

GLOBAL TRANSITION IN THE AGE OF DIGITAL MEDIA

Media Barometer 2013 - 2nd Edition

Financial and Risk Analysis



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BRUNO BALAIRE
Head of Mazars’
global Media,
Information &
Entertainment
department



Welcome to Mazars’ second annual Media Barometer!

Dear Readers,

There is perhaps no other industry that has seen as much change over the past two decades as the media sector. The advent of digital media, social media, user-produced content, and mobile platforms has revolutionized the way the sector operates.

Given the large number of companies we serve worldwide, we felt we could best serve industry professionals by offering an in-depth look at what’s going on in the industry in both the U.S. and Europe. Last year, we published our first Media barometer focused on the largest European media companies. We highlighted in this edition the significant impacts of digital technology on the economics of the industry and corporate strategies. This year, we have extended our analysis to the 100 largest U.S. and European media companies and complemented our results with a review of their risk factors.

Our analysis is focused around three key financial benchmarks – revenue, profitability and cash – drawing comparisons between key media subsectors and between the US and Europe. Throughout the barometer we have also provided insight into the major risk factors affecting media companies today.

The good news is that we found that the media industry continues to grow! After a rocky period following the 2008 financial crisis, the media industry seems to be righting itself. The U.S., in particular, is experiencing strong growth with 2012 revenue up at least 7% over the prior year. The majority of this growth comes from new media companies such as Facebook, Google and eBay. That said, challenges certainly remain for U.S. and European-based companies as they face greater regulatory requirements, difficulty with identifying customer demand for new products and responding to their ever-changing preferences.

The Barometer offers a good snapshot of where the industry was, where it is now, and where it’s going.

I hope you find it as compelling as I do.

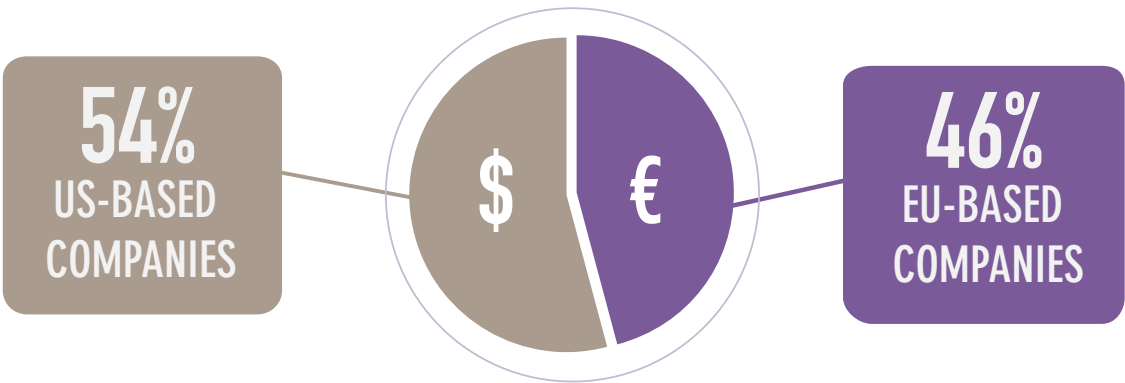
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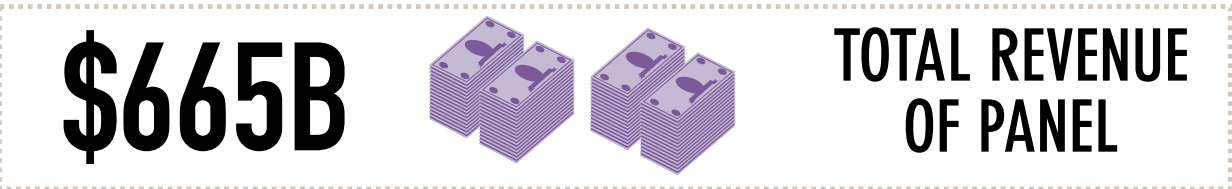
KEY FACTS AND FIGURES

PANEL

INCLUDED THE 100 LARGEST PUBLICLY-LISTED MEDIA COMPANIES IN THE U.S. AND EUROPE



MEDIA GROUPED in 3 SUB SECTORS

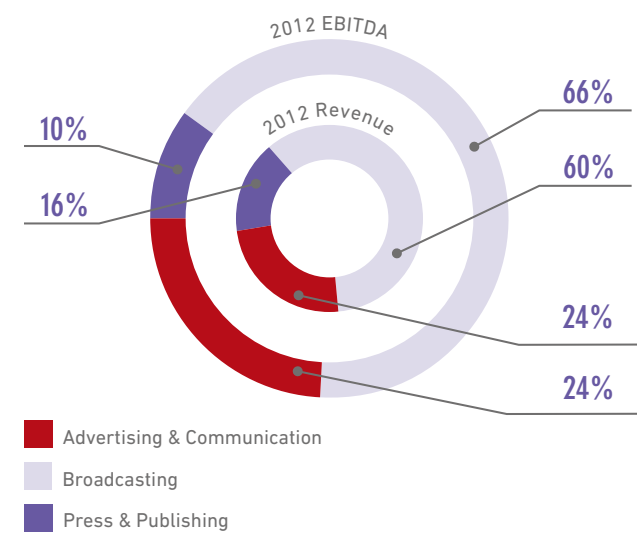


RESULTS



SPIKE IN RISKS:





PANEL & METHODOLOGY

For the purposes of this study, media activities were grouped into three subsectors:

- Advertising and Communication encompasses also web companies,
- Broadcasting encompasses radio, television, cable companies, and entertainment companies,
- Press and Publishing encompasses traditional and digital publishers and news outlets.

The Barometer is based on our annual study of the top 100 publicly listed media companies on European and U.S. stock exchanges. We looked at key financial data and risk factors to draw broader industry conclusions, analyzing general trends in the media sector, while developing a detailed analysis by subsector.

Unless otherwise indicated, all graphs and tables presented in the Barometer were generated by Mazars based on our study.

The companies included in our panel are presented in the Appendix.

To remove the impact of exchange rate differences arising from the translation into dollars of financial data for companies operating under a different currency, we used the average exchange rate at December 31, 2012 for the periods examined.

TOP 20 RISK FACTORS

In accordance with regulatory requirements, listed companies have to warn potential and existing investors about specific, material risks that should be considered when making an investment decision. For a number of years, regulators have paid specific attention to the quality of the risks disclosed in the annual reports and especially those that are specific to the company.

We have analyzed the changes in risk factors disclosed by the 100 largest media companies listed in Europe and the U.S. over the last three years. In order to be able to compare the risk factors, we have classified and aggregated them. We present here the top 20 risk factors encountered:

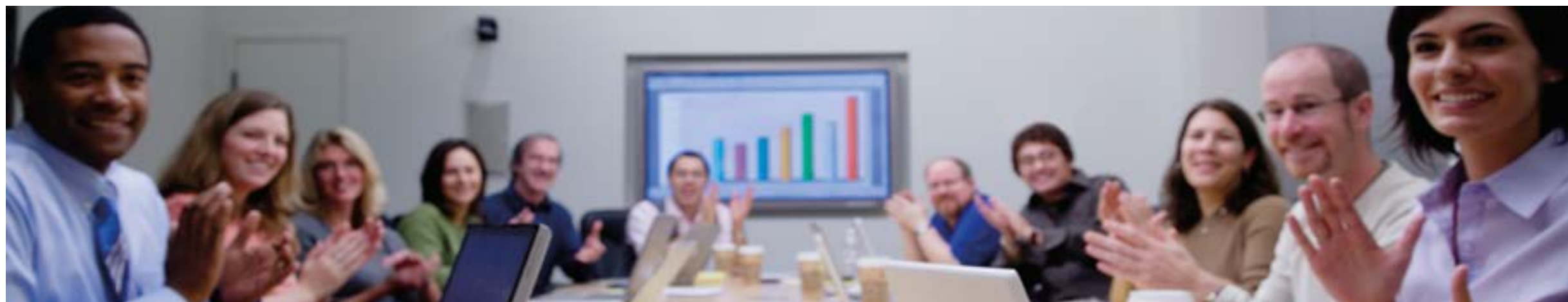
RANK	RISK FACTORS	2012	2011	2010	VAR. 3 Y
1	Financial risk	99%	98%	94%	5bp
2	Regulatory risk	85%	82%	77%	8bp
3	Predicting customer demand and developing new products - page 19	84%	81%	72%	12bp
4	Competition and consolidation in media sector	80%	77%	73%	7bp
5	General economic concern - page 11	78%	74%	68%	10bp
6	Attracting and retaining key personnel - page 23	74%	66%	65%	9bp
7	Dependence on third parties - page 27	73%	69%	66%	7bp
8	Failure to properly execute corporate strategy and management of M&A	70%	64%	61%	9bp
9	Breaches in technology security or privacy (including it risk) - page 13	59%	49%	45%	14bp
10	Intellectual property infringement - page 25	51%	47%	44%	7bp
11	Threats to international operations	50%	45%	40%	10bp
12	Sector economic concerns	49%	45%	44%	5bp
13	Inability to maintain operational infrastructure and systems	43%	40%	34%	9bp
14	Legal proceedings	42%	38%	39%	3bp
15	Cyclical revenue and stock fluctuation	39%	36%	34%	5bp
16	Accounting and reporting risk	27%	26%	25%	2bp
17	Impairment (goodwill, inventories and other assets)	26%	27%	25%	1bp
18	Reputation risk	25%	25%	20%	5bp
19	Social & environmental risk	24%	24%	23%	1bp
20	Pensions / post employment benefits: new financing request	17%	17%	17%	0bp

The Media sector is undergoing a profound restructuring driven by the digital revolution, the arrival of new competitors and new means of communication.

Among the top 10 risk factors identified by our panel, we have focused our attention on those with significant variation over the three years under study and which relate specifically to the media business. We will detail the risks numbers **3, 5, 6, 7, 9, 10** and their potential impact on the financial data throughout our barometer.

SELECTED MEDIA COMPANY NEWS FOR 2013

To give you a better feel for the companies highlighted in the study, below are some of their recent news items.



ADVERTISING & COMMUNICATION



UNITED INTERNET AG

In April 2013, the German internet specialist saw its stock value rise more than it had in almost a year after analysts announced that their earnings per share may grow an average of 30% every year from 2012 to 2016 and the company's dividend may double by 2015.

WPP PLC

The world's largest advertising company revised its 2013 sales forecast upward thanks to a stronger than expected expansion in the UK and North America which offset a slowdown in Asia and Africa

GOOGLE

Google shares broke the \$1,000 barrier, jumping by 13.8% after the company announced its financial results for the quarter ended September 30, 2013. Indeed, investors have strong expectations on the great potential for the group in generating revenue in mobile and video advertising activities.

PUBLICIS-OMNICOM

During the summer, Publicis joined forces with Omnicom, creating a company with more than \$23 billion in revenues and a market cap of \$35 billion.

