



Highlight



News from the French Market

Welcome to the first edition of *Connectiv'News*, our latest redesigned newsletter put together by the NMPP Import Team to provide you with a regular update of news and sales trends of the international press in France.

Summary

- p.2 Commission Paritaire : understanding press VAT rates
- p.3 Tourism in France
- p.4/5 Sales in 2009
- p.6 Market shares
- p.7 Events 2010
- p.8/9 NMPP Promotions

Change of Name Change of Address

Towards the end of December we will be moving into a new head office building at the Porte des Lilas, to the east of Paris. At the same time NMPP will change its name to PRESSTALIS. The new name will be completed during the coming weeks with a logo and a baseline. These are just two of the many changes taking place in our company and you will shortly be receiving full details of the new address of PRESSTALIS.

In July of this year *Groupe NMPP* launched a new bimonthly newsletter called *Connectiv'*. As this was originally designed for publishers in France, we decided to create an English language version for our international clients with information on market trends, sales, promotions as well as developments in distribution and the retail/wholesale networks.

Connectiv'News will be published 3 times a year in October with an overview of the summer season and just before Distripres, January with a review of the previous year's performance and winter update, and May with preparations for the important summer season ahead. The regularity and content of *Connectiv'News* will evolve as we adapt to the changes in the market and we will also be sending out news 'flashes' of information whenever necessary. We would also like to open up *Connectiv'News* to your own comments and welcome contributions from our publishers and suppliers around the world.

In this issue we will be reviewing the sales trends for the international press in France which, after a difficult start to the year, has seen a surprisingly positive summer for the many titles. We will also be looking at the tourism figures per nationality which, in spite of a drop in the number of visitors from the UK and Spain, have held up remarkably well especially along the Mediterranean coast and Southwest France. We will also have articles on the Commission Paritaire VAT rules, the new logistics centres in Gonesse and Lisses, the Velopresse summer promotions in tourist areas across France, as well as some of the important events to look forward to during the important year ahead.

We hope that you find *Connectiv'News* interesting, informative and entertaining!

Philip Kucharski
Director of Import

www.findthepressinfrance.com

the easy way to find out where your title is on sale in France

Flash info



Vélopresse : the press on holiday !

During the summer special tricycles were used to sell a selection of daily and weekly titles at seaside locations along the French coast. *Vélopresse* was tested for the first time last year and was so popular that the press tricycles were extended to 25 resorts across France (including Paris Plage) and used at events like the Tour de France and the Cannes Film Festival. The *Vélopresse* operation was organised by the local wholesalers in the different resorts and each tricycle was linked to a nearby retailer who managed resupplies of copies and sales. An original and fun way of bringing the press closer to readers on holiday !



To improve the tracking and handling of your titles, two new distribution centres have been opened:

- On May 4th the magazine distribution centre moved from Mitry-Mory to **Lisses**
- On July 15th the newspaper distribution centre moved from Stains to **Gonesse**. Access to these centres is easier and quicker for publishers and the delivery cut-off times have not been changed.

Both centres are fully automated providing daily updated reports about delivery times, quantities, and supplies to wholesalers.

Insight

Commission Paritaire : how to obtain (and hold on to!) the lower vat rate

The rules and regulations for the Commission Paritaire have often puzzled foreign publishers as yet another French exception ! But this is (surprisingly) easier to understand than it seems.....

Explaining the French Commission Paritaire (CPPAP) to foreigners is often greeted with sighs of disbelief and a lot of shoulder-shrugging! However the underlying principle is quite simple :

The basic VAT rate for products sold in France is 19.6%. But the French government allows for a reduced rate for books and catalogues (5.5%) and any publication which can call itself an 'information' product (2.1%). In order to obtain this lower rate the title must submit **10 copies** of the same publication to the *Commission Paritaire des Publications et Agences de Presse* (a group made up of representatives from French publishers and advertisers, Ministry of the Interior, Post Office, etc.). There are about 9 sittings a year and if the publication (newspaper or magazine) is accepted it is granted a *Certificat de Commission Paritaire* which is usually valid from 3 to 5 years and allows the title to benefit from the 2.1% VAT rate.

