

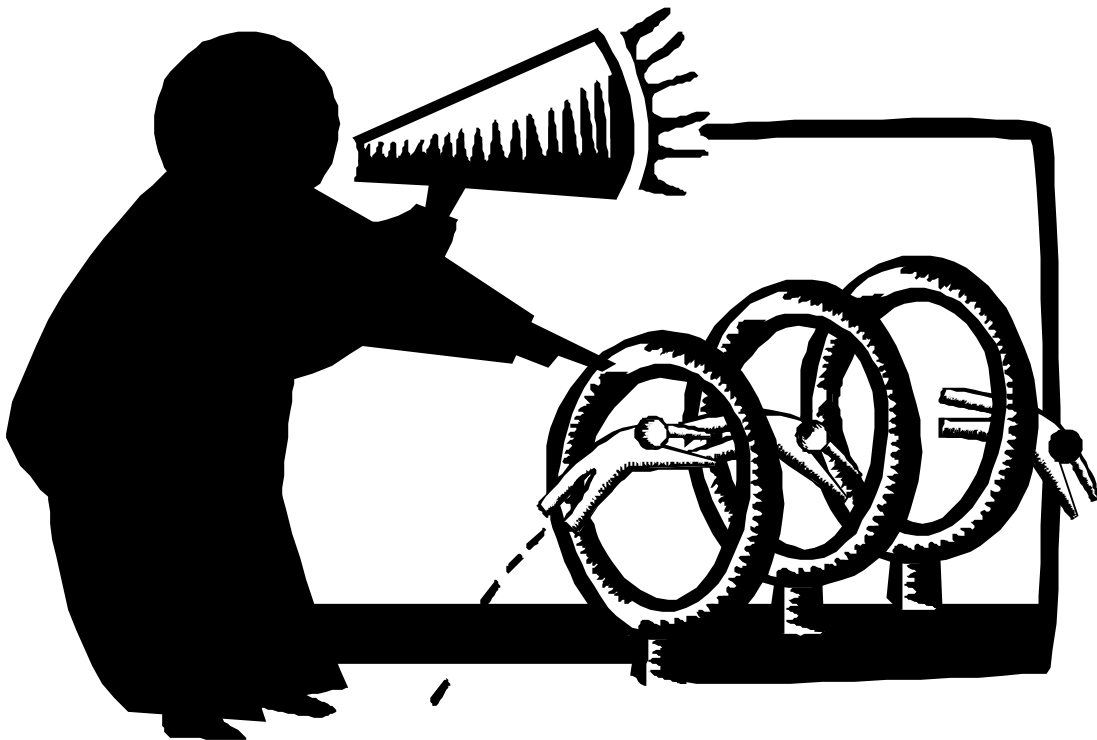


European Federation of Journalists

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European Media Ownership: Threats on the Landscape

A Survey of who owns what in Europe



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A Survey of who owns what in Europe

Author: Granville Williams

Published by: The European Federation of Journalists
Residence Palace
Rue de la Loi 155
B-1040 Brussels, Belgium
Telephone: 32-2-235 22 00
E-mail: ifj@ifj.org

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PREFACE

Every year the process of media concentration gathers pace and with it comes increasing concern for the impact on media quality, pluralism and diversity.

Public concern about corporate and political dominance over media and information services is greater than ever. Confidence among readers, viewers, listeners and users of information is low and there is an increasing perception that journalism is failing to carry out its watchdog role in society because of the vested interests that drive the media business. Not surprisingly, politicians are worried, too.

A group of European Parliament members expressed their exasperation to the European Commission in an oral question on 29 August 2002 noting that: 'In 1997, 5 years after the Green Paper on pluralism and media concentration in the Internal Market, the Commission decided to postpone indefinitely any proposal for a directive to harmonise national laws on media ownership. This, despite a series of European Parliament resolutions calling for such a directive.'

The Parliament has noted significant developments in the media field since the Commission, bowing to ferocious lobbying by European media organisations, decided to drop plans to regulate ownership. Not least have been developments in Italy where Prime Minister and media magnate Silvio Berlusconi has a stranglehold on both the private and public broadcasting media, creating a conflict of interest and a level of undue influence on media unheard of in any modern democracy.

The enclosed survey on European Media Ownership, which has been supported by the European Commission as part of the EFJ project on 'Globalisation and the Media: The European Agenda', is an overdue but timely study that underlines the urgent need to respond to public concern about media concentration.

The media concentration crisis has paralysed policy makers but as this paper indicates, it is time to stimulate fresh debate and prepare concrete actions to confront the challenge of corporate power in mass media.

We hope this report will help to motivate people to work through their media unions, political parties and campaign groups to build support for policies to make the media more democratic and accountable. Above all, there is a pressing need to challenge the present political complacency over commercial and corporate exploitation of journalism that is eroding standards and undermining the importance of free media press to democratic society.

All around Europe governments seem to be in retreat from long-held commitments to ensure that strong regu-

lation plays its role in protecting and developing media. For years both the European Commission and the Council of Europe argued strongly that media products are not like other economic products - they have a social, cultural and democratic value that makes them special within market conditions. The market itself cannot protect pluralism and diversity. The public need to be properly informed which means that information services must be regulated outside the market imperatives of ratings, profits and commercial objectives.

However, the political will to protect quality and pluralism in media services through effective regulation is weaker than ever. This study provides compelling evidence that this must change.

If Europe's media is to have a future even remotely connected to its traditional role as a watchdog over the exercise of political and corporate power and as a provider of quality information in the public interest, then consumers, citizens and people who work in the industry will have to work and campaign together. The EFJ will be a willing partner in the creation of a new and effective coalition for change.

In publishing this report we thank, in particular, **Granville Williams**, the author, from the Campaign for Press and Broadcasting Freedom in the United Kingdom for his diligent research and excellent analysis.

Aidan White

General Secretary of

The International Federation of Journalists

SUMMARY OF FINDINGS

This report concludes that there are major in Europe's media landscape. Some of the threats identified are political and private threats to public service broadcasting, power over global media in the hands of few, more and more media concentration, the threat to emerging markets in Eastern and Central Europe and regulation getting weaker as media power grows.

Threats to Public Service Broadcasting

In **Denmark** the Liberal-Conservative government plans to privatise TV2; in **Portugal** the centre-right government plans to close the second public service channel, RTP 2. In **Italy**, Silvio Berlusconi tightens his grip over RAI through the appointment of his supporters to key positions in RAI 1 and 2. In the **United Kingdom** the independent status of the BBC is threatened as commercial groups lobby that for it to come under the regulatory control of the planned new 'super-regulator' OFCOM.

Public service broadcasting is under threat. With limited finances it cannot compete against the massive resources that large global media groups can draw on to develop programming, acquire sports rights and launch new subscription and pay-per-view channels. Of course, commercial groups like Kirch and ITV Digital sometimes overplay their hand, and invite financial ruin. But the picture for public broadcasting across Europe is a bleak one. The concept of public service broadcasting, which is a benchmark of media quality in Europe, is being weakened.

Threats to Pluralism

At the same time we are see a handful of powerful global media groups taking control of the expanding media and leisure market spanning film, television, book publishing, music, new online media, theme parks, sport, the print media and even the theatre. Europe has its own media big shots: Bertelsmann and Vivendi Universal, and in the UK Rupert Murdoch has a powerful outpost of his global media empire, News Corporation, with ownership of four national newspapers and the satellite service BSkyB which dominates subscription television with six million subscribers, following the demise of ITV Digital.

But we are also seeing the **Europeanisation** of global media groups. **AOL Time Warner** has just opened a theme park near Madrid. **MTV Networks Europe** announces plans to launch **MTV Romania** in partnership with a Romanian broadcaster, **MTS**, on June 15, 2002. 1.4 million households will receive the channel and it will, according to the Managing Director of MTV Northern Europe, Alex Ogilvie, combine 'the brand's traditional editorial and music strengths with MTS's local experience and expertise in Romania.' This is the latest of a number

of partnerships between global media groups (MTV is part of the US global media giant, Viacom) and European broadcasters.

While European governments see the relentless growth of global media groups, and growing media concentration within their own borders, bizarrely, they enact legislation to speed up the process. The UK government's Communication Bill, published on 7 May 2002, tears up rules on media ownership, including the prohibition on non-EU countries owning commercial television stations. More and more local and regional newspapers will be owned by fewer groups, and cross-media ownership of radio, television and newspapers encouraged. The threats to diversity and plurality in our media have never been greater, and the impact on the range and quality of the work that journalists produce will also be damaging.

The trend towards ever-larger media groups is presented as an inevitable part of the media's development by complacent legislators. They say that the increase in the number of channels, the arrival of digital media, and convergence between broadcasting, computing and telecommunications, makes media concentration and cross-media ownership rules obsolete. Is that really true? The experience in the USA, since the 1996 Telecommunications Act, has been that a small number of media corporations have moved into dominant positions by acquiring chunks of the US media. Deregulation has boosted both the commercial power of companies like AOL Time Warner, Viacom, Disney, but it also gives them political power. They are also demanding even greater relaxation of rules on media ownership, spending enormous sums on political donations while lobbying key politicians.

The Threats to Emerging Markets in Eastern Europe

In the years since the fall of Communist regimes in Central and Eastern Europe, the encroachments by Western media groups have prevented or made difficult the development of independent or nationally-based media groups in these countries. The data on media ownership in these countries presented here demonstrates this trend clearly.

A dramatic example, but one which has not received much publicity, is the case of the medium-sized German press group, Passauer Neue Presse (PNP), based in the Bavarian city of Passau, near the border to Austria and the Czech Republic. There are no restrictions on foreign ownership of the Czech media and PNP in the autumn of 1990 started to acquire regional newspapers in the Czech Republic. By 2001 it controlled nearly 100% of the regional newspaper market and part of the national market through its acquisition in 2001 of two national dailies in Prague (Slovo and ZN Zemske Noviny). PNP expanded into Poland in 1994, acquiring regional dailies and founding the regional title, Polskapresse. In 1999 it moved to Slovakia, adopting the same pattern of acquisition as it did in the Czech Republic.

AUSTRIA

Terrestrial TV and Radio

Austria was the last country in Europe with a public monopoly over the transmission of TV programmes through **ORF**. It is the sole terrestrial broadcaster with two national channels, ORF1 and 2, and nine local stations. It also operates its own transmission network. Part of the reason for the monopoly has been the scarcity of frequencies, with the country's mountainous terrain allowing only three frequencies.

There are plans for a national private broadcaster to compete with **ORF**. **ORF** does however have competition from Germany's commercial and public channels because more than two thirds of Austria's TV households can receive German programmes through cable or satellite. ORF 1 had a 24% audience share in 2000, ORF 2 a 33% share. Foreign programming accounts for a 43% share, with **RTL** the most popular at a 6% share, and Sat-1 and Pro-7 each having a 5% share.

The radio market has been opened up to private broadcasters since 1993, with ten regional and 44 local stations. Complaints about the level of involvement of print media companies led to limits of 26% being imposed on the level of ownership of radio stations by publishing houses. **ORF** is also dominant in radio, with an 80% audience share.

Mediaprint, Austria's biggest newspaper owner, also has stakes in private radio.

Cable, Satellite and Multimedia

Around 32% of Austrian households have cable connections - just over 1 million at the end of 2000, but many cable operators are small. **Austria Television (ATV)** operates the Vienna cable channel, Wien 1 and this is distributed nationally via cable and satellite. **United Pan-Europe Communications** have a 26% stake in **ATV**. **UPC Telecabel** is 95% owned by the same Netherlands-based group, and has five networks in cities, with the respective city councils owning the other 5%.

45% of TV households have satellite connections - 1.45 million. The most popular offering in 2000 was the German **Kirch** group's *Premiere World*.

Newspapers and Magazines

Austria's newspaper market is dominated by the publishers **Mediaprint** and **Styria Media** which own the four best-selling titles. **Mediaprint's** main title, *Neue Kronenzeitung* had a circulation of 888,000 in the first three months of 2001 and *Kurier* 184,000. **Styria** is more heavily involved in regional newspapers. It publishes *Kleine Zeitung*, circulation 253,000 in first quarter, 2001 and *Kleine Zeitung Graz*, 166,000.

Regional newspapers with strong titles take up to 90% of their regional market, as *Kleine Zeitung* does in Graz. The main competition to these titles comes from the regional editions of **Mediaprint's** *Neue Kronen Zeitung*. Within the regional titles sector is the world's oldest paper, the *Wiener Zeitung*, founded in 1703. It has a circulation of 10,000.

German investment in the Austrian print market is pronounced. **Gruner+Jahr**, a **Bertelsmann** subsidiary, has a 75% stake in **News Group WAZ** is a major shareholder in **Mediaprint**. (see **Germany** for further details on **WAZ**). Sweden's **Bonnier Group** is involved with local publisher **Radda & Dressler**, producing the business daily *Wirtschafts Blatt*, modelled on the Swedish title *Dagens Industri*.

In the magazine sector the main players are the German-backed **News Group**, **Mediaprint** subsidiary **WTZ**, and **Bonnier-backed Radda & Dressler**.

MAIN PLAYERS

Mediaprint

Mediaprint is the largest publishing house in Austria, with the German media group, **Westdeutsche Allgemeine Zeitung (WAZ)** a major shareholder. Apart from publishing the two leading daily newspaper, *Neue Kronenzeitung* and *Kurier*. A holding company deals with all aspects of business, advertising and distribution for both papers. It also publishes a regional weekly, *Kärntner Tageszeitung* and is a shareholder in **Wirtschafts-Trend Zeitschriftenverlag** which publishes popular magazine titles *Trend* (62,000) and *Profil* (83,000).

Mediaprint has invested in new printing facilities - twelve 48-page printing presses - in Vienna, Salzburg and Southern Austria.

News Group

Owned by the **Bertelsmann** controlled **Gruner+Jahr** (75%) and the Fellner family (25%) it produces the best-selling business magazine, *Format* (91,000), the leading television guide, *TV Media* (295,000), and the current affairs title, *News* (294,000).

Gruner+Jahr also publishes four titles in Austria: *Brigitte*, *Geo*, *Parents* and *Schöner Wohnen*.

Styria Medien AG

The third biggest media group in Austria publishing the two leading regional dailies, *Keine Zeitung* and *Kleine Zeitung Graz*. Also publishes the quality daily broadsheet, *Die Presse* (78,000), magazines, several smaller weekly newspapers and two free newspapers, *Grazer Woche* and *Kärntner Woche*.

Styria has interests in book publishing (**Verlag Styria**,

Verlag Carinthia, Verlag Ingenium) and acquired **Pichler Publishing**, a Viennese firm, in 2001. Styria has extended its activities to Croatia with a stake in the biggest Croatian newspaper *Vecernji List*.

Broadcasting interests include radio (Antenne Steiermark, Antenne Wien, Antenne Kärnten) and television broadcasting (SAT Österreich).

Two new subsidiaries are **diepresse.com**, to expand *Die Presse*'s profile online, and **Media Consult Austria** which provides a magazine service specialising in corporate publishing.

Radda and Dressler

Mainly active in the magazine market, publishing seven titles including the women's magazine, *Diva*. 50/50 joint venture with **Bonnier** to produce daily business paper, *Wirtschafts Blatt* (31,000).

Leykam Medien AG

Leykam is one of the biggest media group in Austria with activities in print, radio, television and electronic media. The group publishes two leading regional newspaper called *Der Neue Grazer* and *Der Neue Steirer*. It also publishes *Vecer*, a daily from Maribor, Slovenia through Leykam Tiskarna (printing plant).

Leykam also owns the Krone HitRadio, pre TV (TV content production), Steiermark 1 (private TV), Kabel 1 (service provider) and Intermedias (Internet activities).

BELGIUM

Belgium is a federal state, organised around geographic and linguistic divisions - predominantly Dutch-speaking Flanders and French-speaking Wallonia, and the capital area of Brussels.

For Flanders the regulatory body for terrestrial television, cable and radio is Vlaamse Commisariat vor der Media (VCM) and for Wallonia, Conseil Superieur de L'Audiovisuel (CSA). Both have similar remits.

Terrestrial TV and Radio

The public broadcaster for the Flemish community is **Vlaamse Radio-en Televisieomroep (VRT)** which broadcasts two channels. For the French-speaking community in the south of Belgium, **Radio-Télévision Belge de la Communauté Francais (RTBF)**, also has two channels.

The commercial channel **Vlaamse Televisie Maatschappij (VTM)** was launched in 1989. The majority shareholder is Vlaamse Media Holding, a 50/50 joint venture between the **Roularta Media Group** and **De Persgroep**. It has a second channel, Kanaal 2, and the two channels command a third of the Flemish audience.

Broadcasts from neighbouring Luxemburg to French-speaking Wallonia by **Bertelsmann's** RTL-TV1 and Club RTL take audiences away from **RTBF**.

Cable, Satellite and Multimedia

Belgium is the most densely cabled country in Europe (94%). **Telenet** is the largest cable group in Belgium, and **Callahan Associates** is involved. It agreed to buy 54.2% of telenet in 2001 but reduced its stake to 21.8% last year. Telenet gives access to about 1.5 million subscribers.

Direct-to-home satellite services are minimal in Belgium. Canal+ and VT4, a free-to-air channel broadcast from the UK by **SBS Broadcasting**, are both received by cable.

Newspapers and magazines

The newspaper sector has seen a process of ownership concentration since the 1960s.

Three publishers control the market in Flanders.

VUM Media: *De Standaard, Het Nieuwsblad, De Gentenaar, Het Volk, Vers l'avenir* (25%).

De Persgroep: *Het Laatste Nieuws, De Nieuwe Gazet, De Morgen*.

de RUG: *Gazet van Antwerpen, Het Belang van Limburg*.

Belgium's French language press is also dominated by three groups:

N.V.Rossel: *Le Soir, La Meuse, La Capitale, La Nouvelle*

Gazette, La Province.

IPM: *La Libre Belgique, La Dernière Heure.*

SAIPM: *Vers l'Avenir, Le Jour/Le Courrier, Le Courrier de l'Escaut, l'Avenir de Luxemburg, Le Rappel.*

MAIN PLAYERS

Roularta Media Group (RMG)

Belgium's largest media conglomerate with subsidiaries and partnerships in Portugal, France, the Netherlands and Norway. The most significant is its stake in Portugal's **Impresa** group.

Newspapers

De Zondag (free Sunday, with 12 editions and 450,000 print run).

De Streekkrant/De Weekkrant (free paper, 3 million copies weekly; twice weekly in Bruges and Ghent).

De Weekbode, Brugsch Handelsblad, De Zeewacht, Kortrijks Handelsblad, Het Wekelijks Nieuws are titles amalgamated under *Krant van West-Vlaanderen* which sells 424,000 in West Flanders.

Journal da Região (Portugal). Free paper, 700,000 print run, distribute in regional editions in larger towns and cities.

A Nous Paris. Free paper. 400,000 print run distributed on Paris Metro.

Magazines

21 trade, leisure/consumer magazines in Flemish, French and German, including the business magazine *Trends/Tendances* (44,000).

Lenz and *Vi Over 60* jointly with French publisher, Bayard.

Books

Academic and general imprints under the **Roularta Books** umbrella.

Music Publishing

CD, videocassette and DVD duplication.

Printing

39% of **Mercator Printing Group**. Book, newspaper, magazine and calendar printing.

Online

Portals and multimedia development.

Television and Radio

50% stake in Flemish television and radio group, **Vlaamse Media Maatschappij (VMM)**: Q Music, Top Radio and Radio Mango radio networks; television station VTM and Kanaal 2; JIM TV youth station; Kanaal Z and Canal Z - French and Flemish languages business stations.

A one third stake in Portuguese media group, **Imprensa**, which has the commercial TV channel, **SIC**.

Others

50% stake in **Studio Press** - French music magazine publisher.

Roularta Events - trade shows.
50% stake in **Grieg Media**, Norway.

De Persgroep

Publishes Belgian's leading daily newspaper, *Het Laatste Nieuws* (280,000), the Antwerp regional, *De Nieuwe Gazet* and *De Morgen*.

It publishes magazines through its subsidiary, **Magnet**. Titles include TV guide *TV Familie* (230 000), *Dag Allemaal + Zondagsnieuws* (344,000) and general interest magazine *Blik* (79,000).

It is also 50% owner of Flemish TV company, **Vlaamse Media Maatschappij**, with **Roularta** having the other 50%.

Sanoma Magazines Belgium

VNU disposed of its large stable of consumer magazines to Scandinavian media group, **Sanoma WSOY**. Titles include nine French titles and thirteen Flemish, some of which are versions of pan-European titles like *Marie Claire*. Other titles include several of the main TV guides (*Humo*, 238,000; *TeVe-Blad*, 199,000) and women's titles *Libelle NL/Het Rijk der Vrouw* (215,000) and *Flair* (126,000). On the french speaking side, Sanoma Belgium publishes *Télmoustique*, *Gael*, *Libelle* and *Femmes d'aujourd'hui*.

VUM Media

VUM Media publishes several Flemish newspaper like *De Standaard*, *Het Nieuwsblad*, *De Gentenaar* and *Het Volk*. VUM detains also a 25% stake in the Group Vers l'avenir which publishes *Vers l'Avenir*, *L'avenir du luxembourg*, *le Courrier de l'Escaut*. VUM operates also in the free newspaper sector with *Group plus*, well known in Belgium.

Other activities includes radio stations (Radio Nostalgie, Antigoon, Radiogo), TV productions and internet.

DENMARK

A change in Denmark's government has created some uncertainty about the direction of media policy. The Liberal/Conservative government has indicated that it intends to privatise the television channel, TV2, which is part-funded by the licence fee. The government has announced it wants TV2 privatised 'as quick as possible' and **Egmont**, Denmark's oldest and biggest media group, has announced its interest in investing in a privatised TV2. **Egmont** is an important media player in the Nordic region, with a 33 per cent stake in Norway's TV2.

