

Estonian market situation

- Population: 1,4 mil
- 1 mil estonians (speaking estonian language)
- Area: 45,227 km² (240 x 350 km) (slightly larger than the Netherlands with only 10% of their population)
- high media consumption: on the 18th place in the world on publication of newspapers per 1000 pers. - per 1000 person is published 234 copies of newspapers daily
- Estonian print-media market estimate for 2004:
sales – 64 mil EUR; profit 7 mil EUR, profitability 7,5 %

Main paper - Kuldne Börs

- publication: twice a week since 1992
- avg. pages 120, avg. clas. ads: 24,000 per edition
- copies sold per week: 17,000
- readers per issue: 100,000 (10 % of population, on 23th place among all estonian papers, on 9th place among weeklies)
- max readership of one issue 28% (9th in the estonian TOP30 of printed media) (Gallup)
- cover price: 0,95 EUR
- readers: male & young (9% from all males; 24% from 15-29 yrs old)
- readership: 40% regular
- purchasing: 2% subscriptions, 65% buying, 10 % from friends etc, 11% reading in workplace, 5 % reading in library, 8 % other ways.
It means → 66 % pays for the paper
- 15% photo ads, 3% bold ads
- 41 % cars, 39 % real estate, 2 % jobs, 18 % others
- 40 % paid ads / 60 % free ads

