

AUSTRALIA



AT A GLANCE

Capital: Canberra
Population: 22.1 million (January 2010)
Median age: 37.3 years
GDP: \$1,013 Trillion (2008)
Official language: English
Other languages: Chinese, Italian, Greek
Literacy: 99%
Currency: Australian Dollar (AUD)



► Value Added Tax, or other tax, on magazine purchases: 10%

COMMENTARY

By Didier Guérin, President and CEO, Media Convergence Asia Pacific

Despite the global financial crisis, the Australian economy performed relatively well in 2009 and avoided a recession. The local economy went into negative growth during only one quarter – it takes two quarters to qualify for a recession – and even succeeded to reduce its unemployment to 5.5 per cent in December 2009.

However, the Australian publishers were not as lucky and went into a painful recession: 2009 will be remembered as the “Annus Horribilis” for the magazine industry down-under.

Whereas copy sales did not suffer much and remained almost flat, magazine advertising expenditure contracted by about nine per cent (source: ACNielsen, AdQuest and GroupM). According to ZenithOptimedia, the industry received A\$846 million in advertising revenues (in current prices) – a drop from slightly more than A\$1 billion in 2008 – or about the

same level of revenues collected in 2003.

Despite the economic uncertainty, Australian consumers continued to visit their local “newsagents” enthusiastically and bought 101 million copies during the first half of 2009. This figure represents a reduction of only 1.9 per cent compared with the same period the year before. For the first half of the year, magazine sales generated a total spending of A\$503 million, or only 0.8 per cent reduction in revenue, which was partially offset by a few cover price increases.

With a small erosion of only 0.4 per cent (during the first half of the year), magazine readership remained also quite robust, which confirms the Australian public’s love affair with magazines: 80 of the 22 million population down-under read a magazine on a regular basis.

Hence, it is quite remarkable that Australia – with its fairly small population base – has 20 magazines with a readership

in excess of half a million copies per issue, including Australian Women’s Weekly with an audience of 2.1 million readers a month and Woman’s Day with also 2.1 million readers each week.

Health-related magazines enjoyed the largest growth with the launch of Your Body and Prevention (respectively by ACP and Pacific Magazines). Other categories of growing interest for the readers were men’s lifestyle, entertaining and food, music, youth, women’s lifestyle and real life weeklies.

With retail sales up and the stock market on a bullish mode, the Australian economy appears to have started 2010 on a positive note with an increase in consumer confidence. Australian magazine publishers claim they have seen the bottom and are experiencing a pick-up in advertising bookings. These factors indicate that magazine advertising spending should bounce back in 2010 to a year of moderate growth.

FIPP MEMBERS

PUBLISHERS

- » ACP Magazines
- » Future Australia
- » Haymarket Media
- » IDG Communications

- » News Magazines
- » Pacific Magazines
- » Reader’s Digest
- » Time Inc. South Pacific

SUPPLIERS

- » Media Convergence Asia Pacific
- » Paper Agencies
- » Sappi Trading Australia
- » UPM-Kymmene

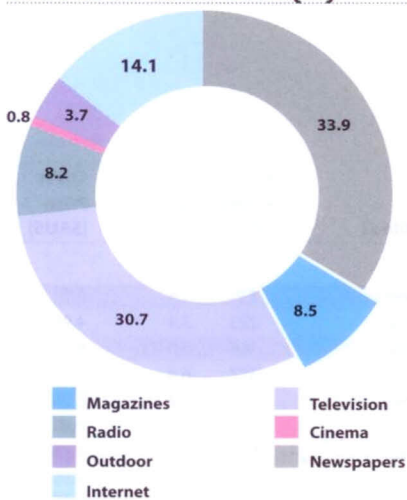
ADVERTISING DATA

ADVERTISING EXPENDITURE BY MEDIUM (\$AUS: m)

	2001	2002	2003	2004	2005	2006	2007	2008	2009*	2010*
Newspapers	3,131	3,046	3,314	3,637	3,790	3,723	4,076	4,117	3,811	3,658
Magazines	771	789	822	895	978	994	1,034	1,032	841	806
Television	2,490	2,659	2,924	3,266	3,376	3,420	3,750	3,729	3,413	3,321
Radio	695	702	737	842	898	925	984	992	952	958
Cinema	64	58	66	74	84	86	93	96	88	87
Outdoor	271	261	297	327	354	379	436	454	388	373
Internet	61	167	236	388	620	1,001	1,346	1,710	1,878	2,061
Total	7,483	7,682	8,396	9,429	10,099	10,527	11,720	12,130	11,371	11,264

