

CEDA

The role of the media in business



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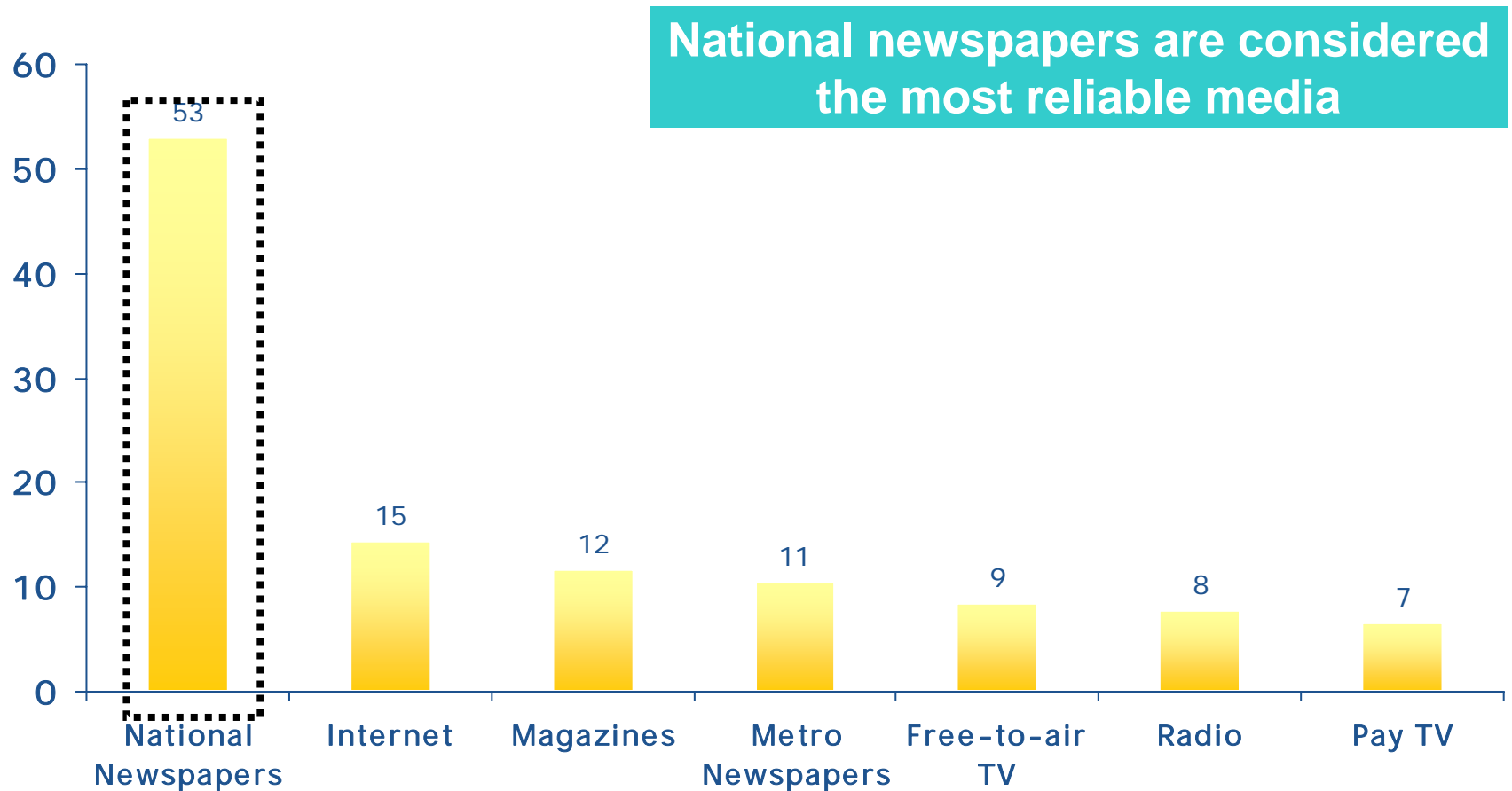
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Fairfax

The role of the media in business

- Provides news, research, business and market intelligence. Allows businesses to:
 - Track competitors, clients and industries
 - Discover potential areas of expansion, new markets
 - Target new customers
 - Research potential acquisitions
 - Obtain external and alternative views and analysis
- Provides financial news and research
 - Content to help make informed decisions about investments
- Can set the agenda by discovering and dissemination of information and analysis and helping users prioritise the myriad of information

National newspapers are considered the most reliable media amongst key business decision-makers