The main criteria for acceptance are :

- advertising pages must not exceed 60% of total pagination
- the title must be published at least 4 times throughout the year
- the publication must contain general editorial information and not be dedicated to a single topic (i.e. it should not be a medium to promote a single brand, person, company or political party)
- the publication must not contain content or advertise for products which are illegal in France.

When the CPPAP certificate is nearing expiry date, we resubmit for renewal. During this period, until a formal decision is received, the current CPPAP number remains valid.

So, in short, any title meeting with the above criteria can apply for the reduced rate of 2.1%. All others are liable to the normal rate of 19.6%.



Overview

During the first half of 2009, tourism has been lower than previous years because of the poor international economic situation with a decrease of -7.8% compared to 2008.

Nevertheless France is still the world's No1 tourist destination with over 80 million visitors every year. 2009 has been particularly good for snow in the Alps in winter, and sunshine with warm temperatures during the summer which helped to limit the decrease.

In spite of these general trends we saw a good increase in the number of German, Dutch and Belgian tourists this year (+9.3%). However, the number of British and Spanish visitors fell sharply by -11%, together with a drop of -9.6% in tourists from the USA. British tourism is still the highest in France but less seasonal than the other big nationalities with still a large number of resident expatriates. New visitors like Asians, Scandinavians and Russians are starting to compensate for the drop in other nationalities.

The Dutch and the Belgians are the most seasonal tourists in France with a strong peak during the months of July and August.

Paris, as most visited city in the world, represents over 1/4 of all annual tourism in France.

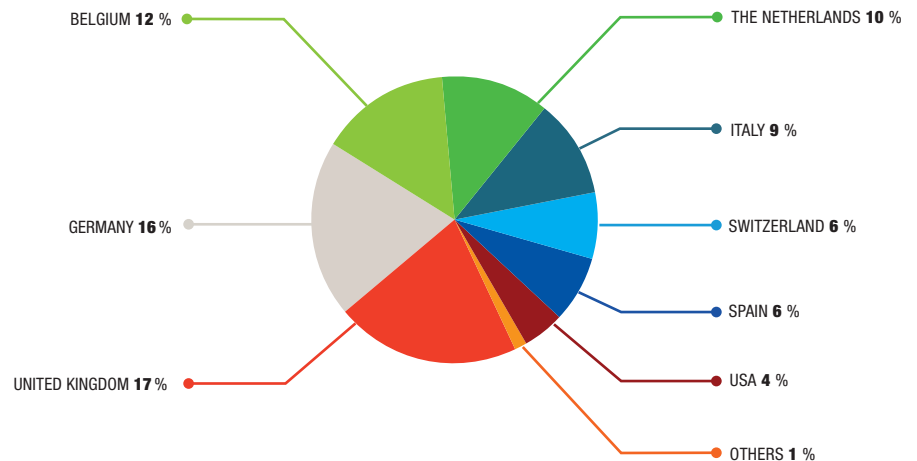
The other best tourist areas are still the Côte d'Azur, Languedoc and Aquitaine. During the summer season more and more day A on-sale areas are covered for newspapers including Deauville and the Normandy coast or the south of France for titles printing there.

The Atlantic coast also represents an important destination for tourists with attractive cities like Biarritz, Lacanau and Arcachon. Dordogne and the Ardèche are also highly frequented areas with tourists particularly from Northern Europe.

The tourist's response to the international crisis and high Euro exchange rate is a change in purchasing behaviour: many of them stayed this year in campsites because of their lower prices and better value for money than the hotels.

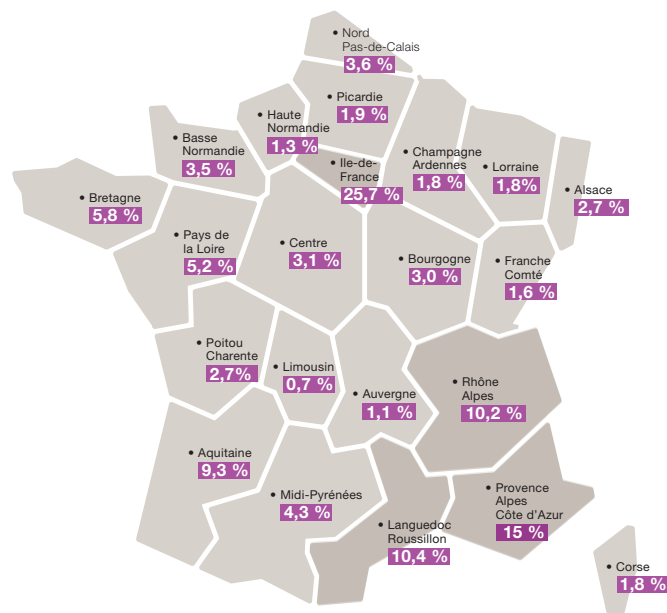
Tourism in France

International Visitors to France



Most visited regions by foreign visitors in France

(% of total nights spent in hotels and campsites)