Source: ZenithOptimedia. * projected figures

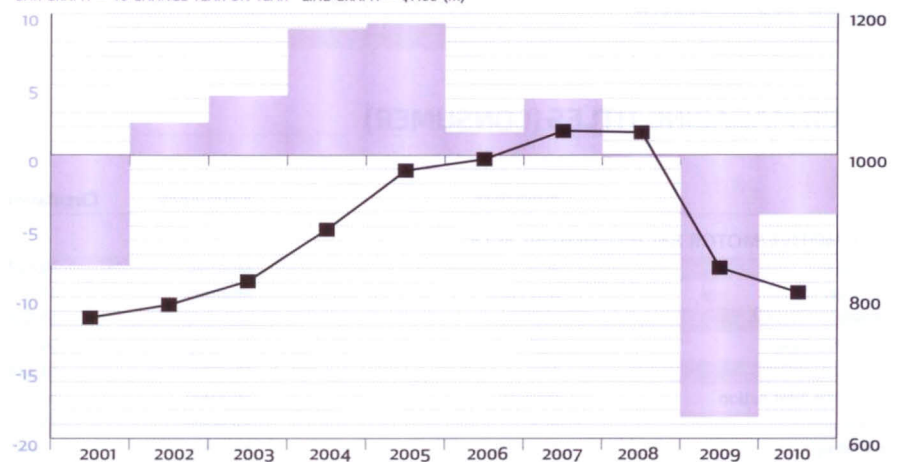
SHARE OF ADSPEND (%)



Source: ZenithOptimedia

MAGAZINE ADSPEND GROWTH 2001-2010

BAR GRAPH = % CHANGE YEAR ON YEAR LINE GRAPH = \$AUS (M)



Source: ZenithOptimedia

MAGAZINE DATA

NUMBER OF TITLES

Type	2004	2005	2006	2007	2008	2009
Consumer: total	880	895	1,100	1,150	1,200	1,200
Consumer: audited			160	162	146	156

Source: ABC

MAJOR CONSUMER MAGAZINE PUBLISHERS

	Number of titles	MARKET SHARE	
		Copies Sold	Advertising Sales
ACP Magazines	52	52%	49%
Pacific Magazines	16	28%	28%
News Magazines	13	6%	12%
Readers Digest	2	2%	1%
Time Inc	1	2%	1%
Others	72	10%	9%

Source: ABC Audit, gross copies sold by publisher, January-June 2009. Nielsen Adex, January-November 2009

MAGAZINE ADVERTISING RESTRICTIONS

	Banned by law	Voluntarily stopped	Restricted by law	Restricted voluntarily
Tobacco	●			
Alcohol (beer, wines & spirits)			●	
Advertising to children				●
Over-the-counter-drugs			●	

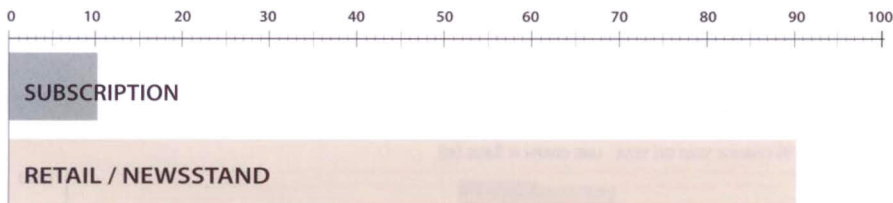
MAGAZINE DATA

SALES DISTRIBUTION BREAKDOWN: CONSUMER MAGAZINES (%)

	2006	2007	2008	2009
Subscription	-	-	12	10
Retail Sales	-	-	88	90

Source: ABC

SALES DISTRIBUTION, CONSUMER (%)



MAJOR MAGAZINE TITLES (CONSUMER)

