

TV listings – How to grow in mature markets

Capital Markets Day

Jochen Beckmann/Stephan Zech

Berlin, September 17, 2007

Agenda

Overview

Core Business: TV guides

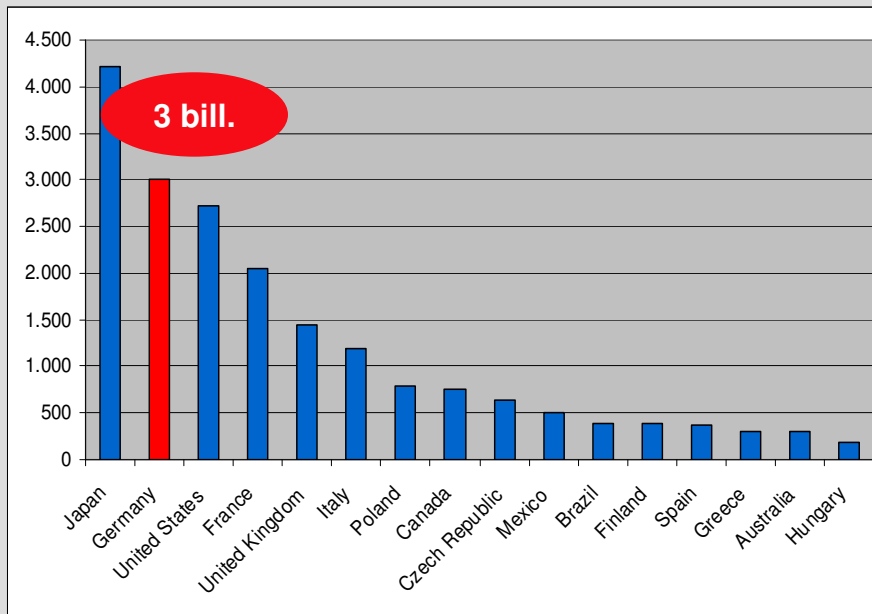
Strategy/Growth opportunities

Conclusion

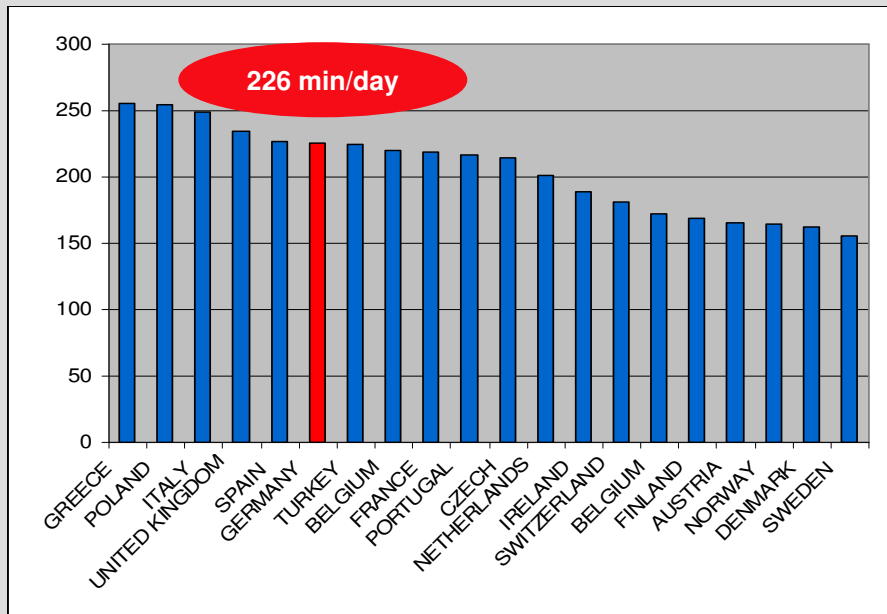


Germany's magazine market is the biggest in Europe.
 German TV-viewing lies within the upper third in Europe.