At present Denmark has strict regulations on television advertising. Commercials cannot be broadcast during programmes, may not exceed 15% of a station's daily broadcasting, or twelve minutes per hour. Alcohol, tobacco and non-prescription drugs are forbidden, as is advertising for political or religious groups.

Some television stations now broadcast by satellite from England into Denmark to avoid these regulations.

Terrestrial TV and Radio

Danmarks Radio (DR) is Denmark's state-owned public service broadcaster which transmits two channels - DR1 terrestrially and DR2 solely by satellite. DR1 has an audience share of around 32% while its main competitor, **TV2**, Denmark's national terrestrial commercial station has an audience share of 36%.

DR is 90% funded by the licence fee (of the total fee income collected by the government DR received 82.1% in 2001; **TV2** 16.8% and local TV and radio stations 1.1%). TV2 also has eight regional stations and is obliged to produce its own news and current affairs programmes. TV2 is managed by an eleven-member board appointed by the Ministry of Culture. It receives its income from the licence fee, 27%; advertising, 67% and other income, 6%.

There are plans for three DTT multiplexes, one to be shared by DR and TV2

DR has a monopoly on national radio broadcasting, with four national stations and nine regional stations. There are about 230 privately owned local radio stations.

Cable, Satellite and Multimedia

The penetration of cable TV services is about 60% - above that of its Scandinavian neighbours, Sweden and Norway. The commercial operators are:

Tele Danmark Kabel TV (TDK) claimed 801,000 connection in 2001. TDK launched digital cable television services in 1998 under the label Selector, offering one large package provided by Telenor's Canal Digital, and a series of smaller special interest. About 100 digital channels were on offer.

The other main operator, **Telia Stofer**, has around 610,000 subscribers and also offers high speed internet access.

The third commercial operator, **NESA-Kabel TV**, is based on the island of Zealand, has about 16,500 subscribers.

The satellite TV market is split between **Canal Digital** and **ViaSat** who both compete for subscribers in all the Scandinavian markets. Canal Digital carries Canal+'s premium pay-TV channels. Canal Digital does not break down its Nordic subscribers but in mid-2001 claimed 569,000 digital subscribers in Denmark, Finland, Norway and Sweden.

Canal Digital's main competitor is the **Modern Times Group's** ViaSat platform. In mid-2001 it claimed 577,000 subscribers across Scandinavia and the Baltic region. MTG also transmits the commercial satellite channel TV3, which is broadcast from London to benefit from the UK's more relaxed advertising regulations.

In November 2000 ViaSat, Canal Digital and TDK reached agreement on a joint standard for developing a digital interactive platform so that the companies will compete on content and services rather than technical differences.

Newspapers and Magazines

There has been a steady decline in the number of newspapers in the Danish market, and this has had an impact at national and regional level. In addition at local level there has been the rise of the free district press - 150 titles with a combined circulation of five million in mid-2001.

In December 2001 the Nordic conglomerate, **Orkla**, purchased Danish media group, **Berlingske Dania**, acquiring two national dailies, *Berlingske Tidende* (circulation 152,000) and *BT* (circulation 122,000), the weekly current affairs journals, *Weekendavisen*, four regional dailies, including *Arhus Stiftstidende*: circulation 62,000 and *Jyske Vestkysten*: circulation 89,000, 6 local dailies and 49 regional papers.

The magazine market has also suffered a decline, with general interest magazines being supplanted by TV guides. **Aller** publish the best selling women's weekly magazine *Familie Journalen* (237,000) and the third most popular, *Ude og Hjemme* (178,000). **Egmont** publish *Hjemmet* (200,000).

MAIN PLAYERS

The Aller Group

The **Aller Group**, wholly owned by the Aller family, is Denmark's leading magazine publisher and claims to have 70% of the market in terms of circulation. It publishes TV guides *Se og Hør* (215,000) and *Billed Bladet*

(183,000). Under the imprints Aller Press, Bladforlaget, Forlaget IN, g&s International and Aller Laeserservice it publishes special interest magazines including collector's magazine, *Antik & Auction* (25,000) and interior design title *Mad og Bolig* (60,000) in Denmark, Finland (3 titles), Norway (16 titles) and Sweden (20 titles).

Egmont

Egmont is one of Europe's largest magazine and children's book publishers. Based in Copenhagen, it operates in 24 countries including a special focus in Eastern Europe (Bulgaria, Croatia, Romania and Slovenia) and China. its main areas of activity are:

Book publishing

8 publishing houses in Denmark, Norway, Germany and Sweden.

Children's publishing in 20 different countries from China and Bulgaria to Turkey and Poland.

Egmont is also the second publisher in terms of adult fiction in Scandinavia.

Magazines and comics

60 adult and youth publications in Denmark, Germany, Norway, UK and Sweden. It includes family magazines, women's and men's magazines, TV mag. 25 comic publishing units across the world.

Marketing and advertising

Nordic Media Link AB. Joint venture company for the sale of advertising screening in Danish, Swedish and Finnish cinemas.

GO-CARD and Egmont Respons. Film Guide, RMB Danske Reklame Film

Film

Nordisk Film and TV. Film, TV and commercial production with units in Denmark, Norway and Finland.

Nordisk post production facilities in Norway, Denmark, Sweden and Finland.

Felicia Films. Swedish production house.

Northern Lights. Norwegian production house.

Locomotion. Producer of commercials and music videos in Denmark and Norway.

Egmont Imagination. Animation studios in Denmark, UK and Estonia.

Egmont Entertainment. Distribution.

Columbia Nordisk Film Distributors. Partnership with Columbia Tristar and other studios in the Nordic bloc.

Nordisk Film Biografer. Cinema operator in Denmark and Norway.

A Film A/S. Largest animation studio in Scandinavia. Activities also in Estonia and Latvia

Constantin Film

Television

33% stake in Norwegian national commercial channel TV2.

16.5% stake in TVNorge (TV2 has a separate stake).

25% stake in commercial Channel Four in Finland.

Stake in Swedish regional channel TV-Linköping.

Online and Games

Egmont Online - includes distributorship for Sony PlayStation.

Nordisk Film and TV. Game and internet content production company.

Fun Online.

IO Interactive (43%) - games.

Television and Radio

Digital terrestrial television (DTT) is developing successfully in Finland. **Digita**, a subsidiary of the public broadcaster **Yleisradio Oy (YLE)**, has the responsibility for building the digital network, as well as running analogue broadcasting and transmission networks. **Télédiffusion de France** (subsidiary of France Telecom) has a 49% stake in **Digita**.

There are three DTT multiplexes, with coverage of 70% at the end of 2001, and a commitment to 100% by the end of 2006.

The main television companies are:

YLE, the public service broadcaster operates two national channels, YLE TV1 and YLE TV2, which have a combined audience share of around 42%. The Swedish language FST has slots on the national channels, TV Finland, a digital, non-commercial subscription channel available by satellite, and SVT Europa (programming produced by Sweden's SVT, available in Sweden's coastal regions).

YLE has sole ownership of DTT Multiplex A and its five slots are taken up with digital versions of TV1, TV2, YLE24 (news and current affairs), YLE Teema (culture, science and education) and FST, the Swedish-language channel

Channel Four Finland is 50.00% owned by Swelcom, a wholly owned subsidiary of Finland's biggest media group **Sanoma WSOY**, Egmont holding (25%), Turku-based newspaper publisher, **TS-Group** (14%) and **VBH-Television** (11%). **Channel Four Finland** reaches about 80% of the population and its programmes are designed to appeal to the 'active, urban 10-44 year-old age group'.

It has an audience share of around 11%. A digital version of C4F is broadcast on DDT multiplex C and its parent company **Sanoma WSOY** has another channel (Swelcom Fil channel) on the same multiplex, and a pay-TV sports channel on multiplex B (Suomen Urheilutelevision).

MTV3 is owned by Finland's second largest media concern, **Alma Media**. MTV3 is Finland's leading commercial TV channel, with an audience share of around 40%. It also has another channel Sub TV. It transmits digital versions of MTV3, Sub TV on DDT multiplex B and also owns 50% of the pay-TV sports channel, Suomen Urheilutelevision.

Cable, Satellite and Multimedia

The largest cable operator is **Helsinki Television (HTV)**, a wholly owned subsidiary of **Swelcom**, which in turn belongs to **Sanoma WSOY**. It has around 220,000 cus-

tomers, it is fully digitalised, offers high-speed internet access, and has a consumer broadband service, **Welho**.

Swelcom manages all of Sonama's operations in the fields of fixed and mobile telephony networks, cable TV and digital TV.

Its nearest rival is Finland's national telecom operator, **Sonera**, which has around 150,000 cable subscribers. It is, through its subsidiary, **Sonera Plaza**, the leading internet service provider in Finland, with over 240,00 subscribers, and Sonera also offers internet access under the Quicknet brand and 'high speed' internet access via ADSL technology.

Canal Digital, 100% owned by Norway's Telenor, after it bought out the 50% share of pan-European pay-TV operator Canal+. It offers a raft of channels across the Nordic region, many still provided by Canal+, and claims over 570,000 digital subscribers.

ViaSat Broadcasting, part of Swedish media conglomerate, **Modern Times Group**. It claims over 577 000 subscribers in Scandinavia but like Canal Digital does not break down subscribers on a country-by-country basis.

Newspapers and Magazines

The print sector dominates Finland's advertising market with 73% of media advertising expenditure going to daily newspapers, magazines and free distribution papers. This trend is apparent in most Nordic countries with the exception of Norway, where television accounts for 35% of the total media advertising market. There are a number of common factors in the Nordic community's media consumption patterns. A high proportion of newspapers are ordered on annual subscriptions, and delivered to homes early each morning. Also newspapers have a strong local character, which gives a closer link between the advertiser, the newspaper publisher and the reader/consumer. Many international advertisers view the Nordic countries as a single market and use the same or similar ads in all of the countries.

The two leading national dailies, *Helsingin Sanomat* (440,000) and *Ilta-Sanomat* (218,000), both belong to the **Sanoma WSOY** group. The third placed paper is *Iltalehhti*, a national evening paper has a circulation of 133,000. It and the leading regional daily based in Tampere, *Aahulehti* (135,000) are published by Alpress. The two leading Sunday papers are the weekly editions of the leading national dailies, *Helsingin Sanomat* (510,000) and *Ilta-Sanomat* (243,000) whilst the third and fourth most popular weekly newspapers are the Sunday editions of *Italehti* (166,000) and *Aamulehti* (143,000).

United Magazines is Finland's second largest consumer magazine publisher, publishing the top-selling general interest magazine, *Suera* (266,000) and the women's fortnightly *Kotiliesi* (195,000). It has a total of 33 titles on the news stands.

A-lehdet publishes 20 Finnish consumer magazines covering health and beauty, motoring, sport, gardening, and business and economics. Its top selling title is the weekly family magazine *Apu* (250,000).

MAIN PLAYERS

SANOMA WSOY

Helsinki-based Sanoma WSOY is the second largest Nordic media group, after the Swedish Bonnier group. It was formed through the merger of publishers Sanoma and WSOY with Helsinki Media, a print and broadcast group. In the second half of 2001 it purchased the consumer magazines (over 200 titles) from the Netherlands-based VNU group. This acquisition gives the group a presence in Eastern, Central and Western Europe, including 50% of the Dutch magazine market and 39% of the Belgium.

Holdings Newspapers

The group produces Finland's leading tabloid, broadsheet and financial newspapers: *Helsingin Sanomat*, *Ilta-Sanomat* and *Taloussanomat*.

Regional newspapers. Kymen Lehtimedia - 3 daily papers (*Kymen Sanomat*, *Kouvolan Sanomat* and *Etelä-Saimaa*, 6 local papers and 2 free paper in South-East Finland.

13 Printing plants in Kouvola and Lappeenranta.

Free newspapers in Finland - *Kultainen Pörssi* (Finland's largest free newspaper) and Estonia - *Kuldne Börs*.

Magazines

Sanoma's magazine arm is the Finnish market leader in family and women's magazines, professional and home computer magazines, and comics - 47 titles in Finland and 2 in Sweden. Sanoma has a leading position in Scandinavia.

The VNU acquisition brings 3000 titles in Europe. Sanoma became the marketleader in Belgium (39% market share), the Czech Republic and Slovakia (26% market shares), Hungary (34% market share) and The Netherlands.

It also includes Aldipress, the largest Dutch commercial sales and distribution organisation (70% of the market)

Books

WSOY is Finland's leading book publisher in general literature, education and a number of specialist publications. It is the market leader in book printing, and the Nordic areas leading calendar publisher. Sanoma magazines Finland is also an active book publishing company.

Broadcast

Channel Four Finland, Finland's second commercial channel - "Nelonen"

Helsinki Television - Finland's largest cable company (HTV)

Tuotantotalo Werne - specialist provider of TV, video and audio services.

Digital TV

Multimedia

ilse Media Groep - Dutch search engine and portal

Rights Management and News Services

Lehtikuva photo agency.

Startel (905) business information services.

Esmerk - customised news analysis and summary services in Europe, Russia, the Baltic, Assi and the Americas.

Distribution

Lehtipiste press distribution in Finland.

Lehepunkt - joint venture with Estonian publisher Ekspress Grupp.

Kymen Lehtimedia

Retail

Suomalainen Kirjakauppa chain of bookstores - 59 bookshops; three Yliopistokirjakauppa bookshops and one Dose multimedia shop.

Astro Raamatud (60%) - Estonian book retailer.

Rautakirja (56.97%) kiosks in Finland and Estonia.

Food and motorway restaurant chains (Eurostrada and Motorest).

Chain of betting shops.

Cinemas and film distribution

Finnkino group - cinemas in Finland, Estonia and Latvia

Finnkino film imports.

Video sales and rentals.

RCV Entertainment - largest film distributor in the Benelux countries.

Business Information Center

Sanoma magazines Finland : B2B products, guides and directories.

Startel&Esmerck : financial information

WSOY : business&legal publications. It is the largest business paper publisher.

Internet

Welho Broadband Services

Web Advertising Sales

Virtual portal

Others

The group has a 29.6% stake in Norwegian media group A-pressen ASA.

Geomatic- direct marketing.

HPR Holding - consumer and trade show operator.

Sanoma publishes also calendars handled by Ajasho.

ALMA MEDIA

Created in 1998 through the merger of Finnish publisher Aamulehti and commercial television group, MTV Corporation, it is Finland's second largest media group. One of the principal shareholders in Alma Media is the Swedish media group, Bonnier (26.8%). Alma is active in

Finland, Lithuania, Estonia and Latvia.

Alma Media has five operating divisions:

Alpress (publishing)

The Finnish newspaper portfolio comprises 30 titles, including the afternoon tabloid, *Ilta-lehti*, the financial daily, *Kauppalehti* (82,000) and a range of regional papers: *Aamulehti* (Tampere), *Satakunnan Kansa* (Pori), *Lapin Kansa* (Rovaniemi), *Pohjolan Sanomat* (Kemi), and *Kainuun Sanomay* (Kajaani).

Broadcasting

MTV3 - Finland's leading commercial channel.

Sub TV.

Radio Nova (61%) - national commercial broadcaster with 11% audience share.

TV4AB Swedish commercial television station (23.4%)

Alprint

Alprint Specialises in printing magazines and catalogues.

New Media

Alma Media Interactive responsible for interactive media business and technical support for network services. Alma Media has more than 30 web services.

Business Information Group

Baltic News Service based in Tallinn, Estonia. Produces news in five languages: Estonian, Latvian, Lithuanian, Russian and English.

Balance Consulting Service. Analyses corporate financial statements and performance from database of 11,000 companies.

Kauppalehti. Development from the five issues per week business magazine of the same title. Includes bi-monthly magazine *Kauppalehti Optio* and a web service, www.kauppalehti.fi.

FRANCE

France's media policy is shaped strongly by the cultural and linguistic defence of its audiovisual space. The most striking recent example of the importance of this was the case of the former chief executive of Vivendi Universal, Jean Marie Messier, whose downfall was his ambition to build a global media group. In the USA in 2001 he agreed to buy book publisher Houghton Mifflin, music website *mp3.com*, a 10% stake in pay-TV group **Echostar**, and **USA Networks** (\$10.8 billion). Up to December 2001 his deal making saw him acquire US media businesses worth \$50 billion, and he claimed his company was now a 'tier one media player'.

In some respects **Vivendi Universal** has suffered from the dot.com collapse like AOL Time Warner. The internet portal Vizzavi, fully owned by **Vodafone**, was meant to be at the heart of the business. Valued by some analysts in 2000 at 8030 billion, it now has zero value.

But Messier's pronouncement that 'the French cultural exception is dead' and his move to a \$17 million Park Avenue apartment in New York stirred up fear that Vivendi Universal might become a Trojan horse for the further Hollywood-isation of French popular culture. The sacking of Canal Plus chairman, Pierre Lescure, provoked angry protests in France and as the months went by Vivendi Universal's share price plummeted. In North America the biggest shareholders also decided that his strategy was not working. In July Jean Marie Messier was replaced by Jean-René Fourtou as chairman and chief executive. His job is to reduce the 8019 billion debt burden and restore investor confidence in the media group, and this will inevitably mean selling some of the group's assets.

Lagardère, the media and aerospace group, acquired **Vivendi Universal Publishing**. It includes the French dictionary and reference book publishers, Larousse, Robert, Bordas and Nathan. The US trade and education publisher, Houghton Mifflin, has been also sold.

France has also taken an active role in European Union (EU) media policy formation, most notably in the adoption of the *Television Without Frontiers* directive (1989, revised 1997) which requires television channels to carry over 50% of EU originated programming 'where practicable'. The directive continues to be controversial, and some countries do not apply it effectively (the UK for example allows 40 cable and satellite channels to ignore the requirement) but France places strong requirements on its television services. The regulatory body, the Conseil Supérieur de l'Audiovisuel (CSA) enforces quotas on European programming, as well as rules on when during the day films can be screened.

Television

Terrestrial television is dominated by the three channels

of the public broadcaster, **France Télévisions**: France 2, France 3 and France 5 which maintain an average audience share of 40%. The two main commercial channels are **TF1** and **M6**, with pay channel **Canal+** having about three million terrestrial customers in its subscriber base of 4.6 million, giving it 4% of viewing share. Canal+ is also distributed by cable and satellite, and is part-owned by Vivendi Universal.

TF1 was the first public service channel in France. Privatised in 1987, the Bouyges Group became its core shareholder. It was awarded a new ten-year broadcasting licence in 1997, despite incurring fines for failing to broadcast the prescribed 60% quota of EU programming.

M6 is majority owned by RTL (part of the Bertelsmann group) and it targets a youth audience. As its audience and revenue have grown it too has had to spend money on programming, as prescribed by the CSA.

Digital terrestrial television (DTT) has had a shaky launch in France, with the private broadcasters unenthusiastic but being offered inducements to participate. France Télévisions is planning three new channels, in addition to digital transmission of its existing analogue channels.

Cable and Satellite

There is a ceiling of 8 million on the number of people any single cable operator may be potentially able to serve, although the trade association, AVICAM, would like this ceiling raised to 15 million. In September 2001 **Noos** (owned by Suez Lyonnaise Télécom, 50.1%; NTL, 27%; Morgan Stanley, 22.9%) had 857,000 subscribers. **France Télécom Cable** had just over 800,000 subscribers; and **NC-Numéricable**, a wholly-owned subsidiary of Canal+, had 712,000.

France has two competing direct to home satellite services. The largest is **Canalsatellite**, owned by Canal+ (66%) and LagardE8re (34%) which in November 2001 had 1.8m subscribers. **Télévision par Satellite (TPS)** reported 1.2m subscribers in August 2001. It is owned by TF1, 66%; M6 34% .

Newspapers and Magazines

The French press enjoys protection in the form of support for advertising. Supermarkets, lawyers, cinemas, publishing companies, and the press and websites cannot advertise on television or radio. These rules may be relaxed as DTT develops.

The national quality daily papers are *Le Monde*, *Le Figaro* and *Libération* but the bulk of French newspaper circulation comes from local and regional newspaper sales. There are also specialised economic and financial dailies (*Les Echos*, owned by the UK-based Pearson group, publisher of *The Financial Times*, and *La Tribune Desfossés*. *L'Equipe* is a daily sports paper.

One area of controversy has been the intrusion of the free newspapers distributed by Norway's Schibsted (*20Minutes*) and Sweden's Metro International (*Metro*). *Metro* is distributed in Marseille and Lyon, but in Paris unions and competitors tried to stifle the initiative.

MAIN PLAYERS

Groupe Hersant

Groupe Hersant is divided in two branches, Socpresse and France Antilles. The group was established by Robert Hersant (an editor of far-right publications during the German occupation and creator of the Jeune Front political party). He died in 1996 and since then the group, which at one time had 30% of French newspaper circulation, has been selling stakes in ailing publications. Through its holding company Socpresse (70% owned by the Hersant family, and 30% by Serge Dassault), the group publishes national publications including *Le Figaro*, *le dauphiné libéré*, *Nord Eclair*, *Le Progrès* and other local papers in the north of France.

Socpresse detains also a 40% stake in Belgium Francophone newspaper group N.V. Rossel which publishes the daily *Le Soir*. 40 consumer/special interest titles including *Paris-Turf*, *TV Magazine*, *L'Auto Journal* and *Version Femme*, *L'Express*, *l'Expansion* and many other titles.

The branch France Antilles concerned foreign activities of Hersant in Switzerland, Italy and the DOM TOM which is formed by Martinique, French Guyana, New Caledonia and French Polynesia.

Hersant, in partnership with Silvio Berlusconi, launched Le Cinq television channel in 1986, but after heavy losses they surrendered the licence in 1990.

Lagardère Media

Hachette-Filipacchi Presse, is part of French industrial conglomerate (cars, munitions, telecommunications, aerospace) Lagardère. Media group **Hachette** merged with telecoms and technology firm **Matra** in 1993. It has interests in the book, magazine and multimedia publishing industries, and it has a European presence through licensing its titles for local editions (for example, 31 editions of *Elle*, 15 of *Elle Décoration* and 11 of *Car and Driver*).

