share of more than a quarter of total revenue (27%).

Print revenue (both advertising as circulation) fell in 2013 by 4.8% to US$22,296 million. This decline will continue over the next couple of years, down 14% in 2016 (US$19,104 million).

Digital media will be a major driver of digital advertising revenues

Advertisers are still keen to access the clearly defined audiences which magazines can provide and with the advent of digital media it means that they can now offer the immediate opportunity to purchase along with their ads. This will prove a major driver of consumer magazine digital advertising revenues (US$3,307 million in 2013 to US$5,810 in 2016, a 76% growth).

Consumer magazine circulations, however, will continue on their downward trajectory as digital growth will not be enough to counteract the decline in print circulation revenue. Digital magazines face a wealth of competition from free online content. So probably one of the biggest challenges for the next few years is to monetise the digital consumer one way or the other.

B2B

The outlook for the B2B publishing market is moderately optimistic. With total revenue of US$6,271 million in 2013, B2B magazines will face an annual growth of 1% a year up to total revenue of US$6,487 million in 2016. The share between advertising and circulation revenue shifted from 69% versus 31% in 2009, up to 75% versus 25% but remains stable for the next years to come.

As with the consumer magazines, digital revenue will grow in both dollars and share in the B2B market. In 2013 digital revenue (both advertising and circulation) has a share of 20% (US$1,228 million) and in 2016 31% (US$2,010).

Although not as drastic as consumer magazines, print revenue (both advertising and circulation) also faces a downward tendency and declined by 3.0% to US$5,043 million in 2013. This decline continues over the next couple of years down 11% in 2016 (to US$4,478 million)[1].

Note that the Top Titles listings for North American consumer magazines has not been included this year as USA's MPA now measures total audience engagement across brand platforms therefore the results would not be comparable. Please see Canada and USA for full titles listings.

> Digital revenue shows growth and will become a more significant driver for the North American consumer magazine market

MAGAZINE REVENUE

LATIN AMERICA: Argentina, Brazil, Chile, Colombia, Mexico, Venezuela, Peru

CONSUMER MAGAZINE PUBLISHING REVENUE †

> Advertising revenue (USD millions)

	2009	2010	2011	2012	2013	2014	2015	2016
Print advertising	1,218	1,443	1,543	1,563	1,650	1,740	1,819	1,880
Digital advertising	-	12	29	72	88	109	134	165
Total consumer magazine advertising	1,218	1,455	1,572	1,635	1,738	1,848	1,953	2,045
> Circulation revenue (USD millions)								
Print circulation	1,443	1,556	1,679	1,774	1,828	1,902	1,977	2,054
Digital circulation	-	††	1	3	12	24	39	60
Total consumer magazine circulation	1,443	1,556	1,680	1,777	1,840	1,926	2,016	2,114
TOTAL CONSUMER PUBLISHING	2,662	3,011	3,252	3,413	3,578	3,774	3,969	4,159

B2B MAGAZINE PUBLISHING REVENUE †

> Advertising revenue (USD millions)

	2009	2010	2011	2012	2013	2014	2015	2016
Print advertising	233	267	294	310	333	347	356	358
Digital advertising	-	5	12	31	40	50	62	75
Total B2B magazine advertising	233	273	307	342	373	398	418	433
> Circulation revenue (USD millions)								
Print circulation	164	175	190	199	205	214	223	234
Digital circulation	-	-	-	-	-	1	3	5
Total B2B magazine circulation	164	175	190	199	205	215	226	239
TOTAL B2B PUBLISHING	397	448	497	541	579	613	644	672
TOTAL MAGAZINE PUBLISHING	3,059	3,459	3,749	3,954	4,157	4,387	4,614	4,830

Source: PwC Global entertainment and media outlook 2014-2018, www.pwc.com/outlook; Note: Numbers shown are rounded. Totals may not equal the sum of their parts due to rounding; †At average 2013 exchange rates; ††less than 500,000

NORTH AMERICA: Canada, United States

CONSUMER MAGAZINE PUBLISHING REVENUE †

> Advertising revenue (USD millions)

	2009	2010	2011	2012	2013	2014	2015	2016
Print advertising	15,027	15,277	15,235	14,809	14,211	13,614	12,902	12,069
Digital advertising	694	1,161	1,828	2,525	3,307	4,037	4,875	5,810
Total consumer magazine advertising	15,721	16,438	17,064	17,334	17,518	17,651	17,777	17,879
> Circulation revenue (USD millions)								
Print circulation	9,769	9,396	8,902	8,600	8,085	7,664	7,319	7,035
Digital circulation	5	70	89	295	553	778	960	1,156
Total consumer magazine circulation	9,774	9,465	8,991	8,895	8,638	8,442	8,280	8,191
TOTAL CONSUMER PUBLISHING	25,495	25,904	26,054	26,229	26,156	26,093	26,057	26,070

MAGAZINE REVENUE

NORTH AMERICA: Canada, United States

B2B MAGAZINE PUBLISHING REVENUE †

> Advertising revenue (USD millions)

	2009	2010	2011	2012	2013	2014	2015	2016
Print advertising	4,112	3,875	3,718	3,586	3,528	3,433	3,313	3,167
Digital advertising	303	489	741	987	1,144	1,311	1,490	1,678
Total B2B magazine advertising	4,416	4,363	4,459	4,573	4,672	4,744	4,803	4,845
> Circulation revenue (USD millions)								
Print circulation	1,948	1,817	1,710	1,611	1,514	1,434	1,367	1,311
Digital circulation	-	8	12	44	84	147	231	331
Total B2B magazine circulation	1,948	1,825	1,722	1,655	1,599	1,581	1,598	1,642
TOTAL B2B PUBLISHING	6,364	6,188	6,181	6,228	6,271	6,325	6,401	6,487
TOTAL MAGAZINE PUBLISHING	31,859	32,092	32,236	32,458	32,427	32,419	32,458	32,558

Source: PwC Global entertainment and media outlook 2014-2018, www.pwc.com/outlook; Note: Numbers shown are rounded. Totals may not equal the sum of their parts due to rounding; †At average 2013 exchange rates

DIGITAL PENETRATION

	INTERNET USERS	POPULATION (2014 EST.)	INTERNET PENETRATION (% POPULATION)	COUNTRY'S SHARE OF WORLD INTERNET USERS
NORTH AMERICA				
Canada	33,000,381	35,524,732	92.89%	1.13%
USA	279,834,232	322,583,006	86.75%	9.58%
LATIN AMERICA				
Argentina	24,973,660	41,803,125	59.74%	0.86%
Brazil	107,822,831	202,033,670	53.37%	3.69%
Chile	11,686,746	17,772,871	65.76%	0.40%
Colombia	25,660,725	48,929,706	52.44%	0.88%
Mexico	50,923,060	123,799,215	41.13%	1.74%
Peru	12,583,953	30,769,077	40.90%	0.43%

Source: Internet Live Stats (www.InternetLiveStats.com) 2014 est.; Internet World Stats for Chinese Taipei (www.internetworldstats.com); Internet user = individual, of any age, who can access the Internet at home, via any device type (computer or mobile) and connection; Population calculation according to each separate source

GLOBAL ADSPEND

> MAGAZINE SHARE OF ADVERTISIING EXPENDITURE (%)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Canada	7.5	6.9	6.4	6.0	5.6	5.2	5.1	4.8	4.5	4.2
USA	14.5	13.9	12.6	12.4	12.1	11.2	10.7	10.1	9.6	9.1
North America	14.1	13.5	12.2	12.0	11.7	10.8	10.4	9.8	9.3	8.8

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Argentina	5.7	4.9	4.8	4.7	4.8	4.6	4.2	3.7	3.4	3.1
Brazil	8.7	8.7	7.8	7.6	7.2	6.4	5.6	4.7	4.5	4.3
Chile	3.1	2.9	2.3	2.2	1.9	1.9	1.8	1.8	1.8	1.5
Colombia	9.2	9.3	7.4	6.8	6.5	6.5	6.5	6.5	6.5	6.5
Costa Rica	13.7	16.4	13.7	12.0	11.0	8.8	4.5	4.5	4.5	4.5
Ecuador	9.0	9.2	8.5	8.2	4.3	4.5	3.9	2.4	2.0	1.7
El Salvador	-	-	-	-	-	-	-	-	-	-
Mexico	4.4	4.2	3.5	3.3	3.0	2.9	2.9	2.8	2.7	2.6
Panama	3.3	3.5	3.6	3.4	2.7	2.3	2.0	1.9	1.8	1.7
Peru	2.9	2.7	2.4	1.9	2.0	2.0	2.0	2.0	2.0	1.9
Puerto Rico	3.5	3.7	3.5	3.1	3.2	3.2	2.4	2.9	2.9	2.6
Uruguay	5.9	5.8	5.4	5.9	5.9	5.1	5.0	5.4	5.0	4.8
Venezuela	1.3	1.4	1.3	8.6	6.4	5.8	5.5	5.2	5.2	5.1
Latin America	6.5	6.6	5.8	5.8	5.4	5.0	4.4	4.0	3.8	3.6

> TOTAL MAGAZINE EXPENDITURE: US$ MILLION AT CURRENT PRICES

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Canada	711	687	589	604	591	570	554	539	524	508
USA	25,688	23,633	18,568	18,769	18,621	17,984	17,938	17,744	17,561	17,390
North America	26,399	24,320	19,156	19,373	19,211	18,554	18,492	18,282	18,085	17,898

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Argentina	63	68	77	106	143	171	205	230	270	318
Brazil	746	846	794	912	944	892	825	783	781	797
Chile	31	29	23	25	26	26	26	27	28	26
Colombia	118	127	100	121	140	156	164	172	181	190
Costa Rica	26	38	29	31	33	27	12	14	15	16
Ecuador	28	32	28	30	19	18	16	11	9	8
El Salvador	-	-	-	-	-	-	-	-	-	-
Mexico	162	176	141	147	150	157	170	183	198	214
Panama	15	16	19	21	20	19	19	19	20	20
Peru	10	11	10	10	12	13	14	15	16	17
Puerto Rico	65	64	59	55	56	57	41	53	52	53
Uruguay	7	9	7	9	9	8	8	9	9	10
Venezuela	4	6	6	83	65	70	74	78	88	104
Latin America	1,275	1,422	1,293	1,549	1,617	1,615	1,574	1,594	1,667	1,773

GLOBAL ADSPEND

> TOTAL ADVERTISING EXPENDITURE: US$ MILLION AT CURRENT PRICES

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Canada	9,454	9,924	9,193	10,090	10,537	10,891	10,835	11,211	11,666	12,171
USA	177,532	169,986	147,919	151,090	154,129	161,241	167,299	175,380	183,150	190,954
North America	186,987	179,910	157,112	161,181	164,666	172,132	178,134	186,591	194,816	203,125