Total number of magazine copies sold in mill. **



Average TV Consumption in Europe*

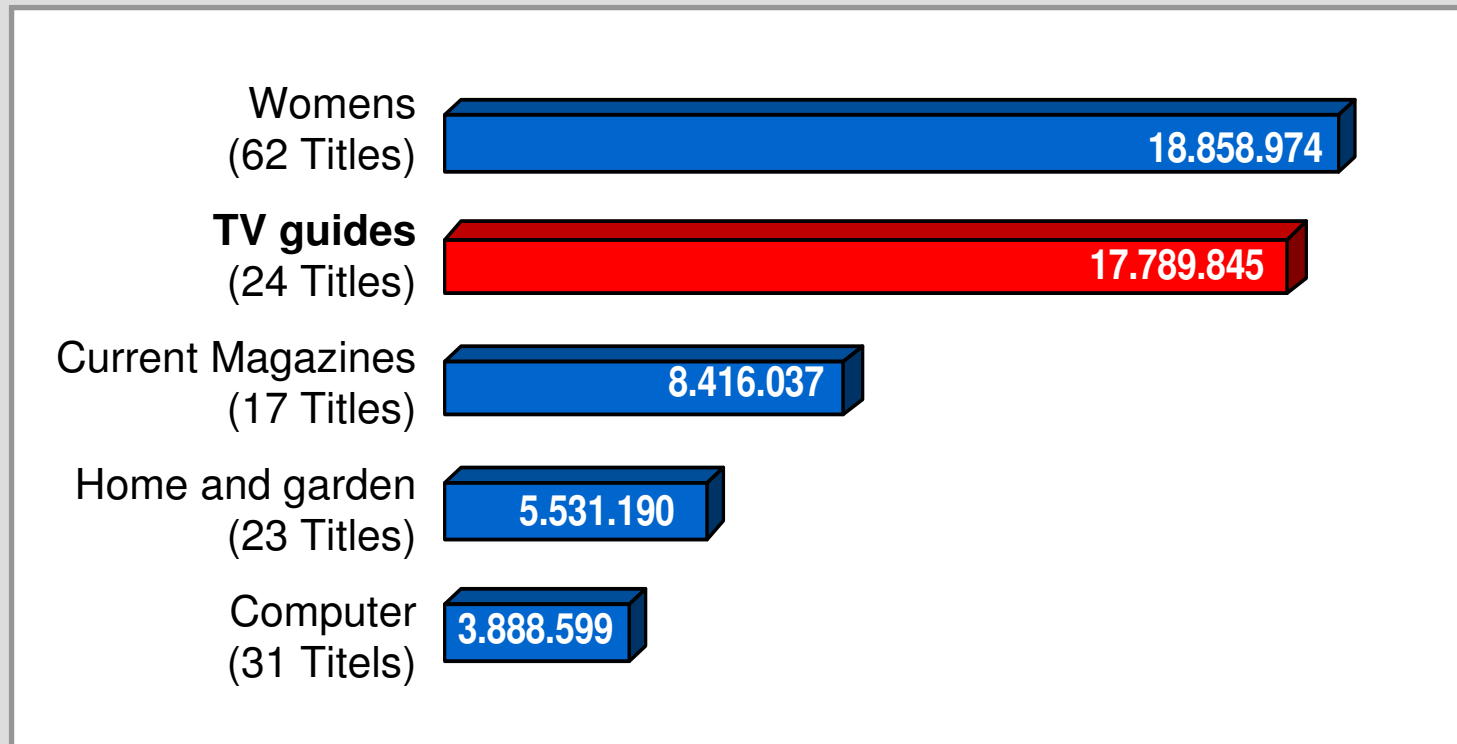


* Source: ip-network

** Source: Fipp world magazine trends 2006/2007

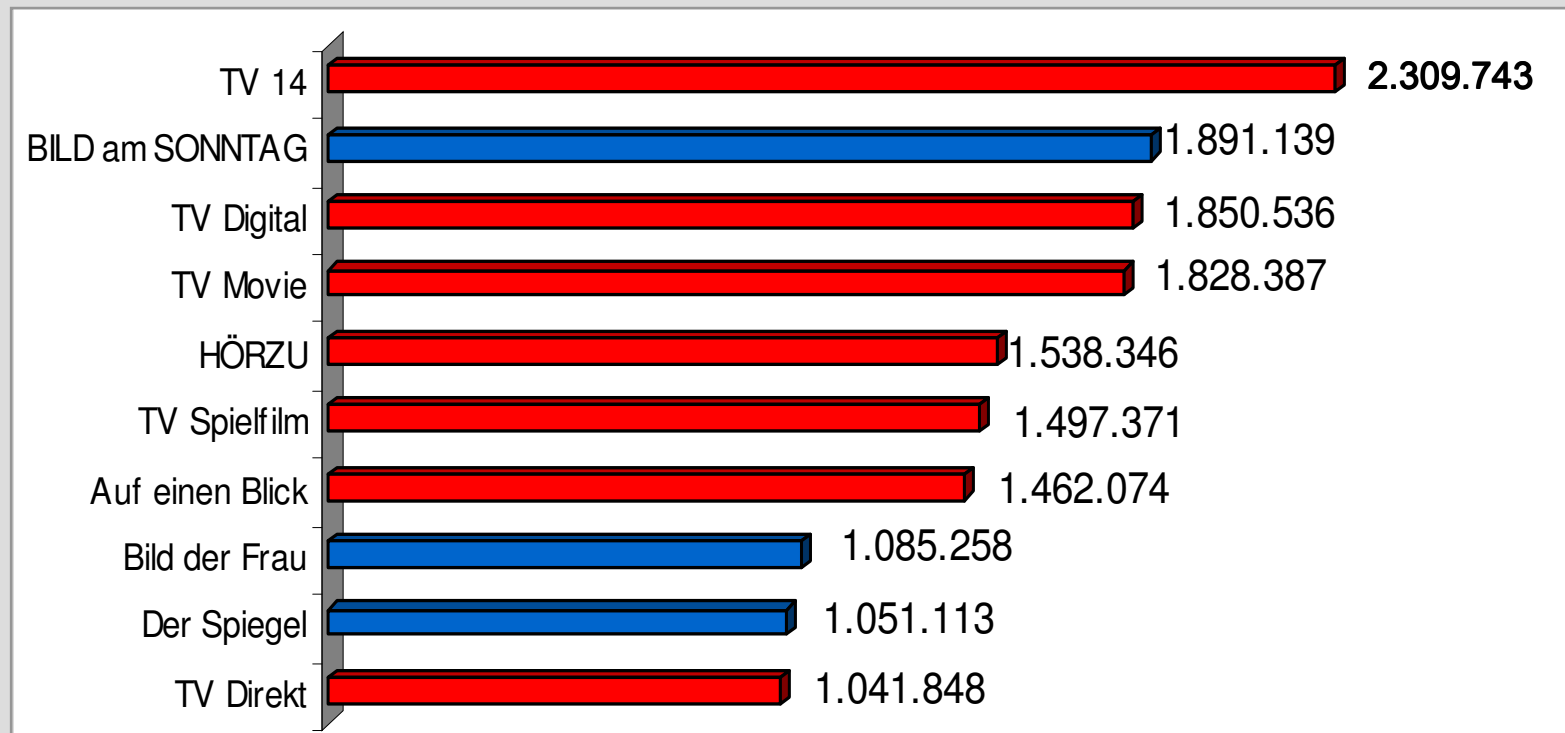
TV guides have the second largest relevance of all magazine-genres in Germany