Lagardère Media has four subsidiaries:

Hachette Filipacchi Médias (HFM) is the news and magazine division. It is one of the world's largest publishers of magazines, with 222 titles in 34 countries, with half its sales outside France. French publications include *Elle*, TV guide *Tele 7 Jours*, *Ici Paris*, *Première* and *Paris Match*. In the French newspaper market titles include *Echo*, *Republicain*, *La Provence*, *Var Matin*, *Nice Matin*, *Le Parisien*, *le journal du dimanche* (sunday paper) and *L'Equipe*.

Hachette Livre is the second largest editor responsible for educational, reference, general publishing and leisure titles in France (Hachette, Editions Filipacchi and Le Livre de Poche). Hachette owns famous publishing house like Larousse, Robert, Bordas, Nathan, Stock, Grasset and Fayard. Hachette Livre has interests in several countries and especially in Spain, the UK, Italy and the USA. Gollancz, Weidenfeld and Nicolson, Orion, Cassell and the Octopus Publishing Group are part of its UK assets.

Lagardère Active is the broadcasting branch of Lagardère. The group owns several thematic channel (*MCM*, *Match TV*), content production companies (GMT Production, DEMD Production) and also radio stations like *Europe 1*, *Europe 2* and *RFM*.

Hachette Distribution Services (HDS) controls the distribution of press and other media products. These wholesale and retail holdings, similar in operation to the UK-based firm, W.H.Smith, include Hachette UCS and Canada's largest news-stand chain.

In terms of advertising, **Interdeco**, the leading media buyer in France, is also a subsidiary of Lagardère.

Hachette Filipacchi Global Advertising operates outside France, specialising in the promotion and sales of the group's magazines.

Ouest-France group

The Rennes-based **Ouest-France group** claims to be France's largest newspaper publisher with 30% of national circulation, although further growth is inhibited because of limits on market share. *Ouest-France*, with seventeen editions distributed in Brittany, Normandy and the Loire, has a circulation of 800,000. The group also has several other paid local newspaper titles.

The group also owns SPIR Communications which publishes about 150 free newspapers across France, including *Aix Hebdo*, *Le Galibot* and *Boum Boum*, with individual circulations of up to 440,000.

Bayard

Bayard is the fifth largest press group in France, in terms of circulation and publishes 100 newspapers and magazines in 34 countries in Europe, North America, Asia and Africa. It specialises in four areas: children's publications (*Astrapi*, *Babar*), the 'over-50s' press (*Notre temps*), hunting and fishing magazines (*Terre sauvage*) and the Roman Catholic religious press (daily *La Croix*). Bayard is also a book publisher through Bayard Editions Jeunesse and Editions Bayard.

European media groups with French magazine interests include **EMAP France** and **Gruner & Jahr/Prisma Presse** (part of the Bertelsmann group), which claims to be the second largest magazine publisher in France with 15 titles and 18% of the magazine market.

VIVENDI UNIVERSAL

Originally a water utility, Compagnie Générale des Eaux, established in 1853, it changed its name to Vivendi in 1998. In the same year Vivendi and Havas, France's largest publisher of books and business information titles, merged. In 2000 Vivendi, Canal + and the Canadian media and distillery company, Seagram, announced plans to merge and create Vivendi Universal.

Time (July 15, 2002) estimates that the value of the company's parts if they were sold off might be \$55 billion - three times what it is now worth - with a company share value of \$17.4 billion. A selective listing of the group's assets are:

Universal Music Group

Recording interests include:
MCA Records. Decca Records. Universal Records. Deutsche Grammophon. Mercury. Motown. Polydor. Verve. Def Jam. Pressplay

Music Publishing and Distribution

Polygram Music Publishing.
Island Music.
Universal Music and Distribution.
MCA Music Publishing.
Universal Concerts (concert promotion).
Global sales are down and piracy also has had an impact. Artists include U2, led by Bono, and Eminem.

Telecoms

Vivendi Universal owns a 44% stake Cegetel Group, one of the two national operator in France. Cegetel is France's leading private operator of fixed-line activities, under Cegetel brand and mobile telephone operations, under SFR name. VU has also interests in SFR, a mobile network (13.2 millions subscribers). Owns stakes in phone services in Europe (Monaco Télécom) and Africa (Maroc Télécom; Kencell)

Publishing

Vivendi Universal Publishing (VUP) was ranked n°3 worldwide in the global publishing market. It was Europe's largest trade publisher (80 general interest, business and professional titles; runs 60 trade shows; ten specialist imprints). It was also the world's second largest educational publisher. The business plan of Jean-René Fourtou has precipitated the sell of most of the Vivendi assets in order to fight the debt. VUP was one of the first to suffer this strategic reorganisation.

Its book publishing interests consisted of fifty imprints across Europe in the trade, reference and educational sectors, as well as Houghton Mifflin and other publishing interests in the USA. Groupe Express is the French arm of the operation, specialising in three areas: education; literature and games; and a consumer press and business unit. Imprints include Robert Laffont, Le Robert, Plon, Harrap, La découverte, Univers Poche and Presses de la Renaissance.

Newspapers and magazines include: *L'Express*,

L'Expansion, *Courrier International*, *L'Etudiant* and *La France Agricole*.

VUP holds leading position in Spain through **Alianza Editorial**, publisher of Borges, Saint-Exupéry, Proust, García Lorca and Kafka, as well as through Alianza Bolsillo, one of Spain's leading paperback publishers. VU was also the owner of the American Houghton Mifflin, publisher of bestsellers and famous authors.

Film Production and Distribution include:
Universal Studios. Most recent *hit*, *A Beautiful Mind*, starring Russell Crowe. United International Pictures. Working Title. Polygram DA. Polygram Television. Polygram Film International.

Television and video production and distribution include:
Universal Television Group. Universal Studio Home Video. Polygram Video. Abbey Home Entertainment. Gramercy. **Vision Video**.

Cable and Broadcast Television

Universal Television Group produces and distributes television programming around the world. It is formed by :

USA Networks. Channels include Sci-Fi, Trio and Newsworld International and USA
Universal Pay Television (international distribution)
Canal+ French film/television production and broadcasting

Vivendi also has stakes in other media groups, including MTV Asia (50%) with Viacom, Telecine (Brazil) and HBO Asia (with AOL Time Warner).

Universal Theme Parks

Six worldwide including locations in Spain, Japan and China soon.

Cinemas

Cineplex Odeon Corporation (42%) - cinemas in USA and Canada.
United Cinemas International (49%) in partnership with **Viacom**.

Video Games

The world's second largest publisher of PC games with Universal Interactive Studios, Blizzard Entertainment, Sierra Entertainment, Interplay and Universal Digital Arts.

Vivendi Environment

A 63% stake in the world's largest water and sewage treatment firm, with operations in 100 countries. Also runs UK train franchise **Connex**.

Other Holdings

Stakes in chemicals giant, DuPont, real estate, construction and other investments.

GERMANY

Germany has the largest television market in Europe - 50 national television stations in 2001, of which 35 were commercial, and the remainder public service broadcasters. The vast majority of stations are transmitted through Germany's cable and satellite networks, with the two public service broadcasters, **ARD** and **ZDF**, also using terrestrial transmission.

Government figures for mid-2001 indicate only 8% of the population relied exclusively on terrestrial reception, 32% on satellite and 60% on cable reception. In October 2001 there were 22 million cable subscribers, making it Europe's largest broadband market.

Since 1996 private operators have been allowed to build and operate cable networks. In 1998 a European Union ruling required **Deutsche Telecom** (DT), which had developed the cable network over the previous twenty years and had a virtual monopoly, to divest itself of cable properties. This process is not complete yet, and one big deal with John Malone's **Liberty Media**, to acquire six regional cable television companies from DT, was blocked by the Cartel Office in February 2002. As a result Liberty Media also withdrew from another agreement to purchase cable systems from **TeleColumbus GmbH**. The deal was conditional on completion of the DT transaction.

Callahan Associates is one of the new entrants in the German cable market. The company has global interests in cable television and broadband wireless communications. It purchased 55% of the cable operations in North Rhine Westfalia from DT in February 2000, purchasing a similar stake in DT's cable operations in Baden-Württemberg (60%).

Netherlands-based **United Pan-Europe Communications (UPC)** is another major cable operator. Based in the Netherlands, the company is owned by US-based UnitedGlobalCom (51%) and Microsoft (8%).

Two commercial groups dominate the terrestrial tv market - the **RTL** group and **KirchMedia's** ProSiebenSat.1. In stark contrast to the position in 1990 when the public broadcasters ARD and ZDF had a combined market share of 60%, their share in November 2001 was 8.8% and 8.4% respectively. The four ProSiebenSat channels have a combined audience share of 28.1% and Germany's most popular commercial tv channel, RTL, has an audience share of 15.9%. With the TV stations controlled by the **RTL** group, **Kirch Media AG** has an audience share of around 28%.

However **Kirch Group** has become the victim of a gamble. Leo Kirch thought Germans would pay for a choice of first-run movies and prime time soccer on a digital set-top service called Premiere. He needed 4 million subscribers to break even but only managed to sign up 2.4 million.

Kirch borrowed heavily to keep the service running, but announced its insolvency on 8 April 2002.

The launch of digital terrestrial television is at an early stage, partly because of the high penetration of cable and satellite delivered services.

The newspaper sector has a small number of national newspapers, dominated by the **Axel Springer** title *Bild*, which sells more than ten times its nearest rival. It has a right-wing political bias. Germany's regional press has a large number of titles, which might suggest it is locally produced and diverse in character. In fact the bulk of editorial content is produced in central offices, or many of the titles are linked with one another through an umbrella agency.

The German consumer magazine market is dominated with best-selling titles being, as in other countries, TV guides and women's magazines.

MAIN PLAYERS

BERTELSMANN AG

The largest media enterprise in Europe and one of the top ten global media groups.

Revenue in 2000/2001 8020.35 billion, with the USA the largest market (32.2%) followed by Europe (31.5%) and Germany (30.6%).

TV and Radio

Controlling stake in the **RTL Group** (89%) - 24 television stations and 14 radio stations in ten countries - which makes it Europe's largest TV and radio group. Each year RTL produces 10,000 hours of programming and it owns a content library of 17,500 hours.

Television

Germany RTL Télé Lëtzebuerg, RTL 9 (Luxembourg); RTL, RTL 2, Super RTL, Vox, n-tv (Germany); RTL, TVI and Club RTL (Belgium); RTL 4, RTL 5 Nieuws and Weer, Yorin (Netherlands); M6 (France); Channel 5 (UK); TMC (Monaco); Antena 3 (Spain); RTL Club (Hungary).

Super RTL is jointly owned by RTL and Disney and has a strong position in the children's TV market (3-13 age group). There is cross-media branding between the Toggo website (the most popular children's website in Germany) and the channel.

Radio

RTL Radio, 104.6RTL, RTL Radio Die Grössten Oldies, Berliner Rundfunk, Radio Hamburg, Radio NRW, Antenne Bayern (Germany); RTL, RTL2, Fun Radio (France); RTL (Luxembourg); Yorin FM (Netherlands); Bel RTL, Radio Contact (Belgium); RTL Wien (Austria).

Content Production

Ufa Film and TV, Sportfive, Trebitsch Produktion, BMG Video (Germany); CLT-Ufa International, Delux Productions (Luxembourg); Regent, Talkback (UK), Fremantle Media, Team Worx.

New Media

85 branded websites, including RTL Net (France); NEW-MEDIA (Germany); RTL IMedia (Netherlands); IP - Web.net (Pan-European).

Publishing

Gruner+Jahr

Active in the European and US markets. 100 magazines and newspapers in 14 countries including Germany, France, Spain, Italy, Austria, the Netherlands, Russia and the USA. 34 magazines in Germany including business weekly *Stern* (1.15m copies weekly) and fortnightly women's magazine *Brigitte* (875,000). G+J publishes abroad *Voici* (France), *Capital* (France) and *National Geographic* (Poland).

G+J owns 11 stakes in German newspaper sector - *Berliner Kurier*, *Berliner Zeitung*, *Sächsische Zeitung* and seven other titles including German version of *Financial Times* which competes against the established paper *Handelsblatt*. Bertelsmann has also expanded its newspaper activities in Yugoslavia, Romania and Slovakia.

Bertelsmann also publishes scientific and technical titles through its subsidiary **Bertelsmann Springer** (700 trade magazines and 2,000 new book titles each year).

Book Publishing

The **Random House Group** is one of the top five biggest book publishing groups with 150 publishers across the world releasing 8000 new publications a year. The main focus for its activities is North America, which generates over 70% of the group's revenues but plans to extend its operations in Spanish-speaking countries.

Music

Bertelsmann Music Group (BMG) operates in 41 countries and has over 200 record labels including RCA. BMG signed artists like Whitney Houston and Carlos Santana.

Direct to Consumer Services

Directgroup Bertelsmann has a huge operation selling via book, music clubs and e-commerce. The company claims 28 million members of its book clubs in 20 countries world-wide.

Media Services

Bertelsmann through its subsidiary **Arvato AG** has extensive printing and other services, including call centres, IT facilities and consumer data. Also multimedia ad agency, **Pixelpark** which handles major brands. Arvato AG is one of the largest media providers in the world.

BertelsmannSpringer

Bertelsmann and Springer have created a joint venture which is one of the world's major providers of trade and science literature. It counts 70 publishing houses.

KIRCH

The future of the Kirch Group is bleak. By mid-May 2002

the two main operational units - Kirch Media and Kirch PayTV had filed for insolvency. The central holding company, Taurus Holding, also seemed likely to file for insolvency when Rupert Murdoch's satellite TV business, BSkyB, with a 22.03% stake in KirchPayTV, exercised its 'put option' - a promise to an investor to give the money back if they want to withdraw their investment. Murdoch wants the repayment of 801.7bn. Taurus Holding has no cash to honour the claim.

There have also been criticisms of the transparency of the company's financial data, including the level of debts. As a private company the Kirch group is not required to release full financial figures. KirchMedia does produce detailed information.

Company Structure

TaurusHolding is the umbrella company for the three divisions of the Kirch Group.

KirchMedia

Holding company with production (Taurus produktion), licencing (Taurus lizenz), TV and film production. Interests in Hollywood - \$500m in the production of 30 films.

ProSiebenSat.1 AG is the largest free-to-air commercial television network in Germany with four channels: Sat 1, Pro Sieben, Kabel 1 and N24.

DSF is the Sport channel of KirchMedia.

Telecino (Spain, 25% stake).

Kirch Sport has been sold to Robert-Louis Dreyfus.

KirchMedia is now bankrupt, and in hands of its banks. Has until June to draw up plans for its future.

Silvio Berlusconi's **Fininvest** has a 2.48% stake.

KIRCHPAYTV

Pay television, digital broadcasting and pay-tv programme production, including Premiere, Discovery Channel. Also filed for insolvency. Rupert Murdoch's **BSkyB** a minority stakeholder (22.03%).

KirchBeteiligings

Draws together Kirch's shareholdings in print, music, cinema and digital communication technologies.

SLEC Holdings

Holding Company for lucrative Formula One motor racing. Kirch has sold its 40.33% stake in **Axel Springer Verlag**

HOLTZBRINCK

Verlagsgruppe Georg von Holtzbrinck is one of Germany's largest publishers and content providers and is still owned by the von Holtzbrink family. It promotes in its corporate literature a philosophy that quality and standards take precedence over profit maximisation. It is also an international media group, with 42% of revenue from overseas in 2000 - 20% from the USA, 12% from the UK and 10% from mainly Commonwealth countries. Revenue 2000 DM 4.6bn.

Newspapers

Weekly *Die Zeit* (circulation 438,000) and Berlin daily

.Der Tagesspiegel.

Other national titles produced by business and information publishing arm, **Handelsblatt**, including monthly financial magazine, *DM* (189,000) and a financial daily, *Handelsblatt Zeitung* (150,000) and a weekly investment magazine, *Die Telebörse* (170,000).

Holtzbrink is the second largest publisher of regional dailies, many available online.

Saarbrücker Zeitung (182,000) in south-west Germany, *Main-Post* in the Unterfranken division (177,000), Cottbus-based *Lausitzer Rundschau* (155,000), *Sudkurier* in the south and *Trierischer Volksfreund* (99,000) in western Germany.

Handelsblatt has a 56.5% interest in *Economia*, a Czech business and information publisher and a 49% stake in the *Wall Street Journal Europe*.

Handelsblatt has a 28% stake in German 24-hour news channel **n-tv**. Other shareholders **AOL Time Warner** 49%. The channel reaches 29.24 million homes in Germany, half the households in Switzerland and Austria and a further 28.25 homes elsewhere in Europe via the Astra satellite.

Television production interests include **Die Zeit TV**, producing documentaries for ZDF and ARTE, and **AVE für Fernsehproduktion** producing information and entertainment programmes for public and commercial tv channels

Book Publishing

A major fiction and non-fiction book publisher with **Fischer Verlag**, **Henry Holt** and the **Macmillan Group** Education, Scientific and Trade publications. (Over half of the company's revenue - DM2.4bn - came from book publishing).

Online and Internet

Holtzbrinck has also invested in e-business ventures and consolidated activity in a new unit, **Holtzbrinck networkS AG**.

SPRINGER VERLAG

Axel Springer Verlag AG claims to be the largest newspaper publishing company in Europe but also has broadcasting interests. Revenue in 2000 802.9 billion, with sales outside Germany of 80430 million.

TV and Radio

The company has a range of interests in TV and radio, the internet, and TV and radio production companies. It has an 11.4% stake in **ProSiebenSat.1** and a 25% stake in the online sports channel **Sport One** along with Bertelsmann. Springer has also a TV production activity with Schwartzkopff TV.

Publishing

Newspapers and Magazines

Bild is the best selling national daily paper in Europe with sales of around 4.5 m. Its nearest rival *Süddeutsche*

Zeitung has a circulation of around 430,000. Axel Springer also publishes *Die Welt*.

Bild's Sunday counterpart dominates the Sunday market with sales of over 2.5m. Axel Springer also publish the second and third most popular Sunday papers - *Welt am Sonntag* and *B.Z am Sonntag*.

It also has a strong presence in the German regional newspaper market. In addition to 31 regional editions of *Bild* it publishes a number of local papers: *ZTG-G-Thüringen* (based in Erfurt, circulation over 440,000), *Leipziger Volkszeitung* (300,000), *Hamburger Abendblatt* and *BZ* (Berlin, 250,000).

Three magazines dominate the TV listings market - *Hörzu*, *Funk Uhr* and *TV Neu*. A number of popular magazines link to the *Bild* title: the women's *Bild der Frau* (1.75m), car magazine *Auto Bild* (760,000), *Sport Bild* (540,000) and general interest *Bildwoche* (400,000).

Springer publishes newspapers and magazine outside Germany. In Hungary it has eight daily regional titles and one Sunday title but its main focus is magazine publishing. In Poland it owns 14 titles including a women's weekly, *Pani Domu* (500,000) a women's monthly, *Olivia* (470,000) and two monthly youth titles *Dziewczyni* (180,000) and *Popcorn* (150,000).

Springer publishes 16 magazine titles in Hungary. These include TV listings guides (four), two women's magazines, puzzle magazines, cookery and interior design titles and two youth titles.

Spanish subsidiary **Grupo Axel Springer** publishes 11 titles, including three home interior publications: *Mi Casa* (140,000), *Nuevo Estilo* (116,000) and *Chalet Deco* (62,000). *Computer Hoy* (130,000) is the Spanish version of the German PC title *Computer Bild*.

Books

Springer has 16 book publishing companies and has its own printing plants and distribution companies.

BAUER

One of the largest magazine publishers in Europe with 108 titles in nine countries. It divides its operations into German Publishing, Foreign Publishing and Electronic media. Revenue 2001 DM 3.3bn.

Germany

33 titles. Four of the six leading TV guides - *TV Movie*, *Auf Einen Blick*, *TV 14* and *TV-Hören*. Also strong in women's and fashion magazines - *Neue Post* (1.2m circulation), *Das Neue Blatt* (1m), *Maxi* and *Tina*. Specialist interest magazines - *Auto Zeitung* (cars), *Kochen & Geniessen* (cooking) and *Wohnidee* (homes and interiors).

Bauer has a wholly owned subsidiary, **Pabel-Moewig Verlag** which publishes a further 33 titles, including women's weeklies *Avanti* and *Mini*.

UK

Bauer's second largest market after Germany. 21 titles, including *Take a Break* (1.1m), *Bella* (530,000).

Bauer publishes nine titles in Spain, four in France and one in Portugal. In central and eastern Europe it publishes 18 magazines in Poland, ten in the Czech Republic, four in Hungary and one in Romania. In the USA it publishes seven titles, including *First for Women* and *Woman's World*.

TV and Radio

Radio Hamburg (25% stake).

RTL2 (31.5%).

Dock 23 - internet company to develop online activities.

BURDA

Hubert Burda Media produces 200 magazines and newspapers in 28 countries. It has diversified into broadcasting and online activities, and expanded internationally in Asia, central Europe and Brazil. However its market in Germany remains its most important. Revenue 2000 DM 3.25bn.

The owners and chairman, Dr Hubert Burda, has given the group a sharper focus online; 16 magazines have their own website and Focus Digital is the largest internet media group in the country, following the acquisition of the online arm of the Milchstrasse publishing house.

Burda Media publishes 5 regional dailies: *Der Prignitzer*, *Norddeutsche Neueste Nachrichten*, *Swerner Volkszeitung* and *Scweriner Express*

Focus, a weekly news magazine (circulation 815,000), competes against *Stern* and *Der Spiegel*. Other main titles monthly home and garden magazine, *Das Haus* (1.9m), a women's weekly, *Freizeit Revue* (1.1m) and fashion and beauty magazine *Elle* (200,000).