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Argentina	1,102	1,387	1,626	2,254	2,966	3,729	4,899	6,246	8,001	10,273
Brazil	8,583	9,726	10,161	12,001	13,043	13,854	14,839	16,571	17,467	18,726
Chile	1,003	1,020	1,004	1,151	1,331	1,363	1,446	1,517	1,603	1,702
Colombia	1,289	1,362	1,352	1,768	2,157	2,388	2,516	2,652	2,794	2,942
Costa Rica	190	230	208	255	304	311	272	299	323	348
Ecuador	312	343	334	369	455	410	422	455	432	453
El Salvador	268	281	265	256	267	311	311	319	330	340
Mexico	3,649	4,196	4,025	4,488	4,964	5,360	5,916	6,589	7,325	8,114
Panama	451	457	532	616	751	821	937	1,011	1,106	1,209
Peru	344	413	416	514	595	650	700	751	810	889
Puerto Rico	1,865	1,741	1,680	1,768	1,774	1,809	1,730	1,804	1,808	2,073
Uruguay	123	146	134	161	148	148	149	166	178	203
Venezuela	320	389	437	963	1,017	1,197	1,347	1,518	1,715	2,056
Latin America	19,499	21,691	22,173	26,565	29,772	32,350	35,484	39,897	43,891	49,329

Source: ZenithOptimedia Advertising Expenditure Forecasts June 2014

ARGENTINA

> FIPP MEMBERS

NATIONAL ASSOCIATION

» Asociación Argentina de Editores de Revistas (AAER)

PUBLISHERS

» Editorial Atlántida S.A.
» Editorial Perfil S.A.
» Editorial Televisa Argentina SA
» La Nación S.A.
» Motorpress Argentina S.A.

> AT-A-GLANCE

Capital: **Buenos Aires**
Population: **43,024,374**
Median age: **31.2 years**
GDP: **US$484.6 billion** (2013 est.)
Consumer prices: **20.8%** (2013 est.)
Currency: **Argentine pesos** (AR$)
Official language: **Spanish**
Official language: **Italian, English, German, French, indigenous**
Literacy rate: **97.9%**
Source: CIA World Factbook (July 2014)

DIGITAL DATA

Internet penetration: **24,973,660**
% of population: **58**
Source: Internet Live Stats (July 2014 Estimate)

Mobile penetration: **58,600,000** (2012)
% of population: **136**
Source: CIA World Factbook (July 2014)

PRINT TAX

Magazine purchases: **10.5%**
Digital purchases: **10.5%**

Source: AAER

ADVERTISING RESTRICTIONS

- Tobacco
- Alcohol
- Advertising to children
- Over-the-counter drugs

Key: Banned by law · Voluntarily stopped · Restricted by law · Restricted voluntarily

Source: AAER

> SPECIAL REPORT: ASOCIACIÓN ARGENTINA DE EDITORES DE REVISTAS (AAER)

The situation today

In spite of the high price of commodities (soy prices almost US$550), the low growth of the Brazilian market (the main customer of Argentine exports) and the massive import of oil, gas, and their derivatives, resulted in GDP growth of 3% according to official information.

A significant decrease in economic activity is forecast in 2014, with the country entering into a period of recession with a GDP of about -0.5% (*source: Banco Bilbao-Bizcaya Argentina*).

As a consequence of restrictions to imports, the trade balance has shown an increase in exports of 1.8% and a fall in imports of 8.3% according to INDEC (the National Institute of Statistics and Census). This situation has produced difficulties for the industrial activity that requires supplies from abroad.

The ongoing anomalous situation in the INDEC shows an inflation rate of only 10.9% for the year 2013. However private consultants have estimated a real inflation of 28.3%. The forecasts for 2014 are even higher, at around 35% (*source: Indice Congreso*).

The official dollar value at the end of 2013 was approxiately $6.51, with an annual increase of 32%, a value close to the real inflation trend.

In terms of labour, the unemployment rate in the fourth quarter of 2013 was 6.4% of the economically active population, with 7.8% unemployed.

Publishing activity, essentially dependent on the home market, was down 10.7%. The number of domestic titles fell 5.4% (overall titles were down 1.1% for consumer titles and down 10.9% for B2B). The forecasts for 2014, considering the economic conditions, are not optimistic since it is believed there will be more decreases in circulations.

Mostly, magazine sales still depend on traditional channels (88% newsstand) with a very small circulation via other channels (such as subscriptions, convenience stores, gas stations, etc.)

The future

The future of the magazines market is linked to the growth and development of the titles on offer and the connection with the readers, in a changing environment of multiple challenges. It is also necessary to overcome the shortcomings of a distribution method that is 50 years old and in need of upgrading.

In 2013, there is a 19.7% increase in peso adspend, due to a large extent to the new prices that are a consequence of the inflationary pressures. And the share of the "advertising pie" was 4.2%, according to the Cámara Argentina de Agencias de Medios.

In terms of strategies to promote the medium, it is necessary to convey to advertisers and agencies, the evidence to make the case for the power of magazines as a selling tool, offering information that may put an end to the marginal role played by magazines when media spend is being decided.

Internet

Publishers have realised the advantages of a medium that is expanding permanently: publishing companies in general have tried to combine the synergies of print and digital media. Through its website, www.learevistas.com, AAER presents its member publishers' titles and details to media planners and buyers.

Mail service

Since the deregulation of the mail system in 1992, and its privatisation in 1997, there have been improvements in deliveries. However the amount of magazines going through the postal system is limited due to restrictions that still exist in the distribution system that prevent the normal development of subscriptions.

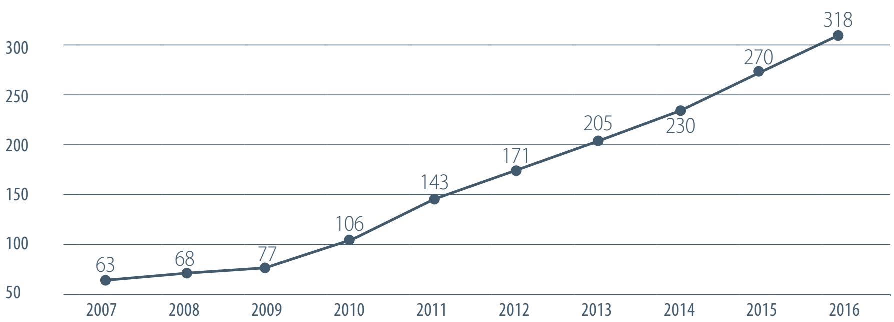
ARGENTINA

> ADSPEND: **ZENITHOPTIMEDIA**

ADVERTISING EXPENDITURE BY MEDIUM (USD MILLIONS)

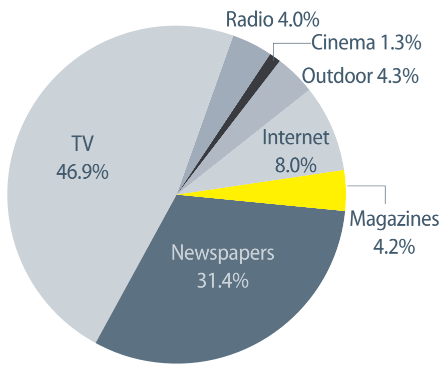
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Magazines	63	68	77	106	143	171	205	230	270	318
Newspapers	373	460	521	753	1,038	1,260	1,536	2,093	2,681	3,421
Television	516	650	773	1,071	1,315	1,685	2,298	2,712	3,446	4,372
Radio	35	45	57	72	96	139	194	187	240	308
Cinema	18	21	23	30	39	50	61	69	83	97
Outdoor	69	100	110	124	154	163	211	266	320	370
Internet	28	43	64	96	180	261	393	690	960	1,387
Total	1,102	1,387	1,626	2,254	2,966	3,729	4,899	6,246	8,001	10,273

MAGAZINE ADSPEND (USD MILLIONS)



Source: ZenithOptimedia Advertising Expenditure Forecasts June 2014

ADSPEND SHARE (2013)



ARGENTINA: CONSUMER

> **HIGHLIGHTS**

NUMBER OF COPIES

	2009	2010	2011	2012	2013
Number of copies sold and/or distributed in a year	109.4 million	102.7 million	101.8 million	88.0 million	80.8 million

Source: AAER/CDC

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	476	449	453	388	341

Source: AAER

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	1,501	1,542	1,572	1,405	1,389

Source: AAER/CDC

AVERAGE COVER PRICE: AR$

	2009	2010	2011	2012	2013
Total	9.64	11.38	14.86	19.15	23.97

Source: CDR

NUMBER OF CONSUMER MAGAZINE WEBSITES

	2009	2010	2011	2012	2013
Total	129	132	145	190	223

Source: AAER

DISTRIBUTION BREAKDOWN (%)

	2009	2010	2011	2012	2013
Subscription	6.9	7.2	7.9	9.0	8.8
Retail sales	90.1	89.8	89.1	88.0	88.2
Free circulation	3.0	3.0	3.0	3.0	3.0

Source: AAER

ARGENTINA: B2B

> HIGHLIGHTS

NUMBER OF COPIES

	2009	2010	2011	2012	2013
Number of copies sold and/or distributed in a year	3.4 million	3.2 million	2.8 million	2.4 million	2.0 million

Source: AAER/CDR

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	80	64	75	84	79

Source: AAER

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	107	185	161	92	82

Source: AAER

NUMBER OF B2B MAGAZINE WEBSITES

2009	2010	2011	2012	2013
49	47	39	61	55

Source: AAER

AVERAGE COVER PRICE: ARS

	2009	2010	2011	2012	2013
Total	11.75	13.57	16.66	25.85	29.62

Source: CDR

DISTRIBUTION BREAKDOWN (%)

	2009	2010	2011	2012	2013
Subscription	-	-	18.4	22.4	23.5
Retail sales	-	-	78.6	74.6	73.5
Free circulation	-	-	3.0	3.0	3.0

BRAZIL

> FIPP MEMBERS

NATIONAL ASSOCIATION

» Associação Nacional de Editores de Revistas (ANER)

PUBLISHERS

» Condé Nast New Markets
» Editora Abril
» Editora Globo
» Motor Press Brasil Editora

SUPPLIERS

» OneVision Software (Latin America)
» Sappi Trading do Brasil
» The New York Times News Service & Syndicate – Central America, South America and Caribbean

> AT-A-GLANCE

Capital: **Brasilia**
Population: **202,656,788** (July 2014 est.)
Median age: **30.7 years**
GDP: **US$2.19 trillion** (2013 est.)
Consumer prices: **6.2%** (2013 est.)
Currency: **Reals** (BRL)
Official language: **Portuguese**
Literacy rate: **90.4%**
Source: CIA World Factbook (July 2014)

DIGITAL DATA

Internet penetration: **107,822,831**
% of population: **53**
Source: Internet Live Stats (July 2014 Est.)