Top 5-Genres by paid circulation



TV guides account for 70% of the Top 10 German magazines

Top 10-Magazine titles by paid circulation



Overview – TV guide market

Currently 33 different titles available



supplement



weekly



fortnightly

Not
IVW*
examined

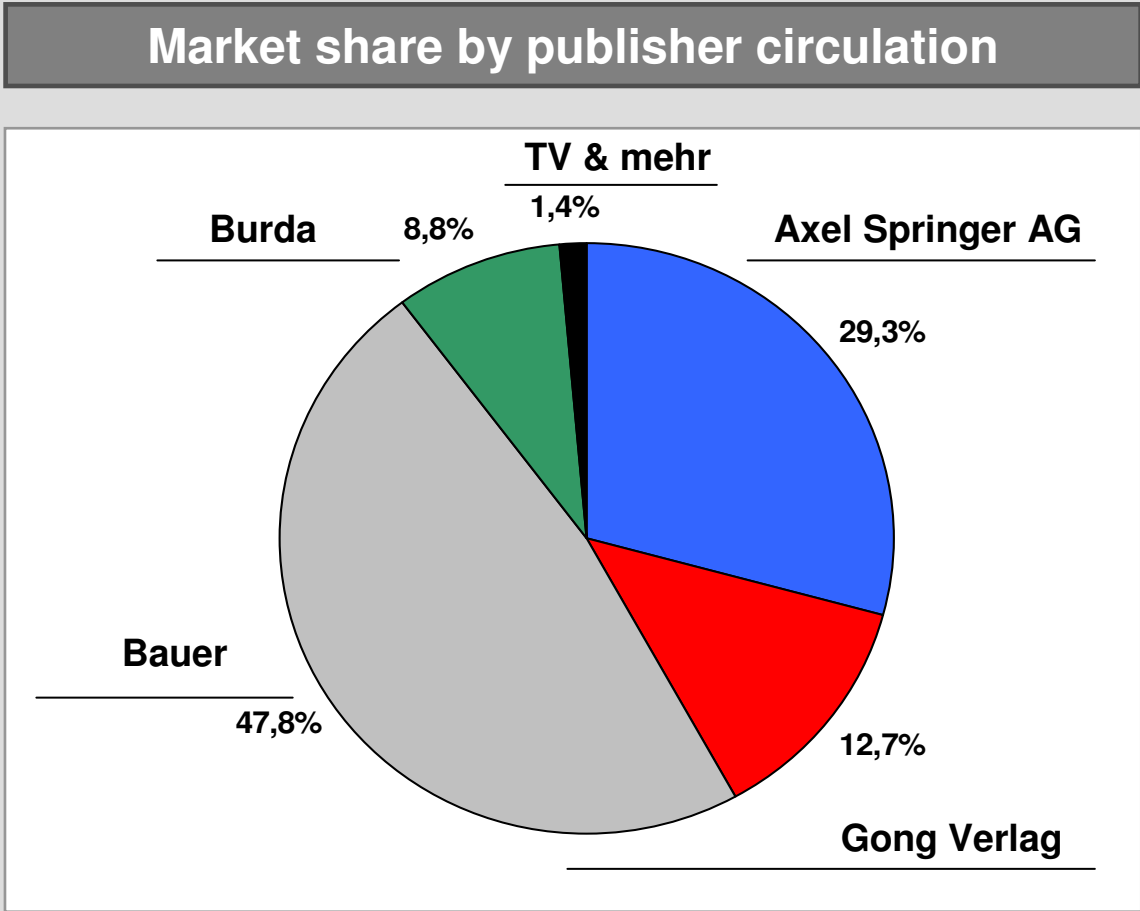


monthly

Not
IVW
examined

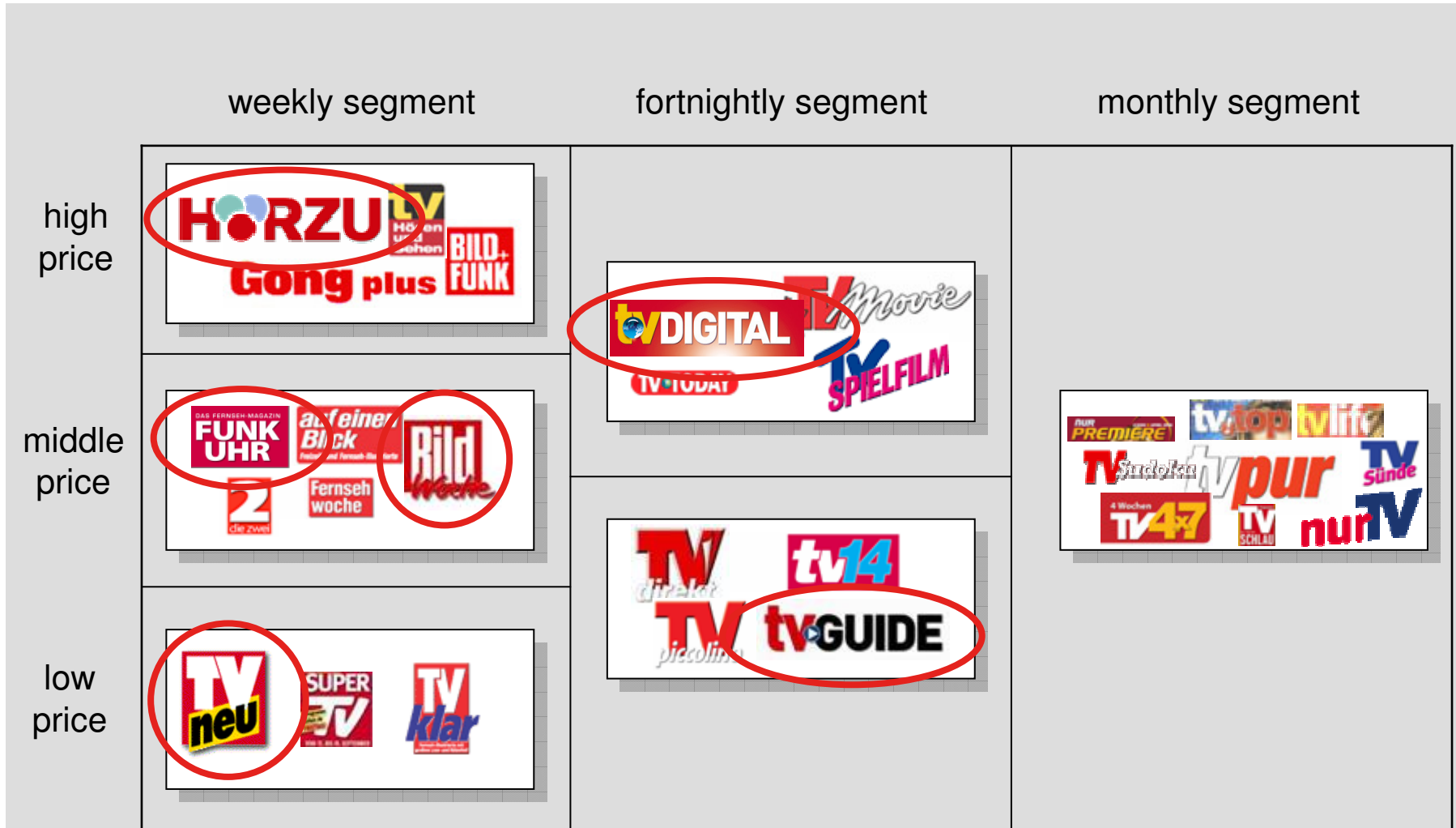
*Circulation audit

Total paid circulation of TV guides: 17,8 Million copies*



* Source: pz-online; weighted on paid circulation II/2007 (TV guides)

Overview – TV guide Market Segmentation



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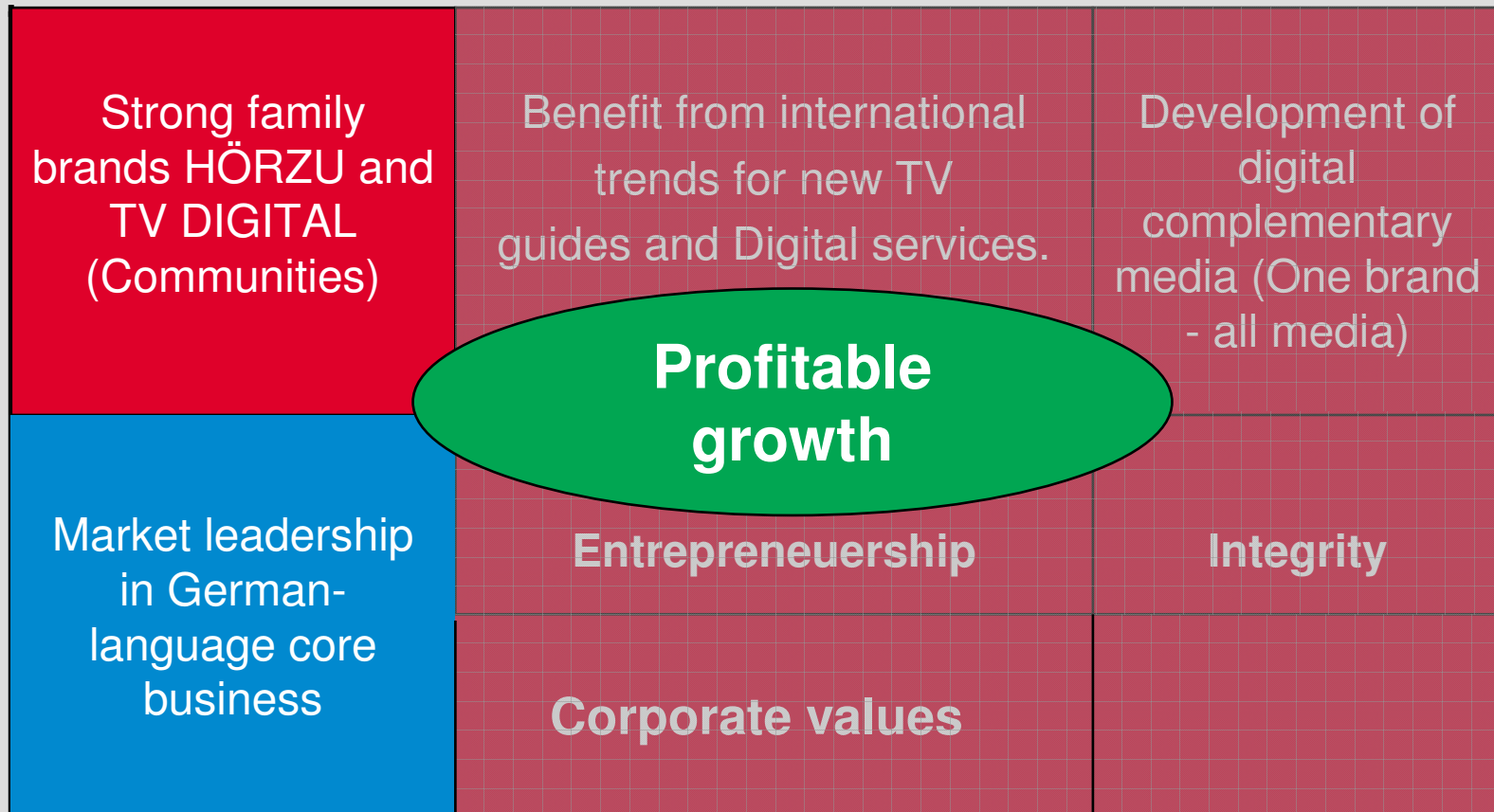
Core Business: TV guides