Newspapers

The overall trend is down for foreign newspapers in both volume and turnover.

The biggest decreases come from immigrant nationalities like Turkey and Maghreb which are now into 2nd and 3rd generations and buy fewer and fewer of their home titles. The UK decrease is also very strong because of the sharp drop in the Euro exchange rate to sterling, the international crisis and high selling prices. This trend has continued through the important summer months.

On the other hand, Switzerland with a new distribution process during the whole summer season, certain of the Arabic titles with many people from the Middle East in comparison to 2008, and Germany with consistently good sales since the beginning of the year, have all progressed in 2009.

Thanks to more reasonable selling price increases and the new Bild day A distribution, turnover for German newspapers has increased.

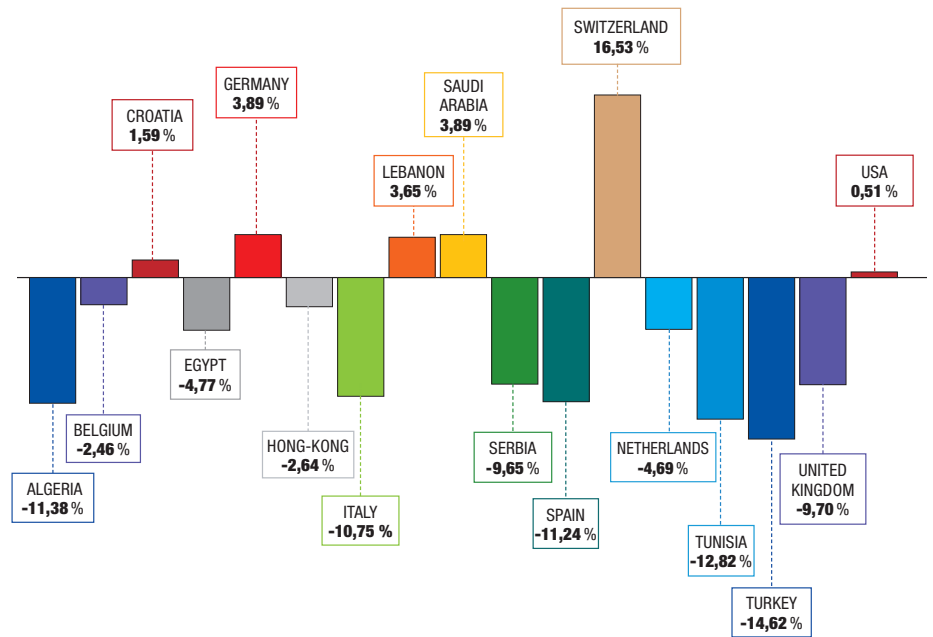
The decrease of Italian volume and turnover comes from the very good 2008 year thanks to the Italian elections.

Financial and business dailies continue to progress in spite of (or due to!) the poor economic climate.