InStyle, a celebrity magazine launched in 1999 has a circulation over 250,000. The Lisa series, aimed at young women: *Lisa* (600,000) and four others with sales of between 150,000 and 200,000 - *Lisa Fit*, *Lisa Wohnen & Dekorieren*, *Lisa Blumen & Pflanzen* and *Lisa Kuchen & Backen*.

Bunte, a showbusiness and entertainment magazine, sells 840,000 copies.

Burda Verlag Osteuropa organises the publishing operation in eastern and central Europe. 46 titles are published in the Czech Republic, Hungary, Kazakhstan, Poland, Romania and Ukraine.

In 2000 Burda entered a partnership with Italian publishing group RCS Editori to expand its Greek and Turkish operations. Burda RCS owns 40% of Istanbul-based publisher HFCrgFCc. There is also a joint venture with Italy's Rizzoli media group, RCS Periodici, and it has expanded operations to Thailand, Indonesia and South Korea.

The company also has radio and TV broadcasting ventures, including cable and satellite broadcaster RTL 2. Burda owns 4 radio stations including Antenna Bayern and BB radio. TV production activities are divided between Focus TV, Superillu TV and Focus TV Produktions.

Westdeutsche Allgemeine Zeitung (WAZ)

Origins

Erich Brost (1903-1996) published the Social Democratic party's daily paper, *Danziger Volksstimme*, in the 1930s before fleeing the Nazis in 1936. He returned to Germany in 1948, and founded the *Westdeutsche Allgemeine Zeitung* (WAZ). The group expanded through the acquisition of regional papers in West Germany, and subsequently, post-1989, in Central and Eastern Europe (CEE).

Sales in the German regional press are dominated by two groups: the Dusseldorf-based ACN, published by the **Rheinische Post**, with a circulation of 1.3m at the end of 2002; and WAZ, with a circulation of just over one million in the same period. However the Essen-based regional newspaper group, **WAZ**, publishes 28 daily newspapers with a total sale of 4.3m. Other titles include the *Westfälische Rundschau*, *Neue Ruhr Zeitung*, *Neue Rhein Zeitung*, *Thüringische Landeszeitung*, *Ostthüringische Zeitung* and *Westfalenpost*. It is the second-largest German newspaper publisher after Axel Springer, and has interests in 25 newspapers and 50 magazines in CEE

AUSTRIA

Mediaprint is the largest publishing house in Austria, with **WAZ** a major shareholder. It publishes the two leading daily newspapers, *Neue Kronenzeitung* and *Kurier*. A holding company deals with all aspects of business, advertising and distribution for both papers. It also publishes a regional weekly, *Kärntner Tageszeitung* and is a shareholder in **Wirtschafts-Trend-Zeitschriftenverlag** which publishes popular magazine titles *Trend* (62,000) and *Profil* (83,000).

BULGARIA

WAZ is dominant in publishing, distribution, advertising and printing national and regional newspapers through its ownership of **Bulgarian News Group**, which in turn controls the publishers **168 Chasa Media Group** and **Media Holdings**. Despite challenges to its dominant position (Bulgarian monopoly laws state that no company may control more than 35% of any market) **WAZ** continues its *de facto* monopoly.

It has the two largest and most influential dailies, *24 Tschassa* and *Dneven Trud*, weekly regional newspapers, and dominates the magazine publishing market.

CROATIA

WAZ owns 50% stake in Europa Press Holdings (EPH) and publishes two dailies, *Jutarnji List*, with a circula-

tion of 170,000, and *Vjestnik*, 60,000 in 2002. EPH also publishes 11 magazines, including the weekly news magazine, *Globus*, (110,000) and the three most popular women's magazines, *Gloria*, *Mila* and *Cosmopolitan*.

HUNGARY

WAZ publishes five dailies in Hungary, but the dominant player is the Swiss publishing group, Ringier.

ROMANIA

WAZ has a 51% stake in the daily *Trustul des Presa National* and a 50% stake in *Romania Libera*.

SERBIA

WAZ took a 50% in **Politika Newspapers and Magazines** after the fall Slobadan Milosevic's regime. The daily, *Politika*, is the oldest newspaper in the Balkans.

IRELAND

Television and Radio

RTE is Ireland's state owned national broadcasting organisation, and until mid-1998 the television market consisted of three state-owned national channels: RTE 1, Network 2 (N2) and Teilifis na Gaeilge (TG4). RTE 1 has an audience share of 30%, N2 and audience share of 15%. T4G had 1.6% of viewers in 2000.

RTE also has four national radio stations.

Ireland's fourth national channel, **TV3**, was launched in 1998. The major shareholder is **CanWest Global Communications** (45%) and it claimed 7% of viewers in 2000. The Canadian company also owns 29.9% of **Ulster Television**, the Northern Ireland ITV franchise, and the second most popular station, in terms of audience figures, in the Republic. **Granada Media** also took a 45% stake in **TV3** later in the same year. Granada approached **CanWest** in mid-October 2002 to buy out the 45% stake they have in TV3. This will give Granada effective control of TV3.

Most of Ireland can also receive British television.

Cable, Satellite and Multimedia

There are two main cable operators. **NTL (Eire)** is the largest with 370,000 subscribers in February 2001. **Chorus Communications**, a company jointly owned by **Independent News and Media** and **Liberty Media** provides cable services to 250,000 subscribers. Both cable companies are developing combined internet, telephony and TV services.

BSkyB, through Sky Digital, are the sole provider of digital television services in Ireland. The satellite dish is quite cheap to install, and a year's subscription to Sky Digital provides the necessary digital set-top box free of charge. There are about 194,000 subscribers. The service was at the centre of great controversy in summer 2002 when **BSkyB** bought the rights to broadcast Irish soccer, effectively pushing people to subscribe to the service to follow the matches. This strategy was used to great effect by **BSkyB** in the UK to drive up satellite subscriptions.

Newspapers and Magazines

Irish publishers have lobbied for a number of changes to improve the conditions under which they operate. These include the abolition of the below-cost selling of imported titles and a reduction of VAT on Irish newspapers from 12.5% to zero.

UK newspaper imports are a constant threat to Irish publishers - in the second half of 2000 they accounted for 28% of all daily newspapers sold in the Republic and British Sundays took 33% of sales.

The UK-based regional newspaper group, **Trinity International Holdings**, (now **Trinity Mirror**) acquired the *Sunday Business Post* (51,000) in 1998 and with it most of the regional papers in Donegal.

The Irish press consists of four national dailies and two national evening newspapers, five national Sunday newspapers and around fifty regional and twelve local newspapers. There are also about thirty, mainly urban, free papers.

The largest selling national newspaper is *The Irish Independent* (168,000), followed by the *Irish Times* (116,000) and the *Evening Herald* (95,000). The *Sunday World* sells 314,000 followed by the *Sunday Independent* (309,000).

The largest Irish publisher of magazines is **Smurfit Publications**, a subsidiary of multinational paper manufacturing and packaging corporation, the Jefferson Smurfit Group. *Woman's Way* is its best selling title (66,000).

The most successful magazine, with a circulation of 146,000, is the weekly *RTE Guide*, published by **RTE**.

MAIN PLAYER

Independent News and Media plc (INM)

INM is the international media group controlled by the O'Reilly family. Tony O'Reilly ran the Heinz food giant while building up personal holdings that embraced investments, property, the media and companies such as Waterford Crystal. He is reported to be the largest individual shareholder in Heinz, with a 2% stake. He has a 27% stake in **INM** and is the main shareholder.

Independent Newspapers publishes the *Irish Independent*, the daily broadsheet with the highest circulation in Ireland, two of the five national Sunday papers (*Sunday Independent* and *Sunday World*, the national evening newspaper, *Evening Herald*, about 20% of the local/regional press and the Irish edition of the *Daily Star*).

Independent Newspapers dominates the Irish newspaper industry. 80% of Irish newspapers sold in Ireland came from companies fully or partially owned by Independent Newspapers.

INM made a successful bid in 2000 for The Belfast Telegraph which publishes *The Belfast Telegraph* (112,000) and *Sunday Life* (95,000).

INM have a 50% stake in **Chorus**, the second largest cable operator and Tony O'Reilly chairs the **Valentia** consortium that bought **Eircom**, the privatised former monopoly telecommunications operator in Ireland. **Eircom** also operates one of the largest online services in Ireland

Other EU holdings:

Independent Newspapers (UK)

Independent.

Independent on Sunday.

21 paid-for and 21 free weekly newspapers in the Greater London area.

Portugal

19.1% stake in **Lusomundo Média**, (publisher of leading Portuguese daily *Journal de Noticias*, and the third largest, *Diario de Noticias*) and subsidiary of **PT Multimedia**, which is part of **Portugal Telecom**.

INM has holding in South Africa's largest media group, whose publications include *The Star* in Johannesburg and the *Cape Times*. It has a joint venture with Advance subsidiary **Conde Nast** to publish magazines such as *Vogue*.

INM is the largest shareholder in **APN**, Australasia's largest operator in regional newspapers. It publishes 14 out of 35 Australian regional daily newspaper. **APN** is active in radio broadcasting and outdoor advertising. For example, it has 11 metropolitan radio stations in Australia and 55 in New Zealand. **APN** and the giant US **Clear Channel Communications** jointly operate the **Australian Radio Network (ARN)**. **INM** also owns New Zealand-based **Wilson and Horton** publisher of the country's leading newspaper, *The New Zealand Herald*. Wilson and Horton is also the largest regional newspaper publisher with a 58% market share, and also publishes magazines.

The narrowness of control of the Italian media is striking. Silvio Berlusconi (*Sua Emittenza* - 'Mr Broadcasting' - and the richest man in Italy) used the total absence of regulation of the mass media in the 1980s to add to his channel, Canale 5, two other commercial channels between 1982 and 1984, Italia 1 and Rete 4. He purchased one of Italy's leading football clubs, AC Milan, in 1986 and established a 'pioneering fusion between Italy's two leading entertainment services, football and television'.

Berlusconi's involvement in the French commercial channel, Le Cinq, ended disastrously but he still has an important stake (40%) in the Spanish television company, **Grupo Telecinco**. What is distinctive about Berlusconi is that his commercial and media power is not dispersed globally but heavily concentrated in one country. The epithet 'Berlusconism' is used to describe a way of life in which people live in houses built by Berlusconi (the Milano 2 housing development, for example), watch television controlled by Berlusconi, shop in supermarkets owned by Berlusconi, eat in restaurants built by Berlusconi, and relax on Berlusconi tennis courts or watch his soccer team.

His three channels have a 45% audience share and over 60% of total advertising sales, and a major presence in advertising (Publitalia 80) and publishing (Mondadori). The holding company, **Fininvest**, which the Berlusconi family has 96% ownership of, has a controlling stake (48.6%) in **Mediaset**, the terrestrial television group that competes with the state-owned broadcaster, RAI.

Newspaper readership figures in Italy are relatively low, and this adds to the importance of television. 82% of Italians depend only on television for news, the highest percentage in the EU. It is in this context that the overlapping of media and political power highlights vital issues for Italian democratic processes. Berlusconi's powerful commercial and media empire was developed through dubious clientelistic relationships with politicians and other agencies. Proceedings for tax fraud, accounting peculiarities and bribery of police and judges were started against Berlusconi, and in April 2001 *The Economist* alleged that he had paid 23 billion lire into Craxi's offshore bank accounts.

In 1984 prime minister Craxi's 'Berlusconi Decree' overturned a court order banning Berlusconi from broadcasting, and the 1990 *Legge Mammi* formalised the Berlusconi/RAI duopoly.

In the wake of the collapse of the old political elites and parties after 1992, amidst the corruption charges of 'Tangentopoli', Berlusconi moved to fill the void through the creation of the populist Forza Italia party, in alliance with the neo-fascist Alleanza Nazionale and the Northern League. Paul Ginsborg points out in *Italy and Its Discontents*, "In order to choose the name and the image

of the new organization he employed all the considerable marketing, advertising and polling techniques of Fininvest. Never in Italy had the creation of a political force been studied so minutely and scientifically, and never before had it assumed the form of a party so closely linked to a single business enterprise." His first foray in the political arena lasted from March to December 1994, but Berlusconi was re-elected in May 2001 with a much stronger majority in the Parliament and Senate.

Through Mediaset and RAI, whose board is appointed by parliament, the prime minister in effect controls about 90% of Italian TV viewership. The paradox in his situation is that he receives licences for his three Mediaset private TV channels from the very body, the state, which he has been appointed to head. At the same time a 1957 law states that the recipient of state licences is ineligible to sit in parliament

Berlusconi has done nothing to resolve the conflict of interest between his political and media power. Vague commitments to divest himself of his media assets have not been carried through - indeed he moved to acquire additional print and radio operations from the Il Sole 24 Ore group in 2001. Berlusconi insists that the Italian people are not interested in the conflict of interest. Most recently the government proposed legislation which would enable defendants to seek the annulment of trials if they suspect the judges are biased. Critics say this is to forestall a verdict in a Milan corruption trial in which Berlusconi is accused of bribery. The proposed legislation would enable his lawyers to demand a new trial on the basis of 'legitimate suspicion' about the Milan judges, who have specialised in investigating political corruption since the 'clean hands' prosecutions destroyed the Christian Democrats and Socialists in 1992.

Recently Berlusconi suggested that he would be willing to run as a presidential candidate if the constitution were reformed to give the president wider powers similar to the French or US presidential systems. This prompted President Ciampi to send a written statement to parliament calling for new legislation to regulate the country's multi-media and television industry. A new law was needed he said to guarantee 'pluralism and impartiality in the Italian communications sector'. By emphasising that pluralism and impartiality were the backbone of a democracy he is challenging Berlusconi's hold on the television media as well as the ownership structure of the Italian written and broadcasting press.

Terrestrial TV

The government decision to liberalise the terrestrial TV and radio market in 1976 led to the huge growth of local and regional broadcasters. In mid-2001 there were more than 700 local and regional TV broadcasters and over 2,000 local radio stations. However the market is completely dominated by **Radiotelevisione Italia (RAI)** and **Mediaset**. Both companies have three channels in operation which reach between 97% and 100% of the population.

In October 2001 RAI had a combined audience rating of 47.5% with RAI 1 attracting 25.7% of viewers, and RAI 2 and 3 12.8% and 9% respectively. Mediaset's flagship channel is Canale 5 which had an audience share of 23.9% in the same month, with Italia 1 and Rete 4 attracting 9.5% and 9.7% of audiences respectively.

An attempt to set up a third group of channels was unsuccessful in 2001. Launched in June the new TV channel, *la7*, sought the co-operation of prominent Italian journalists to provide a predominantly news channel. The channel failed partly because of financial difficulties, but also because *TMC TV*, another channel which was part of the same group, was sold to Telcom Italia.

The crowded analogue terrestrial sector and the lack of digital spectrum have held back the development of digital terrestrial television. In a bid to free up the airwaves RAI, Mediaset and the dominant satellite platform Tele+ must put their channels on satellite and cable platforms. By the end of 2003 RAI 3, Rete 4 and Tele + Nero must switch from analogue to digital transmission.

Cable, Satellite and Multimedia

Stream is both a cable and satellite operator owned by Rupert Murdoch's News Corporation, but the main emphasis has been on developing satellite pay-TV customers. Its competitor, **Tele +**, has been more successful in building its subscriber base, and originally Vivendi Universal were in talks with Stream to take it over. The financial problems which have hit Vivendi Universal now mean that it is News Corporation which is negotiating the terms of the merger, with it having control.

Newspapers

A government survey in 1995 found that only 60% of the population read a newspaper at least once a week, with more than a third admitting to never picking up a paper at all. The combined circulation of the twelve leading dailies is less than 3.7 million. A steady decline in sales, and the rise in popularity of free newspapers and magazines, has led to a decline in revenues from the sector and the result has been that several non-publishing businesses have invested in the print media market, often to influence public opinion and politics. As Paul Ginsborg points out, "The narrowness of control in television was mirrored by that in the media in general. In the mid-80s for example, FIAT controlled *La Stampa*, *Il Corriere della Sera*, *La Gazzetta dello Sport*, and all the magazines of the Rizzoli publishing house. The oil billionaire Attilio Monti owned an extensive press empire in the provinces, including daily papers in Tuscany, Emilia-Romagna and Friuli-Venezia Giulia. Cecchi Gori dominated film production and owned a large string of cinemas. All this added up to an oligopoly unmatched in other European democracies." The names may have changed slightly but the pattern is still the same today.

MAIN PLAYERS

FININVEST/MEDIASET

Cross-holdings, nominee companies and other devices make it difficult to get a clear picture of the group. Fininvest does not release its financial results, but the bulk of Mediaset's revenues, nearly 90%, come from the sale of commercial advertising on its three national TV channels, coordinated by its Publitalia '80 subsidiary. Fininvest divides its operations into the following business areas:

Television and Multimedia

Fininvest controls 48.6% of Mediaset. Mediaset's three channels are:

Canale 5 which is the most successful. It carries news, entertainment, sport and children's television. Canale 5 also has exclusive rights to broadcast European Championship football in Italy and this boosts the channel's popularity.

Rete 4 targets a more mature audience with news, factual programming and movies. Italia 1's aims its entertainment-based shows at young adults, teenagers and children. According to the national audience share body Auditel (in which Mediaset holds a 30% stake) the combined audience share of the three channels in October 2001 was 43.1%

Apart from a 2.98% stake in the ill-fated German Kirch media group it also has a 16.53% stake in Kirch pay-TV venture which led to the group's downfall, ProSiebenSAT1Media. At the end of July 2002 offers for KirchMedia had to be submitted, and one consortium bidding includes three current shareholders, Rupert Murdoch's News Corporation, Berlusconi's Mediaset group and Lehman Brothers.

A 40% stake in **Grupo Telecinco** gives it interests in TV broadcaster Telecinco, advertising company Publiespaña and production company Estudios Telcinco. 13% share of Breton cable tv group TV Breizh.

Mediaset is also involved in advertising and record production.

It also moved into telecommunications, taking a 19.5% holding in fixed line operator Albacom and a 9% stake in the newest Italian mobile phone operator, Blu, which it sold in 2001.

The Mediadigit subsidiary incorporates Mediaset's new media operations, including themed TV channels, internet and teletext activities.

Publishing

Mondadori (50.3%) One of the largest publishing houses in Europe. Over 50 separate subsidiaries and associate companies, it operates via printing and publishing businesses in Spain, Germany, the UK and Latin America. Mondadori claims 31% of the Italian market for books (imprints including Elemond Group, including Giulio Einaudi Editore, Sperling and Kupfer SpA, Edizioni Frasinelli, Librerie Mondadori Elleme) and around 60% of the magazine sector, with over 50 titles including the

weekly *Panorama* (circulation Jan-Dec 2000, 579,000 and Italy's most popular weekly news magazine), women's magazines (*Moderna*, *Grazia* and *Marie Claire*), general interest titles *Chi* and *Tu*, and Italy's best-selling TV guide, *Sorrisi e Canzoni TV* (circulation Jan-Dec 2000 1,505,000).

Mondadori is also involved in joint ventures such as *Cosmopolitan* with Hearst Corporation; *Man's Health* with Rodale Press; and a number of magazines, including the general interest title, *Focus*, with the Bertelsmann subsidiary, Gruner & Jahr/Mondadori SpA. It also has printing operations in Germany and Spain.

Mondadori.com is the umbrella for all the group's internet publishing activities.

Berlusconi empire owns also Il Sole 24 ORE group which is a leading Italian editorial group specializing in the financial and business field. In addition to *Il Sole 24 ORE*, the group publishes several magazines (*Sistema Banche Dati*), a number of professional journals and books and organizes numerous professional seminars and training programmes (*Agenzia Radiocor*). Its editorial activities also comprise Internet portals like the online edition of *Il Sole 24 ORE*, a wire agency, *Radio 24* (radio channel providing business news) and the new broadcasting initiative, VENTIQUEATTRORE.TV.

Fininvest also controls a leading national newspaper, *Il Giornale*, (circulation Jan-Dec 2000, 226,000) and *Il Foglio*.

In 2001, Mediaset took controls of Radio Italia (a national network), advertising agency Editoriale Sper, the syndication company CNR and the news agency AGR.

It publishes phone directories - Pagine Utili - and through the Grijalbo Group in Spain has book distribution units in Colombia, Argentina, Spain, Chile, Uruguay and Venezuela.

Advertising

Publitalia '80 is a very powerful advertising group. At the end of the 1980s it had concentrated in its hands 42% of all publicity in the Italian mass media.

Cinema and Entertainment

Medusa Films.

Penta (film distribution) 50%.

Cinema 5.

Film purchasing agreements with MCA-Universal, Twentieth Century Fox, Sony Columbia, Warner Bros and International Dreamworks.

Finance

Mediolanum - general insurance.

Mediolanum Vita - life insurance.

Several pension funds.

Leasing and other financial services.

Property Development and Construction

Edilnord.

Cantierie Riuniti Milanesei.

Sport

AC Milan football club.

Hockey and volleyball clubs.

Retail

Blockbuster Italia - video rental (51%) with Viacom

La Standa department store group.

Supermercato supermarket chain.

L'ESPRESSO GROUP

The group is controlled by Carlo de Benedetti ('The Engineer') through the Compagnie Industriali Riunite (CIR) and Finegil industrial conglomerates. Gruppo Editoriale L'Espresso is one of the leading media group in Italy with newspaper, magazine and broadcasting activities. The group is in competition with both the Berlusconi family Mediaset/Fininvest group and the RCS group. The de Benedetti interests embrace manufacture of industrial machinery, food products, energy, telecommunications and new media, as well as the publishing interests.

Carlo de Benedetti's father built a heavy engineering group in Italy and the USA. His son worked briefly for the Agnelli family's FIAT conglomerate before buying a stake in the electronics giant, Olivetti, and serving as its chief executive from 1978 to 1996. During this time he expanded his family's interests through the acquisition of industrial, media and consumer product businesses. In 1992 there was criticism of de Benedetti in connection with the 1982 collapse of Banco Ambrosiano.