Source: Ipsos Australian business readership survey, 2005

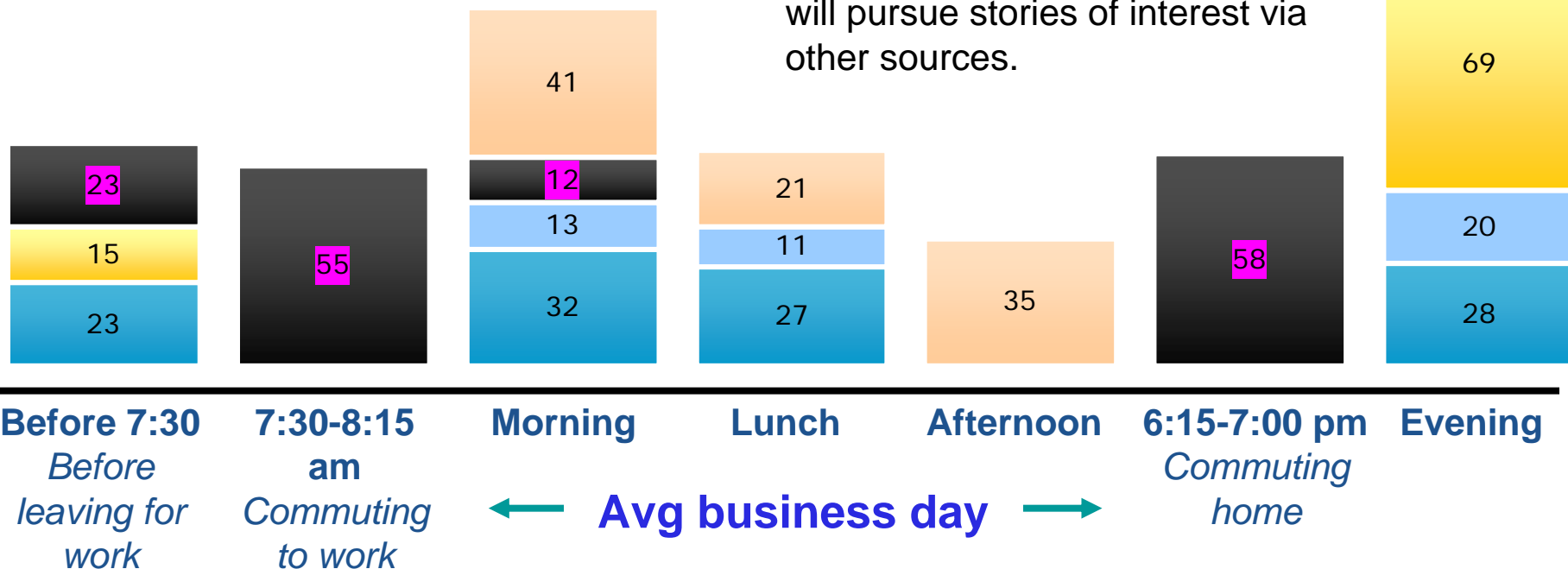
Methodology – C-suite and head of function in an organisation. Number of head of function surveyed relative to company size

Newspapers are read during the first half of the business day, with the internet used for updates

- Internet
- Radio
- Pay TV (Business/News)
- Free to air TV
- Business/Current Affairs Magazines
- Newspapers

% of Executives consuming media at each time

Typical AFR readers spend **5-15 minutes** reading the paper in the morning. Some will read **more extensively later** in the day, others will pursue stories of interest via other sources.