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Clear strategy with demonstrable success



Core Business – Germany's biggest weekly magazine



The logo for the magazine "HÖRZU". The letters "H", "R", "Z", and "U" are in a bold, red, sans-serif font. The letter "O" is replaced by a red circle. Above the "O" are two overlapping semi-circles: a teal one on the left and a light blue one on the right. The entire logo has a white drop shadow.



HÖRZU – Germany's first program guide

- **Most successful TV Magazine** ever since its launch in 1946
- About **1,54 Mill. copies sold** per issue (855.682 subscribers)
- **Reach: 4,32 Mill.**
- **Strongest tv magazine brand** (Brandawareness: 90 % of German population)
- Publication frequency: weekly
- Cover price: € 1,50



Readership - „The Winning Generation“*

- Age: 30+
- Well educated
- High income level
- Sophisticated and demanding readers



The first German program guide still enjoys the image of the most competent magazine for TV information and entertainment in German speaking countries.



The Golden Camera Awards

- THE GOLDEN CAMERA is Europe's most prestigious and successful movie and TV award.
- Founded in 1965
- The event attracts enormous attention in the German and European media

HORZU

FILM



**THE
GOLDEN
CAMERA
AWARDS**





TV DIGITAL – We are the future!

- Germany's biggest magazine for digital TV, perfectly made for the digital revolution
- Since launch in 2004 circulation is growing rapidly (1,85 Mill. copies sold per issue)
- Very strong reader magazine connection (1,4 Mill. subscribers)
- Readership: Young, well educated, male, with higher income
- Cover price: € 1,45

Source: IVW II/2007

Why
TV DIGITAL?

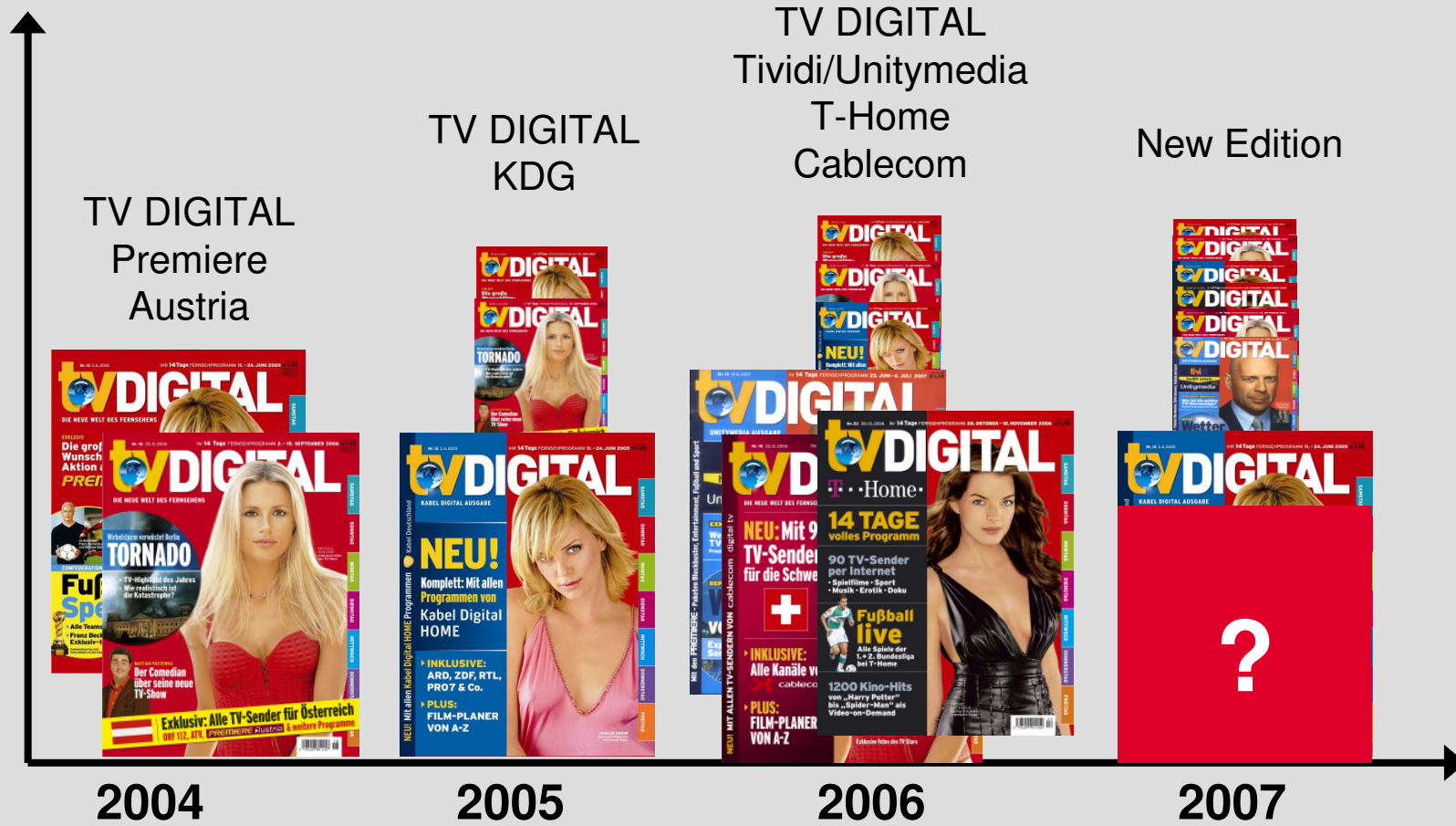
- A new and rapidly growing market
- Need for navigation and orientation in a complex television world