He gained control of L'Espresso group after a bitter dispute with Berlusconi over control of the Mondadori printing and publishing group in 1991. His weekly business title, *L'Espresso*, and the country's second most popular newspaper, *La Repubblica* take a critical stance on Berlusconi's business and political activities.

Gianpietro Mazzoleni's account accurately places Carlo de Benedetti's media interests: "The print media were not the power base of most moguls⁸⁵ the majority of today's moguls bought into the media with money acquired elsewhere. The daily press, in particular, has always been considered a strategic investment by ambitious industrial groups; this was possible because of the traditional subservience of the press to the political and economic establishment in Italy. Accordingly, the wielding of political influence is the major reason why an industrial or business tycoon seeks to acquire media interests: public visibility and private (and public) influence count for more than return on investment." (*The Media Moguls*, Jeremy Tunstall and Michael Palmer)

Holdings

Newspapers

La Repubblica - national newspaper, with nine weekly supplements (circulation Jan-Dec 2000, 567,000).

Fifteen regional/local newspapers including *Gazzetta di*

Mantova, Il Tirreno, Il Centro, Il Piccolo and Gazzetta di Reggio.

Magazines

L'Espresso, covering business, economics, politics. Circulation Jan-Dec 2000, 383,000.

National Geographic Italia - with National Geographic Society.

Le Scienze - with Holtzbrinck.

Limes.

Micromega.

Le Guide dell'Espresso.

Radio

Three stations: Radio DeeJay, Radio Capital, m2o.

Television

DeeJay TV digital music channel.

Education

Somedia professional education unit organises seminars, conferences, events, online technical and professional training. Somedia is specialized in technology and human resources management.

Advertising

Manzoni & C.s.p.a mainly organises advertising for the Gruppo Editoriale L'Espresso.

Online

Kataweb offers ebusiness solutions and manages the group's various portals.

RCS EDITORI

RCS Editori is the holding group for one of the biggest media concerns in Europe, the RCS Rizzoli Corriere della Sera Group. The group is aligned with the Agnelli family, whose holding company, Giovanni Agnelli & C has extensive interests in the FIAT industrial conglomerate and insurance, property, sugar, chemicals, retail and other businesses.

Holdings

Newspapers

Corriere della Sera, Italy's leading daily newspaper. Circulation Jan-Dec 2000, 614,000. *La Stampa*, daily newspaper, circulation Jan-Dec 2000, 360,000. *Gazzetta dello Sport*, most popular daily sports paper. Circulation Jan-Dec 2000, 374,000.

The group has a 53% stake in Unidad Editorial, publisher of *El Mundo*, Spain's second largest national newspaper, which also has broadcast and magazine interests.

Magazines

In the magazine market the RCS Group operates through an independent company, RCS Periodici, 70% of which is owned by RCS Editori and 30% by Burda, the German publishing house. It claims to be the second largest publisher of consumer magazines, after Mondadori. RCS Periodici in turn has a 50% share in two joint ventures, De

Agostini Rizzoli Periodici - DARP - (the other 50% is controlled by the Istituto Geografico De Agostini) and Edizioni Italo Francesi -EDIF - (50% controlled by Hachette Filipacchi, the French publishing house).

Titles under RCS Periodici

Oggi (weekly) Circulation, 717.000 Jan - Dec 2000.

20 other titles including *Max*, *Il Mondo* and *Amica*.

DARP: A range of 14 monthly titles including *Amadeus*, *Carnet* and *Yacht Design*.

EDIF: *Elle* and *Elle Decor*.

Book Publishing

Imprints include: Rizzoli (Italy), Flammarion (France).

RCS Scuola - reference books, and 23 other imprints including Universe and Rizzoli Books in the USA.

Advertising

RCS Pubblicità - sells advertising space in newspapers, magazines and new media; promotes publications and creates special advertising campaigns and sponsorship opportunities.

50% stake in IGP - outdoor advertising.

Distribution

RCS Diffusione - newspaper/magazine distribution
37 bookstores in Italy; others in USA.

Sport

RCS Sport management and promotion, including Giro d'Italia cycling race.

Online

RCS Web, Ediphone (67% stake).

NETHERLANDS

The media have been shaped by the Dutch social structure of pillarisation, which developed in the late nineteenth century. Pillarisation consisted of a division of society along the lines of religious and/or political convictions. Until the late sixties, for example, newspapers were officially or unofficially attached to one of the four pillars - Catholic, Protestant, Socialist or Liberal - and the papers were used as a means of spreading party or religious viewpoints.

In newspapers the ties between national newspapers and political parties or the church were modified in the late sixties. Since the late seventies most newspapers have an Editorial Statute, which describes and guarantees issues such as a newspaper's identity, commercial pressure, editorial budgets and independence.

In the public broadcasting system, the association of Dutch broadcasters, the **Nederlandse Omroep Stichting (NOS)** is still influenced by pillarisation, with broadcasting associations connected to each pillar involved in **NOS**, although the law has changed to allow the inclusion of new associations and viewpoints.

Terrestrial TV and Radio

Eight independent, non-profit broadcasting organisations come under the umbrella organisation **NOS**, and share three TV and five radio channels with national reach. Other bodies also are responsible for cultural programming and broadcasts for minority groups.

On the three TV channels Ned 1 is concerned with religious and humanist values and programming, Ned 2 with family, education and sports and Ned 3 puts more emphasis on culture and informational programmes.

NOS's five radio stations each have their own specialist area: Radio 1, news and sport; Radio 2 light information and music; Radio 3, pop music; Radio 4, classical; and Radio 5 is concerned with information for minority groups.

The main commercial broadcaster is **Holland Media Group (HMG)**, wholly owned by **RTL**, which broadcasts three channels, RTL4, Yorin and RTL5 from Luxemburg. The regulatory body supervising the Dutch broadcasting system, **Commissariaat voor de Media**, ruled that as the three channels take a significant share of the Dutch terrestrial TV audience they should come under Netherlands jurisdiction. The Dutch government rejected **HMG's** appeal in early 2001. RTL 4 had an audience share of 14.4% in 2000, Yorin, 5% and RTL5 3.8%.

A second entry into the commercial terrestrial TV market was **SBS Broadcasting** which transmits three channels. It is owned by Paramount, part of Sumner

Redstone's global media group, **Viacom**. Its first, and most successful channel, SBS6, is broadcast via cable and satellite and had a national audience share of around 9.6% in 2000. V8 is SBS Broadcasting's second channel. Until April 2001 it was called Fox 8 and belonged to Rupert Murdoch's **News Corporation**. Fox TV still provides material for the channel. Between 6am and 6pm it transmits only programming from the Fox Kids Europe network, and from 6pm to 6am a mix of action movies, series and local programmes aimed at the 15-30 male age group. It had a viewing share of 8% in 2000.

The third channel Net 5 complements SBS6, targets a female audience in the 13-49 age group and shows a mix of documentaries, films and foreign comedies. Its audience share was 2.8% in 2000.

SBS also has a 51% stake in commercial radio station Noordezee FM, in partnership with **De Telegraaf**.

In addition to these main broadcasters, there are twelve public and two regional commercial broadcasters, and a number of local TV and radio stations.

Digital terrestrial television (DTT) has not been developed extensively, the main reason being the prevalence of cable operators offering multi-channel packages and good quality reception. At the start of 2001 the country had cable penetration of 95%.

Cable, Satellite and Multimedia

There are 50 cable operators in the Netherlands and at the start of 2002 6,111,000 (95%) out of 6,400,000 TV households were taking services. Only Belgium (93.%) and Switzerland (91%) had comparable growth rates. The market however is dominated by three companies, who account for 85% of subscribers.

United Pan-Europe Communications (UPC)

At the end of March 2002 **UPC Netherlands** had 2.4 million cable subscribers, 174,000 telephony customers and more than 256,200 internet subscribers. It markets its telephony services through **Priority Telecom** and its high-speed data access portal through **chello broadband**. **UPC's** basic cable package includes all the Dutch terrestrial stations, as well as a variety of French, German and English channels. Its expanded tier includes a range of sports, news, science fiction and other entertainment programming. It also offers a pay-per-view service consisting of four movie channels and one adult channel.

UPC has also launched a digital service which it claimed 60,900 subscribers for in March 2002.

UPC is 52.6% owned by US-based **UnitedGlobalCom**, in which John Malone's **LibertyMedia** has a 74% stake. In August 2002 **United Pan-Europe Communications** filed for court protection from creditors to restructure its balance sheets, with debts of more than 8010 billion. The parent company is **Liberty Media's UnitedGlobalCom**. **Liberty Media** also announced losses of \$4.6 billion in August 2002 as a result of writing down the value of its investments in **AOL Time Warner** and **News International**.

Essent Kabelcom is the second largest cable operator, with 1.58 million subscribers, about 26% of the market share. It has a package of 30 TV channels and 28 radio stations, and runs a limited digital TV service.

Casema is the third major player, owned by **France Télécom**, and operating in the southwestern parts of the country around The Hague, Breda and Utrecht. At the beginning of 2001 it had 1.31 million subscribers to a basic package of 34 TV channels and 30 radio channels. Its market share was 21.5%.

On August 1, 2002 **Liberty Media** acquired **Casema**, but the Dutch anti-trust watchdog, **NMa**, said it would investigate the acquisition because Liberty already had a significant presence in the Netherlands through its indirect control of **United Pan-Europe Communications (UPC)**. Liberty actually owns 74% of United Global Com. The deal would bring Liberty's combined market share of cable to more than 60%.

The main provider of pay-TV satellite services is **Canal+**, part of **Vivendi Universal**. At the end of 2000 it had 315,000 subscribers to its basic programming package. It also launched a digital package in March 2000.

Newspapers and Magazines

Dutch national newspapers take up about 45% of the market, with a circulation of around two million a day. The eight national dailies are all broadsheets (there is no equivalent to the UK tabloid papers, although the weekly magazines, *Story* and *Privé* carry this type of content). Of the eight, two are small Protestant papers with a total circulation of 80,000. Two of the other national dailies have more broadly based, but not sensationalist, content - *De Telegraf* (800,000) and *Algemeen Dagblad* (350,000). The quality press are considered to be *de Volkskrant* (345,000), *NRC Handelsblad* (270,000), *Trouw* (115,000) and *Het Parool* (90,000).

There are also daily specialist papers such as the *Financieel Dagblad* (finance and business) and the *Agrarisch Dagblad*, for the agricultural sector.

The regional press, which comprises around thirty titles, sells around 2.6 million copies a day. The largest regional papers are *Dagblad de Limburger* and *De Gelderlander* with circulations of 90,000 daily. There is an equal division between morning and evening titles.

Between 80% and 90% of all daily newspaper sales are by subscription. Interestingly, Sunday newspapers have never been successfully established in the Netherlands.

MAIN PLAYERS

PCM Uitgevers

The leading newspaper and magazine publisher in the Netherlands. Like **Wegener** and **De Telegraaf**, most of its commercial activity and revenue is in the Dutch market.

Newspapers

Amsterdam-based PCM owns five of the top six best-selling national daily newspapers through its PCM Landelijke Dagbladen division. The titles are *Algemeen Dagblad*, *De Volkskrant*, *NRC Handelsblad*, *Trouw* and *PIM*. The company is also involved in regional newspapers, including the *Rotterdams Dagblad*, *de Dordtenaar*, *Het parool* and *de Rijn en Gouwe*.

Books

Book imprints include J.M.Meulenhoff, Het Spectrum, Standaard, Vassallucci, A.W. Bruna, De Boekerij, Prometheus, and Bert Bakker. BoekNet - internet book retailing. Thieme Melenhoff is specialized in education publishing.

Magazines

Carp, *StudiePlanner*, *TKMST* and *ON*.

Broadcasting

Stakes in regional TV stations TV West and TV Rijnmond 100% ownership Amsterdam cable channel AT5.

De Telegraaf Group

Newspapers

Publishes nine newspapers, including the best-selling *De Telegraaf*. The group is also active in the regional newspaper market where it publishes the country's second most popular title, *Limburgs Dagblad* (174,000), *Leidsch dagblad*, *De zaankanter*, *Het Noordhollands Dagblad*, *Haarlems Dagblad* and *De Gooi en Eemlander*.

In 1999 it launched a free daily newspaper aimed at the country's commuters called *Splits* to compete with the *Metro*, the free commuter paper launched by Sweden's Modern Times Group in a number of European cities. In August 2000 De Telegraaf launched a second free commuter paper, *News.nl*, distributed at offices, stations and public transport centres in the urbanised western part of the Netherlands.

Magazines

De Telegraaf Tijdschriften Groep publishes a range of general and special interest magazines: *Autovisie*. *BuitengeWoon*. *Man. Oor. Elegance*. *Hitkrant*. *Residence*. *Privé*. *Voetbal*. *Voetbal Totaal*. *FHM*. *Starstyle*

Broadcasting

30% stake in commercial TV station SBS6. Cable programming interests.

Others

Printing operations across the Netherlands. Stake in **Wegener** newspaper and magazine group.

Wegener NV

The largest publisher of regional daily and free door-to-door papers in the Netherlands. It is responsible for seven of the ten leading regional titles which it claims gives it a 53% share of the regional market and a 28% share of the total daily newspaper market.

The group focuses strongly on newspaper publishing, having divested itself of other media interests in 1999/2000, and acquired the newspaper group Sijthoff Pers, and the regional newspaper activities of VNU Dagbladen in 2000.

Newspapers

Regional newspapers include: *BN/De Stem*, *Brabants Dagblad*, *Eindhovens Dagblad*, *De Gelderlander*, *Uitgeversmaatschappij De Limburger*, *Dagblad Tubantia/Twentsche courant*, *Haagsche Courant*, *Gelders Dagblad*, *Utrechts Nieuwsblad*, *Zwolse Courant*, *Provinciale Zeeuwse Courant*, *Amersfoortse Courant*, *De Goudse Courant*. Party

Other interests include direct marketing services, digital publishing (through subsidiary Wegener-Media, maps and local guides. Wegener Radio en Televisie has interests in national commercial radio stations Radio 10 FM (33,3%), Love Radio, Jazzradio FM and TV broadcaster The Music Factory.

Sanoma Uitgevers

The Dutch consumer magazine subsidiary of Finnish media group Sanoma WSOY, acquired through the purchase of the consumer magazine division of VNU (150 titles across Europe).

In the Netherlands Sanoma publishes 50 magazines, including two of the top-selling general interest titles, *Kijk*, *Tina*, *Viva*, *Sportweek*, *Donald Duck* (337,000) and *Story* (274,000). Also publishes top four women's titles, *Libelle* (644,000), *Flair*, *Marie-Claire* and *Margriet* (426,000). In addition to publishing magazines, Sanoma Uitgevers coordinates **Sanoma's** new media and film distribution, and another subsidiary, Aldipress - also acquired from VNU - responsible for magazine distribution in the Netherlands.

TRANSNATIONAL GROUPS

There are three major media groups with close links to the Netherlands but which operate internationally in specialist areas of the media: **VNU**, **Reed Elsevier** and **Wolters Kluwer**. These three groups in turn compete in the international market, in the areas of educational, legal, business and specialist scientific, technical and medical (STM) publishing with Bertelsmann, Thomson, Pearson and Wiley. In September 2002 the UK Office of Fair Trading (OFT), after an investigation lasting more than a year highlighted a series of 'concerns' about companies in the STM publishing market. It said that the market, which operates worldwide, has a number of features that suggest that competition may not be working effectively. The OFT report said the cost of journals had increased ahead of inflation and there was a substantial price disparity between commercial and non-commercial journals.

VNU

Based in Haarlem, **VNU** has grown into one of Europe's largest business publishers. Over the last years, VNU has acquired several major media and business information companies to focus on its business-to-business operations. It acquired World directories in 1998, Nielsen Media Research in 1999 and AC Nielsen, a global provider of market research, information and analysis to the consumer and service industries, in 2001. VNU sold its newspaper division in 1999 to another Dutch media group, **Wegener** and the consumer magazine division to Finnish media conglomerate, **Sanoma WSOY**, in 2001. These moves were designed to move the company away from being a publisher of Dutch-language media towards becoming an international media and information company.

VNU has 140 trade magazines, organises 150 trade shows and business events, 165 'yellow pages' telephone directories, internet sites, and thousands of market data reports. It claims to be the market leader in the areas of marketing information, media measurement, business information and directory publishing. It operates in over 100 countries, with Western Europe and North America its key markets. It employs approximately 38,000 people and generates about half of its 804.3 billion revenue in North America.

VNU repositioned and restructured its portfolio drastically around four core activities:

VNU Marketing Information: ACNielsen, Spectra, MediaPlan, Claritas, Claritas Europe, Solucient and Trade Dimensions. (managed from New York and Haarlem).

VNU Media Measurement includes Book. Sound/VideoScan, Nielsen Media Research, Nielsen BDS, Nielsen NRG, NielsenNet/Ratings, SRDS, Interactive Market Systems, PERQ/HCI, Scarborough Research, VNU Retail Entertainment Information, Nielsen EDI, and others. (managed from New York).

VNU Business Media: Array, BIAS Group, Global Media, Jaarbeurs E&M, Learned Information, VNU Business Publications, VNU Business Publications USA, Communications, VNU Expositions, VNU eMedia. (managed from London and New York).

A selective list of its 140 trade magazines focusing on media includes *Amusement Business*, *Adweek*, *Foodservice director*, *Billboard*, *The Bookseller*, *Film Journal International*, *Hollywood Reporter*, *Music and Media*, *TV & Film Sales*, and *Visual Communications*, but the range of titles cover all areas of trade.

Directories: Golden Pages, Gouden Gids, Pages d'Or, Paginas Amarelas, Pagini Aurri, Promedia, Telkom Directory, Verizon Puerto Rico, VNU Publitec. (managed from Brussels, Belgium).

Reed Elsevier

Formed by the merger in 1993 of Elsevier and the UK-based Reed International. In 1998 a proposed merger with Wolters Kluwer was suspended. In 2001 the compa-

ny acquired the US publishing company, Harcourt General. Reed Elsevier chief executive, Crispin Davies, made the claim that his company was now the largest media company in Europe when he announced the company's interim results A3398 million for the six months to June on August 8, 2002.

The head office of the company is in Amsterdam, with its principal activities in Europe and America. It employs approximately 37,000 people.

The great majority of the company's income comes from subscription fees to specialist publications. Also a good deal of its reference material is accessed online. According to company figures 75% of subscribers to the company's science and medical journals access the information electronically, compared with 35% two years ago. It divides its activity into four areas:

Science and Medical: This division of Reed Elsevier counts 15 publishers. Elsevier Science publishes 1,200 journals, 400 books yearly, as well as CD-ROMS and online products. ScienceDirect is an electronic information service which gives access to the 1,200 journals from Elsevier Science, as well as other publishers. BioMedNet is an electronic service for biomedical community with journals, reviews. Other divisions cover biology, chemistry (ChemWeb) and engineering. Editions Scientifiques et Medicales Elsevier produces a similar range of material in France.

Harcourt Health Sciences, a leading healthcare and medical publisher, produces through a range of imprints, 8,500 clinical reference works and 250 journals and handbooks. Academic Press (174 peer-reviewed journals), JEMS (Journal of Emergency Medical Service)

Legal: The LexisNexis Group provides information on legal, tax, corporate and government. There are plans to develop a global platform, similar to ScienceDirect, which would provide information on the world's main legal system. North American Legal Markets; US Corporate and Federal markets: Martindale-Hubbell, which is responsible for the leading directory of legal professionals; and LexisNexis International, which includes Butterworths Tolley, and Butterworths legal businesses in Australia, India, New Zealand, Singapore and South Africa, and other legal businesses in Europe and South America.

Education: Harcourt Education is the leading US educational publisher, with imprints like Holt, Rinehart and Winston for US secondary and Harcourt School Publishers for elementary schools. It also owns The Psychological Corporation, which produces a range of tests, including the Weschler Intelligence Scales.

It is also, through companies like Ginn and Heinemann, a leading publisher in the UK schoolmarket, and in the Caribbean, Asian and southern African schools markets. Also publisher of references and materials for teachers. Steck Vaughn (adult education), Harcourt Trade (fiction). Harcourt Education International.

Business to business Reed Business Information (for-

merly Cahners) in the US; Reed Business Information, leading European business publisher, active in the Netherlands, France, UK, Spain, Italy, Germany and Belgium; Reed Exhibitions, which the company claims is the world's leading organiser of trade and consumer exhibitions, organising 470 events in 35 countries.

Wolters Kluwer

The core activities of the Amsterdam-based group are legal and tax publishing, medical/scientific publishing and educational publishing. In 2001 it was responsible for 700 journals and 23,000 book titles, and employed about 19,000 people. The group is today a leading provider of content, softwares and services. It organises itself in five 'clusters':

Legal, tax and business Europe: Imprints include Lamy (France), Kluwer (the Netherlands/Belgium), Croner, CCH (UK), Teleroute (European), Norstedts Juridik (Sweden) and La Ley (Spain).

Legal, Tax and Business North America: CCH Incorporated, CCH Tax Compliance, CCH legal information services, Bankers Systems, Aspen Publishers, CCH Canada.

Legal, Tax and Business Asia Pacific: operates in Australia (CCH Australia), New Zealand (CCH New Zealand), Japan (CCH Japan) and the Asia region (CCH Asia).

International Health and Science: Imprints include Lippincott, Williams and Wilkins Medical; Lippincott, Williams and Wilkins Education, Adis International; Facts and Comparisons; Kluwer Academic Publishers; Ovid Technologies.

Education: Walter Kluwers Education has a range of imprints based in local markets, including Noordhoff (the Netherlands), Bildungsverlag EINS, Muszaki, Wolters Plantyn, Jugend&Volk, Liber (Sweden) and Nelson Thornes (UK).

The company also has a 33% stake in the retail group, **Boekhandels Groep Nederland.**

NORWAY

Norway is not a member of the EU. It is part of the European Economic Area (EEA) but in a November 1994 referendum voted against joining the EU. It is the sole Scandinavian country not in the EU.