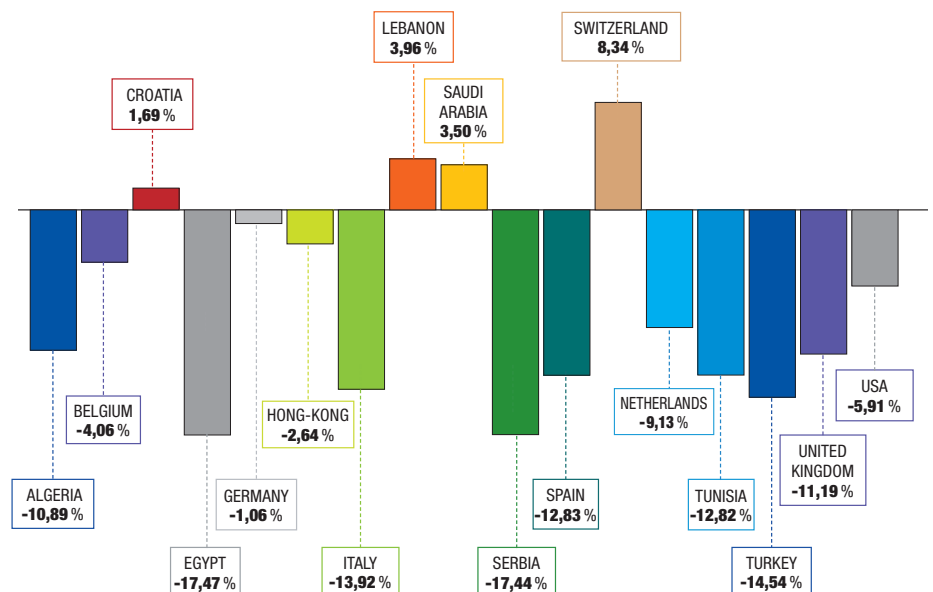
Thanks to the publishers' investments in promotion and printing in France, our newspaper market is still very dynamic and visible.

Sales of Foreign Press in 2009

Evolution per country - Newspapers (Turnover) January - July 2009 vs. 2008



Evolution per country - Newspapers (Volume) January - July 2009 vs. 2008





Magazines

Similar trends for magazines as for the dailies, with a particularly good year for the German press in France.

Some progressions or decreases like China and Switzerland seem very high because of the relatively low volumes and the few titles from these countries.

'New' nationalities like Russian and Japanese continue to progress as we distribute more and more titles from these countries.

UK magazines, in spite of an improved situation over the summer, are still down.

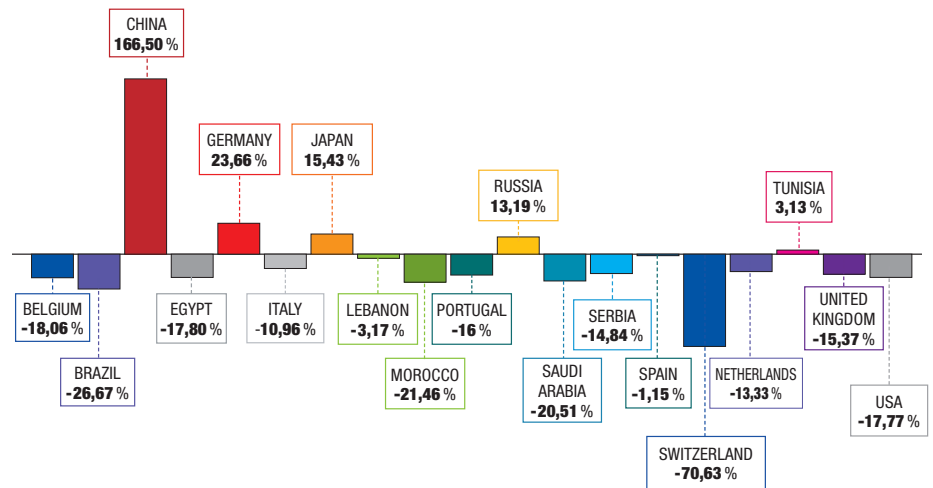
For several months some magazines have been starting to decrease their selling prices in France, which is starting to have a more positive effect on sales as the market finds its price elasticity balance.

High prices and a drop in tourist numbers have also had a negative effect this year on the sales of US and Italian titles