Mobile penetration: **248,324,000** (2012)
% of population: **123**
Source: CIA World Factbook (July 2014)

PRINT TAX

Magazine purchases: **45%**
Digital purchases: **30%**

Source: ANER

CROSS-MEDIA OWNERSHIP RESTRICTIONS

☐ foreign ownership*
■ cross-media ownership
☐ concentration**

Key: ■ ALLOWED ☐ RESTRICTED ■ NOT ALLOWED

* FOREIGN INVESTORS ARE ALLOWED ONLY UP TO THE LIMIT OF 30%
** ECONOMIC RESTRICTION DOMAIN (CADE)

Source: ANER

ADVERTISING RESTRICTIONS

■ Tobacco ■ Alcohol
■ Advertising to children
■ Over-the-counter drugs

Key: ■ BANNED BY LAW ☐ VOLUNTARILY STOPPED
■ RESTRICTED BY LAW ■ RESTRICTED VOLUNTARILY

Source: ANER

> SPECIAL REPORT: THE BRAZILIAN ASSOCIATION OF MAGAZINE PUBLISHERS (ANER)

Economy
The Brazilian economy grew 2.5% in 2013, according to the IBGE (Brazilian Institute of Geography and Statistics).

Over the past three years, the economy has advanced on average 2%; below the Government's expectations. Several factors contributed to this poor performance such as reduced consumption as a result of higher interest rates, tighter credit and high default levels.

The expectation for 2014 is another year of weak economic growth, based on forecasts of slower employment and workers' income.

With the visibility of the World Cup, Brazil is expected to attract more tourists and warm up the economy a bit. Moreover, with the Brazilian elections this year, fiscal policy should remain unchanged in 2014.

The international scenario shows a more favourable outlook in 2014. The eurozone should come out of the recession, the US economy is in recovery and China is stabilising its growth.

Magazine market
In 2013, 382 million copies were sold, a drop of 8% over the previous year. Analysis of the circulation shows that subscriptions decreased by 4% while single copy sales dropped by 12%. Subscription numbers provide only limited insight, however, since publishers can manage them by discounting pricing. Newsstand sales are seen as a more accurate barometer of the industry's vitality.

While there is some evidence emerging that the growing popularity of tablets and smartphones will be a boon to the magazine industry, for now, most still rely heavily on print. The environment for magazine publishers remains difficult.

Readers, meanwhile, are migrating slowly to digital and mobile, with the explosion of tablets and smartphone ownership. Thanks to the success of apps, such as the Apple newsstand's, which make it easy to find and download magazines and other publications, that acceleration is likely to continue.

The shift is bringing new opportunities for magazine publishers, along with an array of new financial and technical challenges.

Magazine advertising
Total adspend reached R$32 billion in 2013, an annual growth of 7.1% compared with the previous year. According to ZenithOptimedia (*Advertising Expenditure Forecasts* June 2014), TV continues to lead the Brazilian market (71.9%) followed by newspapers (10.2%). Magazines remain in third position (5.6%).

Engagement
ANER continues to work hard towards market vitality.

One of its initiatives was the publication of the book, *Factbook –The Power of Magazines*. The study shows the effectiveness of the magazine medium.

Another refers to tax reduction in the media sector. For this, ANER and others entities worked to extend the deadline until January 2018.

The payroll tax reduction is especially relevant for media companies to allow them to continue with the necessary investments for the technological upgrade in progress, on television, with the replacement of standard analog to digital, and the printed media, from offline to online.

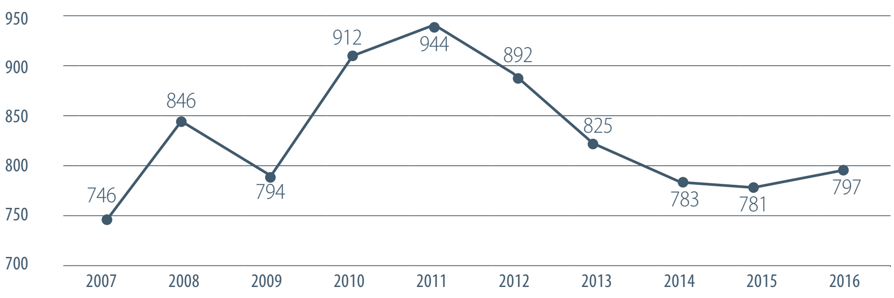
BRAZIL

> ADSPEND: **ZENITHOPTIMEDIA**

ADVERTISING EXPENDITURE BY MEDIUM (USD MILLIONS)

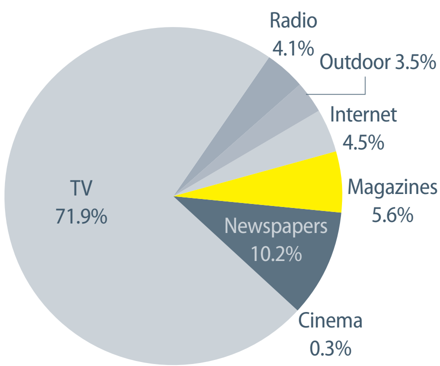
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Magazines	746	846	794	912	944	892	825	783	781	797
Newspapers	1,440	1,581	1,453	1,503	1,560	1,571	1,512	1,471	1,471	1,515
Television	5,513	6,216	6,672	8,118	8,902	9,666	10,668	12,289	12,901	13,880
Radio	356	418	458	507	524	549	606	656	737	788
Cinema	35	41	38	43	40	49	48	50	53	57
Outdoor	248	272	306	355	398	423	516	593	653	699
Internet	244	352	440	564	674	704	664	729	871	990
Total	8,583	9,726	10,161	12,001	13,043	13,854	14,839	16,571	17,467	18,726

MAGAZINE ADSPEND (USD MILLIONS)



Source: ZenithOptimedia Advertising Expenditure Forecasts June 2014

ADSPEND SHARE (2013)



> HIGHLIGHTS

NUMBER OF COPIES

	2009	2010	2011	2012	2013
Number of copies sold and/or distributed in a year	423 million	444 million	431 million	413 million	382 million

Source: IVC and Distributors

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	339	322	370	336	311

Source: Distributors

REVENUE SOURCE (%)

	2009	2010	2011	2012	2013
Print ads	61.4	59.2	58.8	60.8	61.6
Copy sales	38.6	40.8	41.2	39.2	38.4

Source: ANER and Distributors

DISTRIBUTION BREAKDOWN (%)

	2009	2010	2011	2012	2013
Subscription	41	40	41	43	45
Retail sales	59	60	59	57	55

Source: IVC and Distributors

RETAIL OUTLETS

	2009	2010	2011	2012	2013
Kiosk/newsstand	16,700	16,160	16,100	15,300	14,900

Source: Distributors

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	4,432	4,705	5,779	5,913	5,801

Source: Distributors

AVERAGE COVER PRICE: USD

	2009	2010	2011	2012	2013
Total	3.57	3.65	3.57	3.36	3.35

Source: IVC

TOP PUBLISHING COMPANIES: BY CIRCULATION

1	Editora Abril	6	Editora Escala
2	Editora Globo	7	Panini Brasil
3	Editora Tres	8	IBC Online Editora
4	Editora Caras	9	Fundação Victor Civita
5	Editora Alto Astral	10	Editora Reader's Digest

Source: IVC

BRAZIL: CONSUMER

> HIGHLIGHTS

AVERAGE ISSUE READERSHIP (%)

MEN **35.9** WOMEN **47.8** ADULTS **40.7**

Source: SISEM Marplan; Jan-Dec; 18+

TOP ADVERTISERS

1	Unilever	6	Petrobrás
2	Via Varejo	7	Volkswagen
3	Genomma	8	Reckitt Benckiser
4	Ambev	9	Fiat
5	Caixa Economica Federal	10	Grupo Pão De Açucar

Source: Ibope Monitor

TOP ADVERTISER CATEGORIES

1	Retail	6	Culture, leisure, and tourism
2	Personal care	7	Telecommunication services
3	Consumer services	8	Beverages
4	Vehicles, parts and accessories	9	Social and public service
5	Finance and insurance	10	Real estate

Source: Ibope Monitor

CANADA

> FIPP MEMBERS

NATIONAL ASSOCIATION

» Magazines Canada

PUBLISHERS

» Contempo Media Inc
» Rogers Publishing Ltd
» Transcontinental Media G.P.

SUPPLIERS

» CCAB (BPA Worldwide Canada)
» LMPI
» LS Travel Retail North America
» NewspaperDirect Inc.

> AT-A-GLANCE

Capital: **Ottawa**
Population: **34,834,841** (July 2014 est.)
Median age: **41.7 years**
GDP: **US$1.825 trillion** (2013 est.)
Consumer prices: **1%** (2013 est.)
Currency: **Canadian dollars** (CAD)
Official language: **English** (58.7%), **French** (22%)
Other languages: **Other** (19.3%)
Literacy rate: **99%**
Source: CIA World Factbook (July 2014)

DIGITAL DATA

Internet penetration: **33,000,381**
% of population: **95**
Source: Internet Live Stats (July 2014 Estimate)

Mobile penetration: **26,263,000** (2012)
% of population: **75**
Source: CIA World Factbook (July 2014)

PRINT TAX

> Sales Tax
Standard rate: **5%**
Magazine*, newspaper* and book purchases: 5%
Digital purchases*: **5%**

*Federal GST. Combined Federal/Provincial rates vary by province. 5% in Alberta, Northwest Territories; Yukon and Nunavut. 10% in Saskatchewan. 12% in British Columbia and Manitoba. 13% is New Brunswick, Newfoundland and Labrador, Ontario. 13.925% in Quebec. 15% in Nova Scotia. 15.5% in Prince Edward Island.
Source: Canadian Revenue Agency (CRA)

CROSS-MEDIA OWNERSHIP RESTRICTIONS

- owner registration (allowed)
- foreign ownership (restricted)
- cross-media ownership (restricted)
- concentration (restricted)

Key: ALLOWED | RESTRICTED | NOT ALLOWED

Source: Magazines Canada

ADVERTISING RESTRICTIONS

- Tobacco (banned by law)
- Alcohol (restricted by law)
- Advertising to children (restricted by law)
- Over-the-counter drugs (restricted by law)

Key: BANNED BY LAW | VOLUNTARILY STOPPED | RESTRICTED BY LAW | RESTRICTED VOLUNTARILY

Source: Magazines Canada

> SPECIAL REPORT: MAGAZINES CANADA

Advertising revenue softness continues
Canadian print magazine advertising revenue softness continued in 2013 as advertisers diverted funds towards the digital and social space. In 2013 print magazine advertising revenue dipped 2.7% versus the previous year driven by a decline of 4.5% in pages. Although digital magazine ad sales continue to expand, a revenue gap remains.