BROADCASTING



BRITISH SKY BROADCASTING

During its last financial year closed in June 2013, UK's largest pay-tv broadcaster achieved a 7% increase in revenue and an 8% increase in EBITDA. BSkyB announced a new £500 million share buyback in the coming financial year.

MODERN TIMES GROUP (MTG)

In August 2013, this Swedish media giant announced its acquisition of Nice Entertainment, the largest independent group of production companies in the Nordic region, for \$114 million. This operation complements earlier acquisitions made by MTG as it acquired UK-based distributor Digital Rights Group and a stake in Norwegian producer November Film.

COMCAST

Comcast, Corp. is moving away from its core cable business to develop convergence based offers and attract new consumers. They now have as many internet subscribers as cable TV subscribers.

LIBERTY GLOBAL

This international telecommunications and television company completed the acquisition of the British cable group Virgin Media in a stock and cash merger valued at approximately \$24 billion in June 2013.

PRESS & PUBLISHING



LAGARDERE SCA

The French mass media company persevered through challenging market conditions during the first half of 2013 and announced a 0.5% growth on net sales on a reported basis and a 23% increase in recurring Media EBIT.

RCS MEDIAGROUP

In April 2013, the board of the company announced a capital increase and a debt refinancing plan. Indeed, after a €509 million net loss in 2012, the group needs significant financial resources to accelerate its digital transition over the next three years and reverse losses.

GANNETT

Gannett owns 82 daily newspapers and 23 television stations. While the publishing segment is declining, the broadcasting segment has been expanded thanks to the acquisition of 20 stations from competitor Belo in June 2013. Shares have risen 35.5% year-to-date following this announcement.

THE WASHINGTON POST

In August 2013, Jeff Bezos, the founder of Amazon, bought the Washington Post for \$250 million. Although the newspaper's loss doubled in 2012 compared to 2011, the online edition has been improving with a 5% increase in online revenue.

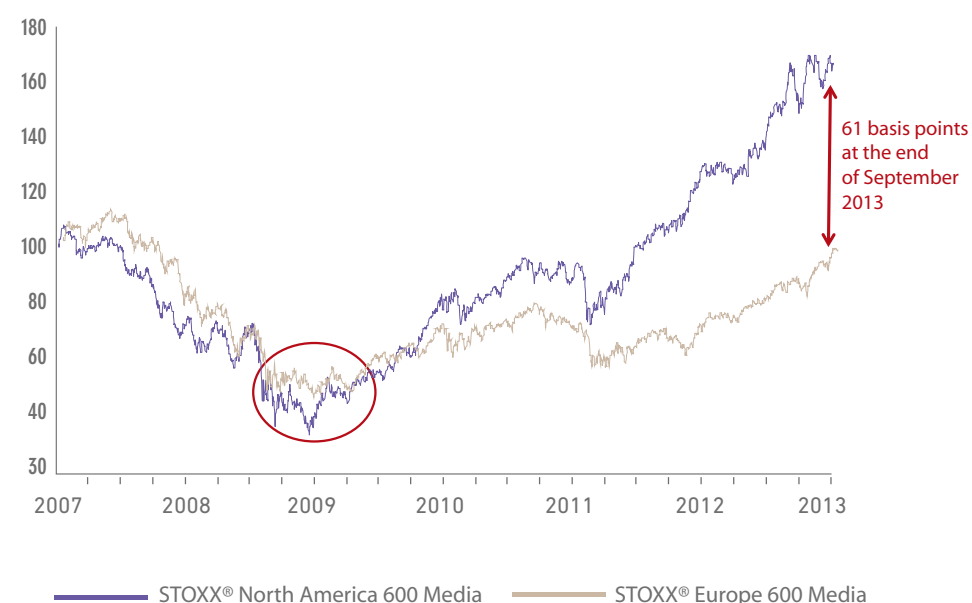
GLOBAL OVERVIEW: HOW DID WE GET HERE?

After an encouraging year in 2011, signs of a global economic recovery continued with slow to moderate growth in 2012 in spite of an extremely challenging economic environment affected by:

- The debt crisis across Europe and the deteriorating ranking assigned to many countries by the rating agencies,
- The U.S.'s loss of its Triple A status,
- Concerns about the global economy,
- Uncertainty around the U.S. presidential elections, and
- Unrest in the Middle East

This uncertain environment has a different impact on European and U.S. media companies.

North America and Europe Stoxx 600 Media, the benchmark indexes for the sector, illustrate the difference between the European and North American media sectors' responses to the economy. In order to compare the divergent trends in these two markets, 2007 was used as a baseline reference year, assigned a value of 100 by convention.



As this figure illustrates, two years after the financial crisis began in 2007, both European and U.S. media companies were negatively affected by the decline of stock market prices as well as the worldwide economy.

U.S. media companies were impacted more dramatically than European companies, their stock prices falling more sharply than those of their European counterparts, but their rebound was very strong. Indeed, the spread between U.S. and European media companies' indexes reached 43 basis points at year end 2012 and 61 basis points in September 2013.

FOCUS ON A RISK FACTOR



GENERAL ECONOMIC CONCERNS

Unfortunately, although economic conditions seem to be improving, in 2012, 78% of the largest media companies said they have general economic concerns compared with 68% in 2010.

These concerns are centered on the possibility of a prolonged period of limited economic growth or possible worldwide economic decline. The media industry is extremely sensitive to general economic trends and to the particular economic climate in the markets where its customers operate.

European companies have particular concerns due to:

- The adverse effects of the ongoing sovereign debt crisis in Europe, including increased Euro currency exchange rate volatility.
- The negative impact of the crisis and related austerity measures on European economic growth.
- Potential negative spillover effects to the rest of the world, the "contagion" risk of the crisis spreading to additional countries in Europe.
- The possibility that one or more countries may leave the Eurozone and re-introduce their individual currencies.

“THE INDUSTRY HAS DRAMATICALLY SHIFTED. TRADITIONAL TV PLAYERS HAVE TO REINVENT THEMSELVES TO STAY CURRENT AND COMPETE WITH THE NEWER PLAYERS IN THE SPACE,” says David Herbinet, Partner, Mazars UK

This rebound in the stock market reflects a renewed confidence which is confirmed by the appetite of the Media companies for M&A activities. According to Pitchbook Data, during 2012, with a 30% increase in the number of M&A deals, media companies globally completed transactions worth more than \$28 billion in the media space, up from \$8 billion the year before.

Regardless of whether the company is based in the U.S. or Europe, strong disparities exist between the three media subsectors. Indeed, while the advertising and communication subsector continues to show signs of strong growth, the broadcasting and press & publishing subsectors are struggling.

The **advertising and communication** subsector has been profoundly transformed, most notably by the explosive growth of Internet companies. For example, eBay Inc., founded in 1995 as a consumer-to-consumer online auction site, is now one of the most profitable companies in both the media sector and the world. In addition to its successful auction business, the San Jose, California-based company has expanded its offering to include an option to buy goods without the auction process and has developed a robust stream of revenue from online advertising.

eBay is just one company bolstering this active sector - Google generated \$44 billion in ad revenue last year, making it the largest media player around. In the U.K. alone, Google accounted for 44.2% of all digital online advertising revenue during the first half of 2013, according to eMarketer.

These companies are leading the advertising and communication subsector into new territory, fundamentally changing the face of the business. **This digital transformation also brought challenges, one of the most troubling being the breach in technology security and privacy.**

While the Internet has created a range of opportunities in the advertising and communication subsector, it is also causing serious competition for traditional outlets in the **broadcasting** subsector. This industry has perhaps seen the biggest changes and is having trouble navigating the new market landscape. Services such as video on-demand and the ability to stream online have changed how viewers expect their media to be presented. Consumers can no longer be expected to tune in to a particular program at a particular time. The proliferation of MP3 players and tablets has also changed the way consumers enjoy content. Indeed, according to a recent Nielsen study, more than 5 million U.S. homes no longer watch TV via broadcast, cable or satellite. That's up from just over 2 million in 2007.

Indeed, Pure Internet players such as Google Play Film, an app that allows consumers to download and stream TV and movies, or Lovefilm, which is owned by Amazon and is a leading European subscription service for downloading movies and TV programs, are currently stealing the show because they are not bogged down in legal issues.

FOCUS ON A RISK FACTOR

BREACH IN TECHNOLOGY SECURITY AND PRIVACY

In 2012, 59% of the largest media companies said they worried about the risks of a breach in technology security or privacy compared with 45% in 2010, matching an increase in the number of companies that use complex information systems to support global activities.

A breach in security can result in the loss or alteration of data, a loss of traceability and have a significant impact on business continuity. Companies need to regularly assess the risks affecting information systems; develop protective measures to combat attempted breaches, data loss or alteration and loss of traceability; and maintain robust technological solutions and business recovery plans to guarantee business continuity.

Effective IT security is especially important to U.S. companies. Malicious cyber-attacks in the U.S. accounted for 47% of recorded breaches in 2012. Hacking was responsible for more than one-third (33.8%) of the data breaches recorded, according to Symantec.

Google fell prey to such cyber-attacks and released information in 2010 about a “highly sophisticated and targeted attack” on their corporate infrastructure. The

attack originated in China and resulted in the “theft of intellectual property from Google.” Google found that these attacks were not just going after Google’s data, but were also targeting at least twenty other major companies, spanning sectors including Internet, finance, chemicals, and more.

In some instances, data breaches are due to an internal technical issue. Facebook announced in June 2013 that it had inadvertently exposed 6 million users’ phone numbers and email addresses to unauthorized viewers. Facebook blamed the data leaks, which began in 2012, on a technical glitch in its massive archive of contact information collected from its 1.1 billion users worldwide.

However, the main concern is personal identity theft, specifically in the U.S. where it is estimated that an identity is stolen every 3 seconds. The level of awareness of the problem has increased at all levels from top executives to consumers but the emergence of insecure mobile devices used at the work place, cloud computing, virtualization, and other disruptive information technologies substantially increases the risk of material data breaches.

“IT IS UNLIKELY THAT TRADITIONAL BROADCASTERS WILL BE ABLE TO COME UP WITH NEW TECHNOLOGY AS QUICKLY AS THEIR COMPETITORS. THEY WILL WIN BY DEVELOPING AWARD WINNING CONTENT AND PARTNERING WITH THE NEWER COMPANIES TO DISSEMINATE THAT CONTENT,” says Richard S. Faltin, Partner, WeiserMazars

With an increase in new players, the road to transition hasn't been easy for some traditional broadcasters. Recognizing this, they have worked to develop their own products and gain market share such as:

- The largest pay-TV broadcaster in the U.K. and Ireland, British Satellite Broadcasting Group (BSkyB), which is viewed in 10.4 million households, and has entered into a strategic partnership with Zeebox the innovative “second screen” service that brings together broadcast TV and the Internet.
- Another French large pay-TV broadcaster, Canal +, has launched CanalPlay Infinity, a platform that distributes on television, computer and tablet.
- NBCUniversal, a subsidiary of Comcast, one of the largest broadcaster in the US, and Twitter have just announced a new strategic partnership that is designed to suggest TV contents to consumers based on their tweets, even enabling them to access the programs through the link “See it” on Twitter.