USP

- First TV listings magazine with all relevant free & pay TV stations
- 6 community-specific split versions
- Exclusive partnerships with all main pay / cable operators ¹⁾

1) Premiere, Kabel Deutschland, Unitymedia, T-Home, CableCom

TV DIGITAL Roadmap

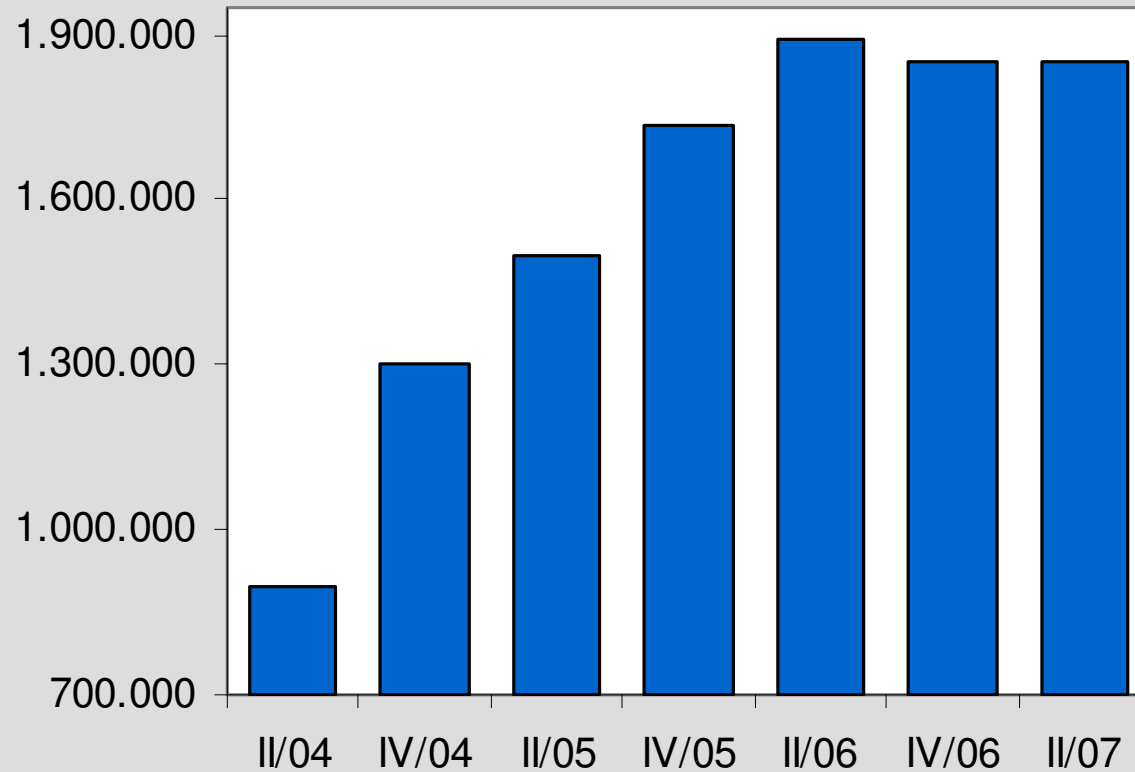


Editorial Concept TV DIGITAL „We Are the Future“



TV DIGITAL success speaks for itself

Market development TV DIGITAL
(IVW audited, sold copies)



Core business – Conclusion

AS TV guides – strong brands with a strong market position

1.

With a market size of approx. 18 Mill. copies per publication frequency TV guides are the second largest of all magazine genres

2.

No. 1 in the market for weekly magazines in Germany

3.

No. 1 publisher in the market for high priced fortnightly TV guides

4.

AS is No. 2 publisher in the German market for TV guides (29,3 % market value)



AS TV guides enjoy a strong competitive position in a highly attractive and profitable market

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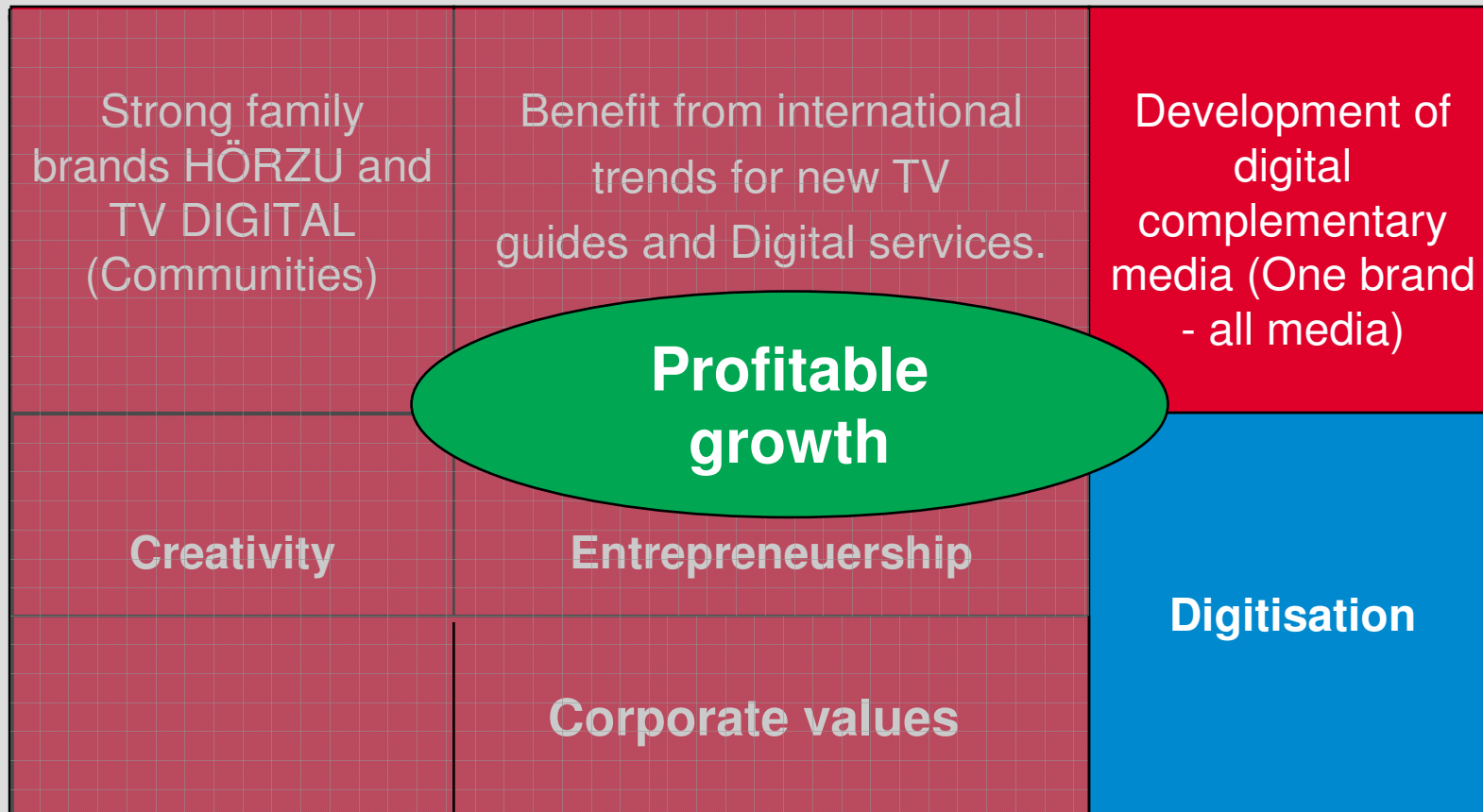
Core Business: TV guides