Terrestrial TV and Radio

The public service broadcasting station, **NRK**, does not carry advertising but it does receive subsidies to broadcast sporting events and educational programmes for audiences other than children and young people. NRK 1 is the most popular channel (with an audience share around 38%), with NRK 2, launched in 1996, and aiming at a younger audience having a much smaller audience share (around 3%) Since 1992 Norway's first commercial channel, **TV2**, has provided competition and challenged NRK's position, with channel TV2. In the first half of 2002 TV2 had an audience share of 31.5%. TV3 is a satellite-based Scandinavian TV-station with the Swedish Kinnevik Group as majority owner. TV3 has a relatively minor viewing in Norway.

TV Norge controls the cable TV network in Norway. TV Norge serves provides local cable TV-stations with news, weather and sports and gets in return a sole right to transmit TV Norges series, films and other programmes through the various local cable TV-networks. TV Norge has a 9.5% share of TV viewing and is owned by SBS Broadcasting (50.67%) and TV2 (49.33%)

NRK has three radio stations and there is one private radio station; P4.

The government is developing DTT, with both NRK and TV2 guaranteed digital capacity.

Cable, Satellite and Multimedia

Norway's cable market is dominated by **Telenor** and **UPC Norge**, the Norwegian subsidiary of Dutch cable group, UPC.

Norway also has a thriving satellite market. **Viasat Broadcasting** is the television subsidiary of the Swedish Modern Times Group and Norway is the largest market for its digital satellite platform Viasat Gold. **Canal+Norway/Canal Digital** broadcasts over the Canal Digital platform which is wholly owned by **Telenor**. Telenor, wholly state-owned until 21% of the company was sold off in 2000 is Norway's main telecoms provider and active in the satellite and multimedia markets **United Pan Europe Communications Norway (UPC Norway)** owns and operates 16 cable networks in the south of Norway. It has a share of around 42% of Norway's cable TV market.

Newspapers and magazines

Three main media groups - **Schibsted**, **Orkla** and **A-Pressen** - dominate Norway's newspaper market. Norway's geography has provided a favourable environment for local and regional papers which have strong circulations and loyal readerships. Since 1969 the newspaper market has been subsidised to enable the smaller newspapers to survive. Subsidies are distributed on the basis of circulation, with a bias towards smaller newspapers. This is a means of supporting diversity and plurality, and preventing local and regional media monopolies.

MAIN PLAYERS

A-PRESSEN

The company's origins go back to the establishment of the workers newspaper *Vort Arbeid* in 1884, and for much of its history the A-Pressen newspapers were owned by the Social Democratic Party or trade union organisations. It was renamed A-Pressen in 1994, and is 29% owned by Helsinki-based **Sanoma WSOY**.

Holdings

Newspapers

A-Pressen is the majority owner of 45 Norwegian newspapers, and also has stakes (under 50%) in five other newspapers. 43 of the papers are leaders in their markets.

Television

The group's main assets are now in television. It has a 33% share of commercial television station **TV2**, indirect interests in **TVNorge** and three other local television stations. Through fully or partly owned newspapers has minor stakes in four other local stations.

Printing

Six printing companies in Norway.

65% of **A-Pressen Eastern Europe** (35% owned by the European Bank for Reconstruction and Development) with newspaper and printing operations in Russia and the Ukraine.

Online

ISPs, portals, and online newspapers.

ORKLA SA

The Orkla conglomerate embraces heavy industry, banking, chemicals, food products, brewing, investments and chemicals. **Orkla Media** covers newspapers, magazines, new media, printing and distribution. It is the fifth largest media group in northern Europe, and the second largest newspaper group in Poland.

Holdings

Newspapers

Denmark: In December 2001 **Orkla Media** acquired 87% of Danish media group Berlingske Dania.

Three national newspapers: *Berlingske Tidende*, *BT* and *Weekendavisen*.

Four regional papers: *Arhus Stiftstidende*, *Dagbladet*

Djursland, De Bergske Blade and JydskeVestkysten, six local dailies, 49 regional papers and 22% of *Kristeligt Dagblad*.

Norway: Five regional newspapers: *Drammens Tidende, Sunnørsposten* and *Haugensunds Avis*. 28% *Bergens Tidende*, 31% *Asker og Bærums Budstikke* and full/majority stakes in 22 local newspapers.

Sweden: 49% of *Norrländska Socialdemokraten*.

Poland: 51% of Warsaw-based **Presspublica** which publishes the best-selling broadsheet national newspaper *Rzeczpospolita* (200 000). Orkla Press Polska owns full/majority stakes in fourteen regional newspapers, including *Gazeta Pomorska* (105 000), *Gazeta Lubuska*(56 000), *Nowa Trybuna Opolska*, the major daily paper of the Opole region.

Lithuania: Largest regional newspaper - *Kauno diena* (39 000).

Ukraine: Regional papers: 50% of *Vysokyj Zamok* (28 000) in Lvov

Magazines

50% of Hjemmet Mortensen (other 50% owned by Egmont), Norway's largest magazine group and Sweden's fifth largest producer of magazines for the consumer market. Thirty titles, including *Hjemmet, Familien Mann*. Orkla fully owns HM Nordic and HM Annonseblader which publishes a soccer magazine *Tips*, and *Økonomisk Rapport, Hjemm-PC, Jakt*. Orkla operates also in Sweden with *Medstromsforlagen* and *Medsroms Dataforlag*, publishers of *PC Hemma, DVD gamer, Batborsen, Okej*.

Distribution and sales

40% of Bladkompagniet distribution company in Denmark. 40% of Media Tak advertising sales agency in Poland. Five printing plants in Denmark. 50% of Hjemmet Mortensen Trykkeri in Norway.

Online

Denmark: Berlingske Digital. Metropol online

Norway: Drammensnett ISP.

Over 100 internet services in Denmark, Poland, Lithuania, France, UK and Sweden.

Direct Marketing

Norway: Sandberg, Selektiv and Stroede Customer Development.

Sweden: Ralton, Stroede Customer Dialogue, Stroede Customer development, Print Media.

SCHIBSTED

The group is a newspaper and book publisher, with online and film interests. It is 26% owned by a trust that specifies **Schibsted's** governance should be 'based on Christian values, Norwegian culture and democratic principles.'

Holdings

Newspapers and magazines

Schibsted owns 14 newspapers and has holdings in a further 11 regional newspapers in Norway, Sweden, Estonia, Spain and Switzerland. It owns the two best-selling daily publications in Norway, *Verdens Gang* and *Aftenposten*

and the free newspaper *Avis1*. In Sweden it owns 49.9% of Sweden's leading paper, *Aftonbladet*, and all of *Postimees*, Estonia's largest daily. *Postimees* became a unit of Schibsted's corporation under the name AS Eesti Meedia. The Norwegian Group created also a joint venture (50% each) with the Swedish newspaper publishing company Marieberg (part of the Bonnier Group). It is called Ekspress Group. It detains a portfolio of four newspapers, ten magazines and five free city papers. Ekspress Group publishes *SL/Öhtuleht*, the largest newspaper in Estonia and nine magazines through Estonian Magazine Group. Schibsted has also created with Marieberg a joint-venture magazine branch called Estonian Magazine Group through Eesti media Group and Ekspress Group.

The *20 Minutes* free newspaper is published in Zurich, Bern and Basel, and in Madrid and Barcelona.

Television

Norwegian TV2 network (33%) - **Egmont** and **A-Pressen** have similar stakes.

Estonia Kanal 2.

Book publishing

Thirteen imprints including Bladkompaniet AS, Dagens Medisin AS and Schibsted Internasjonale Bøker AS.

Film and TV production

17 production and service companies under the Metronome Film and Television umbrella.

Photo and news agencies

Norsk Telegrambyrå, NTB, AS.

Tidningarnas Telegrambyrå.

Scanpix Scandinavia (79%).

Film and television distribution

7 companies under the Sandrew Metronome AB umbrella.

PORTUGAL

Portugal registered the biggest increase in newspaper circulation in the European Union (12.5%) but from a low base. It is still the country with the lowest number of newspaper purchases (73.5 people per thousand in 1999). This is in part the inheritance of fifty years of right wing rule by Salazar. 10% of the population is illiterate; 20% never went to school, or completed less than four years of schooling.

Portugal's Carnation Revolution of 1974 led to the establishment of a democratic republic and the opening up of the written press. It was not until the early 1990s that commercial television developed alongside public broadcasting, **RTP**, with the establishment of **SIC** (1992) and **TV1** (1993)

The election of a centre right government in 2001 has presented a threat to public service broadcaster **RTP's** second channel, **RTP2**, which the government has announced it intends to privatise.

Television and Radio

State broadcaster **Radiotevisão Portuguesa (RTP)** began broadcasting in 1958, and introduced a second channel in 1968. Both channels have been dramatically affected by the growth of commercial channels. In July 2001 RTP1 had an audience share of just 18.7%, down from 29% in 1999. RTP2, the channel under threat of privatisation, grew its share from 5.8% in 1999 to 6.8% in July 2001. RTP Açores, RTP Madeira, RTP International and RTP Africa are available by satellite.

The government abolished the licence fee in 1992, and **RTP** receives subsidies from the government, as well as selling advertising. It still has obligations to carry 26 hours of public service programming a week. However revenue from advertising has fallen as commercial television channels have gained popularity and it does have severe financial problems.

Between 1992 and 1997 **SIC** dominated the commercial market. At its peak in 1997 it had 50.1% of the television audience. By mid-2001 SIC was taking about one third of the television audience. **TV1**, was founded by the Catholic Church in 1993, but faced with heavy debts, a controlling stake was sold to a consortium led by Venezuela's **Cisneros Group** in 1996.

It is now part of **Media Capital** group. It imports about 70% of its programmes and has an audience share of 31%.

A consortium **PTDP (Plataforma de Televisão Digital Portuguesa)** won the contest to develop Portugal's digital television platform. It is a joint venture between **RTP** and **SIC**. There are ambitious plans to replace the analogue network by 2007.

There are over 300 radio stations but only seven transmit nationally: the two public service stations **RDP Antena 1** and **RDP Antena 2**; two stations from commercial broadcaster **Rádio Commercial**; and three from Catholic church-owned **Radio Renascença**.

Cable, Satellite and Multimedia

About a fifth of Portuguese homes subscribe to cable tv and **TV Cabo**, with 819,000 subscribers at the end of 2000, is the largest operator. It broadcasts about 50 channels, 21 in Portuguese, plus six premium channels. It is owned by **PT Multimedia** (controlled by **Portugal Telecom**) and also offers broadband access through its **NetCabo** service. It has also set up **TV Cabo Interactiva** to develop interactive tv services.

Cabovisão is the second largest operator, and had 120,133 subscribers in May 2001. It offers 40 channels and eight premium. It offers the 'triple play' of cable tv, broadband internet access and phone services. It is owned by Canada-based **Cable Satisfaction International**.

Digital satellite pay tv was launched in 1998 by **TV Cabo** in association with Spanish operator **Via Digital**. It is offered in areas which are not covered by cable.

Newspapers and Magazines

Portugal's biggest daily newspaper is *Jornal de Noticias* (114,000), followed by *Correio da Manhã* (1000,000). The weekly business and financial journal, *Visao*, sells 98,000. *Expresso* is the most popular weekend paper (it is on sale on Saturday), selling 141,000 copies in 2001.

In the magazine market the Impala group have the two top-selling titles. *Maria* (320,000) and *Ana* (100,000).

MAIN PLAYERS

Four groups dominate in the press and audiovisual area.

PT/Lusomundo

PT Multimedia, a subsidiary of **Portugal Telecom**, took control of the media conglomerate Lusomundo in 2000. It publishes Oporto-based *Jornal de Noticias*, and Lisbon-based *Diario de Noticias* and a dozen other newspapers (*Jornal do Fundao*, *DN Madeira*, *Acoriano Oriental*) and magazines (*National Geographic*). It also owns **TSF**, a news based radio station. PT Multimedia has a major stake in cinemas, in alliance with **AOL Time Warner**. It is a leader in film and video distribution.

This is in addition to its control of cable company **TV Cabo** and other interests in the internet and cellular phones.

Impresa

Impresa is the largest media group in Portugal with interests in TV, newspapers and magazines. It was originally

formed when Switzerland's **Edipresse** joined forces with Brazilian publishing house **Grupo Abril** and Portugal's Controljournal. Impresa publishes *Expresso*, *Visão*, *Blitz*, *Casa Global*, *Exit*, *Telenovelas*, *TV Mais*, *A Capital*, *Caras* and over thirty other newspapers and magazines. It is also active in the free newspaper field.

It also owns, in alliance with the Belgian media group **Roularta** and Brazilian network **O'Globo**, the commercial tv station **SIC**. Other interests include prints (Jornal da Região), distribution and internet developments.

Media Capital

Owns *Diário Económica* and 24 other specialist magazines and newspapers. It also owns TV1, four radio stations - two with the largest share - and is active in internet development.

Impala

Publishes *Maria*, *Nova Gente* and many more popular women's magazines and general interest titles. Also has interests in Brazil and Spain.

A number of foreign groups, apart from the ones listed above, have interests in Portugal: **Hachette Filipacchi** (*Elle* and other titles) and **Bertelsmann** (Círculo de Leitores, the largest book club). There are also American investments in **Media Capital**.

SPAIN

Since the death of Franco in 1975, and the transition to democracy in Spain, the media have gone through great changes. The election of May 1996 saw the end of 13 years of government by the Spanish Socialist party (PSOE), and the centre right Partido Popular (PP) led by José María Aznar won another four-year term in March 2000. Liberalisation and privatisation of the broadcasting and telecommunications media has taken place.

Also in February 1998 the EU directive, *Television without Frontiers*, was formally adopted into Spanish law, and the investment in Spanish audiovisual production increased by almost 100% in 1999.

Forms of accountability for media are limited. There is no official regulatory body for the press (although some papers have ombudsmen), and apart from the Conseil de l'Audiovisuel de Catalunya in Catalonia, which is more consultative than executive, there is the Telecommunications Market Commission which deals with development of new technologies and competition issues.

Terrestrial TV and Radio

The Spanish public broadcaster, **Radio-Televisión Española (RTVE)**, operates two national television channels, TVE 1 and La2, and four national radio networks. It also broadcasts five international channels, broadcasting domestically produced programming by satellite.

The introduction of commercial television has eroded audience share, with RTE1 down from 52.4% in 1990 to 24.5% in 2000. La2's audience share has fallen from 20.2% to 7.9% in the same period.

There are no radio or TV licence fees, and the broadcaster generates income by advertising. With debts of 804.8 billion in mid-2000, it has been administered by a special unit of the Ministry of Finance since September 2000. RTVE's future is still not clear.

The two main commercial broadcasters are **Telecinco** and **Antena 3** each having a roughly equal audience share of around 22%. The remaining share of terrestrial TV audiences is split between Canal+ España and numerous regional channels.

Antena 3 was the country's leading commercial channel for most of the 1990s, but its rival, **Telecinco** has caught up in recent years. Antena 3 International broadcasts to Spanish speaking parts of the Americas, via the Galaxy Latin American digital platform, through cable networks of the Mexican group Multivision, and US pay-tv operator, DirecTV.

Antena 3 is owned by Telefonica Media 47.5%, Banco

Santander 17%, and RTL 17%.

Telecinco has become the second most popular TV channel in Spain, behind TVE1. It is 40% owned by Silvio Berlusconi's **Mediaset**.

In radio RTVE, apart from its four national radio channels also operates Radio Nacional de España (RNE) which has about 450 AM and FM radio stations. **La Sociedad de Servicios Radiofónicas Unión Radio, (Unión Radio)**, manages the majority of the nation's commercial radio stations - 380 at the end of 2000. The company is 80% owned by **Grupo Prisa**.

Telefonica has radio interests - Onda Cero Radio and Radio Continental.

The Spanish government has pushed ahead with digital terrestrial television (DTT). **Quiero TV** officially launched its digital television service in May 2000, offering 14 tv channels, four pay-per-view, five radio stations, internet access and other services. The target is a million subscribers by 2004. There are also two other DTT services being developed, **Vevo TV** (part of a consortium led by **Recoletos** and **Unedisa** which publishes the daily newspaper, *El Mundo*) and **Net TV**, which is 25% owned by Prensa Española which prints the daily newspaper *ABC*.

Cable, Satellite and Multimedia

Spain has one of the fastest growing cable industries in Europe. Consolidation of a large number of local operators has taken place and the leading operators are:

Grupo Auna, Ono and **Telefonica**. However they start from a low base and for the next few years, until the market has developed and consolidated, satellite will remain the platform for multi-channel viewing.

Telefonica is the largest shareholder in **Via Digital** which offers 97 tv and video channels, 30 audio and 48 interactive services, including email. It had 710,000 subscribers in June 2001.

Canal Satellite Digital, majority owned by **Prisa**, is the leading player with an estimated 820,000 subscribers at the end of June 2001. It offers 70 TV channels, a further 66 free-to-air European channels and 30 audio channels, plus a range of interactive services. In August 2002 the European Commission cleared a merger between **Telefonica** run **Via Digital** and **Vivendi Universal/Prisa**. The resulting company will have 2.5m subscribers.

Newspapers and Magazines

Twenty newspapers account for about 70% of total circulation, and 60% of all newspapers are owned by the three Spanish media groups: Prisa, Correo and Zeta or by foreign owners such as Recoletos (owned by Pearson).

There are three daily national general information news-

papers: *El País* (circulation 436,000), published by Grupo Prisa; *ABC* (292,000), published by Prensa Española; and *El Mundo* (291,000), published by Recolétos.

However in many of the autonomous regions regional newspapers sell more copies than the nationals. In Catalonia *La Vanguardia* and *El Periòdico* sold respectively 192,000 and 184,000 copies per issue in 2000. In the Basque country *El Correo* sold 132,000 and in Galicia, *La Voz de Galicia* sold 108,000.

There are a number of daily sports papers. *Marca* (403,000) is published by **Recolétos**, and *AS* sold 159,000 copies daily. There are also popular regional sports titles.

The two most important economic dailies are *Expansion* (63,000) and *Cinco Dias*.

The best selling titles in the magazine market are the women's. *Pronto* sells 981,000, *Hola!* 574,000. In the general interest market the top seller is **Gruner+Jahr's** *Muy Interesante* with 273,000 copies, and the monthly *Cosmopolitan* sells 172,000. The TV listings market is dominated **Hachette Filipacchi Médias**, which publishes the four leading titles.

MAIN PLAYERS

Grupo Prisa

Publishing

The largest privately owned media group in Spain. Its core publishing interest is *El País*, the best-selling national daily newspaper in Spain (circulation 435,000 in 2000). It is published in ten editions, including a Basque edition. To maintain its lead over nearest rival, *Marca*, it also includes glossy supplements and monthly magazines. These include *Cyberp@is*, a monthly IT supplement, *Propiedades* (real estate), and *Babelia* (literature).

Prisa also owns Grupo de Medios Impresos (GMI) which is a holding company for Prisa's press interests, apart from *El País*. GMI encompasses Estructura which publishes financial daily, *Cinco Dias* (25,000) and sports daily *AS* (181,000). Progresia publishes a number of magazines including *Cinemanía* (33,000) and *Rolling Stone* (37,000).

In the regional press market GMI fully owns Espacio Editorial Andaluza Holding, the parent company of the publishing houses of the newspapers *El Correo de Andalucía*, *Odiel y Jaen*, and a 32% stake in *La Voz de Almería*. Prisa print assures the printing and the distribution of the press and magazine activities.

Electronic Media

Other major media interests include an 80% stake in Union Radio. Union Radio operates Sinfo radio, Cadena SER, Los 40, Radiolé and Maxima fm.

Prisa has a 21.27% stake in Sogecable, which encom-

passes pay-tv channel Canal+España and Canal Satellite Digital. Recently, Prisa and Telefonica (major shareholder of Via Digital) agreed to integrate respective digital platforms.

Prisa detains also interests in Pretesa which operates the project Localia TV. It is formed by 57 local stations reachable by 12 millions inhabitants.

Prisacom operates in the creation, development of contents in digital Media.

Education and Training

Prisa owns also the Spanish-language publishing group, Santillana. Santillana is the owner of Richmond Publications, Crisal and General Publications. Active in UK, Portugal and Latin America.

Leisure and entertainment

holds activities of Gran Via Musical, a company specialised in Spanish language music. It includes Gran Via distribucion, Media Festivals (event organiser) and Planet Events.

Plural entertainment : audiovisual production company
Oficina del Autor : distribution of cultural and entertainment contents. Author's rights.

International

International Media holds activities of ATB, Prisa Inc. and the holding Grupo Latino de Radio.

Prisa took control of a 77% stake in Garafulic group, the first Bolivian communication business group. Garafulic is a publisher of daily newspapers and it owns television stations (TV) in Bolivia. Today, Garafulic is named ATB.

Prisa Inc. manage international activities of Grupo Prisa in the United States and Latin America.

Grupo Latino de Radio operates radio stations in Colombia (Caracol Radio), in Mexico (Radiopolis). Grupo Latino de Radiodifusion integrates all Prisa assets in the radio sector outside Spain.

Others

Gerencia de Medios (GDM): advertising company

Grupo Zeta

Publishes twelve newspapers and 20 magazines. It publishes the second best-selling regional daily, *El Periodica de Catalunya* (184,000), the national weekly, *Sport* (107,000) and a number of smaller regional papers like *El Periodico de Aragon*, *El Periodico Extramadura*. It also publishes the general interest magazine, *Interviú* (159,000). Other publications includes *Tiempo de hoy*, *PC Plus*, *Primera Linea* and *Megatop*.

Its subsidiary, Ediciones Reunidas, publishes magazines, including *Tiempo* (55,000). *Woman* (82,000) and *Man* (70,000).

Grupo Zeta has also activities in electronic media. In Radio , It runs Zeta Flaix FM and Radio Sport Catalunya. In the TV, it owns a 60% stake in Antena local and another interest in Onda Mezquita.