Drugs and remedies was an important revenue driver (up 21.3%) as was household furnishings (up 43.5%), mail order (up 20.5%), apparel and footwear (up 7%) and building materials, equipment and fixtures (up 7%), to name a few. However, strong retail store performance in the previous year was erased with a 14.4% decline. Business and consumer services were also down 10.6% and travel, hotels and resorts declined 23.3%.

Magazines embrace magazine media branding
Canadian magazines continue to evolve their business models to embrace all relevant digital platforms and devices: web, tablets, readers, smartphones, social and more. Consumers remain slow in adopting digital reading given an ongoing attachment to print. Experimentation with various monetisation models continues as challenging development costs, limited access to capital and low financial returns complicate and impede digital development. Nonetheless, ongoing experimentation has opened up new media opportunities and revenue streams as cross-media strategies evolve.

Magazine starts and stops
New Canadian print titles continue to launch as standalone platforms or in combination with digital extensions. At the same time, some magazine brands have chosen to focus exclusively on their digital platforms, having closed their print editions.

Circulation
Average issue circulation softened 4.2% in 2013 due to lower unpaid (free) circulation despite growth in paid magazine circulation. Categories experiencing circulation growth include travel, lifestyle, general interest, youth, families and camping. Declines were seen in categories such as TV listings, sports, food, city and women's magazines.

US spill penetration continues decline
Spill of US-published magazines into Canada continues its long-term decline. As reported by the Alliance for Audited Media (AAM), average US spill circulation in 2013 declined 12% vs. 2012, down 34% since 2003. US spill accounts for just 1.3% of circulation delivered by the top 100 titles available in Canada.

Extended Producer Responsibility (EPR) recycling programmes continue to expand
Eight out of ten Canadian provinces have launched or are developing EPR programme legislation requiring magazine publishers to pay for the collection and recycling of magazines. Pressure on publishing margins is increasing as provinces move towards a 100% producer pay model. The Canadian magazine industry is actively involved with governments at all levels to seek much needed programme efficiency and fairness.

Advertising restrictions remain
Advertising of tobacco products in Canada has been effectively banned. Direct to consumer advertising (DTCA) of prescription medications in Canada remains highly restrictive despite the free spill of DTCA TV, magazine and internet advertisements from the US and other countries into Canada, creating consumer confusion. Advertising to children is closely monitored.

Postal rates remain an industry issue
Canada Post remains the primary distributor of magazines in Canada. Increasing postal rates have renewed investigation of alternative delivery options in conjunction with ongoing discussion with Canada Post aimed at increasing distribution efficiencies throughout the distribution process.

Canadian anti-spam legislation
Recent introduction of new national legislation aimed at reducing email spam in Canada has both restricted and complicated magazine publisher communication with subscribers and potential customers alike. The legislation requires businesses and others to obtain and prove consumer consent to receive direct communication or face significant fines and other penalties. Industry education is ongoing to maximise legislative compliance as is industry discussion with government to ensure businesses are not unduly restricted in their ability to communicate and promote goods and services.

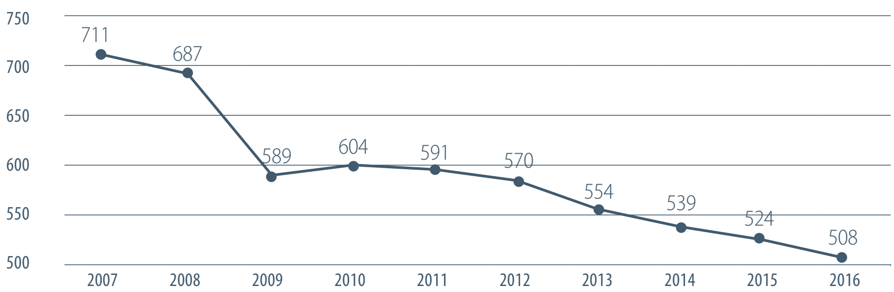
CANADA

> ADSPEND: **ZENITHOPTIMEDIA**

ADVERTISING EXPENDITURE BY MEDIUM (USD MILLIONS)

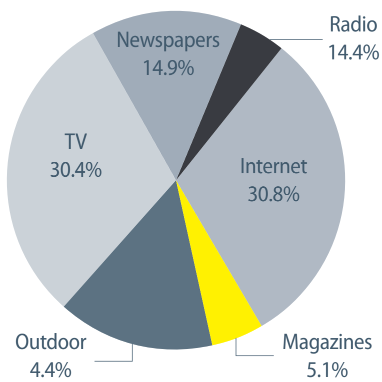
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Magazines	711	687	589	604	591	570	554	539	524	508
Newspapers	2,498	2,417	1,971	2,042	1,913	1,961	1,608	1,556	1,506	1,458
Television	3,204	3,296	3,014	3,294	3,450	3,368	3,298	3,298	3,297	3,307
Radio	1,426	1,513	1,426	1,473	1,529	1,539	1,564	1,614	1,665	1,722
Cinema	-	-	-	-	-	-	-	-	-	-
Outdoor	410	450	404	468	466	470	478	488	500	515
Internet	1,207	1,562	1,789	2,211	2,587	2,983	3,333	3,716	4,173	4,661
Total	9,454	9,924	9,193	10,090	10,537	10,891	10,835	11,211	11,666	12,171

MAGAZINE ADSPEND (USD MILLIONS)



Source: ZenithOptimedia Advertising Expenditure Forecasts June 2014

ADSPEND SHARE (2013)



> **GROWTH PROGRAMMES**

Magazines Canada continues development of many publisher, consumer and advertising trade programmes, including:

» ***MagNet***, Canada's annual magazine conference, continues to thrive as the industry's foremost professional development programme aimed at Canada's publishing community

» Magazines Canada continues its role as a dedicated distributor of Canadian magazines to specialty, independent and chain retailers across the country

» The ***Magazines Canada Newsstand & Direct Marketing Projects*** promote newsstand and subscription growth nationally while encouraging Canadians to "Read Canadian"

» ***The Magazines Canada Webinar Series*** allows member access to top-end, affordable presentations conducted by sought-after experts in the field

» ***Audiomag***, an audio podcast series, brings new views, opinion and timely information straight to the industry from the industry's best and brightest

» ***Magazines Canada's AdDirect*** ad preflight and delivery portal is designed to streamline the exchange of ad files between advertisers, agencies, publishers and printers

» ***Hotsheets*** are one or two page professional development documents that address a single topic, written by an expert in the field

» ***Fact Books***, documents available for the consumer, B2B and digital magazine media sectors, are compilations of the latest and greatest industry data

» ***magblast video podcasts*** feature industry experts addressing topics of interest to the advertising trade

» ***Category Quick Hits***, documents focused on specific advertising categories, feature best available information

» ***FastFacts*** is a series of one-page info summaries addressing the key information needs of advertisers, agencies and publishers

» And more…

CANADA: CONSUMER

> HIGHLIGHTS

NUMBER OF COPIES

	2009	2010	2011	2012	2013
Number of copies sold and/or distributed in a year	605 million	510 million	542 million	533 million	497 million

Source: Magazines Canada

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	703	526	529	534	537

Source: CARD

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	1,276	1,284	1,286	1,286	1,286*

*Source: Masthead Online, The Tally of Launches and Closures; Magazines Canada; *TBD*

REVENUE SOURCE (%)

	2009	2010	2011	2012	2013
Print ads	65	65	74	74	74
Copy sales	35	35	26	26	26

Source: Statistics Canada

AVERAGE COVER PRICE: CAD

	2009	2010	2011	2012	2013
Total	4.34	4.40	4.70	5.36	5.19

Source: CARD; Magazines Canada

DISTRIBUTION BREAKDOWN (%)

	2009	2010	2011	2012	2013
Subscription	88	88	88	88	88
Retail sales	12	12	12	12	12

Source: Magazines Canada

TOP PUBLISHING COMPANIES: BY REVENUE

1	Roger's Publishing	6	House & Home Media
2	TC Media	7	Spafax Canada
3	St. Joseph Media	8	LCBO
4	TVA Publications	9	The Globe and Mail
5	Reader's Digest Association	10	Cineplex Media

Source: Leading National Advertisers (LNA)

AVERAGE ISSUE READERSHIP (%)

MEN **79.8** WOMEN **87.8** ADULTS **83.9**

Source: PMB Spring 2014 – 2 Year Database. Adults 18+

TOP ADVERTISERS

1	Procter & Gamble	6	Best Buy Canada
2	L'Oréal Canada	7	Kraft Canada
3	Unilever Canada	8	Kellogg Canada
4	Johnson & Johnson	9	Kimberly-Clark of Canada
5	Coty Canada	10	Breck's Canada

Source: Leading National Advertisers (LNA)

TOP ADVERTISER CATEGORIES

1	Toiletries and toilet goods	6	Drugs and remedies
2	Food and food products	7	Travel, hotels and resorts
3	Retail stores	8	Apparel, footwear and accessories
4	Business and consumer services	9	Entertainment and amusement
5	Automotive	10	Building materials, equipment, and fixtures

Source: Leading National Advertisers (LNA)

CANADA: B2B

> SPECIAL REPORT: **MAGAZINE PUBLISHERS OF AUSTRALIA**

B2B magazines expand digital offerings
B2B publishers continue to expand their array of digital offerings in support of print magazines providing a more timely delivery of content via websites, blogs, newsletters, events, digital editions, custom content, social and mobile applications. As a result, B2B magazines are aggressively repositioning and broadening their core industry capabilities, quickly shifting the industry from print to "business media".

Average issue circulation
Average issue circulation reached 14 million in 2013, down 5.9% versus the previous year primarily due to circulation declines in the business, motor vehicle and aviation/aerospace sectors. However, more than two-thirds of industry sectors experienced a flat or upward circulation trend in 2013 led by the automotive and food sectors. The business category remains the largest circulation category with an average issue circulation of 4.8 million. Medical publications (843m), education (669m), automotive (528m) and nursing (486m) round out the top five. The five largest categories represent 52% of total B2B circulation.

Major projects/campaigns
Magazines Canada continues to expand its portfolio of B2B-focused initiatives:

» The Business Media Summit, a B2B event featuring top B2B minds focused on key topics of key interest to the business media community
» The Business Media Fact Book compiles the latest and greatest industry information
» MagNet, Canada's annual magazine conference, is the industry's foremost professional development programme aimed at Canada's publishing community, B2B and B2C
» Hotsheets for B2B media are one or two page professional development documents that address a single B2B topic and are written by an expert in the field. Hotsheets are free to download from the Magazines Canada website
» The Magazines Canada Webinar Series allows member access to top-end, affordable presentations conducted by sought-after experts in the field
» Audiomag, an audio podcast series, brings new views, opinion and timely information straight to the industry from the industry's best and brightest
» Magazines Canada AdDirect ad preflight and delivery portal designed to streamline the exchange of ad files

Postal
Most B2B titles are delivered via Canada Post, making postal issues of critical strategic importance to publishers. Rapidly increasing postal costs and the addition of Distance Related Pricing further increases cost and reduces margins. Discussions are ongoing in an effort to moderate increases going forward.