Strategy/Growth opportunities

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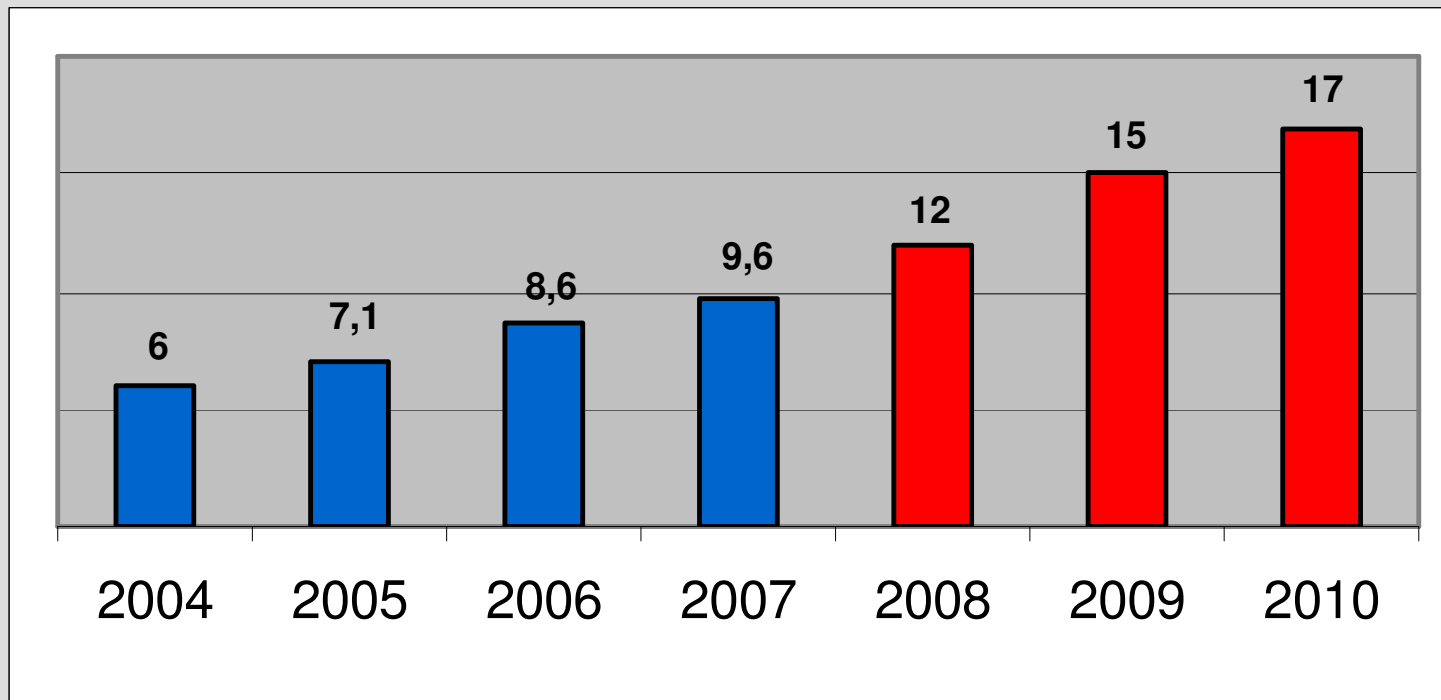
Clear strategy with demonstrable success



Strategy/Growth opportunities – Digital Revolution

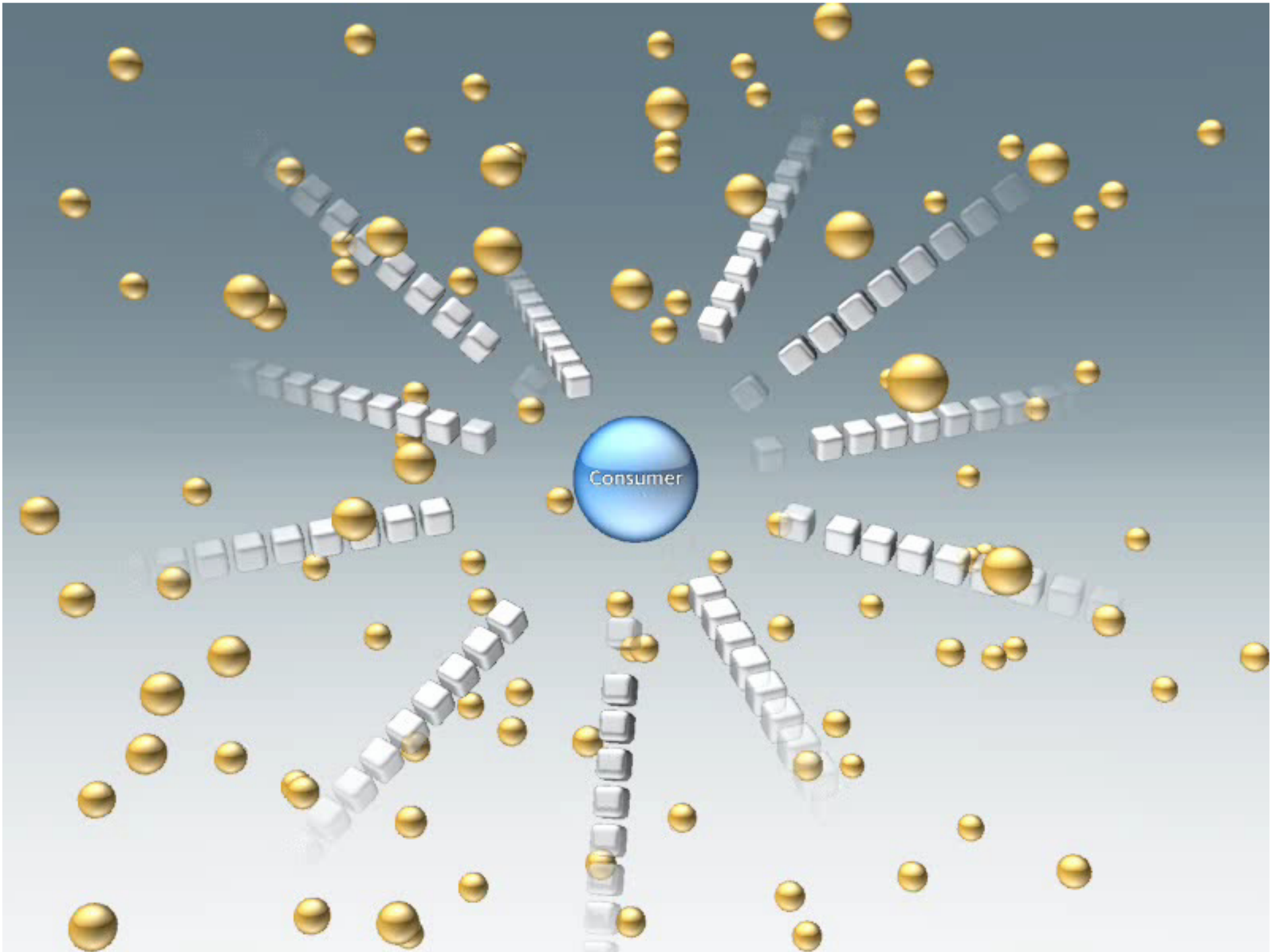
The number of digital households is increasing dramatically