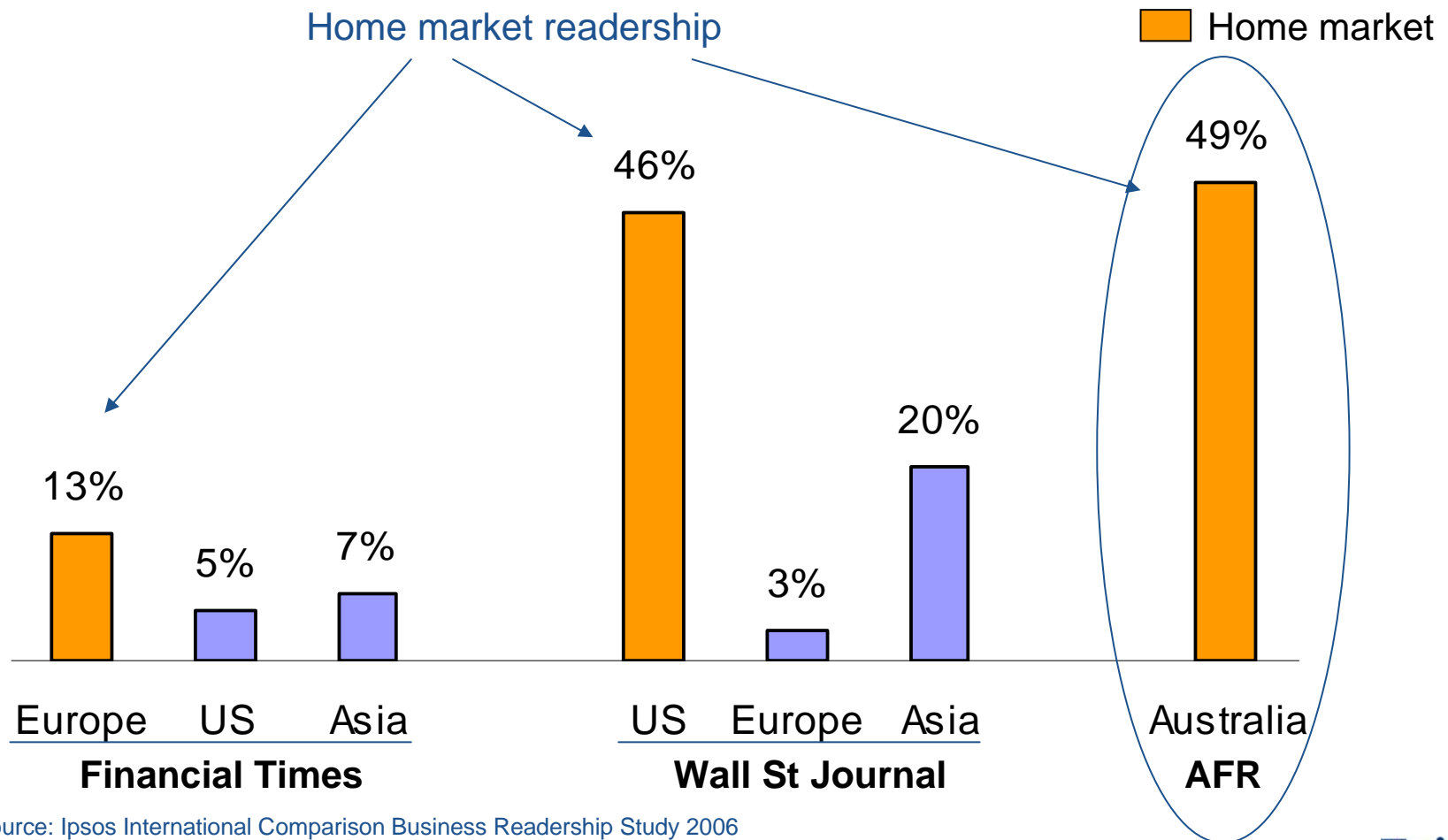
Source: Ipsos Australian business readership survey, 2005

Methodology – C-suite and head of function in an organisation. Number of head of function surveyed relative to company size. Only media with more than 5% viewing in period shown

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Against global standards, the AFR is well read amongst business decision-makers

Readership by key business decision-makers – Daily publications



Source: Ipsos International Comparison Business Readership Study 2006

Methodology – C-suite and head of function in an organisation. Number of head of function surveyed relative to company size

Use of different media by AFR business readers

- | | |
|--|---|
| Broadsheets | <ul style="list-style-type: none">• More for local news and entertainment information. |
| Internet | <ul style="list-style-type: none">• Use for business/finance information to different degrees |
| Real time financial services
eg Bloomberg | <ul style="list-style-type: none">• Particularly used by professional investors and finance personnel• Key strengths are timeliness, and ease of access to global business information. |
| Content aggregators
eg Factiva | <ul style="list-style-type: none">• Regarded as research tools rather than news sources.• Thought to be an excellent tool, but need to be very specific about required information. |
| Pay TV | <ul style="list-style-type: none">• Increasingly important source of finance news (Sky Business, CNBC, CNN and Bloomberg) for a small proportion of readers• Appealing due to timeliness: getting day's business news that night or global market news in the morning.• For the few who rely heavily on Pay TV finance news, this medium is first port of call |
| Radio | <ul style="list-style-type: none">• Considered better medium for political/general news coverage. |

Main reasons for reading the AFR – reader feedback

- *The AFR* is strongly regarded as a business tool; it is primarily read for work purposes
 - monitoring developments in specific companies and
 - reading about the main business stories of the day.
- The *AFR* occupies a unique position in the Australian media landscape, considered the only comprehensive source of Australian business news in the one source. ie it is faster to skim the one paper source than all other electronic media.
- Readers enjoy the privacy and control associated with their AFR session. In a workday bombarded by ever-growing sources of information, their 10 minutes with the *AFR* is welcomed.
- A fundamental reason for reading the *AFR* is to feel as informed as one's colleagues and clients, if not better informed. In Finance & Insurance, the *AFR* is considered mandatory reading (the 'cringe' of a colleague asking their opinion on an AFR article not read.)
- In part, this explains the habit of reading the AFR first thing in the morning. Ideally, readers want to be the first to know of new business news - at worst, they want to avoid surprises.