Taxation
Paid magazines remain subject to the Goods & Services Tax (GST) of 5% on all sales. Provincial sales taxes, ranging between 0% and 10% are levied on all paid sales.

> **HIGHLIGHTS**

NUMBER OF COPIES

	2009	2010	2011	2012	2013
Number of copies sold and/or distributed in a year	128 million	124 million	144 million	135 million	126 million

Source: CARDonline

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	425	-	395	398	390

Source: CARDonline

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	788	779	783	747	747*

*Source: CARDonline, *Est*

AVERAGE COVER PRICE: CAD

	2009	2010	2011	2012	2013
Total	-	-	9.63	8.42	8.01

Source: CARDonline

REVENUE SOURCE (%)

	2009	2010	2011	2012	2013
Print ads	84	84	84	84	84
Digital ads	6	6	6	6	6
Copy sales	1	1	1	1	1
Digital copy sales	5	5	5	5	5
Other revenues	4	4	4	4	4

Source: Statistics Canada

TOP PUBLISHING COMPANIES: BY REVENUE

1	Business Information Group	6	MediaEdge Communications
2	Annex Business Media	7	Rousseau Communication Automobile
3	Rogers Publishing	8	Naylor Canada Inc
4	BIV Media Group LP	9	Pappin Communications
5	Craig Kelman & Associates	10	TC Media

Source: CARDonline

CHILE

> FIPP MEMBERS

NATIONAL ASSOCIATION

» Österreichischer Zeitschriften- und Fachmedien-Verband (ÖZV)

PUBLISHERS

» Verlagsgruppe News

SUPPLIERS

» Sappi Austria

> AT-A-GLANCE

Capital: **Santiago**
Population: **17,363,894** (July 2014 est.)
Median age: **33.3 years**
GDP: **US$281.7 billion** (2013 est.)
Consumer prices: **1.7%** (2013 est.)
Currency: **Chilean pesos** (CLP)
Official language: **Spanish (99.5%)**
Other languages: **English** (10.2%), **indigenous** (1%)
Literacy rate: **98.6%**
Source: CIA World Factbook (July 2014)

DIGITAL DATA

Internet penetration: **11,686,746**
% of population: **67**
Source: Internet Live Stats (July 2014 est.)

Mobile penetration: **24,130,000** (2012)
% of population: **139**
Source: CIA World Factbook (July 2014)

PRINT TAX

Standard rate: **19%**
Magazine, newspaper and book purchases: **19%**
Digital purchases: **19%**
Tax on advertising: **19%**
Source: BSC

CROSS-MEDIA OWNERSHIP RESTRICTIONS

- owner registration
- foreign ownership
- cross-media ownership
- concentration

Key: ALLOWED RESTRICTED NOT ALLOWED
Source: BSC

ADVERTISING RESTRICTIONS

- Tobacco
- Alcohol
- Advertising to children
- Over-the-counter drugs

Key: BANNED BY LAW VOLUNTARILY STOPPED RESTRICTED BY LAW RESTRICTED VOLUNTARILY
Source: BSC

> SPECIAL REPORT: BSC COMUNICACIÓN

The downward trend has not changed in Chile in the beginning of 2014.. The magazine market is historically small. Magazine's advertising share is small and there has been no innovation.

During the last few years publishers have been affected with serious distribution problems across the country, especially since the closure of the largest distributor in 2012. Moreover, during 2013 the largest national distributor - belonging to Copesa - had payment difficulties that forced small publishers to seek alternative distribution solutions. The particular geography of Chile, with a length of over 4,000km, prevents most of the titles reaching all parts of the country.

The two leading titles by single-copy sales are two newsprint titles: traditional satirical political weekly *The Clinic*, and monthly magazine *El Guardián de la Salud*, although there was a decrease in sales in all market sectors.

Economic and celebrity titles have retained their leadership by adspend.

The major publishers are members of the National Press Association, an organisation led by the major newspapers. There is no specific association for magazines.

El Gráfico, *Golf Digest* and *Luz* officially announced that they would cease publication in 2014. They have also stopped importing many publications, mostly from Argentina and Spain.

Most subscriptions are delivered through the newspapers' distribution system. The regular postal service is good, but expensive due to the great distances in the country.

New technology is well developed in Chile. In publishing, technological development is led by the two major newspaper groups. Magazine publishers have ventured onto the internet without a clear business model.

> ADSPEND: ZENITHOPTIMEDIA

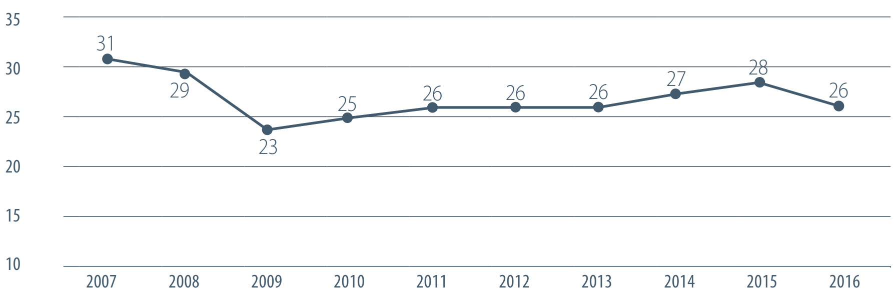
ADVERTISING EXPENDITURE BY MEDIUM (USD MILLIONS)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Magazines	31	29	23	25	26	26	26	27	28	26
Newspapers	287	293	255	311	354	344	347	349	355	357
Television	502	511	538	600	659	673	721	752	787	824
Radio	70	73	74	79	91	90	96	100	104	109
Cinema	3	2	3	4	4	5	6	6	6	6
Outdoor	95	88	75	86	115	119	125	129	134	141
Internet	16	23	37	48	83	106	125	153	188	238
Total	1,003	1,020	1,004	1,151	1,331	1,363	1,446	1,517	1,603	1,702

CHILE

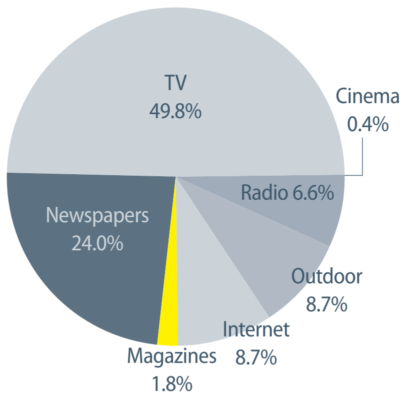
> ADSPEND: ZENITHOPTIMEDIA

MAGAZINE ADSPEND (USD MILLIONS)



Source: ZenithOptimedia Advertising Expenditure Forecasts June 2014

ADSPEND SHARE (2013)



CHILE: CONSUMER

> HIGHLIGHTS

NUMBER OF COPIES

	2009	2010	2011	2012	2013
Number of copies sold and/or distributed in a year	-	15.2 milllion	17.9 million	15.3 million	12.2 million

Source: BSC estimates

NUMBER OF CONSUMER MAGAZINE WEBSITES

	2009	2010	2011	2012	2013
Total	-	20	80	80	80

Source: BSC estimates

AVERAGE COVER PRICE: CLP

	2009	2010	2011	2012	2013
Total	3.79	4.00	4.00	4.00	4.20

Source: ANP

TOP PUBLISHING COMPANIES: BY REVENUE

1	Editorial Televisa	6	Ediciones y Publicaciones Bobby
2	Editorial Tiempo Presente	7	ByC Comunicaciones
3	COPESA	8	Publimetro
4	Holanda Comunicaciones	9	El Guardián de la Salud
5	Ediciones e Impresos	10	Editorial Diagrama

Source: BSC

AVERAGE ISSUE READERSHIP (%)

MEN **32.0** WOMEN **42.0** ADULTS **37.0**

Source: BSC; 12+

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	13	14	17	12	10

Source: BSC estimates

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	335	332	300	255	200

Source: BSC estimates

TOP ADVERTISERS

1	Wados	6	Lancomme
2	Falabella	7	Nestlé
3	Hush Puppies	8	Nissan
4	Laboratorio Vichy	9	Hyundai
5	Chevrolet	10	Estée Lauder

Source: BSC Estimates

TOP ADVERTISER CATEGORIES

1	Automobile	6	Education
2	Cosmetics	7	Make up
3	Apparel	8	Skin treatments
4	Hygiene	9	Food industry
5	Shoes		

Source: BSC Estimates

COLOMBIA

> FIPP MEMBERS

PUBLISHERS

» Editorial Televisa Columbia
» Sappi de Colombia

> AT-A-GLANCE

Capital: **Bogota**
Population: **46,245,297** (July 2014 est.)
Median age: **28.9years**
GDP: **US$369.2 billion** (2013 est.)
Consumer prices: **2.2%** (2013 est.)
Currency: **Colombian pesos** (COP)
Official language: **Spanish**
Literacy rate: **93.6%**
Source: CIA World Factbook (July 2014)

DIGITAL DATA

Internet penetration: **25,660,725**
% of population: **55**
Source: Internet Live Stats (July 2014 est.)

Mobile penetration: **49,066,000** (2012)
% of population: **106**
Source: CIA World Factbook (July 2014)

PRINT TAX

Magazine, newspaper, book and digital purchases: **16%**

Source: Editorial Televisa

ADVERTISING RESTRICTIONS

- Tobacco
- Alcohol
- Over-the-counter drugs

Key: BANNED BY LAW, RESTRICTED BY LAW, VOLUNTARILY STOPPED, RESTRICTED VOLUNTARILY

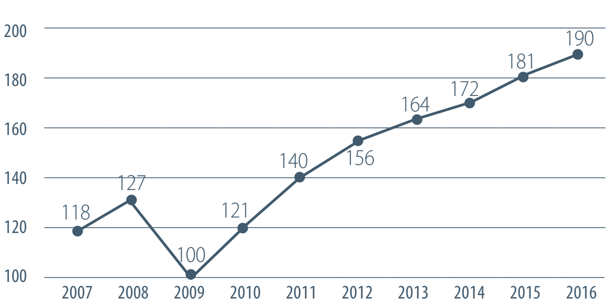
Source: Televisa

> ADSPEND: ZENITHOPTIMEDIA

ADVERTISING EXPENDITURE BY MEDIUM (USD MILLIONS)