Globally, after working in the industry for decades under one set of “rules,” it is still difficult to make the digital leap. Traditional broadcasting companies may need to create compelling content rather than developing new platforms because a point has already been reached where innovator companies are too far ahead in the game to be caught.

Lastly, the **press & publishing** subsector has also been working to reinvent itself in the face of a growing worldwide preference for digital and paperless content. Not surprisingly, the decline of the traditional press/newspaper industry has negatively impacted the financial results of press companies. Indeed, for much of the past decade, traditional newspapers have been unable to escape the financial turmoil that has engulfed legacy newspaper organizations.

That said, the press & publishing world has seen its fair share of M&A activity as larger, newer players buy struggling assets to gain subscriber lists in the hope of turning declining print publications into digital successes:

- In August 2013, Jeff Bezos, the founder of Amazon, bought The Washington Post for \$250 million. Eyes are now on Bezos as many believe he will be able to create a successful future of online commerce for publishing.
- Warren Buffett bought the Press of Atlantic City for an undisclosed price in July 2013 and now owns 30 daily newspapers. One of the Press of Atlantic City's attractions is its dominant digital presence.
- Europe has also seen its fair share of deals. Companies such as London-based Ocean Media Group and Oxford-based Osprey Publishing have been snapped up by private equity firms interested in being a part of the transformation.

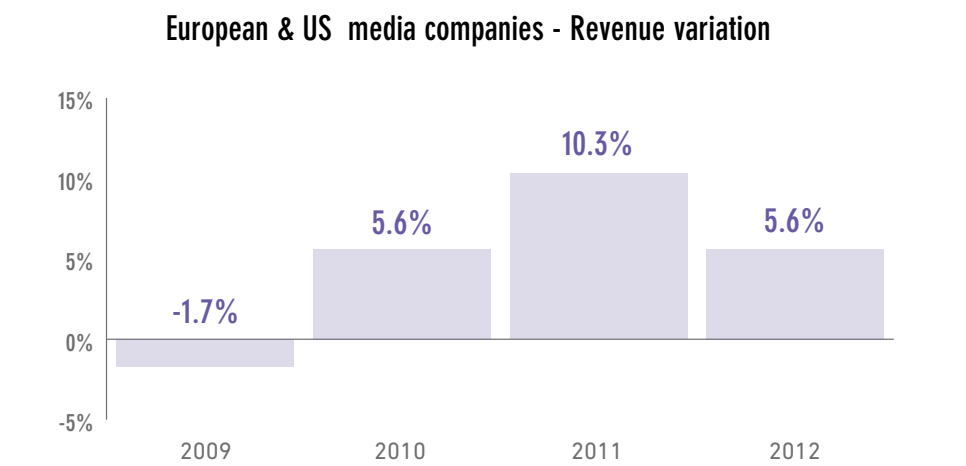
According to Pitchbook Data, \$12.6 billion worth of M&A transactions were completed globally in the publishing sector in 2012, up from just \$1.6 billion in 2011.

The arrival of the giants of the Internet has completely changed the landscape of media for several years. That transformation is far from over and it takes different forms in the United-States and Europe.

REVENUE IS GROWING GLOBALLY LED BY ADVERTISING AND COMMUNICATION ACTIVITIES

For many years Media companies have had to be creative and adapt. Certain financial figures such as revenue, operating profit and net profit are helpful in evaluating their capacity for development and resilience.

1.1 REVENUE BOUNCED BACK



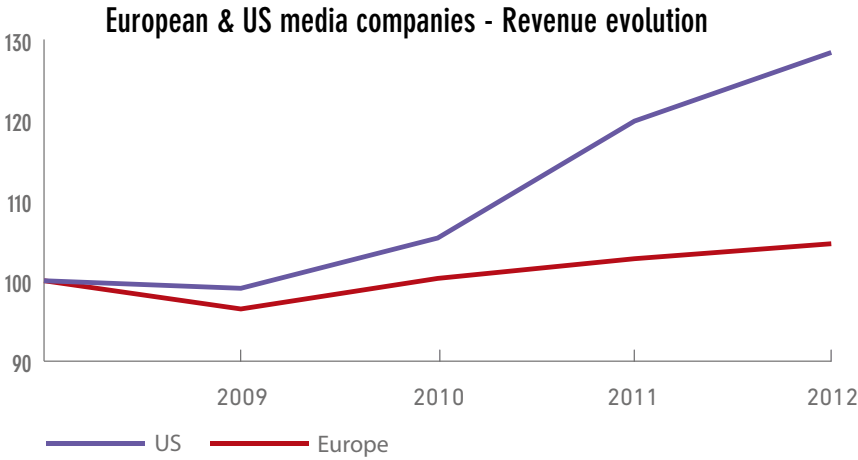
Not surprisingly, after the bankruptcy of Lehman Brothers there was a sharp drop in advertising revenue, negatively affecting the industry as a whole. 2008 was particularly hard. Almost immediately following the recession, revenue of media companies started to grow again on a global basis.

However, just as revenue of media companies started to decline, the industry began to adopt new technologies. It was 2008 when Amazon put out its first e-reader and 2010 when Apple unveiled its first iPad.

“THESE DEVELOPMENTS CHANGED THE MEDIA WORLD AND COULDN’T HAVE COME AT A BETTER TIME. IF THESE TECHNOLOGIES HADN’T SURFACED WHEN THEY DID, THE RECESSION WOULD HAVE CUT MORE DEEPLY INTO THE MEDIA INDUSTRY,” says Claire Larquetoux, Partner, Mazars UK

These devices, and digital technologies as a whole led media companies worldwide to an amazing recovery in revenue. Revenue grew globally by 10% from 2010 to 2011. This continued into 2012 when revenue increased by more than 5%.

The revenue of media companies has continued to increase in 2013 and there is a general perception that the industry as a whole is beginning to recover and grow.



However, it's important to note that, on average, U.S. media companies suffered less from the 2008 financial crisis than their European counterparts and, as a result, were able to rebound more quickly.

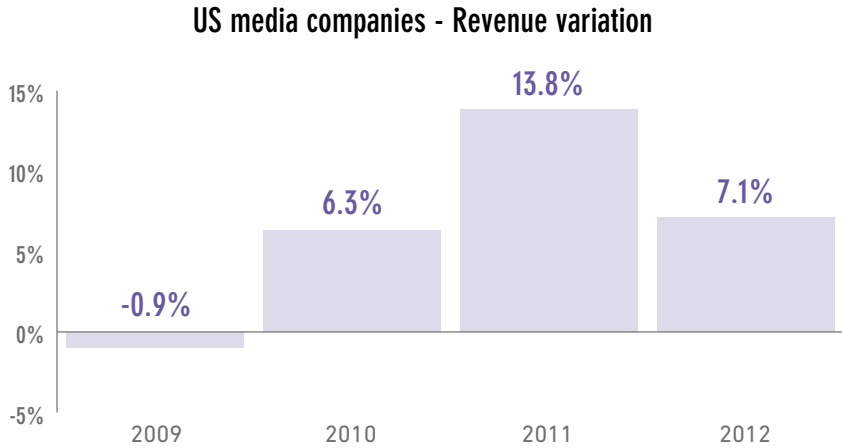
Revenue of European media companies, which fell by almost 4% in 2008, decreased more dramatically than that of U.S. media companies, which decreased by less than 1%.

U.S. companies have similarly seen stronger revenue growth since 2009. As a result, the gap between U.S. and European media companies' revenue continues to widen. In 2012, U.S. media companies' revenue increased by more than 7% while their European counterparts experienced only 2% growth.

To be clear, revenue is up in both the U.S. and Europe, though the market has yet to fully recover. However, the U.S. came through the recession more quickly while Europe's economy only started to show signs of modest recovery in 2011.

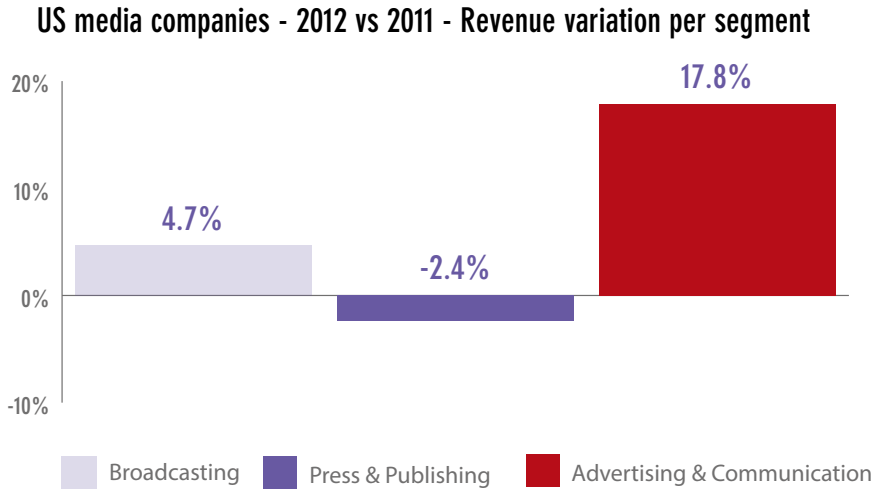
1.2 STRONG REVENUE GROWTH IN THE U.S. MARKET LED BY GIANT INTERNET COMPANIES

Despite the slow growth of the overall U.S. economy and fears of a double dip recession, U.S. media companies mostly held steady after the crisis.



“U.S. CONSUMERS WERE FIRST TO EMBRACE NEW TECHNOLOGY, WHICH HELPED AMERICAN MEDIA COMPANIES COME OUT OF THIS DIFFICULT ECONOMIC PERIOD IN A STRONGER POSITION,” says Bruno Balaire, Partner, Mazars Group

As noted earlier, when the numbers are broken down further, the **advertising and communication** subsector, which includes Internet companies, plays a big role in the media industry's revenue growth.



The U.S. is the largest player in the global Internet supply ecosystem. Some U.S. companies are uncontested leaders in their markets such as :

- Search engines: Google, Yahoo
- Social networks: Facebook
- Electronic trading websites: eBay

These new economy companies breathed life into the sector after the 2008 crisis. The widespread proliferation of smartphones and tablets is adding to the success of the advertising and communication subsector, which includes companies like Google. In fact, Google hit \$50 billion in revenue in 2012 after being in existence for just 15 years.

It's no secret that tablets and mobile devices are transforming the way consumers absorb media. Media companies, advertisers and marketers are chasing consumers and tablets and smartphones are helping to catch them. Forrester forecasts that 905 million people worldwide will use tablets by 2017, up from just 15 million users in 2010.

A new phenomenon is the use of the “second screen.” According to Nielsen Ratings, TV watchers have a greater tendency to use a “second screen” device such as a tablet or a smartphone to make posts on social networks or shop based on the content they are viewing. Picking up on this trend, broadcasters are working to become more interactive with their viewers. For example, TV shows today allow viewers to tweet during the show or view website content that is tied to the show.

The second screen will continue to garner interest. Market research firm eMarketer expects digital media consumption to rise 15.8% in 2013, while daily time spent watching TV slips slightly or remains flat.