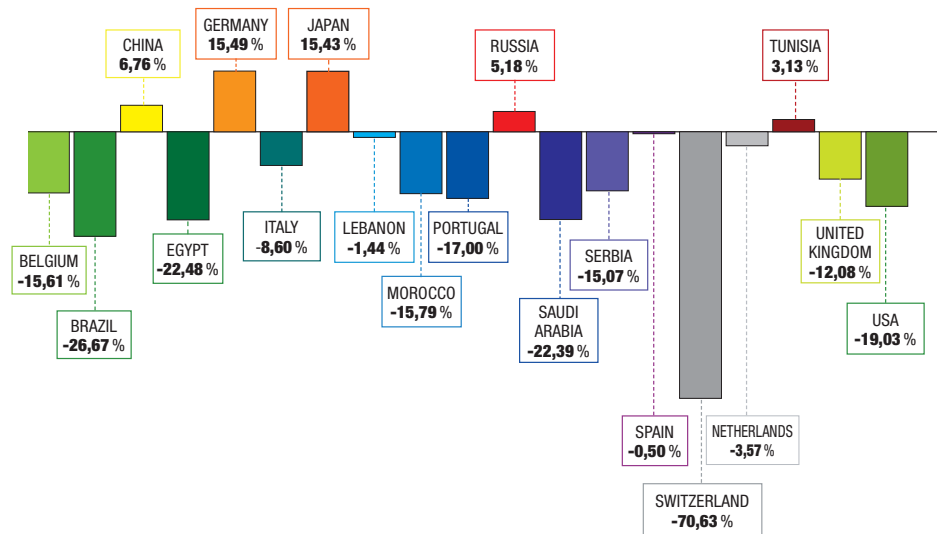
Contrary to the dailies, Spanish magazines sales have a flat trend thanks to the good results of titles like Hola.

Sales of Foreign Press in 2009

Evolution per country - Magazines (Turnover) January - July 2009 vs. 2008



Evolution per country - Magazines (Volume) January - July 2009 vs. 2008





Analysis

Changing market shares per nationality.

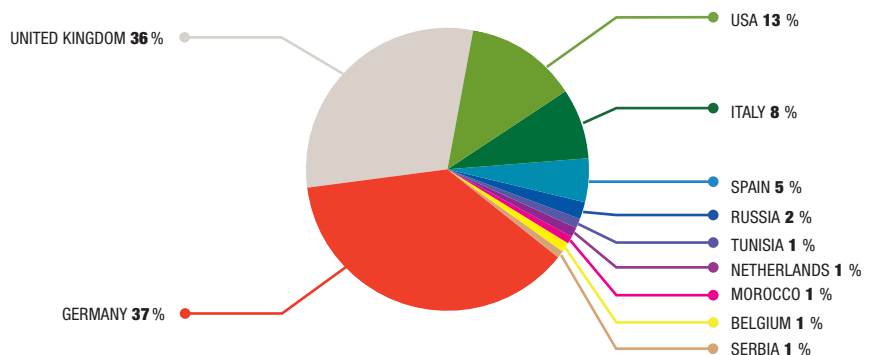
Sales in France of titles from the United Kingdom still have the biggest market share for both newspapers and magazines (36%). Nevertheless, following the sharp drop in UK visitors, these shares have decreased over the last year as, at the same time, sales of German magazines continue to grow. Market shares for US and Spanish titles have also decreased. New magazine titles from Holland and Eastern Europe have an impact on market shares for the first time.

Market shares for newspaper sales have remained relatively stable in spite of the drop in UK dailies. Germany, The Netherlands and Belgium have all gained 1% market share with a drop of 2% share year on year for Turkish and Serbian dailies. The strong impact on sales from local printing and Day A availability are a important mechanism for protecting sales throughout the year.

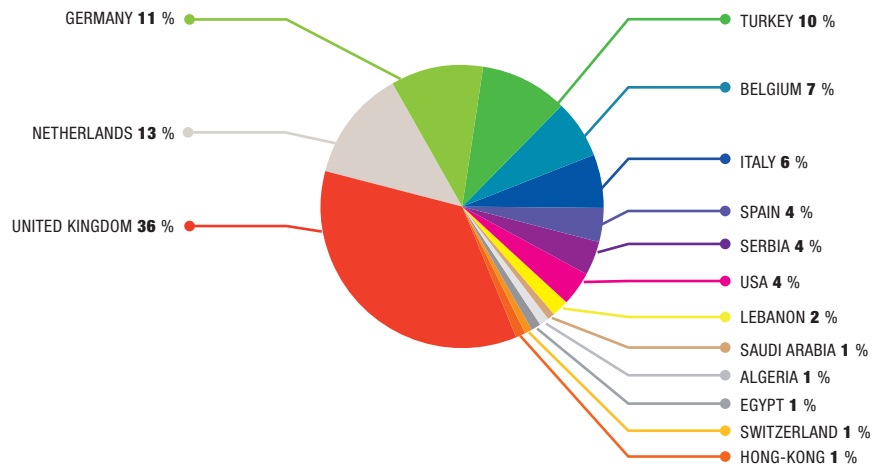
Womens and celebrity titles continue to be the best- performing categories during the year in spite of high cover prices, with a sharp decrease in adult, men's fashions and gaming titles (crosswords/sudoku etc.). Cover price is an important barrier for certain titles as consumers look more and more for the best value-for-money.