Niche publications

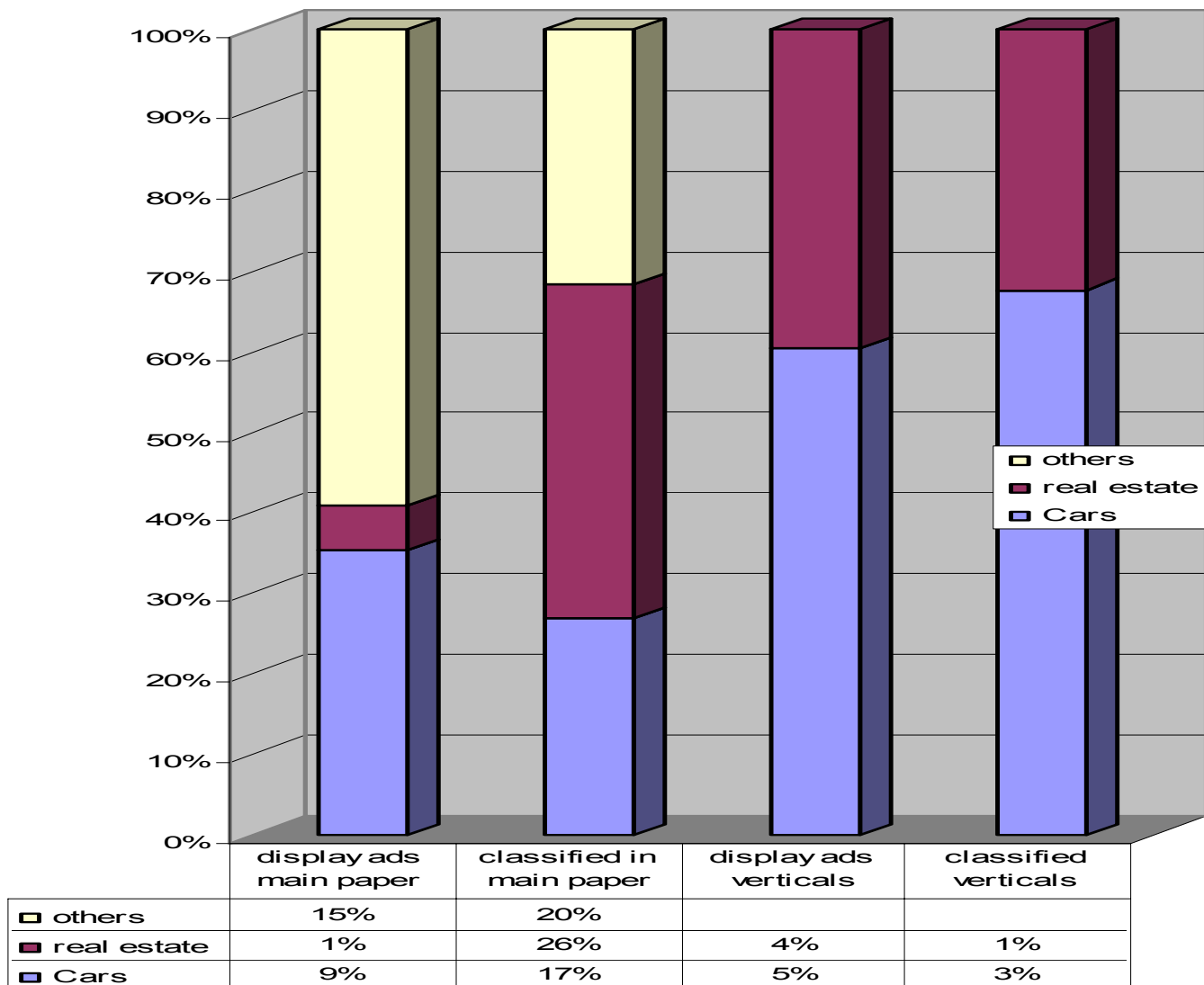
CAR PAPER

- **launched 2002/01**
- **format A4, 80-96 pages**
- **one issue a week**
- **cover price 0,7 EUR**
- **3000 ads per issue**
- **copies printed/sold 3000/1500**
- **comm&paid ads**
- **90 % photo ads**
- **full colour display ads section**
- **8 % of total revenue**

REAL ESTATE PAPER

- **launched 2002/01**
- **format A4, 64-80 pages**
- **one issue in 2 weeks**
- **cover price 0,7 EUR**
- **2000 ads per issue**
- **copies printed/sold 4000/2000**
- **comm & paid ads**
- **60 % photo ads**
- **full colour display ads section**
- **5 % of total revenue**
- **additional content - articles**