	Publisher	Frequency	Circulation	Audited?	Average Issue Readership (000s)	(%)	Cover Price (\$AUS)
AUTOMOTIVE/MOTOR RACING/MOTORCYCLE							
Top Gear	ACP	Monthly	80,059	Yes	435	5.4	8.95
Just Cars	Just Cars	Monthly	67,016	Yes	223	3.3	4.95
Wheels	ACP	Monthly	55,868	Yes	366	6.6	8.75
Street Machine	ACP	Monthly	55,577	Yes	357	6.4	8.75
Unique Cars	ACP	Monthly	54,377	Yes	238	4.4	7.95
Australian 4Wd Action	Express	Monthly	44,478	Yes	164	3.7	9.95
Motor	ACP	Monthly	35,160	Yes	163	4.6	8.75
Just Bikes	Just Cars	Monthly	33,692	Yes	-	-	4.95
Australasian Dirt Bike	ACP	Monthly	26,236	Yes	-	-	7.95
Australian Road Rider	Universal	Monthly	21,971	Yes	-	-	7.95
BUSINESS/FINANCIAL/NEWS							
AFR Smart Investor	Fairfax	Monthly	65,425	Yes	163	2.5	7.95
Time	Time Inc	Weekly	76,697	Yes	293	3.8	5.95
Money Magazine	ACP	Monthly	50,078	Yes	182	3.6	6.95
BRW	Fairfax	Weekly	42,390	Yes	162	3.8	6.95
The Monthly	The Monthly	Monthly	25,238	Yes	110	4.4	7.95
New Scientist	Reed Business Information	Weekly	22,211	Yes	261	11.8	7.50
CHILDREN'S/COMICS/TEENAGE							
Dolly	ACP	Monthly	125,169	Yes	340	2.7	5.60
Girlfriend	Pacific Magazines	Monthly	108,119	Yes	329	3.0	5.50
K-Zone	Pacific Magazines	Monthly	55,445	Yes	-	-	5.50
Total Girl	Pacific Magazines	Monthly	55,056	Yes	-	-	5.50
Disney Adventure	ACP	Monthly	28,548	Yes	-	-	5.95
Disney Girl	ACP	Monthly	27,098	Yes	-	-	5.95
Little Angel	Next Media	Monthly	25,164	Yes	-	-	4.95
Mania	Next Media	Monthly	24,068	Yes	-	-	5.50
Girl Power	Next Media	Monthly	23,999	Yes	-	-	5.50
Dmag	Smartypantz	Monthly	22,689	Yes	-	-	5.95
GENERAL INTEREST							
Readers Digest	Readers Digest	Monthly	325,028	Yes	910	2.8	5.99
Australian Geographic	ACP	Quarterly	140,724	Yes	415	2.9	6.50
Health Smart	Readers Digest	6 per year	83,850	Yes	104	1.2	6.50
RM Williams Outback	R.M. Williams Publishing	6 per year	69,077	Yes	204	3.0	8.95
Diabetic Living	Pacific Magazines	Monthly	50,809	Yes	197	3.9	7.95
Healthy Food Guide	Healthy Life Media	Monthly	36,457	Yes	127	3.5	4.95
Empire	ACP	Monthly	24,149	Yes	161	6.7	8.95
Rolling Stone	ACP	Monthly	23,050	Yes	294	12.8	7.80
Limelight	Haymarket	Monthly	12,604	Yes	44	3.5	8.50

MAGAZINE DATA

MAJOR MAGAZINE TITLES (CONSUMER)