AFR's unique role in setting the agenda

- In addition to its role in reporting news and company developments, to an extent the AFR has **a role in setting the daily news agenda**.
- Because it is relied on to identify the top stories of the day - and because it is so **frequently quoted** in corridor conversation - the AFR can be an automatic 'essential read'.

"It's the median point. The thing about the Fin Review is that you really have no choice ...you have to read it because if you don't read it then you don't know what everyone else now knows that you thought they didn't know". (Consultants)

"Whatever is on the front page dictates the news cycle and that is what people are going to be asking about" (SME's)

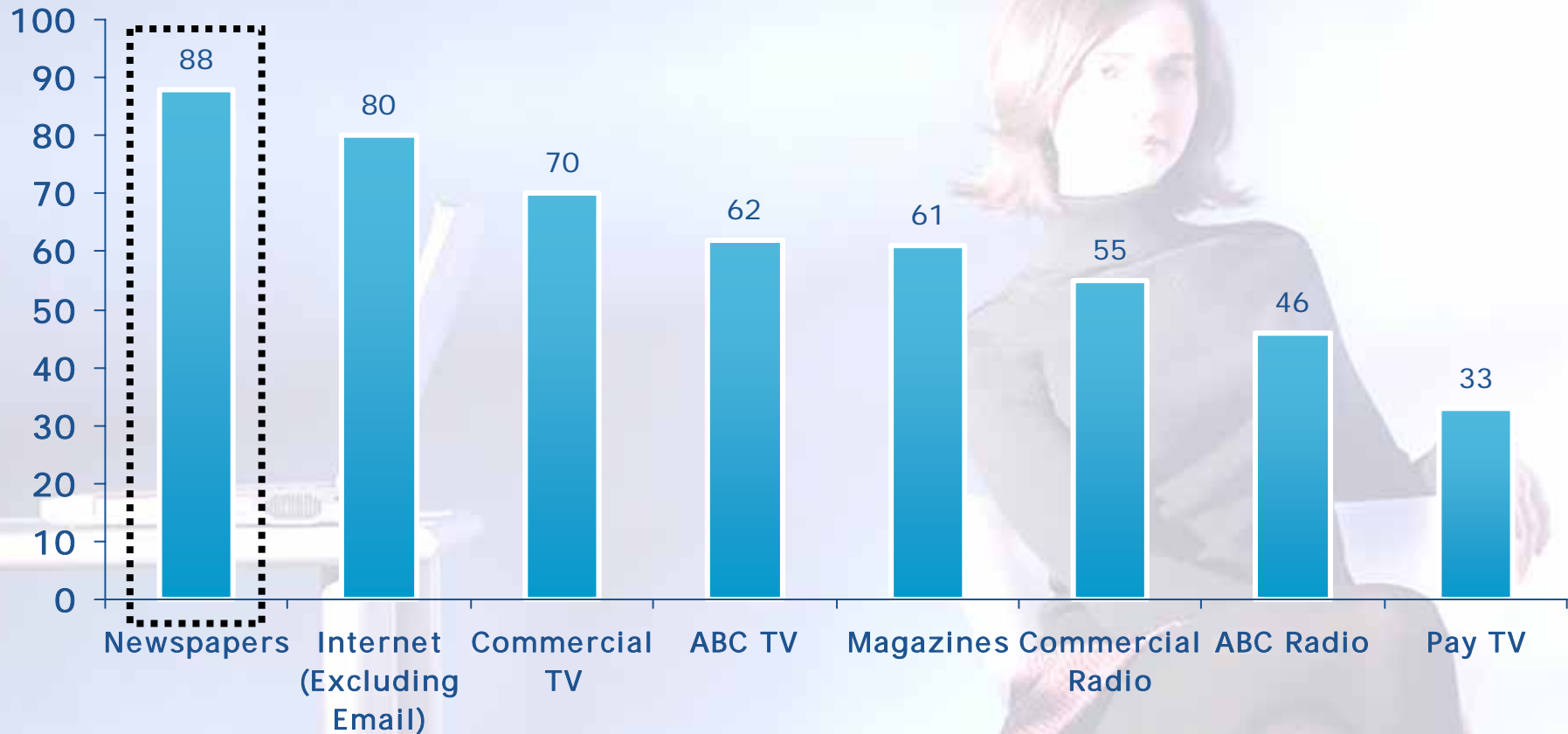
Is the role of the AFR changing?