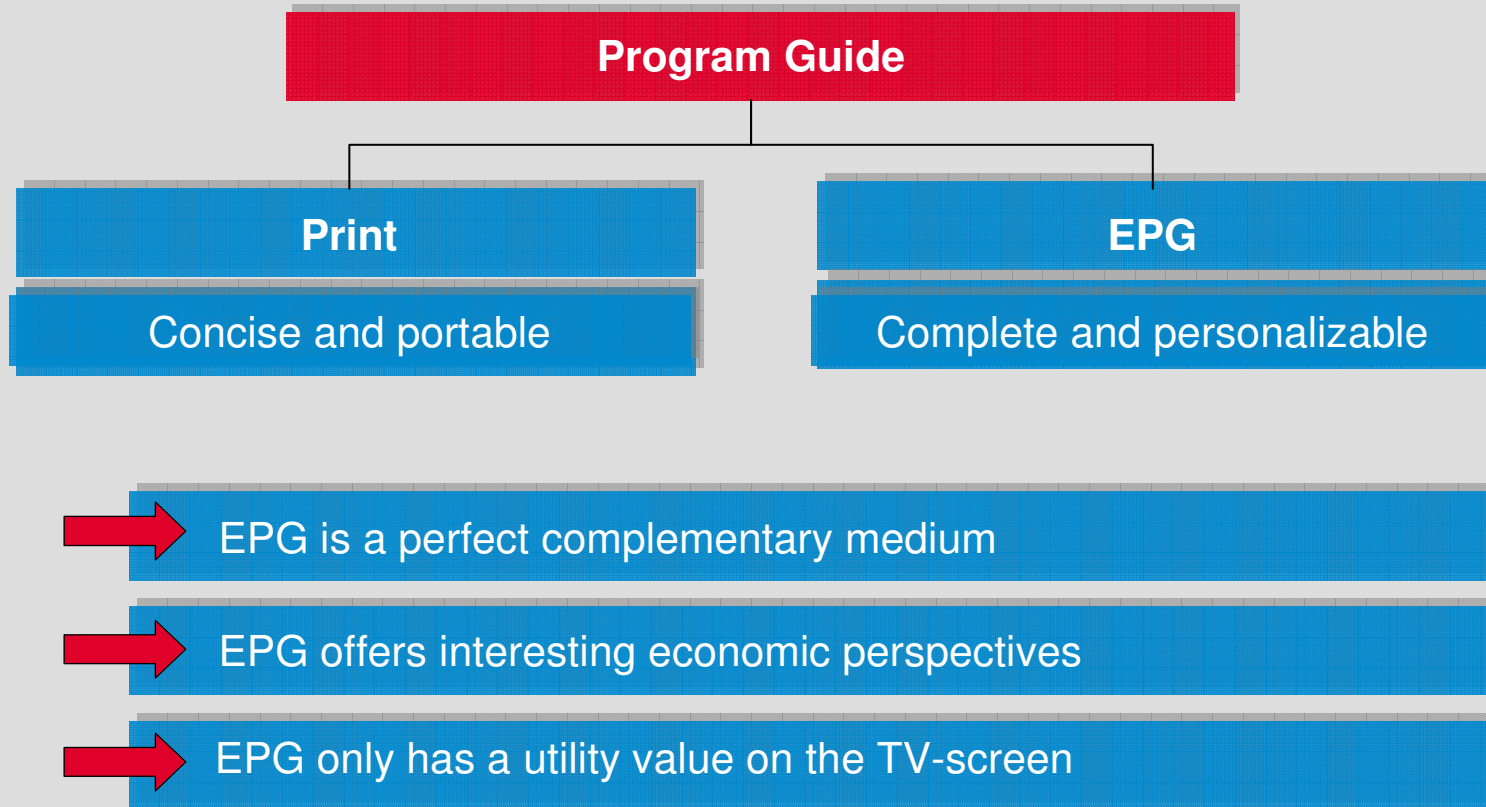
Households with access to digital TV in millions