Unfortunately, the **press & publishing** subsector did not fare as well as the advertising and communications subsector in the U.S. or European markets. Many companies continue to struggle to find a balance between print and digital media. **While some have successfully adopted digital media solutions to increase consumer usage and generate revenue, for many traditional publishing businesses including newspapers, the transition has left them unsure of their future.**

As advertisers transition away from print, one of the primary revenue sources for magazines and newspapers continues to shrink. According to PEW Research Center, in 2012, the traditional advertising pool for print publications declined for a seventh consecutive year, with the Newspaper Association of America stating that it decreased to \$18 billion in 2012 from \$20 billion in 2011.

This decrease in print spending is mirrored by an increase in spending on digital advertising. In 2012, according to eMarketer, overall digital advertising grew by 17% to \$37 billion and makes up about 23% of the total U.S. advertising market, up from 20% in 2011.

The **broadcasting** industry is also struggling to find its feet in the digital era. Consumers' viewing habits have shifted dramatically during the past decade with the proliferation of on-demand and streaming entertainment and increased access to audio and video content on a variety of devices including MP3 players and tablets. Having lost control of media usage, it has been difficult for traditional broadcasters to find a role in the new era.

A bright spot for broadcasters was the 2012 summer Olympic Games that were held in London and the U.S. Presidential election, both broadcast through traditional channels, which were the main drivers behind a modest 5% growth in revenue for the U.S. broadcasting industry.

“THE FACT THAT U.S. MEDIA COMPANIES WERE ABLE TO GROW REVENUE SHOWS, FOR THE MOST PART, THEY DID A GOOD JOB GETTING CONSUMERS COMFORTABLE WITH NEW PRODUCTS AND INTERESTED IN BUYING THEM, WHICH WAS NOT AN EASY FEAT DURING THIS TIME PERIOD,” says Bruno Balaire, Partner, Mazars Group

FOCUS ON A RISK FACTOR



PREDICTING CUSTOMER DEMAND AND DEVELOPING NEW PRODUCTS

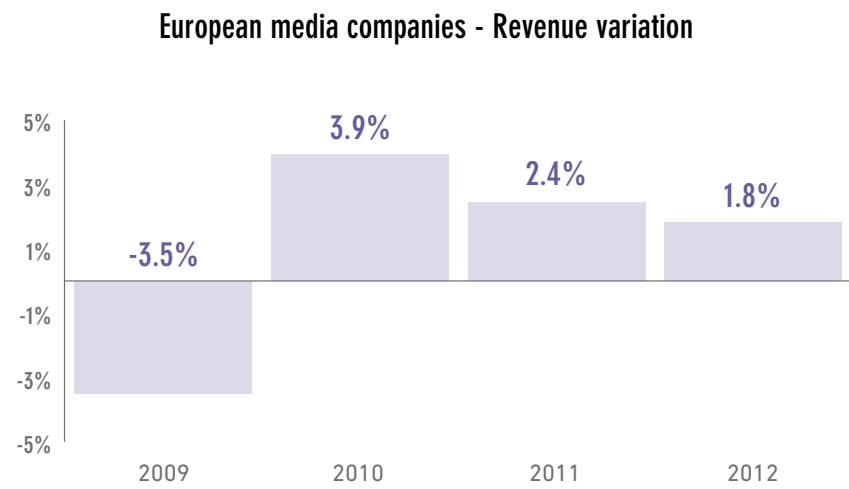
In 2012, 84% of the largest media companies said that predicting customer demand and developing new products created sustainable risk for them, as compared with 72% in 2010.

For the press & publishing subsector, the development of eBooks is one viable solution for companies. Many companies are now offering published editions in online formats that are easy to read and have links to advertiser websites. Advertisers like this for two reasons: the customer can easily click to get to the advertiser's web page and the advertiser is able to get reports from the eBook's publisher about who is actually registering to read the book and clicking on their advertisement.

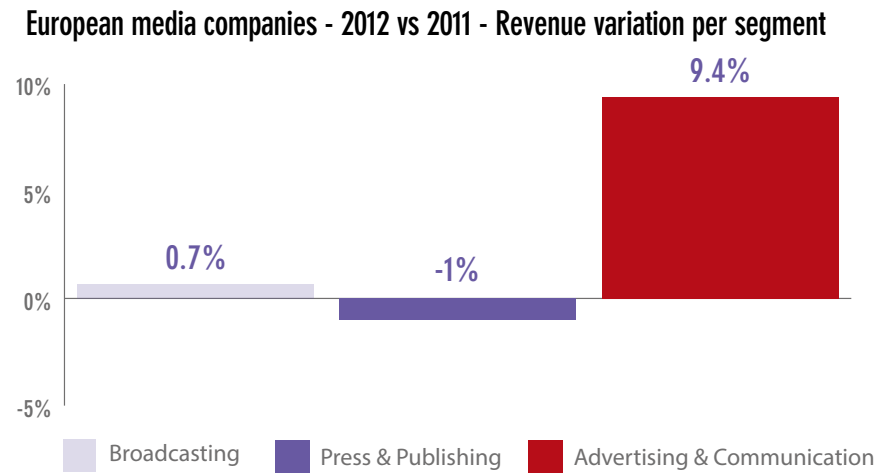
Even if profitability in this business model seems to be roughly similar to that of traditional print, eBooks are expected to influence global profitability of those industry members who historically counted on advertising revenue, drawing it away to the more broadly consumer-popular eBook market. Today, 34% of American adults own a tablet of some sort—twice as many as one year ago, according to PEW Research Center's Internet & American Life Project. The trend is also growing in Western Europe. Forrester is expecting tablet ownership in Western Europe to quadruple by 2017. In 2011, tablet ownership for this group stood at just 7%, but doubled to 14% in 2012.

1.3 EUROPEAN MEDIA COMPANIES REVENUE GROWTH LED BY ADVERTISING COMPANIES

Despite recovering from the financial crisis more slowly than the U.S., European media companies' revenue started to grow again in 2010 and has continued to do so for the past few years. Revenue growth in 2012 reached almost 2%—a positive sign for the continent.



The **advertising and communication** subsector in Europe outperformed both the publishing and broadcasting subsectors. However, in contrast with the U.S. media market, European Internet companies were not large enough to be included in the European panel. Thus, the growth in the advertising and communication subsector has been led mainly by advertising companies improving their revenue streams by acquiring companies that are specialized in new media technologies or are located in developing nations.



Big data is also playing a role in the communication and advertising subsector's increase in revenue. It's rare today to talk about any media subsector without big data creeping into the conversation. Big data allows users to analyze large data sets that were previously impossible to capture without the latest technologies. Picture this: you browse a particular store's offering on your mobile device, the next day you are walking by that

store and your mobile device's GPS recognizes that you are passing the store that you were browsing online and immediately sends you a 10% off coupon for that store. That's big data in action.

Big data adds value by making information transparent and usable. As suggested above, companies are using data collection and analysis to make better management decisions, forecasting predictions and narrowing segmentation of consumers and providing consumers with precisely tailored products or services.

With these benefits in mind, big data is becoming more important for social media companies, which also means big data will ultimately be important in the tablet and mobile device space. Marketers are tracking purchases and examining trends to extrapolate data to sell more items.

The revenue of European **broadcasting** companies grew by just under 1% in 2012. The popularity of the 2012 London Olympic Games and the 2012 UEFA European Championship, were the main positive contributors to the bottom line. Unfortunately, most European broadcasting companies are suffering, especially in places such as Italy, Greece and Spain, where the local economy is struggling:

- Italian Telecom and media firms lost over €4 billion in revenue in 2012, according to the *Wall Street Journal*. Italy's RAI Broadcaster alone ended 2012 more than \$250 million in the red.
- In June 2013, the Greek government closed the state television as part of major spending cuts, which was required by international creditors before they distributed bailout money.

Going forward, European broadcasting players have to find new ways to stay relevant. French broadcasting company CanalPlay Infinity seems to be headed in the right direction. In less than two years, CanalPlay Infinity has been rolled out on tablets (iPads) and computers (PCs and Macs), as well as on game consoles.

As mentioned previously, revenue in the European **press & publishing** subsector is very much impacted by the reduction in advertising and saw a 1% decrease in revenue in 2012. As in the U.S., European consumers are adopting the digital model. Global publishing company Wolters Kluwer illustrates the importance of adapting quickly: its electronic revenues grew by 8% in 2012, while print revenues declined by 5%.

Spanish free press illustrates the impact of the crisis on advertising revenue. In June 2012, the Spanish daily newspaper Qué has permanently ceased to be distributed. This is the third free newspaper which disappeared after the closure of Metro Spain in January 2009 and that of ADN (Planeta Group) in December 2011. 20 Minutos is the last free newspaper in Spain, and it just introduced a social plan.

Except in the UK, the European book market is currently relatively protected from the impact of the digital revolution. The European market of eBooks is heterogeneous and fragmented according to the European Economic and Social Committee of April 2012. Due to the lack of adequate portable reading devices for many years, the online edition growth rate has been lower than in the U.S.

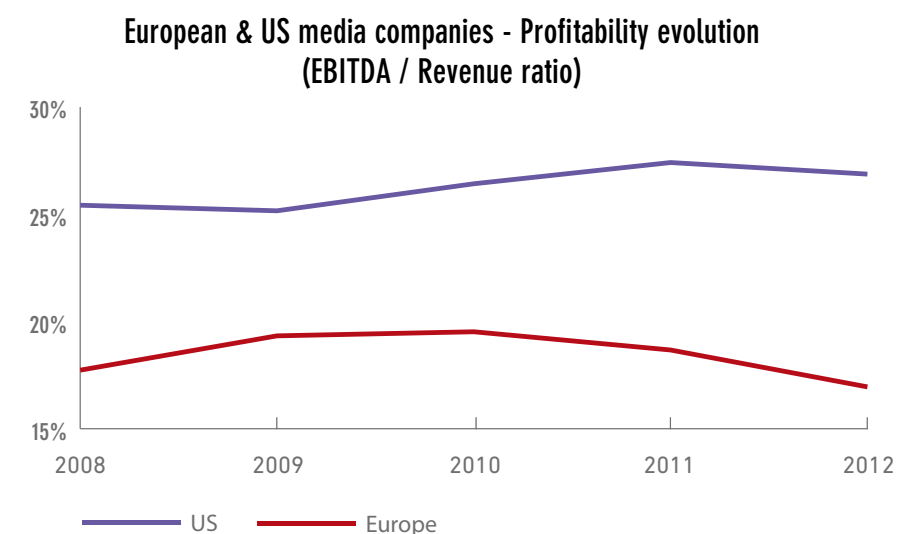
“THERE’S NO QUESTION THE PUBLISHING INDUSTRY IN EUROPE IS STRUGGLING AND THAT WILL CONTINUE UNTIL MORE COMPANIES ADOPT A DIGITAL STRATEGY. BEING A PRINT-FOCUSED COMPANY WITH NO REAL DIGITAL STRATEGY IS NOW RISKY IN TERMS OF BUSINESS,” says José Luis Bueno, Partner, Mazars Spain

PROFITABILITY STALLED, WHILE NET INCOME INCREASED

Although both U.S. and European media companies saw revenues increase in 2012, unfortunately even the strong advertising and communication subsector could not improve on its margins.