- Although the growth of competing information sources has been dramatic in recent years, research suggests the primary role of the *AFR* as a digest of essential business/finance news is unchanged.
- Nonetheless, some readers feel they devote less time to the *AFR* than they once did. In part, this is felt to be a symptom of busier working days - but it also reflects the demands of competing media.

“20 years ago you used to pick up the phone and get someone to type that up and send it over in the mail and we’ll do something about that next week. Now someone will say ‘I emailed that 5 minutes ago, why haven’t you responded?’”. (Other Corporates)

“Less time reading and more time trying to see if there is something of interest there - if not move on. I spend more time skimming”. (Other Corporates)

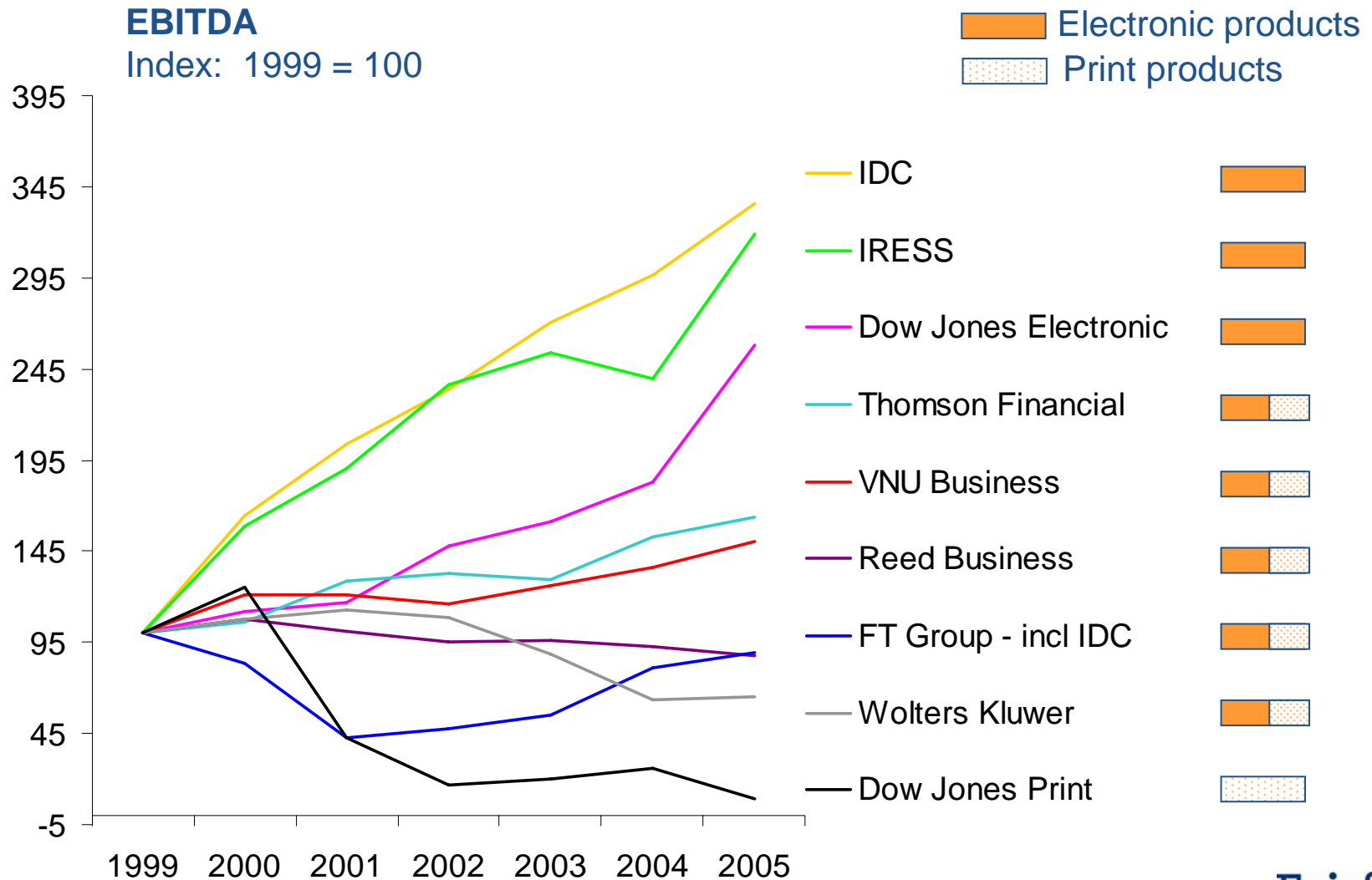
The Internet has the second highest penetration of any medium



