



FAIRFAX METRO MEDIA CONTINUES TO TRANSFORM ITS BUSINESS

- Second monthly Fairfax Metro Media Audience Report released -

April 24, 2012:

Fairfax Media Metro Division continues its market-leading initiative to provide comprehensive sales and audience information with the publication of the second monthly Fairfax Metro Media Audience Report (FMMAR).

FMMAR provides a comprehensive overview of audience measurement across its mastheads and platforms (see final page of this report for the summary chart). Fairfax Metro Media also works with existing research partners and conducts its own research to gain further understanding into cross-platform audiences and their usage habits. These insights are presented in the key themes section of this report.

KEY THEMES

1. **Fairfax Metro Media newspapers are successfully executing a strategy of focusing on sustainable and profitable circulation.**

This strategy involves a renewed concentration on high-quality, engaged newspaper audiences and planned initiatives to concentrate on profitable circulation.

Specifically, this month's FMMAR shows the first effects of changes to Fairfax Media's approach to managing circulation in the secondary school market, where subscription arrangements are now encouraging a shift from print to digital editions. While figures will vary from month to month with the timing of school terms and promotional activities, in March education circulation initiatives translated to a strong increase in paid digital edition sales and a corresponding decline in sales of the print edition.

A number of additional circulation initiatives are also currently being implemented, and are contributing to a planned decline in print edition sales. These include

- ***Reduced distribution through community events channel:*** a more selective approach to the distribution of the print edition through this channel is now being taken, with copies only to remain in a small number of select events which are strongly aligned with the brand.
 - ***Progressive removal of offers where a newspaper is included as a bundled secondary item with another purchase:*** Copies distributed through this channel - which includes, for example, supermarkets, gyms and car washes –achieve low reader engagement and are not consistent with Fairfax Media's strategy.
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The success of this strategy is already being reflected in steadily increasing circulation yields. Circulation yields have been increasing for each of the last six months, and in March yield per copy was significantly higher at both the Herald (19% higher YOY) and The Age (18%).

While a managed reduction in low-yielding circulation necessarily results in reduced sales of the print editions of Fairfax Metro Media newspapers, the impact of this strategic shift is not expected to be as pronounced in print readership figures due to the relatively low reader engagement typically associated with low-yield channels. Readership data is published quarterly by Roy Morgan Research, and figures for the March quarter will be included in the next edition of the FMMAR.

2. The Fairfax Metro Media newspaper audiences are loyal to our mastheads.

During weekdays, 71% of Fairfax Metro masthead readers do not read any other Monday to Friday newspaper. On Saturdays, 78% of Metro masthead readers do not read another Saturday newspaper. And on Sundays, 75% of its readers do not read another Sunday paper.

Source: Roy Morgan Single Source, Dec 2011.

These figures show how crucial it is for advertisers to ensure Fairfax Metro Media mastheads are an integral part of their media campaigns if they want to engage with Australia's most affluent, smart and discerning audiences.

3. The SMH and Age continue to show solid audience growth and engagement, with mobile sites experiencing dramatic year-on-year audience increases and app downloads still soaring.

Traffic to *The Sydney Morning Herald* and *The Age* mobile sites increased strongly in March 2012 compared with March 2011, with daily unique browsers up by 92.1% and 77% respectively.

In the same period, monthly page views increased by 87% for *The Sydney Morning Herald* mobile and 92.8% for *The Age* mobile.

Downloads of *The Sydney Morning Herald* and *The Age* phone apps grew by more than 700% for both mastheads, with total *Herald* app downloads to date at 99,746, and 85,280 for *The Age*.

Source: Nielsen Mobile Market Intelligence / AppFigures

4. Catching up on news online was the most popular simultaneous activity while watching TV

Fairfax conducted an online video usage study of more than 4,000 consumers that uncovered some interesting findings around audiences' TV and online multi-tasking habits. Catching up on news online was the most popular simultaneous activity (66%) with social networking close behind (62%). Researching reference sites and seeking TV program information were considerably lower (30% and 22% respectively).

Mobile and tablet online usage among those multi-tasking with TV has surged, with 40% using these devices compared with 16% in the last survey in 2011.

Interestingly, gender skews are also revealed. Catching up on news online while watching TV is particularly evident in the male audience with 72% surveyed catching up on online news while watching TV. While 57% of the female audiences are catching up on online news content, they are more heavily consuming social networking content (74%).

Top 6 Activities		
1	Catch up on news	66%
2	Social networking	62%
3	Research reference sites	30%
4	Seek TV program info	22%
5	Instant messaging	20%
6	Gaming	16%