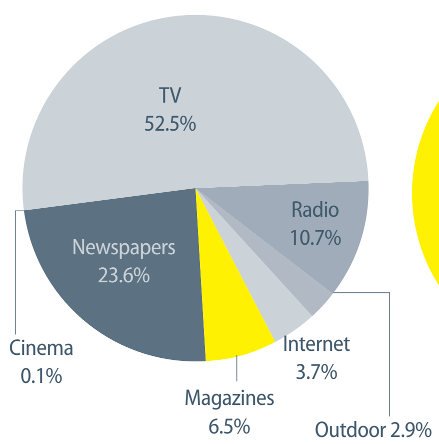
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Magazines	118	127	100	121	140	156	164	172	181	190
Newspapers	349	369	354	447	537	566	594	624	655	688
Television	586	595	619	838	1,077	1,257	1,320	1,386	1,456	1,528
Radio	177	204	217	265	279	256	269	282	297	311
Cinema	1	1	1	1	1	1	1	1	2	2
Outdoor	45	44	37	47	55	70	73	77	81	85
Internet	12	21	23	50	68	81	94	109	123	138
Total	1,289	1,362	1,352	1,768	2,157	2,388	2,516	2,652	2,794	2,942

MAGAZINE ADSPEND (USD MILLIONS)

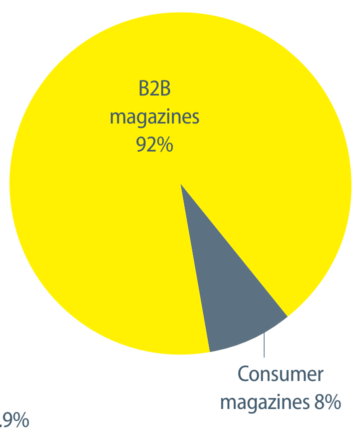


Source: ZenithOptimedia Advertising Expenditure Forecasts June 2014

ADSPEND SHARE (2013)



ADSPEND BREAKDOWN (2013)



COLOMBIA: CONSUMER

> HIGHLIGHTS

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	132	124	118	115	120
Paid for	107	100	96	90	95
Free	25	24	22	25	25

Source: EGM Colombia

DISTRIBUTION BREAKDOWN (%)

	2009	2010	2011	2012	2013
Subscription	75	75	75	75	75
Retail sales	15	15	15	15	15
Free circulation	10	10	10	10	10

Source: Editorial Televisa

AVERAGE COVER PRICE: USD

	2009	2010	2011	2012	2013
Total	3.70	3.77	4.84	4.10	4.20

Source: Editorial Televisa

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	42	38	44	41	53

Source: IBOPE January- August 2014

NUMBER OF WEBSITES

	2009	2010	2011	2012	2013
Total	-	59	57	58	57

Source: EGM Colombia

TOP PUBLISHING COMPANIES: BY REVENUE

1	Publicaciones Semana	6	Telmex
2	Editorial Televisa	7	Editora Inmobiliaria
3	Casa Editorial El Tiempo	8	Condé Nast de Colombia
4	Inversiones Cromos	9	América Economía
5	Editorial Gamma	10	Grupo Gerente Col

Source: IBOPE Colombia Inversión Enero- Agosto 2014

TOP ADVERTISERS

1	Almacenes Éxito	6	Grupo Familia
2	Belcorp	7	Bancolombia
3	Nestlé de Colombia	8	Avianca
4	Samsung	9	Daimler Colombia
5	Bavaria	10	Diageo Colombia

Source: IBOPE January- August 2014

TOP ADVERTISER CATEGORIES

1	Grooming cosmetics, beauty	6	Food and snacks
2	Industry and raw materials real estate	7	Services
3	Clothing, textile, footwear	8	Telecomunicaciones
4	Automotive	9	Financial, insurance
5	Trade, tourism	10	Trade, tourism

Source: IBOPE Columbia January- August 2014

AVERAGE ISSUE READERSHIP (%)

ADULTS **42**

Source: EGM 2 2013 Colombia; 18+; Men = 43.5; Women = 56.5

MEXICO

> FIPP MEMBERS

PUBLISHERS

- Editorial Motorpress Televisa
- Editorial Televisa
- Editorial Televisa Syndicate
- Grupo Televisa

SUPPLIERS

- Sappi Trading de Mexico
- WoodWing Latin America

> AT-A-GLANCE

Capital: **Mexico City**
Population: **120,286,655** (July 2014 est.)
Median age: **27.3 years**
GDP: **US$1.845 trillion** (2013 est.)
Consumer prices: **4.0%** (2013 est.)
Currency: **Mexican pesos** (MXN)
Official language: **Spanish** (92.7%)
Other languages: **Spanish and indigenous languages** (5.7%), **indigenous only** (0.8%)
Literacy rate: **93.5%**
Source: CIA World Factbook (July 2014)

DIGITAL DATA

Internet penetration: **59,200,000**
% of population: **49**
Source: World Internet Project, IAB 2014

Mobile penetration: **38,480,000** (2012)
% of population: **32**
Source: U&A dispositivos móviles 2013, IAB 2014

PRINT TAX

Standard rate: **16%**
Tax on advertising: **16%**
Magazine purchases: **0%**

Source: Editorial Televisa

> SPECIAL REPORT: EDITORIAL TELEVISA MEXICO

President Enrique Peña Nieto took office in December 2012 for a six-year term. During his first year in office and with the majority of votes in the Mexican Congress, he has acted swiftly to pursue overdue structural reforms, in employment regulation, education, telecommunication and competition policy, financial sector regulation, energy, and fiscal policy. The administration will now focus on secondary legislation and in showing progress in implementing the changes before the mid-term congressional elections in July 2015.

Economic growth in 2013 fell to 1.1%, compared to the strong recovery experienced between 2010 and 2012 (annual average growth of 4.3%). Deceleration in economic activity was driven by weaker export demand and a contraction in domestic investment, largely in construction. A gradual recovery of economic activity with more dynamic exports as the US economy gains steam and public spending gets back to normal should bring economic growth back to a range of 3-4% over the next few years.

However, publishing companies launched new titles: *Telehit*, *Soho* and *Grazia* (Editorial Televisa), *Moi* (Bbmundo), *L'Officiel*, *Gentleman*, *Moire*, *Forbes* and *Robb Report México*. The digital market is growing: most magazines are being published as digital replicas and many readers are shifting their consumption habits from print to digital formats. Additionally a large percentage of digital readers are new consumers and they are still not accurately measured.

> ADSPEND: ZENITHOPTIMEDIA

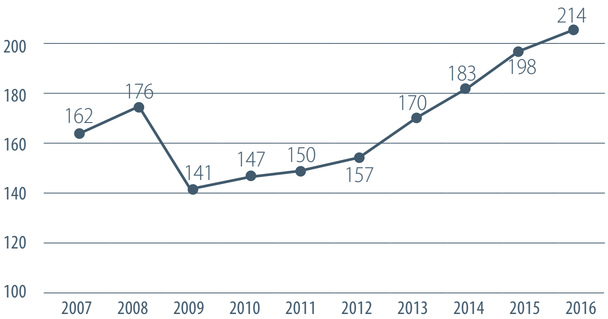
ADVERTISING EXPENDITURE BY MEDIUM (USD MILLIONS)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Magazines	162	176	141	147	150	157	170	183	198	214
Newspapers	339	356	319	351	386	378	371	363	356	352
Television	2,316	2,702	2,623	2,907	3,114	3,296	3,626	3,988	4,387	4,826
Radio	353	377	361	415	440	505	551	600	654	713
Cinema	62	74	64	39	82	81	80	87	95	104
Outdoor	339	359	320	365	430	441	428	468	512	558
Internet	79	151	197	266	362	501	691	899	1,123	1,348
Total	3,649	4,196	4,025	4,488	4,964	5,360	5,916	6,589	7,325	8,114

MEXICO

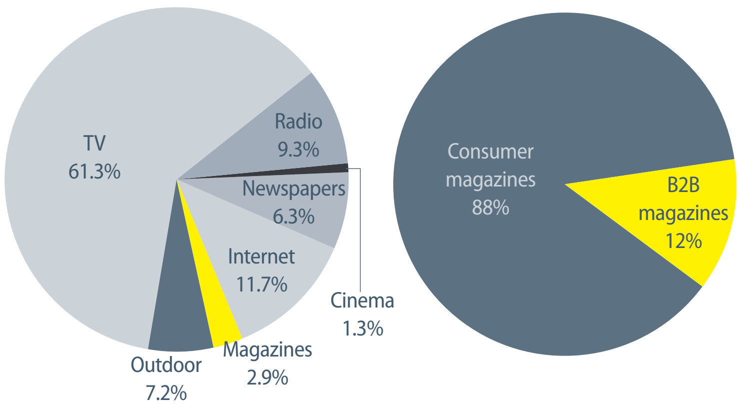
> ADSPEND: **ZENITHOPTIMEDIA**

MAGAZINE ADSPEND (USD MILLIONS)



Source: ZenithOptimedia Advertising Expenditure Forecasts June 2014

ADSPEND SHARE (2013)



MEXICO: CONSUMER

> **HIGHLIGHTS**

NUMBER OF COPIES

	2009	2010	2011	2012	2013
Number of copies sold and/or distributed in a year	215.7 million	200.8 million	144.4 million	147.8 million	-

Source: Banco de Información Econónmica INEGI / CANIEM

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	565	569	510	584	-

Source: CANIEM (Cámara Nacional de Industria Editorial Mexicana)

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	-	1,137	1,002	1,056	-

Source: CANIEM (Cámara Nacional de Industria Editorial Mexicana)

NUMBER OF CONSUMER MAGAZINE WEBSITES

	2009	2010	2011	2012	2013
Total	30	35	45	50	57

Source: Editorial Televisa based on total of website among Top 10 Magazines by Category

AVERAGE COVER PRICE: MXN

	2009	2010	2011	2012	2013
Total	36.00	35.00	33.00	33.00	35.50

Source: Editorial Televisa. Based on average among top 10 Magazines by Category

AVERAGE ISSUE READERSHIP (%)

MEN **35.9** WOMEN **47.7** ADULTS **42.3**

Source: EGM 27 cds 2013; January - December 2013; 18 +; Total population of readers: 34,208,560

TOP PUBLISHERS: BY TOTAL REVENUE

1	Editorial Televisa	6	Editorial Armonía
2	Grupo Expansión	7	Grupo Medios
3	Notmusa	8	Sfera Editores Mexic
4	Condé Nast de México	9	Grupo Internal Edito
5	Impresiones Aéreas	10	Editorial Contenido

Source: Ibope Ene - Dec 2013

TOP ADVERTISERS

1	Procter & Gamble	6	Cklass Coleccion
2	Unilever	7	Calzado Eco
3	Kimberly Clark	8	Parfumerie Versailles
4	Ind Cannon Mills	9	Consejo Promocion Turistica
5	L'Oréal	10	Colgate Palmolive

Source: Ibope / Jan-Dec 2013

TOP ADVERTISER CATEGORIES

1	Health, personal care and Cosmetics	6	Media and education
2	Retail stores	7	Automotive
3	Business groups	8	Clothing, shoes and fabric
4	Personal items and toys	9	Food
5	Social services, government	10	Beverage industry

Source: Ibope / Jan-Dec 2013

PERU

> FIPP MEMBERS

> AT-A-GLANCE

Capital: **Lima**
Population: **30,147,935** (July 2014 est.)
Median age: **27.0 years**
GDP: **US$210.3 billion** (2013 est.)
Consumer prices: **2.9%** (2013 est.)
Currency: **Nuevo Sol** (PEN)
Official language: **Spanish** (84.1%), **Quechua** (13%), **Aymara** (1.7%)
Literacy rate: **89.6%**
Source: CIA World Factbook (July 2014)

DIGITAL DATA

Internet penetration: **12,583,953**
% of population: **42**
Source: Internet Live Stats (July 2014 est.)