In 2012, despite a global increase in revenue of more than 5%, the profitability of media companies in both the U.S. and Europe decreased by just shy of 1 base point.

“ACQUISITIONS ARE CAPITAL INTENSIVE AND IT TAKES TIME TO INTEGRATE AN ADD-ON. IT CAN BE DIFFICULT FOR A COMPANY TO COMPLETE AN ACQUISITION THAT IMMEDIATELY GENERATES PROFITS. IT’S CLEAR THESE COMPANIES ARE HOPING THEIR ACQUISITIONS WILL RESULT IN AN INCREASE IN PROFITS IN THE FUTURE,” says Barbara Israel, Partner, WeiserMazars



The decline in profitability in 2012 came on the back of several robust years where media companies were able to maintain profitability even despite the economic crisis. This strong performance can be attributed to:

- Media companies reducing costs and running leaner operations.
- Investments in developing countries or new technologies to help businesses run more efficiently.
- Growth of new business models related to the Internet.

Despite this relatively encouraging trend, strong disparities exist between U.S. and European companies.

2.1 U.S. PROFITABILITY SLIGHTLY DECREASED IN 2012...

After a decrease in 2009, U.S. media companies grew their profit margins until 2011. Profitability then slightly decreased in 2012 despite an increase in revenue.

This variation is partly attributable to media companies:

- Completing major acquisitions, which are not yet fully integrated or profitable.
- Managing the transition from traditional business models to digital ones and developing margin with digital content.
- **Non-cash charges related to share-based compensation for key employees**

FOCUS ON A RISK FACTOR

ATTRACTING AND RETAINING KEY EMPLOYEES

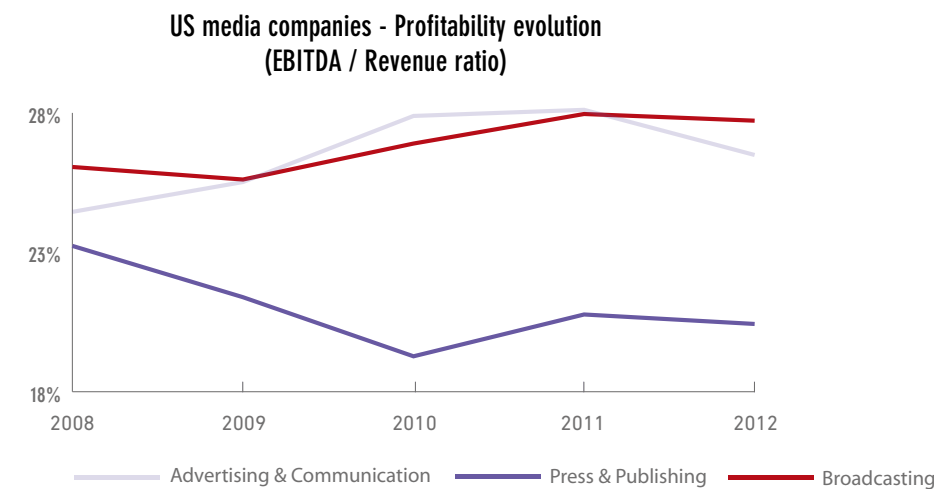
In 2012, 74% of the largest media companies stated that they were worried about attracting and retaining key employees compared with 65% just two years prior. In a sector where innovation and creativity are essential to maintaining a competitive position, it is critical that media companies attract and retain highly-skilled engineering, sales, marketing and managerial personnel. As such, there is significant competition among media companies to acquire top personnel.

Companies utilize share-based compensation policies in order to retain key employees. However, this technique has lost some of its popularity because many more companies now provide equity compensation, leveling the playing field, and because issuing significant equity to attract employees dilutes the ownership of existing stockholders.

“MEDIA COMPANIES REALLY NEED TO MAKE SURE THEIR EMPLOYMENT OFFERING IS IN LINE WITH THE OFFERINGS OF THEIR PEERS,” says Simone Del Bianco, Partner, Mazars Italy.

“SPENDING ON TECHNOLOGY OR ACQUISITIONS MAY HURT PROFITABILITY IN THE NEAR TERM, BUT WILL LIKELY POSITION THE COMPANY BETTER TO HANDLE THE FUTURE AS THE INDUSTRY CONTINUES TO EVOLVE,” says Roy Anderson, Partner, WeiserMazars

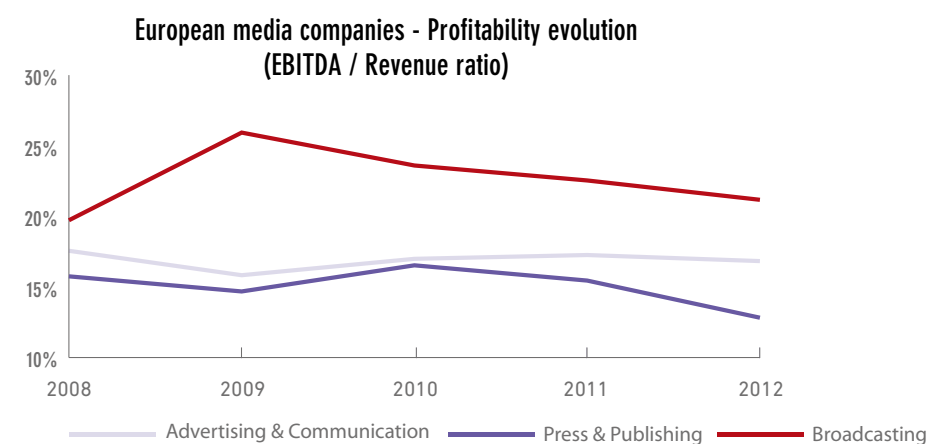
Google, for example, which generated strong revenues in 2012, has spent more than \$1.3 billion on acquisitions in the first half of 2013. Yahoo, which spent most of 2012 embroiled in internal struggles, only made two acquisitions, but made more than 10 acquisitions (including Tumblr, a blog - hosting website) in the first half of 2013.



Profitability in the broadcasting subsector also didn't fare well. Even the top broadcasting companies saw a decrease. This slip was due to less profitable distribution contracts, an increase in competition from Internet players such as companies like Aereo, which captures live broadcast TV programs and streams them over the Internet for subscribers to view on any Web-connected devices such as laptop or desktop computers, smartphones, and tablets. **These new players also raise controversy regarding copyright infringement.** Profitability of the press & publishing subsector also decreased. However, upon closer examination of the subsector, there is a clear delineation between the success of new media players and the difficulties that old economy media companies face as they try to move into the digital world.

2.2 ...WHILE PROFITABILITY LAGS IN EUROPE

The decrease in profitability in the press & publishing subsector was more drastic in Europe than in the U.S. This is not surprising, given that revenue in the subsector decreased by 1% during the same time frame, primarily due to the decrease in advertising revenue. Additionally, transitioning to new formats and creating digital content is cost intensive, which cut into companies' profits in 2012, but could position them for stronger growth in the future.



FOCUS ON A RISK FACTOR

INTELLECTUAL PROPERTY INFRINGEMENT

The unauthorized use of intellectual property continues to be a significant challenge for media companies. In 2012, 51% of the companies studied disclosed that they worry about intellectual property infringement compared with 44% in 2010.

Many media companies rely on copyright, patents, licenses and royalties to establish and maintain their intellectual property rights in the technology, content and products or services used to conduct their business.

Despite the efforts of companies to protect intellectual property rights, inadequate laws in one country can adversely affect a company's worldwide results.

The music industry has particularly suffered from intellectual property infringement, resulting in a very significant decrease in revenue and some companies going out of business. Consumers are now used for the most part to downloading free music online and

don't see any added value in traditional material music support. Spotify, a company which uses a new business model that gives consumers access to virtually unlimited music for a very reasonable price when compared to the price of a CD, doubled its revenue in 2012. However, two questions remain unanswered: How can this model be profitable (Spotify's net loss also increased in 2012)? And how can this model sustain the music industry?

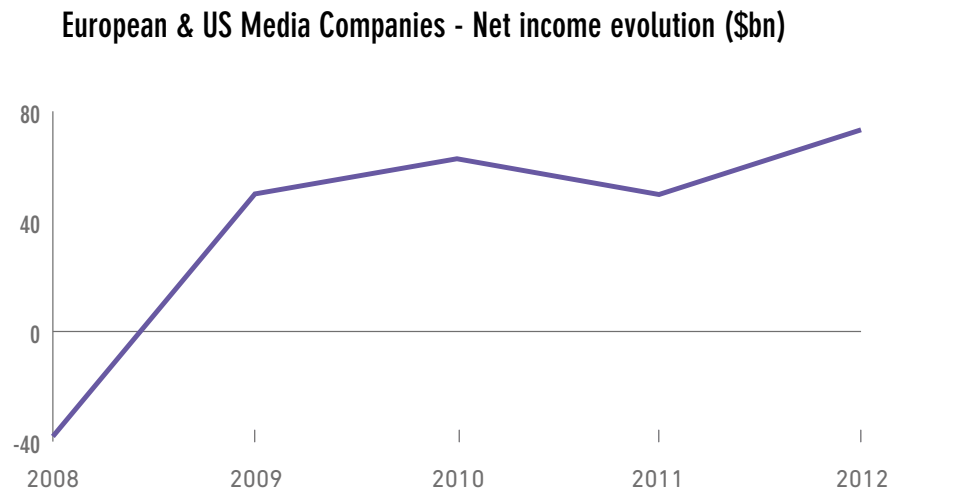
The broadcasting industry is also highly exposed to intellectual property infringement as many consumers download illegally. The industry is slowly adapting and creating new business models that are both economically viable and attractive to consumers. Some series are now distributed exclusively on line (for example, on Netflix) and are tailored to consumers' needs and expectations. This new distribution channel empowers consumers as they take control over, when and how they want to watch TV content.

Despite increased revenue, European broadcasting companies' profits saw a decline in 2012. Indeed, the profitability of major contracts such as UEFA EURO 2012 and the London Olympics fell below expectations. European Broadcasters also suffered from the digital transition and the arrival of new players in a challenging economic environment.

The strategy adopted by some of the European advertising companies is to develop their business in digital activities and in fast growing markets mainly by external growth, thereby offsetting the effects of the European crisis.

2.3 STEADY GROWTH IN NET INCOME SINCE 2008 DUE TO LOWER IMPAIRMENT LOSSES

Overall performance is evaluated based on net income, which includes all transactions during the financial year and the impairment losses recorded against goodwill.



Since the last crisis, both in the U.S. and Europe, the net results of media companies have varied due to the amount of impairment of the period.

As such, the strong improvement in net income observed in 2009 must be considered in comparison to the particularly low net income of 2008, mainly impacted by strong impairment in the U.S. and Europe. In 2008, the media companies of our panel booked an asset write-down of over \$90 billion mainly due to the effects of the financial crisis.