	Publisher	Frequency	Circulation	Audited?	Average Issue Readership (000s)	(%)	Cover Price (\$AUS)
HOME INTEREST							
Better Homes & Garden	Pacific Magazines	Monthly	370,000	Yes	1,737	4.7	5.95
Australian House & Garden	ACP	Monthly	96,554	Yes	529	5.5	6.95
Gardening Australia	News Magazines	Monthly	94,868	Yes	472	5.0	5.95
Australian Home Beautiful	Pacific Magazines	Monthly	70,480	Yes	297	4.2	6.95
Australian Handyman	The Reader's Digest	Monthly	64,369	Yes	161	2.5	6.50
Real Living	ACP	Monthly	57,205	Yes	117	2.0	6.50
Burke's Backyard	ACP	Monthly	55,706	Yes	388	7.0	6.75
Country Style	News Magazines	Monthly	53,900	Yes	190	3.5	7.95
Your Garden	Pacific Magazines	Quarterly	58,824	Yes	169	2.9	6.95
Inside Out	News Magazines	6 per year	50,173	Yes	119	2.4	7.95
MEN'S MONTHLIES/WEEKLIES							
Zoo Weekly	ACP	Weekly	112,311	Yes	499	4.4	4.25
Alpha	News Magazines	Monthly	92,239	Yes	249	2.7	2.95
Men's Health	Pacific Magazines	Monthly	75,254	Yes	365	4.9	8.50
Ralph	ACP	Monthly	68,061	Yes	281	4.1	8.95
The Picture	ACP	Weekly	64,016	Yes	162	2.5	4.25
FHM	ACP	Monthly	51,063	Yes	203	4.0	8.50
People	ACP	Weekly	47,123	Yes	179	3.8	4.25
Australian Men's Fitness	Odysseus Publishing	6 per year	26,844	Yes	96	3.6	7.95
Inside Sport	Next	Monthly	-	No	83	-	7.95
GQ	News Magazines	Quarterly	-	No	64	-	8.95
SPECIAL INTEREST							
Supper Food Ideas	News Magazines	Monthly	271,376	Yes	950	3.5	2.90
Recipes+	Knockout Media	Monthly	134,251	Yes	324	2.4	2.95
Delicious	News Magazines	Monthly	129,626	Yes	511	3.9	6.95
Health Smart	Readers Digest	6 per year	83,850	Yes	104	1.2	6.50
Donna Hay	News Magazines	6 per year	82,910	Yes	353	4.3	7.95
Australian Gourmet Traveller	ACP	Monthly	74,292	Yes	276	3.7	8.75
Australian Good Food	ACP	Monthly	73,161	Yes	294	4.0	4.95
Club Marine	Club Marine	6 per year	76,354	Yes	-	-	5.50
Weight Watchers	Pacific Magazines	6 per year	71,811	Yes	157	2.2	5.95
TV GUIDES							
TV Week	ACP	Weekly	223,643	Yes	915	4.1	3.90
WOMEN'S MONTHLIES							
Australian Women's Weekly	ACP	Monthly	493,055	Yes	2,177	4.4	6.80
Cosmopolitan	ACP	Monthly	166,208	Yes	617	3.7	7.20
Cleo	ACP	Monthly	134,286	Yes	495	3.7	7.20
Marie Claire	Pacific Magazines	Monthly	116,500	Yes	501	4.3	8.20
Madison	ACP	Monthly	90,673	Yes	239	2.6	8.30
Women's Health	Pacific Magazines	Monthly	90,000	Yes	414	4.6	6.95
Shop Till You Drop	ACP	Monthly	80,964	Yes	193	2.4	7.40
Notebook	News Magazines	Monthly	73,093	Yes	340	4.7	6.95
In Style	Pacific Magazines	Monthly	61,794	Yes	236	3.8	7.95
Harper's Bazaar	ACP	Monthly	51,467	Yes	191	3.7	7.95
Vogue	News Magazines	Monthly	50,752	Yes	339	6.7	7.95
WOMEN'S WEEKLIES							
Woman's Day	ACP	Weekly	430,235	Yes	2,345	5.5	4.00
New Idea	Pacific Magazines	Weekly	351,018	Yes	1,955	5.6	4.00
That's Life!	Pacific Magazines	Weekly	307,015	Yes	1,106	3.6	2.90
Take 5	ACP	Weekly	257,224	Yes	867	3.4	2.90
NW	ACP	Weekly	155,150	Yes	529	3.4	4.95
Who	Pacific Magazines	Weekly	138,508	Yes	786	5.7	4.70
Ok!	ACP/Northern & Shell	Weekly	120,056	Yes	431	3.6	4.50
Famous	Pacific Magazines	Weekly	80,593	Yes	270	3.4	3.50
Grazia	ACP	Weekly	66,240	Yes	195	2.9	5.00

Source: Audit Bureau Of Circulation Jan-June 09 - Roy Morgan Research (Readers 14+ For 12 Months Ending September 2009)