Mobile penetration: **29,400,000** (2012)
% of population: **98**
Source: CIA World Factbook (July 2014)

PRINT TAX

Standard rate: **18%**
Magazine and newspaper purchases: **18%**
Book purchases: **0%**

Source: IBOPE

ADVERTISING RESTRICTIONS

- Tobacco
- Alcohol
- Over-the-counter drugs
- Junk food

Key: BANNED BY LAW / VOLUNTARILY STOPPED / RESTRICTED BY LAW / RESTRICTED VOLUNTARILY

Source: IBOPE

> SPECIAL REPORT: EMPRESA EDITORA EL COMERCIO

Copy sales of print magazines and readership, in general, have grown steadily in the past decade.

The industries that dominate the ad market in consumer magazines, with predominantly premium brands, are: education, automobiles, mass consumption, fashion and clothing, banking and finance, beauty products, and real estate, involving about 65% of the market share. Automobiles, real estate, and banking are industries that have been particularly hard given the economic situation in Peru, with the first two especially susceptible to the development of a stronger dollar.

The future of magazines in Peru relies on the ability to integrate ads in magazines with below-the-line initiatives. Advertising in magazines is dominated by a need to reach effectively high income consumers. Advertisers are more willing to invest more money in production value in activations and events aimed to reach this sector of consumers. Combining them with campaigns in magazines and content relevant to these initiatives, offers the best opportunity for business. This has been proven effectively when Grupo El Comercio (GEC) sponsored the Lifeweek fashion event, generating expectations of higher value and return to the brands that decided to advertise during this event.

Given that Peru is in the early stages of migration from paper to digital media, all digital magazines rely heavily on their print versions, making it financially unsustainable in short and medium time frames to launch a digital-only magazine. However, the development of interactive digital applications have a greater impact on young audiences, who are interested in and using these types of enriched formats, that will likely become the standard of use in the coming years as these audiences start to integrate into the work force.

Circulation of print magazines is expected to move towards subscriptions, and away from newspapers/magazines stands. In Peru, given the concentration of economic resources and population in the capital - about 30% of the population lives in the metropolitan area - access to services and products have been traditionally purchased and delivered in commercial sales points.

There is no large postal service that benefits from economies of scale, making the distribution of magazines relatively expensive and administered/outsourced by the editorial houses.

Taxation on the sales of magazines is subject to the general sales tax of 18%.

Readership and circulation of magazines have steadily increased in the past years. However, the effectiveness and impact of this type of advertisement is harder to assess in a business environment that demands the control of costs, making it more difficult to generate adsales opportunities.

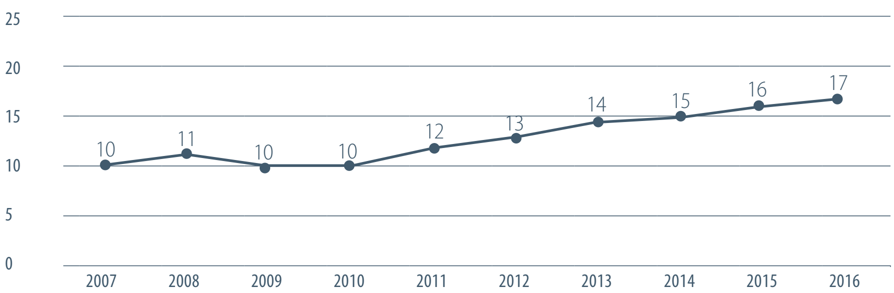
PERU

> ADSPEND: **ZENITHOPTIMEDIA**

ADVERTISING EXPENDITURE BY MEDIUM (USD MILLIONS)

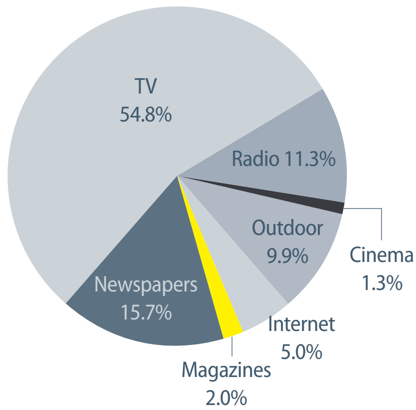
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Magazines	10	11	10	10	12	13	14	15	16	17
Newspapers	75	85	83	91	98	103	110	115	124	136
Television	166	205	207	277	328	359	384	415	444	488
Radio	39	47	49	61	72	74	79	83	91	100
Cinema	5	6	6	7	8	9	9	10	10	11
Outdoor	42	49	47	52	56	65	69	74	80	88
Internet	7	10	14	16	21	27	35	40	45	49
Total	344	413	416	514	595	650	700	751	810	889

MAGAZINE ADSPEND (USD MILLIONS)



Source: ZenithOptimedia Advertising Expenditure Forecasts June 2014

ADSPEND SHARE (2013)



PERU: CONSUMER

> **HIGHLIGHTS**

NUMBER OF COPIES

	2009	2010	2011	2012	2013
Number of copies sold and/or distributed in a year	8,295,774	8,964,788	9,500,000	10,213,000	10,672,585

Source: CIA World Factbook / El Comercio

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	15	17	18	18	18

Source: IBOPE

DISTRIBUTION BREAKDOWN (%)

	2009	2010	2011	2012	2013
Subscription	-	-	33.4	43.9	44.3
Retail sales	-	-	25.5	19.6	15.5
Free circulation	-	-	41.0	36.5	40.2

Source: IBOPE

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	76	84	92	98	98
Paid for	71	77	83	88	88
Free	5	7	9	10	10

Source: ANP

NUMBER OF CONSUMER MAGAZINE WEBSITES

	2009	2010	2011	2012	2013
Total	48	61	73	79	79

Source: ANP; FIPP World Magazine Trends 2013/2014

UNITED STATES

> AT-A-GLANCE

Capital: **Washington, D.C.**
Population: **318,892,103** (July 2014 est.)
Median age: **37.6 years**
GDP: **US$16.72 trillion** (2013 est.)
Consumer prices: **1.5%** (2013 est.)
Currency: **Dollar** (USD)
Official language: **English** (82.1%)
Other language: **Spanish** (10.7%)
Literacy rate: **99%**
Source: CIA World Factbook (July 2014)

DIGITAL DATA

Internet penetration: **279,834,232**
% of population: **88**
Source: Internet Live Stats (July 2014 est.)

Mobile penetration: **310,000,000** (2012)
% of population: **97**
Source: CIA World Factbook (July 2014)

PRINT TAX

Different state and city taxes

CROSS-MEDIA OWNERSHIP RESTRICTIONS

- foreign ownership (allowed)
- cross-media ownership* (restricted)
- concentration* (restricted)

Key: ALLOWED / RESTRICTED / NOT ALLOWED

Source: MPA; * Single-company ownership of media in a given market is permitted up to 45%

ADVERTISING RESTRICTIONS

- Tobacco (restricted voluntarily)
- Alcohol (restricted voluntarily)
- Advertising to children (restricted voluntarily)

Key: BANNED BY LAW / VOLUNTARILY STOPPED / RESTRICTED BY LAW / RESTRICTED VOLUNTARILY

Source: MPA

> FIPP MEMBERS

NATIONAL ASSOCIATION

» ABM - The Association of Business Information & Media Companies
» MPA - The Association of Magazine Media

PUBLISHERS

» Advanstar Communications
» BBC Worldwide Americas
» Bonnier Corporation
» Condé Nast
» Condé Nast Publications
» Crain Communications
» Ebner Publishing International
» Forbes Media
» Future US
» Harvard Business Publishing
» Harvard Business Review Press
» Haymarket Media Inc
» Hearst Corporation
» Hearst Magazines International
» IDG (International Data Group)
» IDG Communications
» IDG Enterprise
» InStyle
» Martha Stewart Living Omnimedia
» Meredith Corporation
» National Geographic Society
» Northern & Shell North America
» Playboy Enterprises
» PR Week
» Rodale Inc.
» Televisa Publishing
» Time Inc.
» Time Out Chicago
» Time Out North America

SUPPLIERS

» Adobe Systems
» Barnes & Noble (NOOK Digital Newsstand)
» Barnes & Noble
» BPA Worldwide
» BPA Worldwide Chicago
» Cue Ball
» Curtis Circulation Company
» Dalim Software
» DNP America
» eZ Systems North America
» LS Travel Retail North America
» Mag+
» Magzter
» OneVision
» Sappi Fine Paper North America
» TalkPoint
» The New York Times News Service & Syndicate
» UPM
» WoodWing USA
» Yudu Media
» Zinio

> SPECIAL REPORT: MPA – THE ASSOCIATION OF MAGAZINE MEDIA

In September 2014, MPA - the Association of Magazine Media – launched Magazine Media 360°, a brand audience report which captures consumer demand for magazine content across multiple platforms and formats including print/digital editions, websites (laptop/desktop/mobile) and video, as well as for five social media networks which are reported separately. The report, which currently covers 147 magazine brands from 30 companies representing 95% of the reader universe, uses data from reputable third-party providers, GfK MRI, Ipsos, comScore, Nielsen Online and SocialFlow.

Magazine Media 360° marks the first time any media has measured and communicated its cross-platform consumer demand by brand, and provides a substantially more comprehensive and accurate view of magazine media wantedness than pre-existing metrics which primarily addressed only print magazines. Not only has this initiative been met with overwhelming support within the industry, leading advertisers have welcomed its development as well – not surprising since it is estimated that 80% of brands that advertise in magazine media advertise on multiple platforms in addition to print.

It is worth noting that traditional measurement methodologies do not capture the seismic shifts in the content consumption behaviour of consumers who have embraced the expansion of magazine media to new platforms. Magazine media have a distinct ability to leverage the equity forged out of print products with platform-specific content that offers consumers new or enhanced experiences. Magazine Media 360° highlights and aggregates these multiple engagement points to provide a more complete snapshot of the vitality of magazine media brands and their current and future business potential. This perspective is crucial given that, in the digital wild west of rapidly changing business models, the truest measure of value is demand.