Similarly, the decrease in net income in 2011 is the financial expression of the return of a difficult global economic environment, including less positive long-term economic forecasts when assigning value to acquired assets that generated goodwill.

In the context of the economic crisis, the impairment charges recognized are the result of changes to business plans and long-term hypotheses such as growth rates and discount rates. Although external factors had a similar impact on all groups in the sector, the effect of changes to business plans varied depending on:

- The resilience of the business model and the ability to maintain margins in an increasingly competitive environment,
- The ability of the company to take into account changes in consumer habits,
- The ability to innovate and create added value,
- The degree to which digital transformation had been carried out within the group, and the level of success of this transition,
- **The dependence on third parties,**
- The ability to properly execute corporate strategy,
- The presence of the group in fast-growing countries

FOCUS ON A RISK FACTOR



DEPENDENCE ON THIRD PARTIES

In 2012, 73% of the largest media companies stated that they fear being dependent on third parties compared with 66% in 2010.

Traditionally, all companies use third parties for various tasks and to create efficiencies. However, failure to adequately manage third-party performance affects the reputation, operations and financial performance of a company and can lead to potential loss of contracts, as well as the inability to renew or negotiate favorable replacement contracts, causing a materially adverse effect on future operating costs.

New media is experiencing a different kind of reliance on third party services centered on:

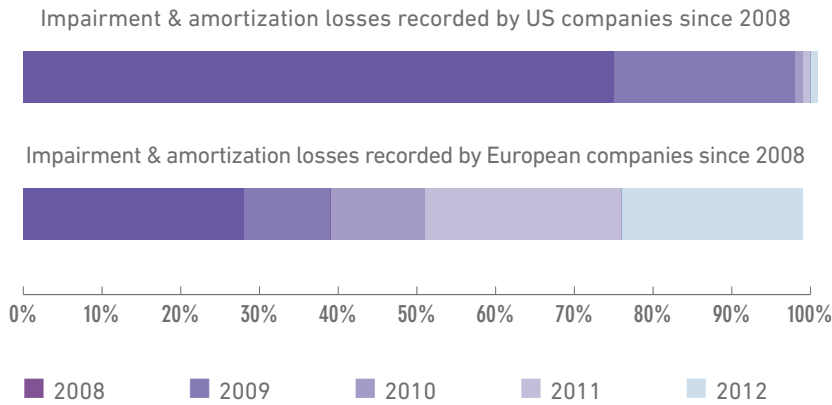
- Being correctly indexed by search engines. Media Internet companies are highly dependent on search engines for visibility, traffic and business development.
- Deciding pricing strategies. Some companies depend on digital distribution platforms to price their products (i.e. press, music and gaming).
- Having the right format. Many publishers rely on third parties to adapt their contents across the different platforms consumers use to view the content.

In 2008, following the financial crisis, U.S. media companies recorded a very significant impairment losses (\$80 billion).

The largest of these companies recorded a significant amount to recognize changes in their business model and the arrival of new competitors. The most important impairments observed were:

- Time Warner Cable, Inc. recorded a noncash impairment charge of \$15 billion on its cable franchise rights.
- CBS Corporation recorded an impairment of \$14 billion related to FCC (Federal Communications Commission) licenses and investments.
- CC Media Holdings recorded an impairment charge of \$5 billion due to the ongoing economic slowdown in the United States in 2008.

Compared to the write-off recorded in 2008, the amount of impairment recorded during the following years by U.S. media companies has been extremely low. In Europe, depreciations of goodwill were more moderate in 2008, but several impairment losses were booked after 2008 due to revisions of business plans which took into account anticipation of a prolonged period of limited economic growth and lower margins.



These impairments were necessary to adjust the intangible assets value to the reality of the changing market.

HOW MEDIA COMPANIES ARE USING THEIR CASH

The cash generated by operating activities is usually used to invest, deleverage, and/or pay dividends. A look at the use of leverage gives insight into a company’s global strategy: are they on the offensive or defensive? An increase in debt usually indicates that a company has confidence in the economy and is comfortable carrying a little more leverage—signaling an offensive stance.

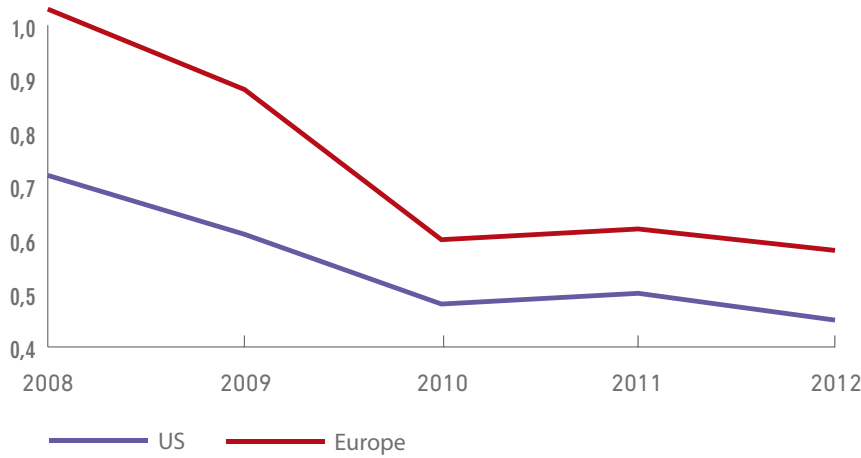
3.1 A CLEAR FOCUS ON DELEVERAGING

Media groups in both Europe and the U.S. secure financing from two main sources:

- Equity from shareholders
- Loans from the market or financial institutions

The level of net debt media companies had on the balance sheet decreased significantly after the financial crisis until 2010, mirroring the global trend across industries.

European & US Media Companies - Net debt / Equity ratio evolution

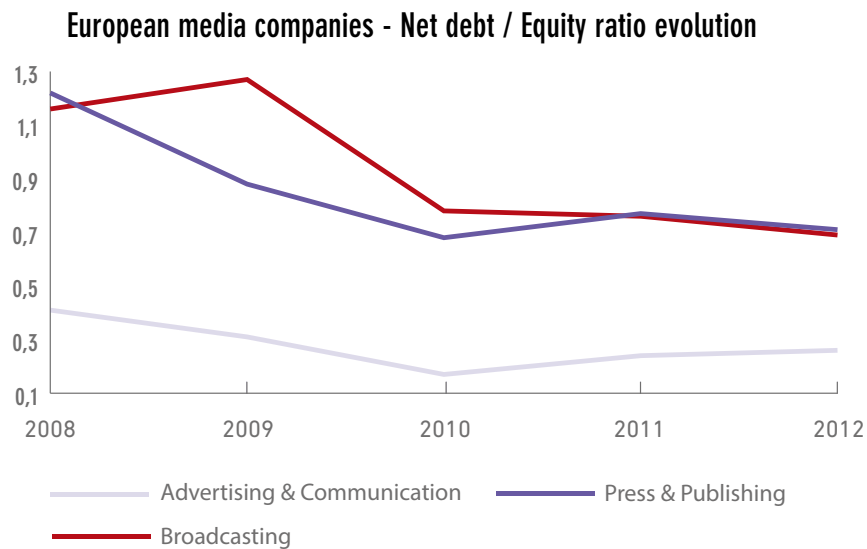


In 2011, media companies once again felt secure enough to use debt as a means to acquire companies and achieve growth. Surprisingly, despite a global reduction in interest rates, borrowing decreased slightly in 2012. However, media companies stockpiled cash during the downturn that started after the European credit crisis and have, in turn, become less reliant on debt to finance their acquisitions, and are buying companies and making investments with cash and less debt.

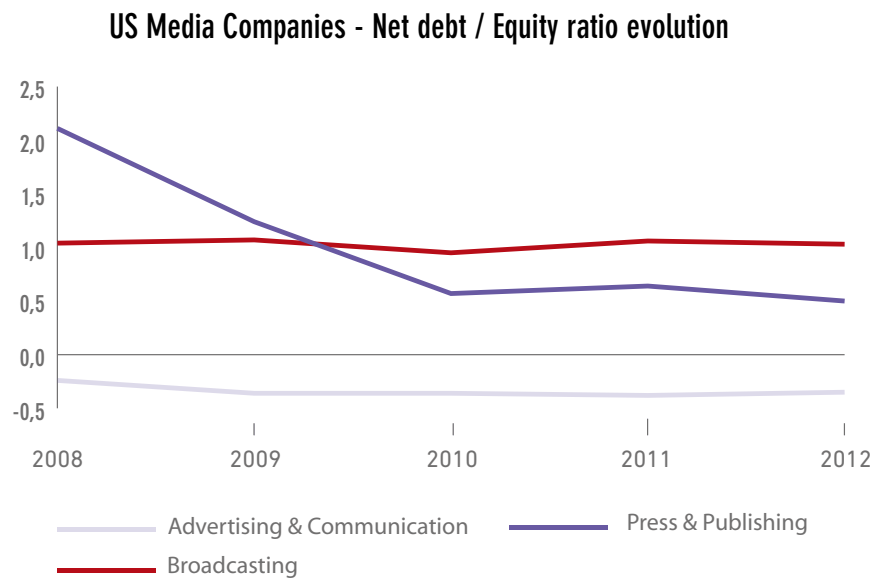
With fewer acquisitions occurring in Europe, debt of all media companies in the various subsectors decreased. For example, Modern Times Group Mtg AB (MTG) has reduced its net debt by more than \$3.5 billion and ended 2012 with almost zero net debt. According to

“PEOPLE ARE STILL CONSERVATIVE ABOUT USING DEBT, WHICH IS WHY YOU ARE SEEING A HIGHER NUMBER OF DEALS BEING COMPLETED WITHOUT DEBT.”
says Samantha Russell, Partner, Mazars UK

Mathias Hermansson, Chief Financial Officer of MTG, this situation leaves them in a strong position to invest in future growth, both organically and through increased M&A activity. Additionally, a number of companies, primarily in the press & publishing and broadcasting subsectors, restructured their debt so that they could focus on cash generation.



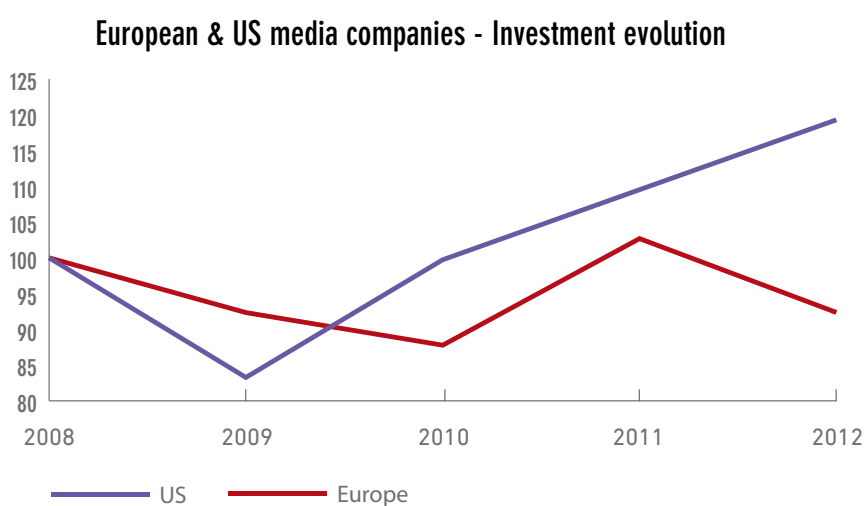
In the U.S., Internet companies in the advertising and communications subsector, in particular, are cash positive and their net debt/equity ratio is negative. Those companies have significant cash resources and are underleveraged, which puts them in a strong position going forward. On the M&A front, these companies are looking for acquisitions to diversify their strategy, grow their business and take competition out of the mix.