 Actual data
 Forecast







Market approach

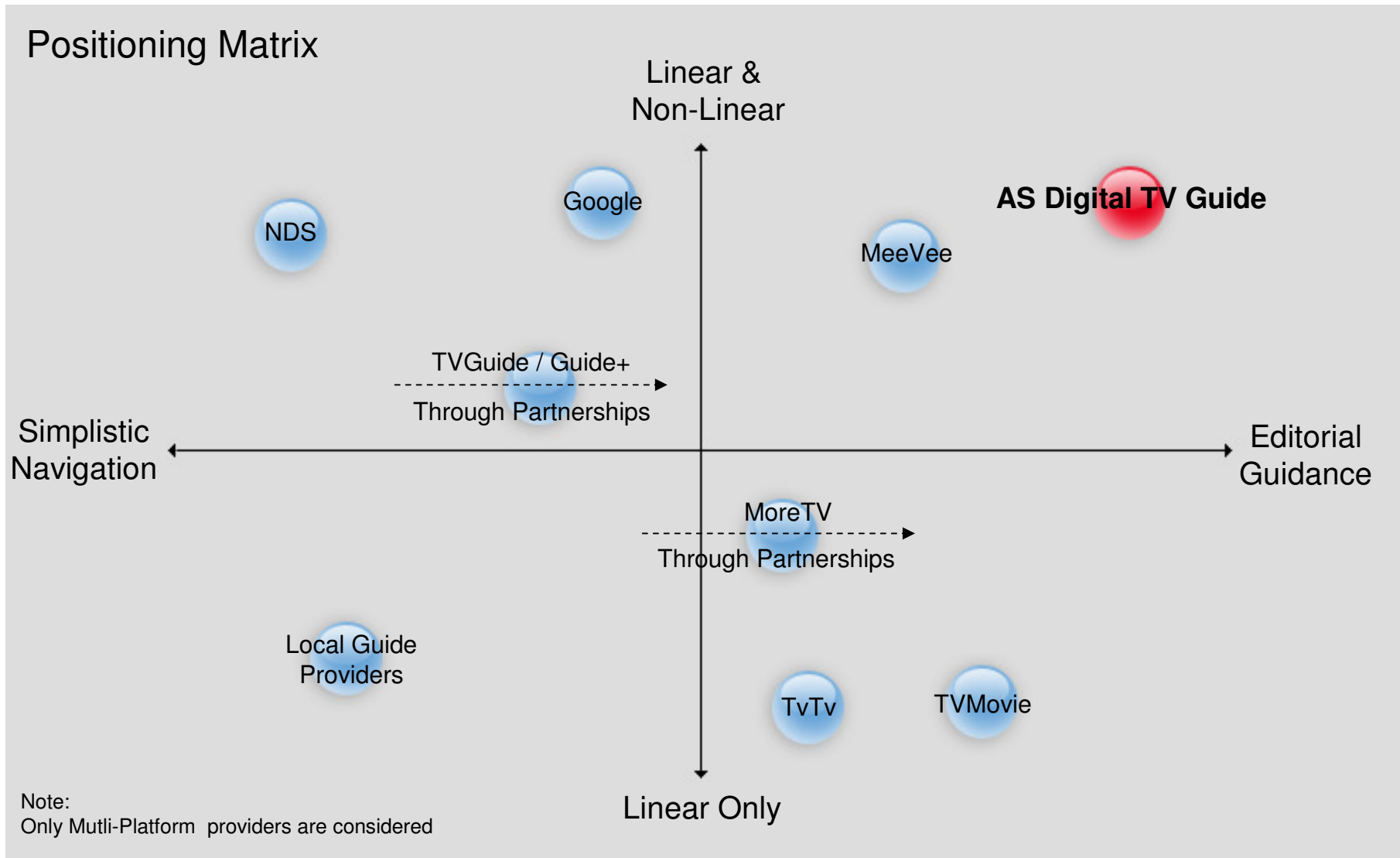


Editorial
Competence
(Central TV listing
department)

Technological/
implementational
Competence

EPG Services





Strategy/Growth opportunities – EPG

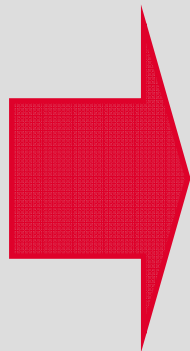
Business modell & strategy

My Personal TV: The digital value added chain

Search & Filter



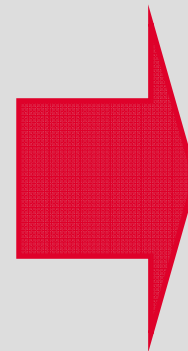
- Editorial department & database
- Recommendation Engine
- Social network



Personalise



- Profiles & Favorites
- Recommendation Engine
- Target-oriented advertising

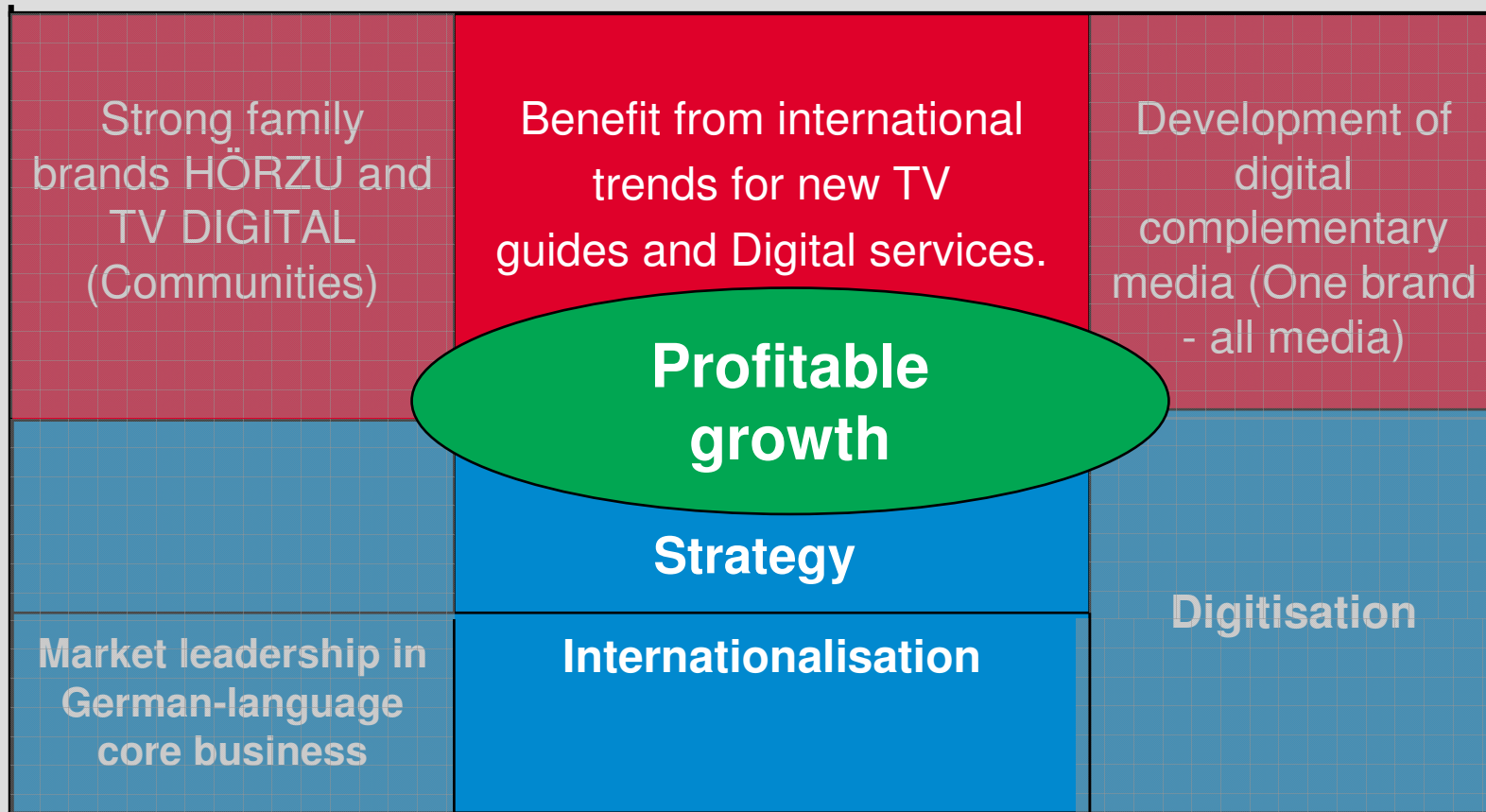


Present



- Cutting across a platform
- My Personal TV
- Target-oriented advertising

Realisation of the corporate strategy



Digitisation of TV and entertainment is an international trend.



TV DIGITAL is a perfect international brand for this new market



The market approach with print and digital EPG services is unique

Brandextension

Digital Services:



Media Center solutions in:

- Great Britain
- France
- Spain
- Italy



Print:



- Premiere Austria
- Cablecom Switzerland

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Core market

Strong competitive position in the highly profitable TV guide market, NO. 1 in the market for weekly magazines and No. 1 in the market for high priced fortnightly TV guides in Germany

Digitisation

Benefit from the digital revolution developing an EPG with a clear market strategy

Internationalisation

International brand extension (Austria, Switzerland), considerable economic perspectives for EPG in foreign markets

Efficiency

High editorial synergies across all media with one central TV listing department as the center of competence



Clear and consistently pursued strategies of market leadership in the core business, digitisation, internationalisation, and permanent screening of strategic market opportunities have led to the traceable success of Axel Springer AG



Making Sense of the Entertainment Universe Explosion

Program Guides Axel Springer AG

Thank you for your attention!