Hachette Filipacchi Médias

This company is the wholly owned subsidiary of French conglomerate **Lagardère**. It is the largest magazine publisher in Spain in terms of circulation with 17 titles. Its two strongest areas are women's magazines and the television guides market. All four of the top titles in the TV guides are published by Hachette: *Tele Programa* (186,000), *Telenovela* (129,000), *Super Tele* (104,000) and *Tele Indiscreta* (94,000). Two women's weeklies are in the top ten selling titles: *Diez Minutos* (239,000) and *Que Me Dices?* (164,000).

Recolétos

The company is 74% owned by the UK-based **Pearson** group. It publishes Spain's second best-selling daily sports paper, *Marca* (403,000) and *Estadio Deportivo*. It is also a 30% shareholder in *El Mundo*, the fourth largest daily title with a circulation in 2000 of 291,000. The business daily, *Expansion*, has a circulation of 63,000. Recoletos publishes also the paper *Actualidad Economica* and magazines like *Telva*, *Diario Medico*.

Recolétas also has a 25.5% stake in Veo television, which was awarded a DTT licence in November 2000. It produces *Expansion TV* and *El Mundo TV*. Recoletos owns *Radio Marca Digital* and *Radio Marca Madrid*.

SWEDEN

Television and Radio

Terrestrial broadcasting in Sweden is dominated by the state broadcaster **Sveriges Television (SVT)** which broadcasts on two channels, SVT1 and SVT2, with SVT1 having a 20% share and SVT2 24% of audience. SVT is obliged to carry cultural and quality programming, and 55% of its programming must be produced regionally outside Stockholm. It is financed via the licence fee and sponsorship and does not carry advertisements.

It also broadcasts SVT Europa, a pan-European digital satellite channel; a digital news channel, SVT24; and a variety of digital terrestrial channels on a national and regional basis. SVT1 and SVT2 are also available digitally via satellite from Canal Digital, and with the exception of SVT Europa, are available on the digital terrestrial network.

The single commercial broadcaster is **TV4**. TV4 is Sweden's most popular channel, with 27% of viewers. Broadcasters are forbidden to advertise tobacco and alcohol or to target commercials at children under the age of 12. There is also a ban on ad breaks within programmes. The main shareholders of TV4 are Alma Media (23.4%), Bonnier (17%) and Modern Times Group (MTG) (22.4%)

Digital terrestrial television (DTT) has not had an auspicious start in Sweden, and viewing shares for analogue terrestrial television have not dramatically changed since DTT was started in 1999.

Two national radio licences are held by **Sveriges Radio (SR)** which has programming on four channels, and the **Swedish Educational Broadcasting Company (UR)** which has the remit of producing educational programmes available to all.

The main players in local commercial radio are Fria Media (13 licences); RadioRIX/MTG (28) and Mix Megapol (14).

There are also about 1,000 local community radio stations

Cable, satellite and multimedia

The level of personal computer use is comparatively high in Sweden and the issue of broadband communications has been given high priority, with an investment by government, both national and local, to ensure that 98% of towns and villages have broadband access by 2004.

The main cable companies are:

Com hem, owned by the telecoms company, Telia. Com hem is part of its internet services division. It claims 1.36 million homes connected, and is rapidly developing its

broadband connections to households.

Kabelvision claimed 350,000 subscribers at the end of 2000. Its subscriber base was taken over MTG's ViaSat pay-TV subsidiary in May 1998, who now have responsibility for its marketing, programming and sales service.

UPC Sweden. United Pan-Europe Communications is the third largest cable network with around 255,000 subscribers in March 2001, and also offers a broadband internet service.

Canal Digital. Owned by Telenor but carries Canal + 's premium pay-TV channels and its Kiosk pay-per-view service on the Canal Digital platform. It provides both analogue and digital satellite broadcasts and has 1.1 million subscribers across the Nordic region.

Modern Times Group (MTG). ViaSat is wholly digital and distributes MTG's television channels, TV3, ZTV, TV6, TV8, TV1000 and Danish channel 3+ as well as other third party channels.

Newspapers and Magazines

The Swedish newspaper market has traditionally been very strong, with up to 80% of the adult population reading a newspaper daily. There are two main features of the newspaper market - a strong local or regional presence (only two tabloid newspapers and one business paper have a really national readership) and the fact that almost 100% of the morning newspapers are sold by subscription and delivered to homes in the early morning.

There is also a subsidy scheme for some local and regional papers, and a few metropolitan publications, to maintain pluralism.

Sweden's newspaper market is dominated by the **Bonnier Group** which publishes four of the top seven daily newspapers as well as two of the top-selling magazines. The national daily *Expressen*, which with its western Swedish edition *GT* and southern region edition *Kvällsposten*, have a average daily circulation of 386,000 in 2000. It also publishes the third most popular newspaper, *Dagens Nyheter* with a circulation of 361,000 in 2000, as well as the leading financial daily, *Dagens Industri*.

The second most popular daily, *Aftonbladet*, is owned by the Swedish Labour Union (50.1%) and the Norwegian media conglomerate, Schibsted (49.9%). This is also Sweden's oldest newspaper.

Sweden's magazine market is dominated by Allers Forlag, the Swedish subsidiary of Denmark's Aller Group. It has four of the top seven selling family/general interest titles: *Hemmets Journal*, *Allers*, *Hemmets Veckotidning* and *Året Runt*. It also has the TV guide, *Se & Hör*, and the two top selling women's magazines, *Allas Veckotidning* and *Svensk Damtidning*.

MAIN PLAYER

THE BONNIER GROUP

Bonnier AB is a family owned media company and one of

the largest media group in Scandinavia dominant in Sweden where it has over a quarter of the total newspaper circulation. It has expanded into newspaper publishing in Norway, Denmark, Latvia and Finland through investments and partnerships, most notably in the Finnish media group, Alma Media (33%). In Latvia it has 44% of newspaper circulation, including the largest daily paper, *Diena*. It is also expanding out into Western and Central Europe so that its various activities give it a presence in 20 European countries. However 60% of its sales are within Sweden and a further quarter from its Nordic neighbours.

Main holdings (arranged by Bonnier's Business Divisions):

Bonnier Business Press

Oversees the publication of *Dagens Industri* (126,000) and sister papers published in Austria (*WirtschaftsBlatt*), Denmark (*Børsen*), Estonia (*Äripäev*), Latvia (*Dienas Bizness*), Lithuania (*Verslo Zinios*), Poland (*Puls Biznesu*) and Russia (*Delovoj Petersburg*) and Slovenia (*Finance*, 45%). In September 2000 Bonnier launched *business a.m.* in Scotland, in both paper and online formats.

Bonnier Newspapers

Organises Swedish and international papers in a business division around the three main titles:

- *Dagens Nyheter*. Other parts include a number of free newspapers, a distribution company and a picture agency.

- *Sydsvenska Dagbladet* is responsible for the Swedish newspaper of the same name. Other titles are *Trelleborgs Allehanda*, *Ystads Allehanda* and *Kristianstadsbladet*.

There is also a Polish paper, *Super Express*.

- The Expressen division includes *Expressen*, *GT* and *Kvällsposten*.

Interests in pulp, paper milling and printing (Bold Printing).

Bonnier Books

Book Imprints in Sweden and other countries include: Albert Bonnier - the publishing house, founded in 1837 by Albert Bonnier.

Cappelen - Norway.

Lindhardt and Ringhof, Denmark.

Bonnier Carlsen - books for children and young adults.

Bonnier Lexikon - print and electronic dictionaries.

Bonnier Utbildning - education.

Rebus - young children's books.

Verlag Hoppenstedt - Germany and the Netherlands

Piper - Germany.

Publications Bonnier - France.

Tammi - Finland.

ArsEdition - Germany.

Bonnier Media GmbH

Bonnier Forlagene

Semic

Bonnier operates the largest general book club in Scandinavia, Bonnier Bokklubb, as well as ones for children, entertainment, and men.

Bonnier Magazine Group

Bonnier Tidskrifter publishes magazines in Sweden, Denmark, Norway and Finland including *Amelia*, *Damernas Värld* and *Tara* for women and a range of consumer magazines covering gardening, food, wine and health. It also publishes *Veckans Affärer*, a leading business magazine.

Bonnier Hachette, France (50%)

Globus Communication (Estonia)

Bonnier Publications, Bonnier Business Publishing

Bonnier Entertainment (film, music, radio and TV)

Bonnier Radio - network of local radio stations in Sweden
17% stake in TV channel, TV4.

Lnk TV

SFBio - largest Scandinavian cinema operator (32 cinemas with a total of 176 screens in 17 cities).

Svensk Filmindustri - film production and distribution.

Scandinavian Home Entertainment and Bonnier Amigo Music Group selling CDs and videos.

Bonnier Business Information

Electronic corporate information services based on databases such as the Kompass business directory. Sales rose by 40% in this division, largely as a result of the acquisition of Verlag Heppenstedt in Germany.

Direkt - online financial and business information services.

Product Information: Business to Business

Company Information

Financial Information: financial analysis and Information by satellite or Internet.

DM/DR : Direct marketing and marketing relations

HBI Company Information

Vertical and Venture

Bonnier Net

Portal for the group's media activities.

SWITZERLAND

The country borders France, Italy, Germany, Austria and Liechtenstein. There are four official languages, with German spoken by 69.9% of the population, French (21.1%), Italian (8.3%) and Romansch (0.7%). The country is not a member of the EU and the idea of joining has been strongly rejected by the majority of the population, concerned about both loss of national sovereignty and long held neutrality.

Terrestrial Television and Radio

The **Swiss Broadcasting Corporation (SRG-SSR)** has seven channels - three for German speakers, two French and two Italian. In prime time the market share is 42% for German-speaking channels, and 41% for both French and Italian-speaking channels.

There are no terrestrial commercial channels. Competition to SRG-SSR comes from cable and satellite programming. Also there is no national multilingual terrestrial channel.

The linguistic diversity also means that foreign channels are popular: German channels SAT1, RTL1, RTL2, ARD and Pro7; Austria public service broadcaster ORF broadcasts its two channels via cable into Switzerland, and French and Italian speakers can tune into the two adjacent countries national terrestrial channels. The market share of foreign television channels is 50% for German-speaking Switzerland, and 59% for both French and Italian-speaking areas.

There has been no attempt to develop digital terrestrial television because of the high level of cable penetration.

There is a wide variety of radio: SRG-SSR broadcasts 18 national channels; there are three other national channels, Eviva, Evangelischer-Rudfunk and Radio 105. Around 40 local radio stations cater to various communities and language groups.

The most popular channels are the public service channels DRS1 (German speaking), la première (French) and Rete uno (Italian) and commercial radio stations Radio 24, Radio Argovia, Radio Z and Extrabärn.

There is a national multilingual radio station, Swiss radio International, which transmits globally in German, French, Italian, as well as Romansch, English, Spanish and Arabic.

Cable, Satellite and Multimedia

Over 91% of the country's homes are connected to advanced digital cable networks and internet and teleph-

ony access.

Cablecom, owned by **NLT**, is Switzerland's largest provider of cable television, claiming 1.4 million subscribers. It has launched digital pay-tv, with three programme packages: D-CH, Ticino, Romandie. NLT is upgrading the network, including a national fibre-optic ring.

The second largest cable operator is **Télégenève**, serving the city of Geneva. It is a joint venture between the city and private investors. It carries about 40 channels, including the 'must carry' SRG-SSR channels, French, German and Italian terrestrial channels and various English, Spanish, Portuguese, Croatian services.

Star TV, Switzerland's first domestic cable channel, reaches about 75% of the German and French-speaking population.

TeleZüri. Acquired by **Tamedia AG** in August 2001. TeleZüri is a 24-hour cable channel with programming including news, music, financial information. It broadcasts in and around Zurich.

The largest internet access service is Bluewin, with 615,000 subscribers in March 2001.

Newspapers and Magazines

All newspapers with a circulation over 100,000 are owned by multimedia companies, and more and more of the small and medium sized newspapers have either been forced out of the market or taken over by large publishing groups.

German-speaking areas had 161 newspapers at the end of 2000; French-speaking, 52; Italian-speaking 21; and three in the Romansch language. Only four newspaper can be classed as national dailies selling outside their main language area: *Blick*, *Tagesanzeiger*, *Neue ZFCrcher* and *Sudostschweiz*.

One new free sheet was launched in Zurich and other Swiss cities in 1999: *20 Minuten* (belonging to the Scandinavian group, **Schibsted**). Distributed to commuters, the paper do not appear to have had much impact on the paid-for sales so far.

MAIN PLAYERS

Ringier

The Zurich-based, family owned **Ringier** group is Switzerland's largest publishing house and publishes the biggest selling tabloid daily and Sunday newspapers, *Blick* (309,000) and *Sonntags Blick* (335,000). It publishes also *dimanche.ch* (45 000) and *Il Caffé* (45 000). Ringier owns also the business paper *Cash* (68 000) and general interest magazine, *Schweizer Illustrierte* (254,000). Other titles include news journal, *Hebdo* (50,000), *L'illustré* (96 000), TV guide, *Tele* (223 000),

TVtaglich and women's magazine, *Glücks-Post* (170,000), *Edelweiss* (25 000), and youth/fashion magazine, *MEX* (116,000). *Betty Bossi* (920 000)

Ringier is also involved in the online with 23 websites including Blick online and TV/radio markets (Radio Pilatus, Sat 1). Ringier has an important TV production branch with programmes like Konsum TV, Cash-TV, Cash Talk, SonntagsBlick-Standpunkte.

Ringier conducts also newspaper and magazine activities in Eastern Europe with 20 inprints published in Romania (9 titles incl. *Libertatea*- 167 000), Slovakia (*Život*- 130 000), the Czech Republic (10 titles incl. *Blesk* - 428 000) and Hungary (6 titles incl. *Mai Blikk* - 208 000). China and Vietnam are the Asian markets of the swiss group.

Edipresse

Based in Lausanne, **Edipresse** centres on Francophone newspaper publishing in Switzerland, but it also operates in Spain, France, Portugal, Poland, Greece, Romania, Ukraine and Mexico. It publishes 85 dailies and magazines and has three print works in Switzerland, two in Spain, one each in France and Romania. Its operation in Portugal is through the **ACJ Edipress** group in which it has a 33% stake. Publisher of *Telenovelas*, *TV Mais*, *Caras*, *Activa* and *Exame*

Edipresse have a 30% stake in the Swiss-German TV channel, Star TV and acquired in 2001 the 60% stake of the held by the De Senger family in Zurich-based advertising agency, Senger Media. It is now renamed Publicitas. Edipresse has also a 20% stake in Point prod (TV production) and a 75% stake in Corbas SA.

Newspapers and periodicals in Switzerland

24 heures (circulation 88,000), *Tribune de Genève* (77,000), *Le temps* (63 000), *La Presse Nord Vaudois* (10 000) and *Le Matin* (65,000). *Le Matin Dimanche* has a circulation of 215,000. Edipresse controls also 2 free papers called *Lausanne-Cités* and *Genève Home Information*.

Edipresse's TV guide, *Télé-Top Matin* (215,000), *TV Guide* (198 000) are TV magazines leaders and women's weekly, *Femina* (214,000) the top seller in its sector. It publishes 11 other titles.

Its publishing operations in other countries are mainly magazines. It has a 43% stake in the Greek publishing group, **Liberis**, which publishes *7 Days TV*, *Tile Kontrol*, *Glamour*, *Status* and *PC Magazine*. Magazines also in Poland (*Viva, pani, Uroda, Viva Moda*), Romania (*Viva, 20 Ani, Avantaje, Elle, Olivia*) and Ukraine.

Basler Medien Gruppe

Publishes the daily paper, *Basler Zeitung* (114,000), *Baslerstab* and *Rittmann*. Basler MG has a strong presence in the local market with *Reinacher Zeitung*, *Vogel Gryff*, *Birsfelder Anzeiger*, *Muttenger Anzeiger*.

Espace Media Groupe

The Bern based group publishes the *Berner Zeitung BZ*, *Thuner tagblatt*, *Berner Oberlander*, *Bernerbar* as well as the *Solothurner Tagblatt*. Espace Group produces also magazines like *Automobil Revue/Revue Automobile*, *Motosport Suisse/Motorsport Schweiz*, *Schweizer Landtechnik* and *Technique Agricole*.

Espace media Groupe is also active in television (*TeleBärn*) and radio (*Radio extra Bern*).

Marquard AG

Marquard Media AG is one of the leading swiss media companies. It was founded in 1965 by Jurgen Marquard. In the german speaking countries, it is publishing *Cosmopolitan*, *Joy and Shape*. Marquard has also a presence in Poland with its branch JMG Magazine Publishing Company. JMG publishes overall 9 titles including sport dailies (*Sport*, *Tempo*) and magazines (*CKM*, *Shape*). It publishes notably *Cosmopolitan* in co-operation with the Hearst Corporation. In Hungary, Marquard Media AG through its branch JMG publishes 6 magazines (*Shape*, *CKM*, *Joy*, *Fitt Mama*). The swiss group has also interests in *Radio 1* (50%) and *Slager Radio* (15%).

Tamedia AG

A large family owned German-speaking publishing house, based in Zurich. Produces Switzerland's second largest selling daily, *Tages Anzeiger* (268,000), *ZurichExpress*, *Finanz und Wirtschaft* and the Sunday edition, *Sonntags Zeitung* (220,000). Biggest selling magazines *Schweizer Familie* (155,000), news magazine *Facts* (101,000), *Schweizer Familie*, *Annabelle*, *Du* and *Spick*.

The company has a minority share (49%) in the publishing company **Berner Tagblatt-Mediengruppe (BTM)**. BTM owns the leading newspaper in Bern, the *Berner Zeitung* (136,000).

Tamedia AG own Radio 24 and Radio Basilisk. It also fully owns TeleZuri.

UNITED KINGDOM

The key media policy issue in the UK is the content of the draft Communications Bill, published in May 2002, which will drastically liberalise media ownership and regulation in the UK, and make the UK the most liberal country, in terms of media ownership rules, in Europe. One controversial proposal is that restrictions on non-EEA ownership of commercial television will be lifted, so that US-based global media groups could acquire commercial TV channels. The other is the lifting of cross-media ownership restrictions, so that potentially, Rupert Murdoch's UK-based **News International** could acquire the terrestrial commercial television Channel 5. Mid-October 2002 **Carlton** and **Granada** announced that they intended to merge.

Many commentators thought the decision to offer Rupert Murdoch a stake in terrestrial television was an attempt by the Labour government, and in particular the Prime Minister, Tony Blair, to keep Murdoch's substantial press interests supportive of the government.

The other controversial proposal in the Bill is to create a monster regulator, OFTEL, which will absorb the functions of five previously separate regulators like the Independent Television Commission (ITC) and the Radio Authority.

There was controversy, too, over the government's reaction to the joint Parliamentary committee of Members of Parliament and the House of Lords, chaired by Lord David Putnam, set up to scrutinise the Bill. It produced a report, which the government indicated it would ignore, critical of the media ownership changes proposed in the Bill.

England has a very centralised national press, based in London, and produces a range of broadsheet, mid-market and tabloid newspapers. The behaviour of the tabloid press has caused controversy over the years, with its style of intrusive, sensational celebrity and scandal driven journalism. The newspaper industry is self-regulated by the industry-funded Press Complaints Commission (PCC).

The other nations of the UK - Wales, Northern Ireland, and particularly Scotland, have specific titles catering for readers.

Terrestrial TV and Radio

The UK has four principal terrestrial television broadcasters - **BBC**, **ITV**, **Channel 4** and **Channel 5**. Over the country as a whole, terrestrial channels still attract 80% of viewing.

BBC

The UK operations of the **BBC** are funded by the licence fee, which from 2000 up to 2007 will rise annually by 1.5% above inflation. It does not carry any advertising. The BBC broadcasts two national free-to-air channels, BBC1 and BBC 2, five national radio stations and 38

regional radio stations. The combined audience share for the two channels was 35% in summer 2002.

In addition, via its BBC Worldwide subsidiary it produces a number of channels for multi-channel television, including BBC Choice, BBC Knowledge and BBC News 24, and publishes magazines such as *BBC Gardener's World*, *Smash Hits* and the *Radio Times*.

It has BBC Online, one of the most heavily 'hit' sites in the UK. The BBC also provides the World Service, funded by the UK Foreign and Commonwealth, and it broadcasts in 43 languages.

BBC Worldwide, has the responsibility for coordinating commercial operations. This includes the publishing of magazines, videos, DVDs and books as well as programmes. However the commercial activities do cause controversy. Its planned expansion of educational programming - Curriculum Online, which will create online educational materials free for schools - and the launch of its digital TV channels aimed at children - CBBC and CBeebies - has led educational publishers and commercial broadcasters to complain that they cannot compete fairly with what they see as subsidies from the licence fee to develop new programme areas. BBC News 24 is criticised by Rupert Murdoch for the same reasons. Cable channels in the UK will take BBC News 24, which is free, rather than pay for Sky News.

ITV

The draft Communications Bill clears the way for the creation of a single ITV company. The ITV network consists of fifteen regional franchises, but changes in ownership rules have led to consolidation of ownership, so that two companies have a dominant position, **Carlton** and **Granada**, with **Scottish Media Group (SMG)** in Scotland and **Ulster TV** in Northern Ireland.

Both **Carlton** and **Granada** have suffered through the slump in advertising revenue, a fall in the audience share of ITV, and the disastrous failure of the digital terrestrial television (DTT) service, **ITV Digital**, in which the two companies invested and lost around A\$1.2 billion until its collapse in March this year. The result has been job losses and cutbacks in both companies.

Carlton

Carlton owns the regional ITV franchises for HTV (Wales and the West of England), London & LLN (the weekday franchise for London), Central (the Midlands), and West Country (the South West). ITV is the biggest commercial television network in UK and franchises consists of ITV1, ITV 2, ITV News Channel and ITV children.