3.2 A REBOUND OF M&A IN THE U.S. AND PROMISING OPPORTUNITIES IN EUROPE

After having followed a deleveraging strategy from 2008 to 2010 during the peak of the financial crisis, media companies began to once again take part in M&A transactions. Globally, there were \$28 billion worth of media-related M&A transactions completed in 2012, up from \$8.4 billion in 2011, according to Pitchbook Data.

A closer look at the acquisitions completed reveals that after having all but stopped acquisition activity in 2009, media companies began to once again look for acquisitions to spur growth shortly thereafter. With attractive valuations, low interest rates and the capital markets open for business, it is currently an excellent time to inorganically grow companies through acquisitions.

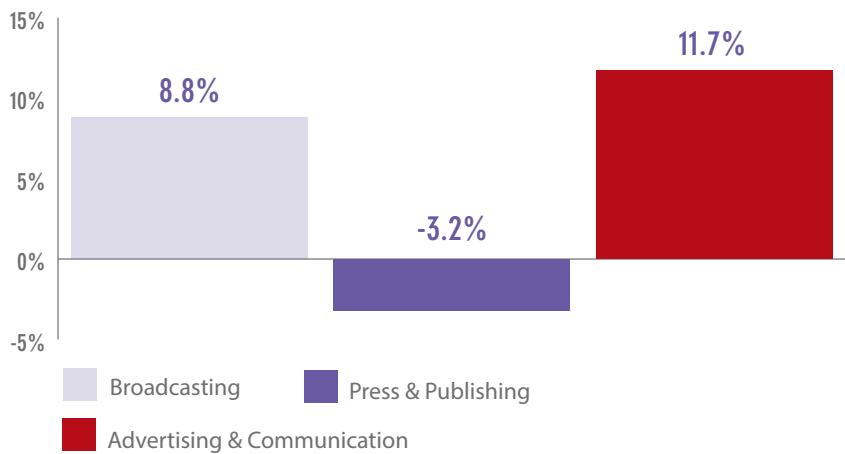


However, European and U.S. companies have diverged significantly in their M&A activity since 2009. While U.S. media companies have continued to steadily make acquisitions, European media companies have followed a less stable trend.

Since 2009, the amount of capital spent completing acquisitions by U.S. media companies has increased each year. According to Pitchbook Data, U.S. media companies completed \$10 billion worth of M&A transactions in 2012, up from \$4.6 billion in the prior year. U.S. companies in advertising and communication as well as the broadcasting subsector have had an especially strong appetite for acquisitions, which helps explain their subsectors' growth in revenue.

Unfortunately, investment in the U.S. press & publishing subsector fell. Still, some notable deals did occur. In July, the Tribune Company, fresh out of bankruptcy, spent \$2.7 billion to buy 19 stations from Local TV Holdings. In June, the Gannett Company also showed a growth ambition buying the Belo Corporation, with its 20 television stations, for \$1.5 billion.

US media companies - 2012 vs 2011 Investment variation per segment



“CLEARLY EUROPEAN COMPANIES WERE RISK AVERSE OVER THE PAST TWO YEARS GIVEN THE MACRO ENVIRONMENT, HOWEVER THE TIDE SEEMS TO BE TURNING,” says Joeri Galas, Partner, Mazars Netherlands

In the U.S. advertising and communication subsector, a strong increase in acquisitions was linked to media companies buying:

- Technology companies specializing in security, photography, cloud computing, facial recognition systems and videoconferencing
- Mobile device manufacturers
- Emerging competitors

The U.S. broadcasting subsector performed acquisitions mainly in digital TV or subscription TV in order to build an extensive global footprint and extend their presence in key markets. In 2013, Discovery Communications finalized the acquisition for \$1.7 billion of SBS Nordic Operations of ProSiebenSat.1 Group which comprises television networks in Norway, Sweden, Denmark and Finland.

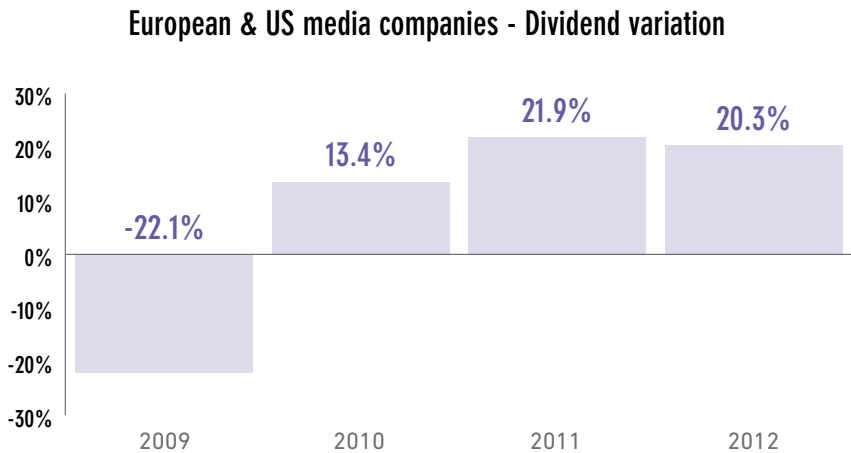
In 2012, with the debt crisis as a backdrop, European media companies were more cautious about making acquisitions than they had been in previous years. In the first half of 2013, European media companies completed only \$260 million worth of transactions, according to Pitchbook Data.

In 2009, investments made by European companies hit a low and then rebounded well in 2010 and 2011. But by the end of 2011, investments in European media companies were decreasing again. The good news is that 2013 looks more promising for media deals in Europe as companies have discovered a renewed interest in M&A after the Publicis-Omnicom \$35 billion merger was announced in late July.

3.3 AN ATTRACTIVE INVESTOR REMUNERATION POLICY

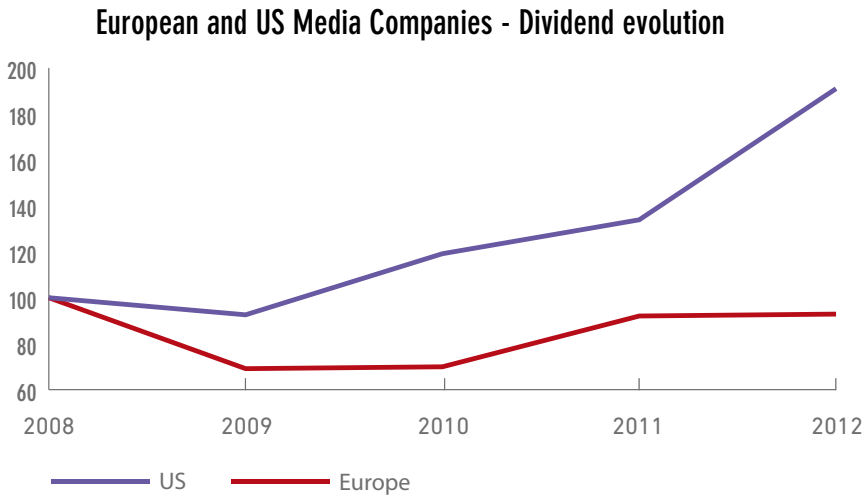
Keeping a strong relationship with investors is a key success factor. This relationship evolves based on stock price as well as remuneration policies.

The 20% increase in dividends in 2012 reflects the choice of media companies to retain and attract shareholders. As expected, U.S. media companies, which have experienced slightly higher profitability than European companies, have distributed more dividends. But there is another reason U.S. companies paid more dividends: an increase in the dividend tax rate was feared at the end of 2012. To anticipate that possibility, U.S. companies paid larger than usual dividends in 2012.



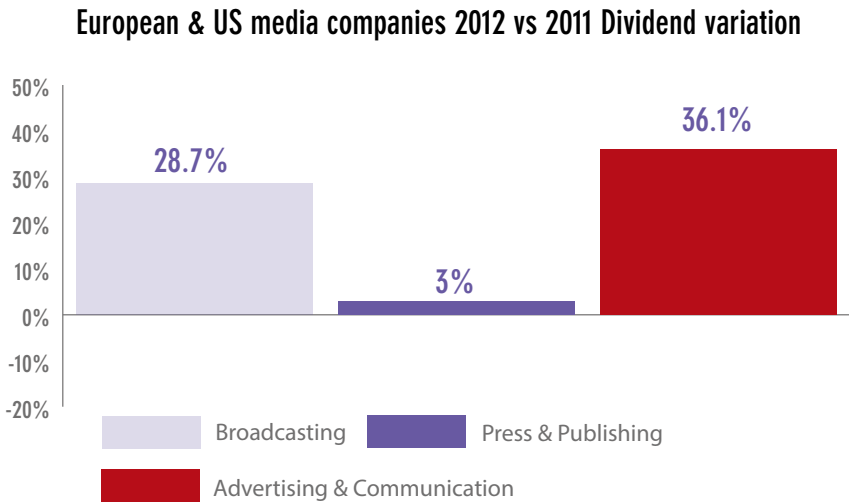
Interestingly, although Internet companies are earning substantial profits, they have yet to pay high dividends. This is mainly due:

- To their relative youth — for example, Google is only nine years old as a public company,
- The need for companies to maintain high cash reserves to cope with potential future acquisition in a very competitive environment.



Surprisingly, in September, The New York Times Company announced it would pay a quarterly dividend – in the amount of 4 cents a share - to shareholders for the first time in five years.

On the whole, dividends paid by European media companies have remained stable.



As would be expected, advertising and communication, which experienced the highest net income growth of the subsectors, also exhibited the strongest increase in dividends, reflecting a desire to remain attractive to shareholders. In fact, the advertising and communication subsector increased its dividends by 36%.

The press & publishing subsector, which is suffering from far-reaching changes in consumer habits, exhibited the lowest increase in dividends.



WHAT DOES THE FUTURE HOLD?