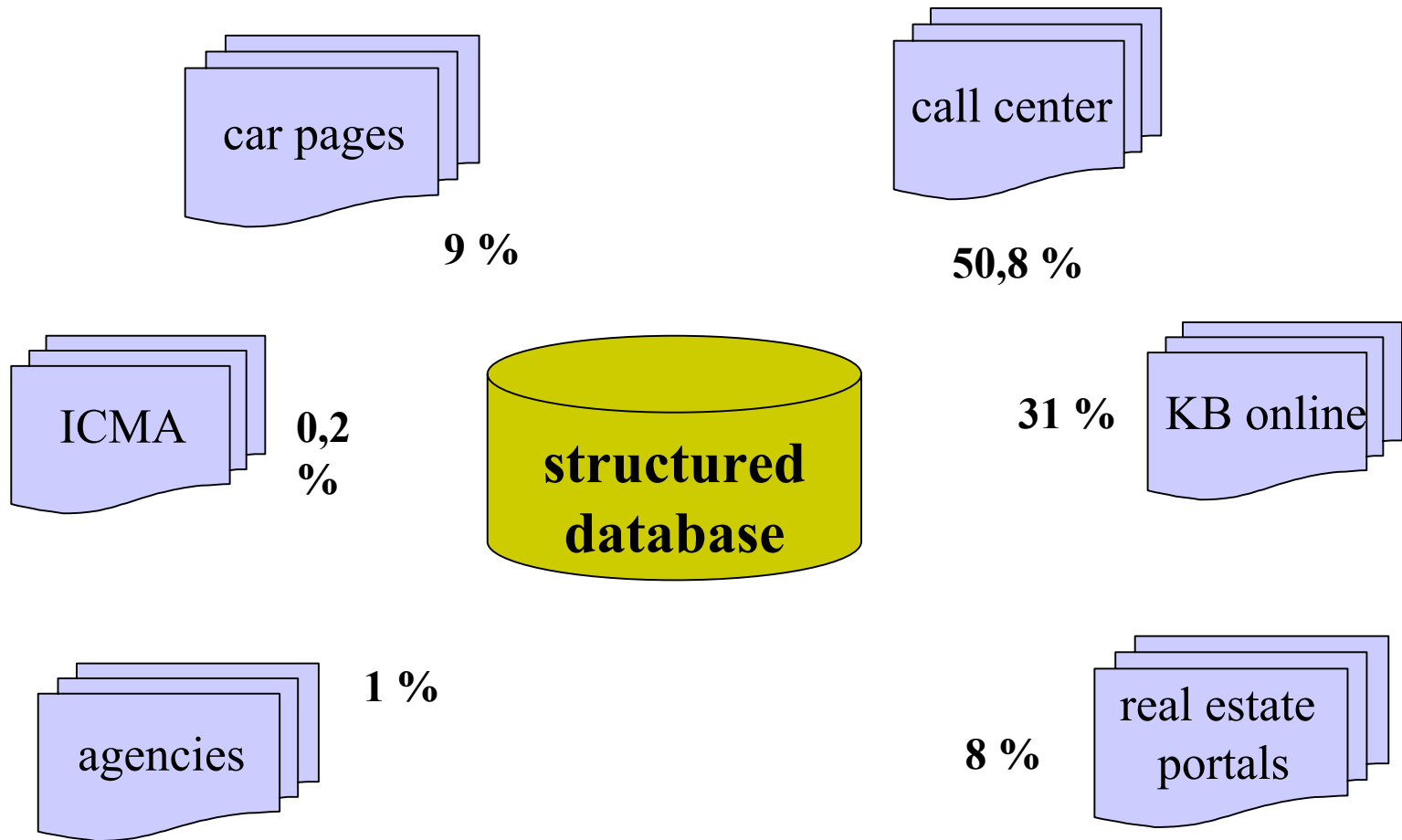
Revenue split



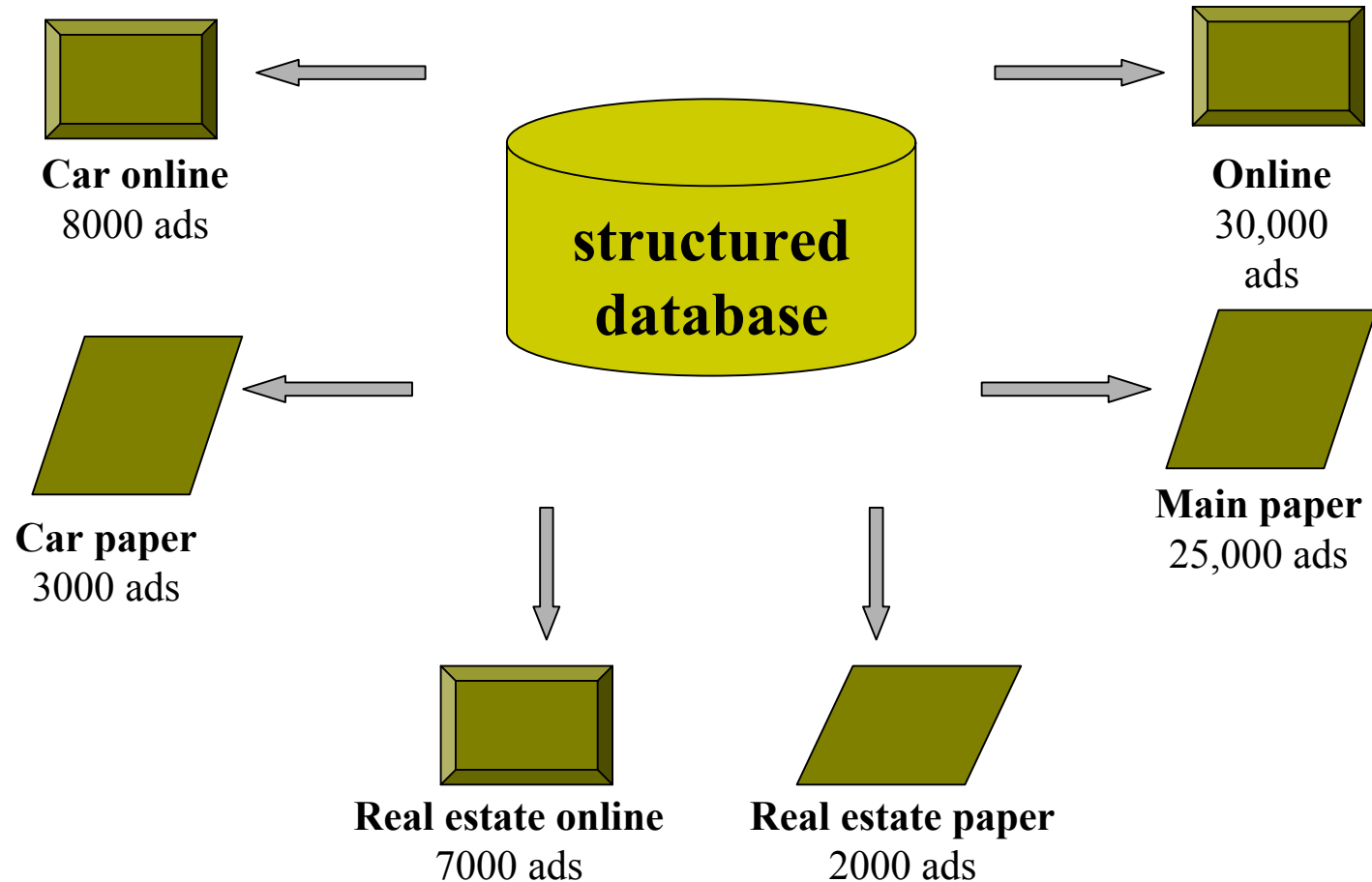
Sources of the revenue

- 40 % from copy sales, 60 % from advertising
- advertising revenues: 2/3 classifieds, 1/3 display ads
- 87 % from main publication, 13 % from niche publications
- 2003 1Q-3Q 3300 customers total (1200 in car section, 700 real estate section)
- 300 (10 %) regular customers are giving 80% of advertising revenues

Where we get our content



How we use our content



Keeping the content

- working archive – 20 editions
- online archive – 2 years
- archive on CD-s

Protecting the content

- In the launching period of our Online paper we have cooperated with estonian main news portals to rise publicity of our web site
- Some beginning competitors have tried to negotiate with us about buying our content, but we have found it unreasonable
- Over the years have been several tries to steal our content, but they all ended up unsuccessfully

Cross-selling of content

Sales personnel is divided in three section-based groups:

- Real Estate
 - Real estate section in main paper
 - Real estate niche publication
- Cars
 - Cars section in main paper
 - Cars niche publication
- Other sections
 - Other sections in main paper

Our customers

- 130-200 active real estate companies selling 10,000 properties; using of advertising channels: dailies (4), weeklies (2), free ads papers (3), **real estate websites(2)**, real estate companies customer papers & websites.
- 135 car-dealers total selling 7000 cars using free ad papers, car website, own websites
- free distribution real estate or car papers do not exist
- strong car & real estate portals
- KB main paper – 95% of real estate companies, 93 % cardealers
- verticals – 33 % customers 10 % use verticals only
- 97 % advertise in both publications, 3 % in verticals only
- 70 % classified ads; 30% display ads

Technology – threat vs opportunity

- THREAT:
 - Well-established cars and real estate websites – attractive for customer for their efficiency and cost-effectiveness
- OPPORTUNITY
 - Feeds based customer manageable database input – reduces costs for information input and data-manipulation
 - Based on know-how and technology – implementation of “central” ads portal – possibility for additional revenue from intermediation of ads for different media.