Successful business information providers have transitioned to digital subscription models

EBITDA

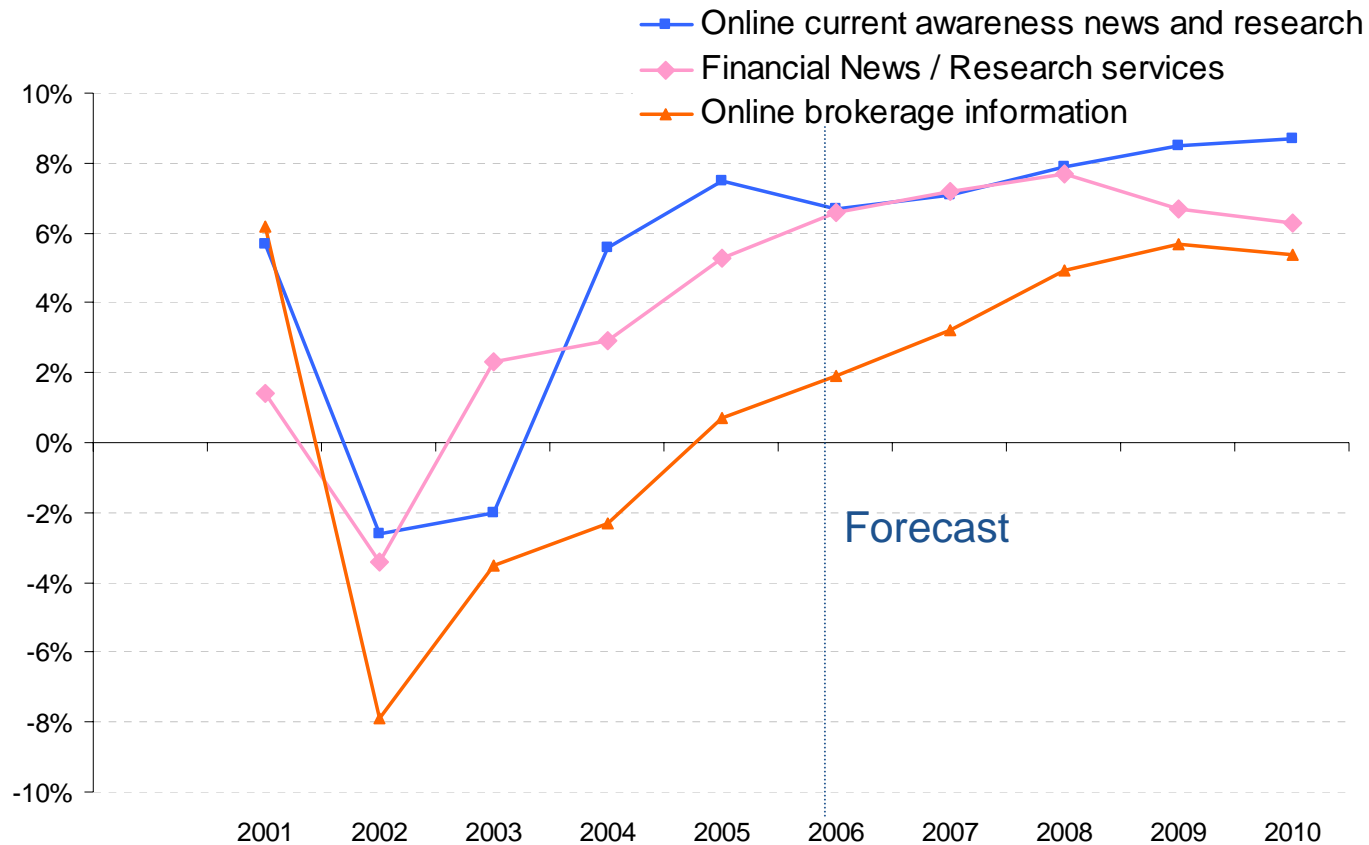
Index: 1999 = 100