Data for Magazine Media 360° is collected by MPA from participating brands who provide their third-party data around the 15th of every month for the previous month's activity and is available at www.magazine.org around the 20th of each month. Participating brands must be tracked in GfK MRI's Survey of the American Consumer® (print digital editions) or the Ipsos Affluent Survey USA (print editions only), as well as any or all of desktop/laptop, mobile web, and/or video as tracked by comScore or Nielsen Online. SocialFlow provides the data for The MPA Magazine Media 360° Social Media Report, which is released concurrently.

The inaugural Magazine Media 360° Report reveals that, as an industry, magazine media consumer demand increased 10% from 2013 to 2014, reflecting a gross audience of 1.475 billion compared to 1.341 billion. This significant growth is largely attributable to a 98% rise in mobile web consumption. Meanwhile, print and digital editions held steady, up 2.1% over August 2013.

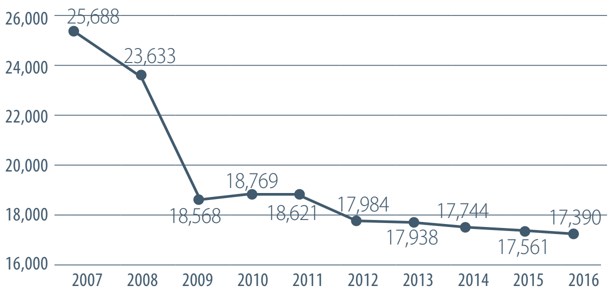
UNITED STATES: CONSUMER

> ADSPEND: **ZENITHOPTIMEDIA**

ADVERTISING EXPENDITURE BY MEDIUM (USD MILLIONS)

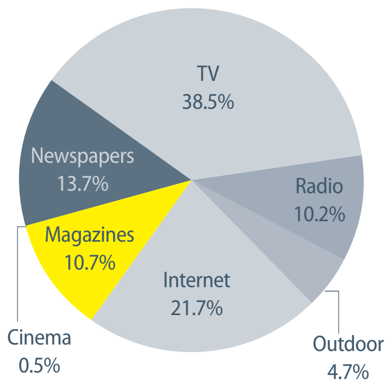
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Magazines	25,688	23,633	18,568	18,769	18,621	17,984	17,938	17,744	17,561	17,390
Newspapers	49,948	43,954	32,966	29,669	27,147	24,975	22,977	21,139	19,448	17,892
Television	58,723	57,849	52,630	56,525	58,029	62,547	64,348	67,004	68,118	69,651
Radio	21,211	19,218	16,471	16,048	16,379	16,718	17,063	17,393	17,567	17,567
Cinema	529	608	638	670	690	725	761	799	839	881
Outdoor	7,040	7,131	6,698	6,902	7,279	7,589	7,926	8,265	8,678	9,112
Internet	14,393	17,591	19,947	22,507	25,984	30,704	36,285	43,036	50,939	58,461
Total	177,532	169,986	147,919	151,090	154,129	161,241	167,299	175,380	183,150	190,954

MAGAZINE ADSPEND (USD MILLIONS)

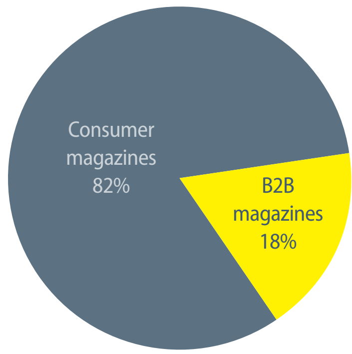


Source: ZenithOptimedia Advertising Expenditure Forecasts June 2014

ADSPEND SHARE (2013)



ADSPEND BREAKDOWN (2013)



> HIGHLIGHTS

NUMBER OF COPIES

	2009	2010	2011	2012	2013
Number of copies sold and/or distributed in a year	4.6 billion	4.3 billion	4.3 billion	4.3 billion	4.1 billion

Source: Estimates calculated by the MPA from AAM (FKA A.B.C.) Publishers Statements

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	8,419	8,384	8,361	8,387	8,208

Source: Oxbridge Communications, MediaFinder.com

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	7,110	7,163	7,179	7,390	7,240

Source: Oxbridge Communications, MediaFinder.com

NUMBER OF WEBSITES

	2009	2010	2011	2012	2013
Total	-	7,031	6,927	7,238	7,121

Source: Oxbridge Communications, MediaFinder.com

AVERAGE COVER PRICE: USD

	2009	2010	2011	2012	2013
Total	4.86	4.91	4.95	5.05	5.03

Source: Estimates calculated by the MPA from AAM (FKA A.B.C.) Publishers Statements

UNITED STATES: CONSUMER

> HIGHLIGHTS

DISTRIBUTION BREAKDOWN (%)

	2009	2010	2011	2012	2013
Subscription	90	90	90	91	92
Retail sales	10	10	10	9	8

Source: MPA estimates from AAM (FKA A.B.C.); Publishers Statements

TOP PUBLISHING COMPANIES: BY PRINT AD REVENUE

1	Time Inc.	6	Wenner
2	Hearst	7	Rodale
3	Condé Nast	8	Bonnier
4	Meredith	9	Walt Disney
5	American Media	10	Reader's Digest

Source: PIB

AVERAGE ISSUE READERSHIP (%)

MEN **88.9** WOMEN **92.5** ADULTS **90.9**

Source: 2014 GfK MRI Spring; Spring 2014; 18+

TOP ADVERTISERS

1	Procter & Gamble	6	Kraft Foods Group
2	L'Oréal	7	Estée Lauder
3	Pfizer	8	Mars
4	LVMH Moet Hennessy Louis Vuitton	9	Unilever
5	Johnson & Johnson	10	Joh A Benckiser

Source: PIB

TOP ADVERTISER CATEGORIES

1	Toiletries and cosmetics	6	Retail
2	Apparel and accessories	7	Direct response companies
3	Drugs and remedies	8	Home furnishings and supplies
4	Food and food products	9	Automotive
5	Media and advertising	10	Financial, insurance and real estate

Source: PIB

UNITED STATES: B2B

> SPECIAL REPORT: AMERICAN BUSINESS MEDIA (ABM)/SIIA BUSINESS INFORMATION AND MEDIA GROUP

The economy of the United States continues its gradual improvement since the Great Recession of 2008-2009, most specifically in slowly dropping rates of unemployment and in continued low inflation. US business-to-business media revenue continues to increase at rates slightly in advance of inflation, driven primarily by digital display advertising (including on mobile platforms), which rose 22% in 2013 over 2012; and by subscriptions to business database products, which rose 10% in 2013 over 2012. Trade event revenue, the largest contributor to business media revenue in total, grew slightly for 2013 at a rate of 3%.

Business-to-business trade magazine print advertising continues its slow and steady decline, dropping 4% year over year. In 2008, print revenue totalled 37% of the total US trade media market; by 2013, print constituted only 26% of total trade media revenue. These trends will continue, and preliminary 2014 data suggests a decline at that rate, or at a slightly accelerated rate. The positive news for print advertising is that in a few vertical markets, such as agriculture, print advertising is flat or up. Moreover, the declines in print advertising are significantly less than those faced by consumer magazines and traditional newspapers. In general, research shows that print remains a primary news source for trade news end-users, who tend to skew to an older demographic that remains hard for marketers to reach via other channels.

In total, for 2013, US trade advertising totalled $26.9 billion, up 4.8% compared with 2012.

In that environment of slow growth, with an improving economic outlook, a pent-up demand for merger and acquisition activity was demonstrated by a slew of deal-making in the first three quarters of 2014. Total M&A deal value for B2B media increased more than eight-fold in the first half of 2014 compared to 2013. Recent major deals include Wasserstein & Co's acquisition of ALM Media (worth $417 million), Apax Partners' deal for a 50% stake of Trader Media (worth $979 million), Hong Kong-based Integrated Asset Management (Asia) Ltd purchase of *Forbes Magazine* (a possible $400 million transaction), and LinkedIn's purchase of Bizo (a $170 million deal). Reuters reported in July 2014 that Advanstar is looking for a buyer, and asking for $900 million.

What's driving this new M&A activity? Investment experts suggest that funding is more freely available than in recent years, and that sellers are taking advantage of the recent uptick in economic growth to maximise valuations.

However, a slightly brighter economic outlook has not stopped marketers from exploring new ways to reach end-users, encouraged by publishers looking for new revenue streams. The recent growth of native advertising and sponsored content is a notable example. The revenue streams opening up for this kind of content has put some stress on the traditional "church and state" wall between editorial and advertising that has been traditional in the United States. A consensus is emerging that, while editorial staffs have become much more open to participation in the production and management of sponsored content, transparency and clear labelling is essential to ensure ethical distinction between traditional editorial content, sponsored editorial content (created by editorial staffs for sponsors), and sponsor-provided (advertorial) content.

UNITED STATES: B2B

> HIGHLIGHTS

NUMBER OF PUBLISHERS

	2009	2010	2011	2012	2013
Total	-	-	-	659	650

Source: ABM Dept. of Recruitment and Retention. Note: ABM tracks 775 B2B media and information companies, of which about 110 are ABM members and 15% are assumed to not be magazine publishers.

NUMBER OF TITLES

	2009	2010	2011	2012	2013
Total	6,045	6,029	6,016	6,040	6,046
Paid for	1,727	1,723	1,719	1,726	1,728
Free	4,318	4,306	4,297	4,314	4,318

Source: Totals by Mediafinder.com; Free vs Paid is an ABM estimate

TOP ADVERTISER CATEGORIES

1	Healthcare	6	Banking, financial, insurance
2	Manufacturing, processing	7	Travel, business conventions and meetings
3	Retail, services	8	Business, advertising and marketing
4	Professional services	9	Movies, radio, TV and video
5	Building, engineering, construction	10	Resources, environment, utilities

Source: ABM / SIIA

REVENUE SOURCE (%)

	2009	2010	2011	2012	2013
Print ads	33.5	32.6	31.5	28.7	26.2
Digital ads	10.4	12.2	14.3	16.0	18.6
Copy sales	0.5	0.5	0.5	0.5	0.5
Digital copy sales	0.5	0.5	0.5	0.5	0.5
Other revenues	55.1	54.2	53.3	54.3	54.2

Source: ABM's Business Intelligence Network

NUMBER OF WEBSITES

	2009	2010	2011	2012	2013
Total	-	4,700	4,750	4,700	4,325

Source: ABM Managing Profits Report showed number of sites dropped 8% from 2012-2013.

DISTRIBUTION BREAKDOWN %

	2009	2010	2011	2012	2013
Subscription	-	-	63	64	65
Retail sales	-	-	1	1	1
Free circulation	-	-	36	35	34

Source: ABM estimate based on ABM Managing Profits research

AVERAGE COVER PRICE: USD

	2009	2010	2011	2012	2013
Total	-	-	-	9.75	9.75

Source: ABM Research. Note that the vast majority of B2B magazine circulation in the United States is offered free of charge to qualified readers.