Carlton has a 25% stake in GMTV, the breakfast television station, a 20% stake in ITN News and 50% of London News Network. It also has a 7.5% stake in the Spanish digital terrestrial television service, **Queiro**.

Carlton Productions (ITV producer) includes Planet 24 (entertainment), Action Time (game shows) and Carlton Interactive (online programme). Carlton has also a branch specialized in Production Services with Carlton Studios, Carlton 021, Carlton Post production and Carlton Interactive. Carlton Screen Advertising, a cinema advertising sales house.

Carlton International, a programme and film sales business with 18,000 hours of television and film. It deals with media rights management, licensing and USA TV movie productions.

Carlton operates also in the publishing business with CPG

(Carlton Publishing Group). It publishes mainly entertainment, sports and lifestyle books. Carlton Visual Entertainment produces and distributes videos and DVD for the group.

Granada

Granada is the largest UK commercial broadcaster, owning seven of the fifteen ITV franchises: Anglia, Meridian (South East), Tyne Tees (North East), Yorkshire TV, Granada (North West), Borders (covering the border area with Scotland and the Isle of Man), and the weekend London franchise, LWT.

Granada divides its operations between Granada Platforms (its broadcasting assets) and Granada Content, which include all programme making operations, Granada Film, Granada Sport and Interactive as well as production companies in Australia, North America, Germany and Hong Kong. Granada International is the distribution arm of the group. In 2001, Granada produced 9000 hours of programme for 120 countries. For the ITV network, Granada Content made 2000 hours of programming.

Granada Sky Broadcasting is a joint venture with Sky and it operates two pay TV channels called Granada Plus and Granada Men and Motors. Granada Media also has a 50% stake in London News Network, a 20% stake in ITN, an 18% stake in the Scottish Media Group, and a 25% stake in GMTV. Other assets include the online search engine, Ask Jeeves UK, stakes in two leading football clubs, Liverpool FC (9.9%) and Arsenal FC (5%), and Manchester United TV. Granada acts as a commercial agent for Arsenal and Liverpool.

Outside the UK, it has a 45% stake in Ireland's fourth national television channel, TV3 and a 10% holding in Channel Seven Network, Australia.

Scottish Media Group (SMG)

A group with interests in radio, newspapers, magazines, television and the internet, but also heavy debts and an uncertain future. It has the ITV franchises for Central (Scottish TV) and North (Grampian TV) Scotland. SMG owns also SMG TV productions and Ginger TV Productions. SMG has a 25% stake in GMTV. SMG is also active in the publishing business with 3 dailies: The Herald (95 000), The Sunday Herald (167 000) and The Evening Times (105 000) and 11 magazines. In the Radio sector, SMG operates (Virgin Radio, Virgin Radio Classic, The Groove).

Ulster Television

Broadcasts the ITV franchise for Northern Ireland. Ulster Television is now called UTV. **CanWest Global** has a 29.9% stake in the franchise. ITV had an audience share of around 30% in summer 2002. UTV entered the radio market with a 60% stake in County Media which operates 4 radio stations. In the UK, UTV has chosen a partner called Absolute Radio UK. UTV acquired also a 50% stake in Bocom international, a supplier of digital broadcasting technologies.

Channel 4

A channel established 20 years ago to appeal to tastes and interests not catered for by ITV. It also has a public

service requirement to produce news, current affairs, schools and other educational-type programmes. It generates revenue by selling its own advertising and through sponsorship. It also makes very few of the programmes it transmits, receiving its news from ITN and commissioning programmes from independent producers.

It also has a subscription film channel, FilmFour, and a youth-oriented entertainment channel, E4. However the channel has had to tackle losses due to falling revenue, and the extra costs of new initiatives. It has an audience share of around 10%.

There is a separate fourth channel in Wales, S4C, which is funded partly by advertising and partly from the state. It carries peak-time Welsh language programmes.

Channel Five

Bertelsmann's RTL have a 65% stake in Channel 5 (United Business Media have the remaining 35%). Its initial problems of coverage have been partially solved - it now is received either through terrestrial or satellite platforms over 85% of the country. Bertelsmann are also repositioning the channel away from its tacky image and it is winning audience share of around 6.5%.

The major problem area has been DTT, where **ITV Digital** ignominiously collapsed. This has damaged the two companies involved in its development, **Carlton** and **Granada**, and also the government's plans to move towards an analogue switch off. Hopes are now pinned on a re-launch in the autumn by the BBC and transmitter company Crown Castle, of a new set-top box costing A399, with 24 channels.

Cable, Satellite and Multimedia

Cable is dominated by two companies, both in a parlous financial state: **NTL** and **Telewest**. There is frequent speculation about a merger between the two companies but the level of debt is a problem with NTL's at around A312 billion and Telewest's at A34.4 billion. NTL had about 2.27 million TV customers at the end of 2001.

Liberty Media has a 25% stake in Telewest, and **Microsoft** 22%. Telewest also own Flextech who have a number of television channels, including a joint venture with the **BBC**, UK Gold. Telewest had 1.34 million subscribers at the end of 2001.

The real beneficiary of the collapse of **ITV Digital**, and the uncertainty around cable companies **NTL** and **Telewest**, is the home satellite channel, **BSkyB**, effectively under the control of Rupert Murdoch's **News International** which has a 37.6% stake in it. The satellite broadcaster's annual results for the year ending June 30 revealed it had 6.1 million subscribers, having added 214,000 subscribers in the last three months (ITV Digital folded in March 2002). After excluding viewers lost through the demise of ITV Digital, this was still a net gain of 148,000. In addition many of the extra subscribers signed up for sports and movies, the most profitable channels for BSKyB. During the same period figures suggest that NTL and Telewest lost about 60,000 customers.

Newspapers

The major characteristic of the UK written press is the existence of a large national newspaper sector. Daily sales in July 2002 totalled 12.3 million, and Sunday sales, 12.5 million. About 60% of people in the UK read a national daily paper, and 70% a national Sunday, but national newspaper sales have declined from the peak sales point of the late 1950s.

The entire national press is owned by seven companies. The four largest of these account for about 90% of sales. They are:

News International

The Sun (3.6 million) *The Times* (632,638). *The News of the World* (3.86 million). *The Sunday Times* (1.3 million).

Trinity Mirror

Daily Mirror (2.1 million). *Daily Record* - Scotland (541,169). *Sunday Mirror* (1.76 million) *The People* (1.3 million). *Sunday Mail* - Scotland.

Daily Mail and General Trust

Daily Mail (2.35 million). *Mail on Sunday* (2.3 million).

Northern and Shell

The Express (936,091) *Daily Star* (840,915). *Sunday Express* (926,321).

The other daily national newspapers are *The Daily Telegraph* (946,926), *Financial Times* (432,883), *The Guardian* (375,432) and *The Independent* (191,875)

The other Sundays are *The Observer* (411,564 - owned by *The Guardian*), *The Sunday Telegraph* (735,154) and the *Independent on Sunday* (189,742).

Regional Newspapers

The regional and local newspaper sector is also highly concentrated. Often groups exchange or purchase titles from each other to establish what are virtually regional monopolies for their titles. The four largest groups are:

Trinity Mirror. Apart from the national newspapers of the **Mirror** group, acquired through merger in 1999, the group has a total of 234 papers. These include regional dailies, weeklies and free newspapers. It also publishes sports newspapers, including the *Racing Post*.

Newsquest. Owned by the US media group, **Gannett**. Newsquest has 207 titles covering regional dailies, weeklies and free newspapers.

Northcliffe Newspapers. The regional newspaper subsidiary of **Daily Mail and General Trust** (publishers of the *Daily Mail* and *Mail on Sunday*). It publishes 106 titles.

Johnston Press. Through the acquisition of **RIM** Johnston moved from fifth to fourth place amongst the top regional publishers. It has 244 titles.

Magazines

German publishing group **Bauer** target the lower end of the market with magazines like *Take A Break*, *That's Life*, *Bella*, *TV Choice* and *TV Quick*, and a large number of leisure titles, mainly of the puzzle and wordsearch variety.

BBC Worldwide claims to be the UK's third largest consumer magazine publisher, and publishes the UK's most profitable magazine, *Radio Times*.

EMAP (originally East Midlands Allied Press) is an Anglo-French broadcaster and consumer magazine publisher. Its top-selling titles include *FHM*, a men's lifestyle magazine, and *Heat* for women. It organises its magazine publishing in different operating areas, including:

Performance covers both the radio networks Big City, Magic and KISS, music TV channel The Box and music magazines like *Kerrang!*, *mixmag* and *Select*. It also uses these brands to promote CD compilations, club nights, concerts and online activity.

Consumer media handles 30 consumer magazines and websites covering leisure pursuits ranging from golf, fishing to walking and photography. Automotive publishes 28 magazines ranging from *Motor Cycle News* to *Classic Cars*.

EMAP France produces a range of consumer and business magazines and **EMAP International** supervises the international editions of *FHM*. EMAP France is the publisher of TV guides such as *Tele Star* and *Tele Poche*.

IPC Media Ltd. A major UK magazine publisher, now owned by AOL Time Warner. Publishes two leading women's magazines, *Woman* and *Women's Own*. Organises its large and varied portfolio of titles under IPC TX (TV, including TV guide, What's on TV?), IP Connect (women's fashion, celebrity, teenage), IP Ignite (men's lifestyle) and IPC Country and Leisure (sports, leisure and hobbies).

MAIN PLAYERS

News International

A media group which has played an important role in both the media and politics of the UK through the activities of its proprietor Rupert Murdoch. This outline only deals with News International, which is the UK-based arm of the global media group, News Corporation. For many years, from 1979 through to the early nineties, the Murdoch press enthusiastically supported the policies of 'Thatcherism' in the UK, but by the mid 1990s Rupert Murdoch sought to reposition his political support, and on advice from Irvin Stelzer, began to support Tony Blair, then leader of the Labour Party and since 1997 Prime Minister of a Labour government.

Murdoch's newspapers have taken an explicit and hostile attitude towards Europe, and are opposed to the idea of joining the Euro, for example. From a democratic point of view commentators ask what right does a newspaper proprietor have, who was Australian, but became a naturalized American in order to build his US media empire, to use his media power to influence democratic processes?

Main holdings

Newspapers

The Times. The Sunday Times. The Sun. The News of the World, News International

Times Supplements

The Times Education Supplement. The Times Literary Supplement. The Times Higher Education Supplement.

Book Publishing

HarperCollins publishers have 29 imprints worldwide. In the UK, Fourth Estate, an independent publisher, was acquired by HarperCollins, and one of its authors, Michael Crick, who was writing a critical biography of Murdoch, departed. Also Chris Patten's book on his experiences as the last governor of Hong Kong was dropped by HarperCollins because Murdoch did not want it to interfere with his efforts to open up his media interests in China. Other book publishers includes Regan Books and Zondervan

Broadcasting

BSkyB UK digital satellite broadcaster with over 6 million subscribers. News Corporation has a 37.6% stake but effective operational control of the company.

Sky Radio (71%)

Stream, Italy (50%) Discussions are under way to acquire Vivendi Universal's subsidiary and rival pay-TV platform, Telepiu. It would create a 2.4 million subscriber company, and also be a monopoly - like BSkyB is in the UK.

Balkan News Service (100%) Owns bTV, Bulgaria's second most popular channel through this company
22% stake in failed German ProSiebenSAT.1, which KirchMedia also had a 52.5% stake in.

Technology and Multimedia

News Digital Systems. Develops and supplies conditional access software for satellite television.

Other

Convoys Group - UK newspaper distribution.

Pearson

Marjorie Scardino became chief executive of Pearson in 1997 and the company experienced a period of change as some assets were sold off (Tussauds and a stake in Lazards) and others acquired, in publishing, for example. The share price of Pearson saw a huge rise during this period, but recently it has fallen back below the value when she took over, as revenue from advertising has sharply fallen, and some of the US educational investments performed poorly.

The company now gets two thirds of its revenue from the USA, whereas the UK, its original base and market, accounts for about 13%.

Main assets

Print media

Financial Times. Les Echos (France). *Expansion* 74% stake in Spanish publisher Recoletos, who also publish

Marca, Spain's leading sports daily. Recoletos also has a 30% in the daily, *El Mundo*. In Portugal it owns 50% of Economica SGPS, publisher of the country's leading daily, *DiE1rio Economico*.

In Eastern Europe, Pearson owns a third of the Russian daily, *Vedomosti* (launched with Dow Jones and Independent Media in September 1999). Pearson holds also a 50% stake in BDFM, publisher of South Africa leading financial papers.

FT Business publishes specialist information and publishes the biggest-selling personal finance magazine *Investors Chronicle*. The FT Group also has a 50% share in the Economist group, publisher of *The Economist* and has invested heavily in *FT.com*, the newspaper's online service.

Pearson's broadcasting interests were sold to RTL in September 2001.

Book Publishing

Consumer

Pearson have three major groups:

Simon and Schuster's education, business and professional reference divisions acquired in 1998, as well as illustrated book publisher, **Dorling Kindersley** in 2000. Pearson also owns **Penguin Group** and its brands Puffin, Ladybird and Penguin Classics. These brands have made it the top book publisher in the UK, Australia, New Zealand and India, and the number two, after Bertelsmann in the USA.

Educational

Addison Wesley Longman, **Pearson Early learning**, **SchoolSuccess**, **Scott Foresman**, **Prentice Hall**, **Pearson Education Ltd**, **MacMillan USA**, **National Computer Systems** and the **Learning Network**

LEGISLATING FOR A DEMOCRATIC MEDIA IN EUROPE

Policy Document of the European Federation of Journalists (EFJ)

1. GENERAL PRINCIPLES:

1.1 The **European Federation of Journalists**, the regional organisation of the **International Federation of Journalists** representing more than 250,000 journalists in 31 countries, believes that professional journalists, organised in free and independent trade unions, play a key role in the creation and maintenance of a democratic media culture.

1.2 The **EFJ/IFJ** believes that democracy depends upon the extension of freedom of expression and social justice worldwide. The **EFJ/IFJ** insists that democracy depends upon an understanding of the special and particular role of the media in democratic society.

1.3 The **EFJ/IFJ** believes that media must respect the professional and ethical principles of press freedom upon which the freedom of expression and opinion relies.

The **EFJ/IFJ** defines press freedom as:

“the right to publish and freedom from restraint, which is essential to enable journalists and media professionals to advance the public interest by publishing, broadcasting or circulating facts and opinions without which a democratic electorate cannot make responsible judgments.”

The **EFJ/IFJ** believes this freedom can only be expressed when there exists:

- a) A free, independent and pluralistic media reflecting diversity of opinion;
- b) A free flow of information enabling full democratic exchange in all communities, whether based on geography, ethnic origins, shared values or common language;
- c) Statutory defence and protection of citizens' rights to freedom of information and the right to know;
- d) Respect for editorial independence and the professional status of journalists.

1.4 The **EFJ/IFJ** considers that the treatment of news and information as a commodity must not override or interfere with the duty of journalists to inform their audience and that media must be administered according to the highest standards of transparency and openness.

1.5 The **EFJ/IFJ** believes in the coexistence of public service and private broadcasting in order to protect independence, pluralism and variety in programming to the enrichment of all sections of society.

1.6 The **EFJ/IFJ** affirms that responsibility for ethical conduct and maintenance of the highest standards in journalism rests with media professionals through systems of self-regulation.

1.7 The **EFJ/IFJ** strongly believes that the law should not interfere in matters which are the proper responsibility of working journalists: namely, the preparation, selection and transmission of information.

1.8 The **EFJ/IFJ** believes that any harmonisation of media laws at regional level should take the highest standards and best regulations as a model;

1.9 The **EFJ/IFJ** calls on the institutions of the European Union - the Parliament, Commission and Council - to ensure that no legal or policy initiatives are taken without consultation with representative journalists organisations.

2. PRIORITIES FOR ACTION AT EUROPEAN LEVEL:

The political institutions of the Europe must protect the rights of citizens and promote transparency, understanding and participation in the development of policies designed to strengthen the social, economic and political cohesion of communities. The special role of media in this process requires that legal protection for media independence and support for professionalism in journalism should be of the highest priority.

2.1 The **EFJ/IFJ** declares that **limiting concentration of ownership/ cross ownership and developing anti-trust legislation at European level** is a precondition for a democratic and independent media in Europe and should be treated as a priority.

2.2 The **EFJ/IFJ** considers the implementation of the principle of **editorial independence** (editorial statutes) in all European media as a necessity to guarantee the professional independence of journalists and a pluralistic press.

2.3 The **EFJ/IFJ** believes that creating **structures for dialogue** to bring together legitimate representatives of workforce, management and consumers to discuss the economic and social development of the media and practical implementation of laws, policies and standards is essential to safeguarding a free and

democratic media.

3. EUROPEAN FREEDOM OF INFORMATION ACT

A European Freedom of Information Act should be prepared which:

- a) adopts the principles of Freedom of Information Acts in the United States and Sweden, and guarantees all journalists access to information from Community and national authorities (ruling out exclusive access to such information);
- c) provides protection to public-sector employees, as in the US Employee Health and Safety Whistleblower Protection Act, and safeguards reporters' sources of information on criminal or anti-social actions by public- or private-sector enterprises against any form of discrimination."
- d) recognises the general obligation to give information of public interests to journalists applying to both private and public organisations;
- e) includes protection of internal press freedom through a framework directive on editorial statutes ensuring editorial freedoms;
- f) ensures the principle of the application of the social charter to all media enterprises without any restrictions concerning journalists.

PROTECTION OF SOURCES:

A European Freedom of Information Act should include provisions to:

Permit all journalists to maintain professional secrecy and to protect the identity of sources of information including researched material.

4. SELF-REGULATION AND ETHICS OF JOURNALISM:

4.1 The **EFJ/IFJ** believes that codes of ethics or codes of conduct must be drawn up by the professionals themselves.

4.2 The **EFJ/IFJ** Code of Conduct provides a code of ethics adopted by all national representative journalists organisations in Europe. Therefore, the **EFJ/IFJ** Code of Conduct provides the basis for a common European understanding on ethical issues through voluntary adoption of journalists and publishers. In this area EFJ/IFJ sees no active role neither for the Commission nor for national governments.

4.3 The **EFJ/IFJ** calls upon the European Union and the Council of Europe to encourage editors and management to establish together with the journalists the

application of the rules by which the code shall be adopted.

5. EDITORIAL INDEPENDENCE

5.1 To safeguard editorial independence a European framework legislation should be introduced in consultation with the representative professional organisations and social partners to ensure that:

- there is no censorship imposed on the editorial staff from outside, neither through government, public authorities or private interests;
- there is no restriction or impediment to the exercise of professional journalism imposed on the editorial staff from internal sources with the intention of suppressing information regarding the financial affairs, business or other activities of the parent company or its business partners or of unfairly promoting the economic interests of advertisers, sponsors or business partners.
- editorial statutes and other provisions safeguarding the independence of journalists are introduced in all European media;

6. STRUCTURES FOR DIALOGUE

6.1 The EFJ/IFJ supports the creation of structures for dialogue between journalists and editors and publishers, both in the written and audiovisual media in order to promote better understanding and a common approach on professional, social and economic development of media. The EFJ welcomes the initiative of social dialogue in the audiovisual sector of the EU.

6.2 Such **structures for dialogue** should bring together legitimate representatives of workforce, journalists and editorial management and consumers to discuss:

- a) the economic and social development of the media, and in particular, the need to limit monopolisation which can threaten diversity of information sources necessary for the practice of democracy at all levels in society;
- b) the problems of unemployment and job insecurity whether caused by concentration of mass media ownership or otherwise;
- c) the practical implementation of laws, policies and standards designed to assist in the development of a free and pluralistic media.
- d) professional, economic and social conditions within media including:

1. The development of openness and transparency in the business and social affairs of all media enterprises.

2. The maintenance of independent and recognised systems of professional training which reflect the need for high quality journalism, independent and distinct from political and commercial imperatives.

3. Legal recognition of mechanisms for the defence of freedom of information and independent journalism such as editorial statutes;

4. The creation of secure working conditions within media enterprises, based upon equality of opportunity and including limitations on exploitation of freelance and casual labour.

7. ACCESS TO THE PROFESSION

7.1 Access to the profession should be free. The professional level of future journalists should be as high as possible.

7.2 Trainee journalists must undergo proper training under conditions agreed by publishers and journalists' unions.

7.3 Appointments are restricted to qualified journalists, that is, persons who have minimum professional qualifications agreed by journalists' unions and publishers. Such qualified journalists should be recognised as such in collective agreements. Employers accept that is the duty of the media in general and the employer in particular to reflect the society it serves.

8. CONCENTRATION OF OWNERSHIP

8.1 The EFJ/IFJ believes the process of monopolisation at a national level and transnational concentration of media ownership reduces the number of independent sources of information available to the public and is, therefore, a threat to media diversity and pluralism.

8.2 Therefore, legislation on concentration of ownership at European level should:

- harmonise national laws governing the concentration of media ownership at the highest level;
- restrict the extension of media groups' activities through merger, anti-trust and cross-ownership legislation;
- regulate the activities of Community-based media groups in the accession countries;
- oblige transnational media enterprises to disclose the full extent of their global holdings in each of the countries in which they operate;

- limit concentration of media ownership;
- divest existing media properties where there are unacceptable levels of concentration.

9. CLAUSE OF CONSCIENCE

9.1 Journalists must have the right to act according to their conscience in the exercise of journalism. In case of fundamental change in the political, philosophical or religious line of the employer, a journalist may put an end to his or her contract, without notice, and be paid compensation equivalent to what he or she would have received in case of termination of his or her contract by the employer.

9.2 No journalist should be directed by an employer or any person acting on behalf of the employer to commit any act or thing that the journalist believes would breach his or her professional ethics, whether defined by a code of ethics adopted by journalists collected at national level or that would infringe the international Code of Principles for the Conduct of Journalism as adopted by the EFJ/IFJ. No journalist can be disciplined in any way for asserting his or her rights to act according their conscience.