Source: Annual Reports, websites

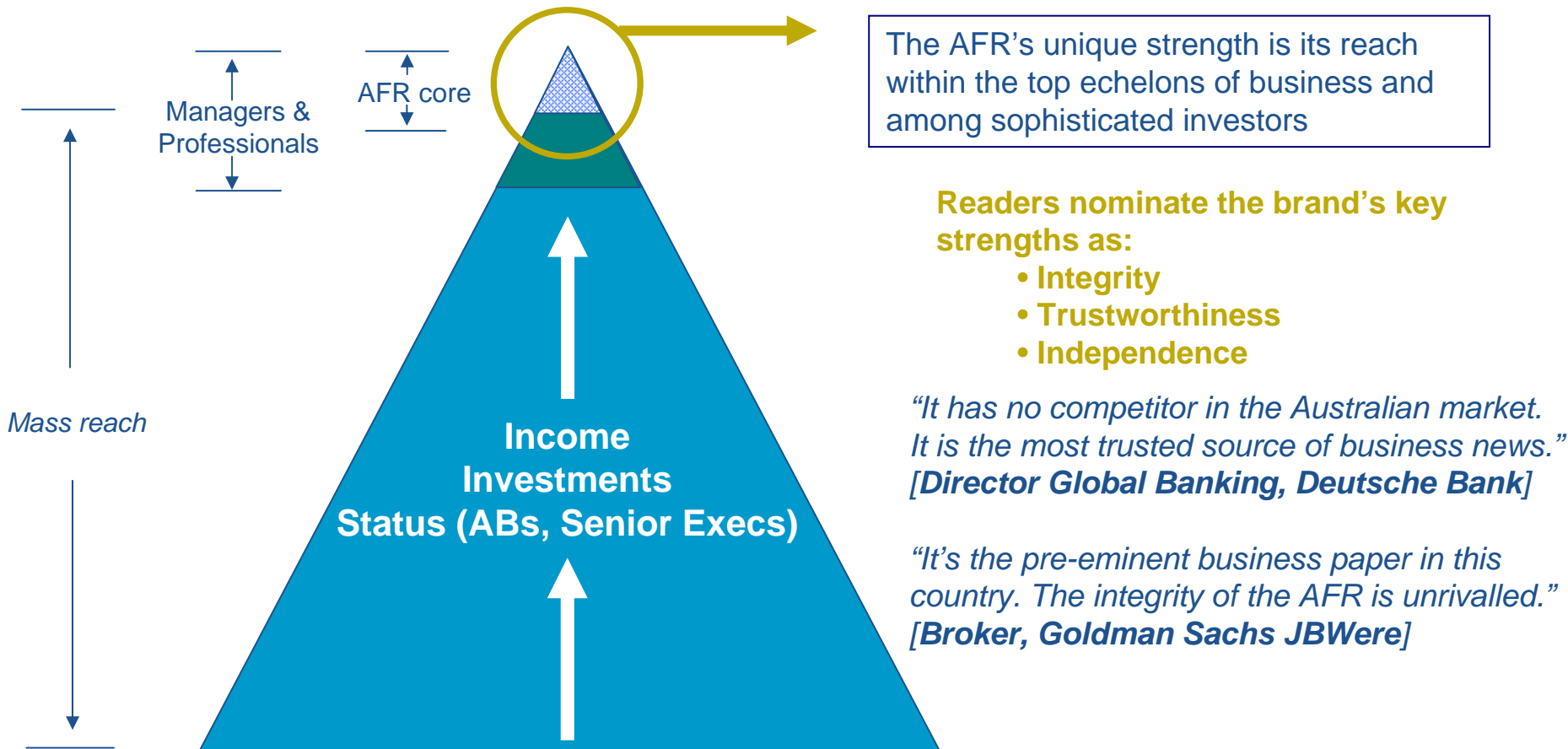
Online business information markets are forecast to grow strongly