Market Shares

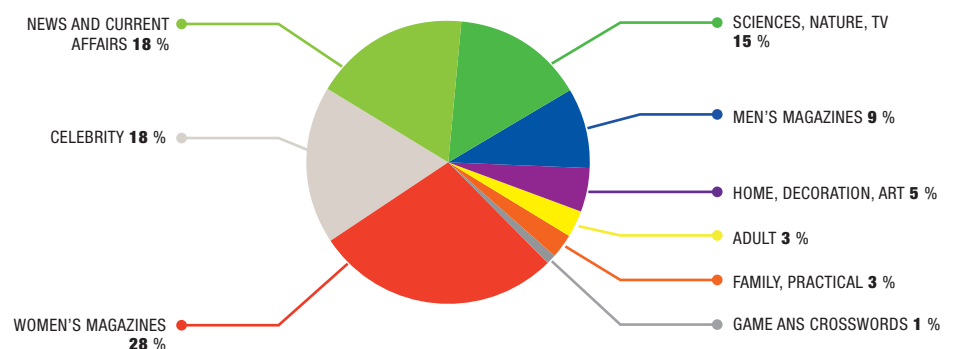
Magazines Market Share per country (sales in Volume) January - July 2009



Newspapers Market Share per country (sales in Volume) January - July 2009



Sales per Category (Volume) January - July 2009





Dates

Calendar

Main Events and Trade Fairs in France 2010

January 2010

Salon du Meuble de Paris, Paris, Le Bourget - January 21 to 25
Salon Maison-Objet (Home Decoration), Paris, Villepinte - January 22 to 26
Mode Masculine (Men's Fashion), Paris, Carrousel du Louvre – January 21 to 24
Haute Couture, Paris, Carrousel du Louvre – January 25 to 28

March 2010

Ski Championships, Méribel - March 27 to April 9
Salon International du Prêt-à-porter (ready-to-wear), Paris, Carrousel du Louvre - March 3 to 11
Salon du livre (Book Trade fair), Paris, Porte de Versailles - March 26 to 31
International Tourism fair, Paris Expo, Porte de Versailles - March 18 to 21

April 2010

Foire Internationale de Paris (International Paris Fair), Paris, Porte de Versailles - April 29 to May 9

May 2010

Cannes Film Festival - May 12 to 23
Grand Prix de Monaco (Monaco Formula One) - May 20 to 23
Roland Garros (French Open), Paris - May 23 to June 6
United Kingdom General Election, May 6
Rugby H-Cup, Finale in Paris Stade de France, May 22

June 2010

Mode Masculine (Men's Fashion), Paris, Carrousel du Louvre - June 24 to 27
Football World Cup, South Africa - June 11 to July 11

July 2010

Haute Couture, Paris, Carrousel du Louvre - July 5 to 8

September 2010

Salon Maison-Objet (Home Decoration), Paris, Villepinte - September 3 to 7
Cannes Boat and Yacht show – September 8 to 13
Monaco Yacht Show - September 22 to 25
Mondial de l'automobile (Car trade show), Paris, Porte de Versailles - October 2 to 17
Salon International du Prêt-à-porter (ready-to-wear), Paris, Carrousel du Louvre – September 29 to October 7

October 2010

FIAC, Foire Internationale des Arts Contemporains (Art International fair), Paris, Cour Carrée du Louvre - October 21 to 24

December 2010

Salon Nautique de Paris (Nautic of Paris), Paris Expo, Porte de Versailles - December 3 to 12



Promotions

Description

WH SMITH Window display

(One of the best selling shops in Paris located in front of "Le Louvre")

Period: 7 days

Cost: 430€ excl. VAT



Champs Elysées Poster Campaign

8 Posters facing in 8 kiosks at Champs Elysées

Period: 7 days

Cost: 1100€ excl. VAT



If you have any question please contact
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