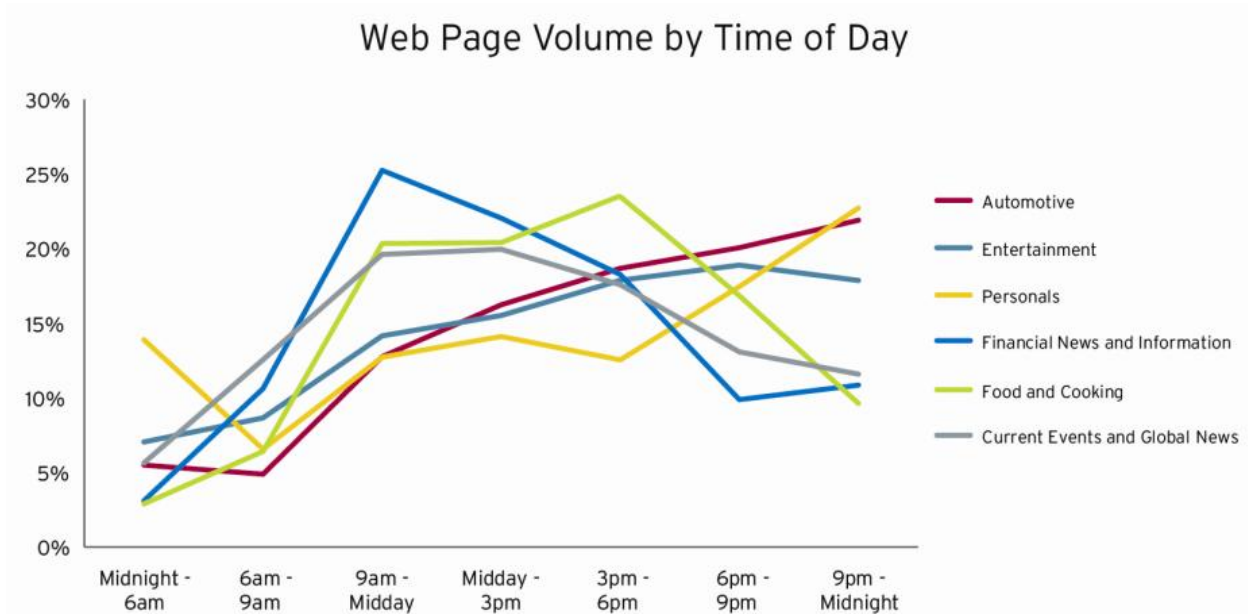
Source: Fairfax Media Online Video Report 2012 n-4091

5. Consumers have very different time of day usage patterns for different types of online content

Fairfax Metro Media commissions detailed time of day usage data for web consumption with Nielsen Online for categories, brands and demographics.

This research showed that Australians are viewing financial news and information online first thing in the morning, peaking between 9am and midday. Current events and news on the other hand is more consistently consumed throughout the day, particularly between 9am and 3pm.

Interestingly, consumers are viewing online automotive content between 9pm and midnight, while the most popular time for consuming online food and cooking content is between 3pm and 6pm – an indication of the strong demand for recipe ideas and food inspiration around the hours before dinner.



Source: Nielsen Online Ratings, March 2012

In addition to Nielsen’s Online findings, The Fairfax Online Video Study showed that the consumption of online video peaks in the evening in TV ‘prime time’, with almost half (48%) of respondents regularly watching online video from 8pm till midnight.

All enquiries to:



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Monthly - Fairfax Metro Media Audience Report



MONTHLY: March, 2012.

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 *The Sydney Morning Herald, smh.com.au, The Sun-Herald*
 *The Age, theage.com.au, The Sunday Age*

	2012		2011		% CHANGE	
Web - monthly unique audience [1]	2,956,000	1,924,000	2,560,000	1,606,000	trend break	trend break
Web - time per person per month H:M:S [1]	0:48:03	0:45:03	0:51:35	0:54:55	trend break	trend break
Web - pages views [1] ('000s)	167,501	118,095	171,392	108,123	trend break	trend break
Video - monthly streams [3]	6,515,838	3,644,234	6,870,953	3,606,104	-5.2%	1.1%
Mobile sites - daily unique browsers [2]	179,962	93,514	93,669	52,834	92.1%	77.0%
Mobile sites - monthly page views [2]	23,617,483	15,519,803	12,626,706	8,051,721	87.0%	92.8%
Phone Apps - downloads (to date) [8]	99,746	85,280	12,149	10,423	721.0%	718.2%
Phone Apps - daily unique browsers 2012: [5] 2011: [4]	5,678	5,268	722	696	686.4%	656.9%
Phone Apps - monthly page views 2012:[5] 2011: [4]	1,763,376	1,607,237	320,420	299,167	450.3%	437.2%
Tablet Apps - downloads (to date) [8]	248,739	217,630	n/a	n/a	n/a	n/a
Tablet Apps - daily unique browsers [4]	36,813	31,850	n/a	n/a	n/a	n/a
Tablet - monthly page views [4]	50,262,640	44,675,050	n/a	n/a	n/a	n/a
Print - net average edition readership Mon - Fri [6]	717,000	648,000	738,000	659,000	-2.8%	-1.7%
Print - net readership Saturday [6]	978,000	806,000	1,004,000	859,000	-2.6%	-6.2%
Print - net readership Sunday [6]	1,064,000	673,000	1,108,000	689,000	-4.0%	-2.3%
Print - total sales Monday-Friday [7]	176,131	174,492	211,657	206,870	-16.8%	-15.7%
Print - total sales Saturday [7]	292,809	235,381	347,419	268,695	-15.7%	-12.4%
Print - total sales Sunday [7]	378,618	201,147	445,081	231,488	-14.9%	-13.1%
Digital Edition - total sales Monday-Friday [7]	30,916	10,741	2,819	n/a	996.7%	n/a
Digital Edition - total sales Saturday [7]	36,166	10,797	1,829	n/a	1877.3%	n/a
Digital Edition - total sales Sunday [7]	37,903	10,804	2,727	n/a	1289.9%	n/a

Notes:

Digital Edition: sales numbers include School and Tertiary Education digital edition purchases.

Web: Change in Nielsen measurement system in September 2011 created a trend break. 2011 & 2010 data can not be directly compared.

Web: Includes usage of websites from any device.

Sources: [1] Nielsen Online Ratings 2012 / Nielsen Netview 2011. [2] Nielsen Mobile Market Intelligence. [3] Nielsen Site Census. [4] Omniture Site Catalyst. [5] Google Analytics. [6] Roy Morgan Research Dec 2011. [7] Monthly publisher claim. [8] AppFigures.