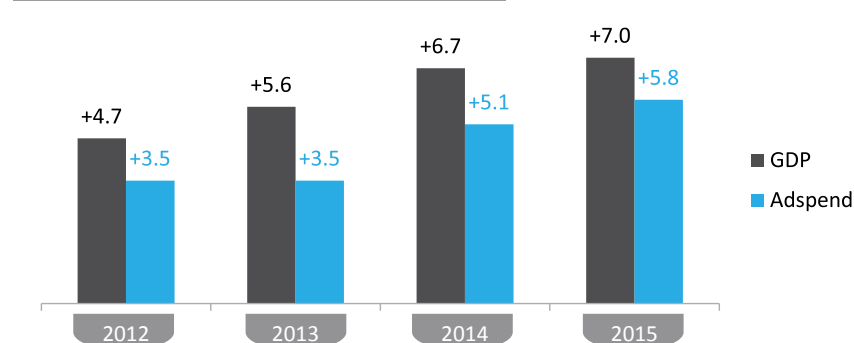
This year, the global media industry learned firsthand how important it is for companies to remain flexible in order to quickly adapt to the unexpected. In a challenging and uncertain economic environment defined by the digital revolution and shaken by the economic growth of newly expanding foreign media markets, the decision making process of companies must be faster and significant changes in the media sector are ongoing.

STRONG GROWTH IN EMERGING MARKETS

In the second half of 2013, economists expected a recovery in the Eurozone, but following the Cypriot financial crisis and political deadlock in Italy, this recovery is not now expected until the beginning of 2014. The U.S. situation, however, is more positive – growth is up and forecasts are optimistic.

“WE ARE EXPECTING THE MARKET TO CONTINUE TO REBOUND ALBEIT WITH BUMPS IN THE ROAD,” says Guillaume Devaux, Partner, Mazars France

Growth of advertising expenditure and GDP 2012-2015



Source: ZenithOptimedia/IMF

“ONE THING IS CERTAIN, MEDIA COMPANIES SHOULD NOT DISMISS ANY SOURCE OF GROWTH AND THEY SHOULD ALL BE WORKING TOWARD A GLOBAL STRATEGY,” says Pierre-Marie Lagnaud, Director, WeiserMazars

According to ZenithOptimedia, advertising expenditures will grow by 3.5% in 2013, reaching \$505 billion by the end of the year.

Emerging markets will lead the recovery with a growth forecast of an average 8.6% per year between 2012 and 2015, while mature markets should grow at an average of 2.8% per year. As in previous years, media groups must be vigilant, maintaining strategic positions in emerging markets to take advantage of growth opportunities.

TECHNOLOGICAL DEVELOPMENT & NEW USER BEHAVIORS

Tablets allow easy use of new media programs and are at the heart of new user habits.

According to IDC Research, since 2010, sales of tablets have exploded, while prices have dropped by half, leading to greater penetration of the market and expanded consumption of digital media. This is just the beginning for tablets, – tablet sales are projected to surpass desktop PCs in 2013 and portable PCs in 2014.

Smartphone use is also expected to grow by approximately 110% in 2017, which will make mobile advertising even more crucial. Vendors forecast that they will ship more than 1.8 billion mobile phones in 2013, growing to over 2.3 billion mobile phones globally by 2017.

The media world will need to accelerate its shift to digital platforms, identifying and developing new sources of revenue. These devices also allow for the considerable exploitation of the second screen and big data phenomena. Media companies which haven't integrated these new user behaviors will have to quickly adapt to them.

M&A TRANSACTIONS ARE ALSO EXPECTED TO CONTINUE

As we have seen, economic recovery in the U.S., technological development and the emergence of some big players have helped restore confidence in the market. Thus, many M&A deals have been performed recently and this trend does not show any sign of slowing.

Indeed, if companies want to take advantage of high growth rates and technological development throughout the world, they should maintain and develop their presence in fast growing markets and digital activities, through M&A deals where desirable.

IN A CHANGING MARKET, RISK WILL BE A CENTRAL CONCERN OF COMPANIES

In a changing market, there are many challenges. All organizations, traditional players as well as digital companies, will have to anticipate consumer demand.

That's why, in a sector where innovation and creativity are essential to maintain a competitive position, companies must attract and retain highly-skilled engineering, sales, marketing and managerial personnel.

The capacity to generate profit from digital content and the protection of intellectual property will also be major issues for the foreseeable future.

U.S. COMPANIES REPRESENTED

Advertising & Communication		Revenue (M\$)
Activision Blizzard, Inc. (NasdaqGS:ATVI)		4 856
Akamai Technologies, Inc. (NasdaqGS:AKAM)		1 374
AOL Inc. (NYSE:AOL)		2 192
Clear Channel Outdoor Holdings Inc. (NYSE:CCO)		2 947
EarthLink Inc. (NasdaqGS:ELNK)		1 349
eBay Inc. (NasdaqGS:EBAY)		14 072
Electronic Arts Inc. (NasdaqGS:EA)		3 956
Equinix, Inc. (NasdaqGS:EQIX)		1 896
Facebook, Inc. (NasdaqGS:FB)		5 089
Google Inc. (NasdaqGS:GOOG)		50 175
IAC/InterActiveCorp (NasdaqGS:IACI)		2 801
Lamar Advertising Co. (NasdaqGS:LAMR)		1 183
Omnicom Group Inc. (NYSE:OMC)		14 219
Rackspace Hosting, Inc. (NYSE:RAX)		1 309
The Interpublic Group of Companies, Inc. (NYSE:IPG)		6 956
Yahoo! Inc. (NasdaqGS:YHOO)		4 987
Zynga, Inc. (NasdaqGS:ZNGA)		1 281
Broadcasting		
AMC Networks Inc. (NasdaqGS:AMCX)		1 353
Cablevision Systems Corporation (NYSE:CVC)		6 705
CBS Corporation (NYSE:CBS)		14 089
CC Media Holdings, Inc. (OTCPK:CCMO)		6 247
Charter Communications, Inc. (NasdaqGS:CHTR)		7 504
Cinemark Holdings Inc. (NYSE:CNK)		2 474
Comcast Corporation (NasdaqGS:CMCS.A)		62 570
Cumulus Media Inc. (NasdaqGS:CMLS)		1 077
DIRECTV (NasdaqGS:DTV)		29 740
Discovery Communications, Inc. (NasdaqGS:DISC.A)		4 487
Dish Network Corp. (NasdaqGS:DISH)		14 266
Liberty Global Inc. (NasdaqGS:LBTY.A)		10 311
Liberty Media Corporation (NasdaqGS:LMCA)		1 999
Lions Gate Entertainment Corp. (NYSE:LGF)		2 568
Live Nation Entertainment, Inc. (NYSE:LYV)		5 819
News Corp. (NasdaqGS:NWSA)		34 333
Regal Entertainment Group (NYSE:RGC)		2 824
Scripps Networks Interactive, Inc. (NYSE:SNI)		2 307
SIRIUS XM Radio Inc. (NasdaqGS:SIRI)		3 402
Starz (NasdaqGS:STRZ.A)		1 999
The Madison Square Garden Company (NasdaqGS:MSG)		1 325
The Walt Disney Company (NYSE:DIS)		42 840
Time Warner Cable Inc. (NYSE:TWC)		21 386
Time Warner Inc. (NYSE:TWX)		28 729
Viacom, Inc. (NasdaqGS:VIAB)		13 249
Virgin Media, Inc. (NasdaqGS:VMED)		4 101
Press & Publishing		
Dex One Corporation (NYSE:DEXO)		1 300
Gannett Co., Inc. (NYSE:GCI)		5 353
John Wiley & Sons Inc. (NYSE:JW.A)		1 748
Meredith Corporation (NYSE:MDP)		1 435
Scholastic Corporation (NasdaqGS:SCHL)		2 055
SuperMedia Inc. (NasdaqGS:SPMD)		1 354
The McClatchy Company (NYSE:MNI)		1 231
The New York Times Company (NYSE:NYT)		1 990
The Washington Post Company (NYSE:WPO)		4 018
Thomson Reuters Corporation (TSX:TRI)		13 278
Valassis Communications Inc. (NYSE:VCI)		2 162

EUROPEAN COMPANIES REPRESENTED

Advertising & Communication		Revenue (M\$)
Aegis Group plc (LSE:AGS)		1 922
GfK SE (XTRA:GFK)		1 946
Havas (ENXTPA:HAV)		2 284
Ipsos SA (ENXTPA:IPS)		2 300
JCDecaux SA (ENXTPA:DEC)		3 370
Publicis Groupe SA (ENXTPA:PUB)		8 492
Ubisoft Entertainment SA (ENXTPA:UBI)		1 403
United Internet AG (DB:UTDI)		3 080
Vistaprint N.V. (NasdaqGS:VPRT)		1 424
WPP plc (LSE:WPP)		13 327
Broadcasting		
British Sky Broadcasting Group plc (LSE:BSY)		11 028
ITV plc (LSE:ITV)		3 479
Mediaset SpA (BIT:MS)		4 781
Modern Times Group Mtg AB (OM:MTG B)		17 134
Eutelsat Communications S.A. (ENXTPA:ETL)		1 610
Promotora de Informaciones, S.A. (CATS:PRS)		3 419
ProSiebenSat.1 Media AG (XTRA:PSM)		3 027
RTL Group SA (BDL:006146252)		7 706
ZON Multimédia Serviços de Telecomunicações e Multimédia SGPS SA (ENXTLS:ZON)		1 104
Societe d'Edition de Canal Plus S.A. (ENXTPA:AN)		2 413
Kabel Deutschland Holding AG (DB:KD8)		2 318
Technicolor SA (ENXTPA:TCH)		4 600
TF1 Group (ENXTPA:TFI)		3 367
Mediaset España Comunicación, SA (CATS:TL5)		1 122
Métropole Télévision SA (ENXTPA:MMT)		1 782
SES, S.A. (BDL:008808732)		2 349
Sky Deutschland AG (XTRA:SKYD)		1 713
Antena 3 de Television SA (CATS:A3TV)		952
Press & Publishing		
Axel Springer AG (DB:SPR)		4 253
Informa plc (LSE:INF)		1 584
Arnoldo Mondadori Editore SpA (BIT:MN)		1 819
PagesJaunes Groupe (ENXTPA:PAJ)		1 370
Seat Pagine Gialle SpA (BIT:PG)		1 178
Tamedia AG (SWX:TAMN)		1 032
Trinity Mirror plc (LSE:TNI)		1 120
UBM plc (LSE:UBM)		1 025
Daily Mail and General Trust plc (LSE:DMGT)		2 768
Hibu Plc (LSE:HIBU)		2 350
Lagardere SCA (ENXTPA:MMB)		9 921
Mecom Group plc (LSE:MEC)		1 443
Pearson plc (LSE:PSON)		8 016
RCS MediaGroup S.p.A (BIT:RCS)		2 053
Sanoma Oyj (HLSE:SAA1V)		3 053
Schibsted ASA (OB:SCH)		18 967
Wolters Kluwer NV (ENXTAM:WKL)		4 629
Gruppo Editoriale L'Espresso SpA (BIT:ES)		1 044

2012



2013



2014



“WE ARE SURE THAT NEXT YEAR WILL BRING ITS SHARE OF SURPRISES AND TRANSFORMATION FOR THE MEDIA INDUSTRY. WE LOOK FORWARD TO PRESENTING ALL OF THE NEW DEVELOPMENTS AND CHALLENGES FACING THE INDUSTRY IN OUR THIRD EDITION OF THE BAROMETER.”

Bruno Balaire, Partner, Mazars Group.

Mazars is present on 5 continents.

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