Forecast growth rates in US online business information markets



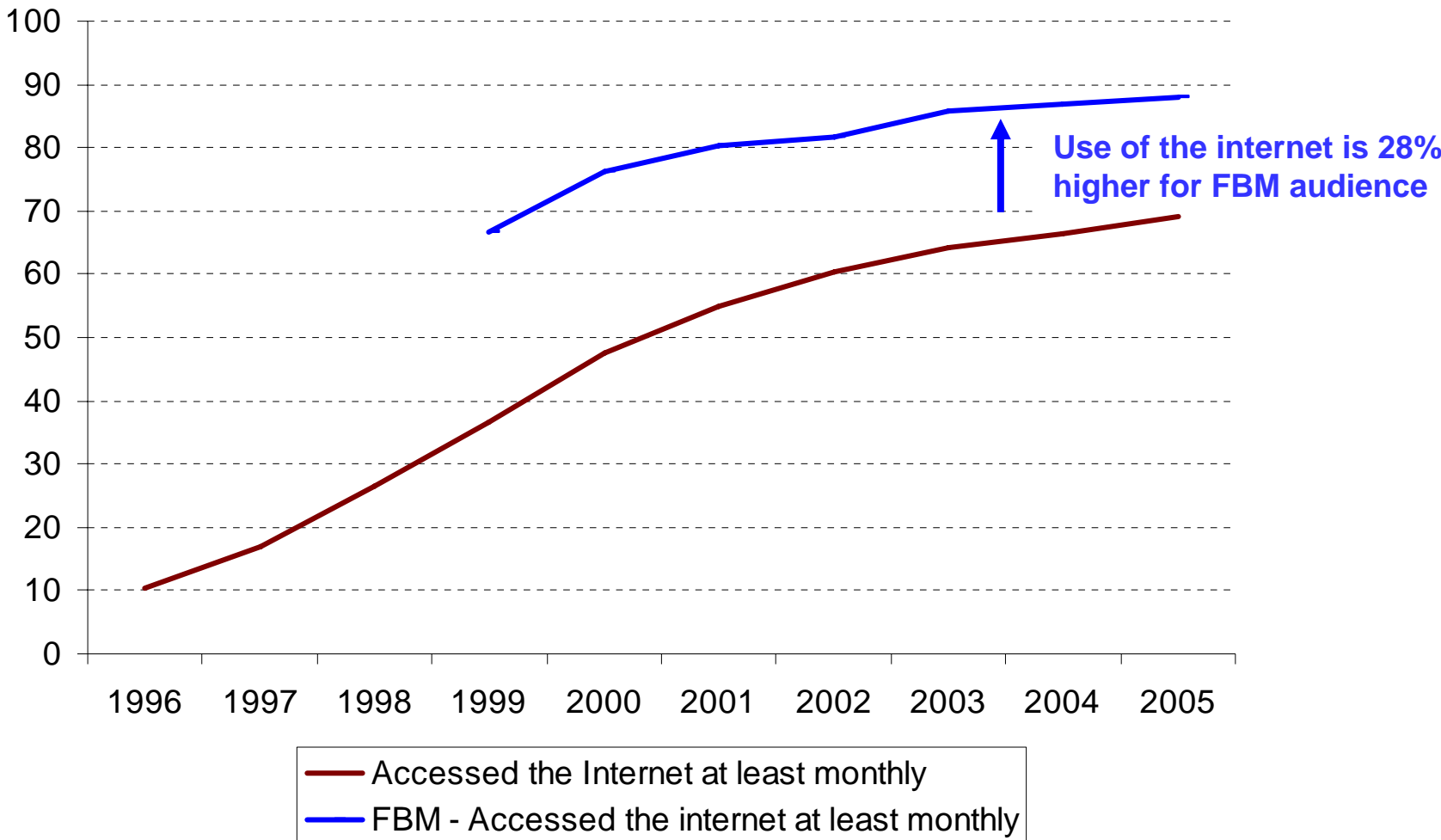
High value niche audience demands a different approach online

A niche within a niche



The Fairfax Business Media audience – early adopters, tech savvy

Media usage trends in Australia



Source: Roy Morgan Research

Where we once only pushed information, customers now want to pull specific content

How would you improve afr.com?

1. Ability to personalise/customise home page
2. Better indexing/faster navigation/links to archives
3. Ability to personalise/customise alerts
4. Provide more market analysis, investment advice, trading platform
5. More company analysis, top ASX listed companies
6. Easier access, password once
7. Online forums
8. Better archives

Finding good information isn't a problem, but being able to save time by accessing a range of trusted sources in one place has great appeal.

We launched *AFR Access* in June, complementary but highly differentiated from the newspaper



THE DAILY HABIT OF SUCCESSFUL PEOPLE.

Daily
Briefing
Common
Periodic
The World
One Source
Fairfax alone
Business, then investment
Older/corporate skew

**Essential daily
Business Briefing**



24/7
Resource
Bespoke/Personalised
Iterative
My World
Multiple sources
Fairfax and partners
Investment, then business
Younger/retail skew

**Personalised
Intuitive Investment
application**

In conclusion

- The media has an important role to play in business – not just to inform but to also set the agenda
- The AFR is uniquely positioned in the Australian market and business readers see it as a critical “must read”
- The role of the AFR is essentially unchanged due to the increasing use of other media BUT readers have less time to read the paper and get more up-to-date sources elsewhere
- Fairfax Business Media is positioning itself for the increasing need for digital information, initially through the launch of AFR Access