

BALTIC MEDIA HEALTH CHECK 2017–2018



**How media organisations
across the Baltics are
embracing the digital age**

AIJA KRŪTAINE INGA SPRINĢE DŽINA DONAUSKAITĒ MARJU HIMMA-KADAKAS

Baltic Media Health Check is a journalistic study that analyses trends, finances and issues of importance in the Baltic media markets. This publication has been created by the Baltic Center for Investigative Journalism Re: Baltica in collaboration with Anne-Marie and Gustaf Ander Centre for Media Studies at the Stockholm School of Economics in Riga

Editorial team

Authors: Aija Krūtaine, Inga Sprinģe, Džina Donauskaitė, Marju Himma-Kadakas, Elga Sile

Editors: Aija Krūtaine, Sanita Jemberga

Copy editing: Tim Brogden

Graphic design: Dace Eglīte

Cover photo: LETA

Special thanks to Anders Alexandersson, Sabine Sīle-Eglīte, Renata Mackeviciene, Margo Veskimägi, Oskars Rumpēters, Ģirts Ķēbers

Data sources: Kantar Emor, Kantar TNS Latvia, Kantar TNS Lithuania, Lursoft, Creditreform, The e-Business Register of the Estonian Centre of Registers and Information Systems, Creditreform Lithuania

To re-publish all or part of this work, written permission must be obtained in advance

© Anne-Marie and Gustaf Ander Centre for Media Studies at the Stockholm School of Economics in Riga

© The Baltic Center for Investigative Journalism Re:Baltica

Riga/Tallinn/Vilnius, November 2018



re:baltica
THE BALTIC CENTER FOR INVESTIGATIVE JOURNALISM

KANTAR TNS

KANTAR EMOR

LURSOFT

EJO
EUROPEAN JOURNALISM OBSERVATORY

CONTENTS

Foreword from the Editor	2
May You Live in Interesting Times Breakdown of trends in the most popular media outlets and their owners' financial indicators in 2017	3
It Really Happened Media events to remember from 2017-2018 in Estonia, Latvia and Lithuania	12
All Media Baltics: The Baltflix of the Future Interview with Pierre Danon, executive chairman of All Media Baltics	15
Eesti Meedia: Distinguishing Digital Shows the Way Interview with Sven Nuutmann, CEO and chairman of the management board at Eesti Meedia	20
Ekspress Grupp: The One-Click Springboard Interview with Andre Veskimeister, chairman of the supervisory board of Ekspress Grupp, and the media group's majority shareholder, Hans Luik	25
The Love-Hate Relationship Analysis of the impact of global publishers on the Baltic media markets	31
What Do Digital-Born Media Invest In? We asked, most popular Baltic news websites answered	34
Hunting for Change The story of Nanook, a multimedia journalism startup that focuses on documentary projects about social issues	35
TOP 5 Newspapers In the Baltics and their financial indicators	37
TOP 5 Magazines In the Baltics and their financial indicators	41
TOP 5 Online News Websites In the Baltics and their financial indicators	45
TOP 5 Radio Stations In the Baltics and their financial indicators	48
TOP 5 TV Channels In the Baltics and their financial indicators	51

FOREWORD FROM THE EDITOR



By Aija Krūtaine

After a few relatively stable years, the media market in the Baltics seems to be headed for interesting times. Our latest report shows that more than half of the most popular media saw their audiences shrink in 2017. It is becoming harder for media owners to grow sales, and the size of the Baltic advertising market is still below its 2008 level.

It's not just about the numbers. Social media has taken away the media's monopoly over information distribution and anyone can be a publisher these days. This change has facilitated a decrease in news quality and an epidemic of disinformation which is eroding trust in the media. Many academics and professionals consider that the prevalence of disinformation will drive the need (and demand) for quality journalism that meets professional standards and ethics; however, this assumes that journalists and the media they work for can continue to reach their audience.

That's why this year we have focused on how the var-

ious players in the Baltic media market are addressing this challenge. The new digital environment is deceptive; while shining a light on the path to a wider audience, it lures loyal readers and viewers ever further away from mainstream news into disparate groups and echo chambers. It offers a lot of data points, but does it really elucidate what the audience wants? And does the media not have a greater responsibility than simply satisfying the guilty pleasures of its readers and viewers?

As our interviews with various media executives show, the process of adapting is well under way. Larger media groups are in a better position to innovate, and they have continued to consolidate in order to streamline operations and strengthen capabilities. Journalistic startups are also finding their way. The media, both large and small, are engaging more with the audience to tap into their hearts and minds and create products that satisfy their needs. In any case, technology is knocking on the door and calling on journalism and the media to reinvent themselves; and there are positive signs that they will. ■

MAY YOU LIVE IN INTERESTING TIMES

Which were the most popular media outlets in 2017 and how are their owners doing financially?

By Aija Krūtaine

In 2017:

■ The 75 most popular media outlets in the Baltic countries were owned by 46 media houses. 30 of those owners operated with a net profit, while the other third suffered losses last year¹.

■ Of the 75 most popular media titles, 29 managed to increase their audience, but the majority of outlets (41) saw theirs shrink².

■ Consolidation has continued and the number of companies owning top media has decreased from 53 in 2014 to 46 in 2017.

■ Six media groups own 37 of the most popular media outlets in the Baltics. Estonian *Ekspress Grupp* is the leader, owning 11 of the most popular titles based on audience numbers.

■ The other Baltic media powerhouses owning four or more of the most popular media titles are: the pan-Baltic broadcaster *All Media Baltics*; another of the Estonian media giants, *Eesti Meedia*; Latvia's *Baltijas Mediju Alianse*, which caters to Russian-speaking audiences; Latvia's leading magazine publisher *Žurnāls Santa*; and Estonia's public broadcaster *Eesti Rahvusringhääling*.

■ Of the media owners who made it into this list and whose financial indicators can be compared with 2008 (31 in total), 55% had higher revenues in 2017 than in 2008, but the other 45% remain below their pre-crisis

levels from ten years ago.

Main conclusions

2018 marks ten years since the start of the global financial crisis, which hit the Baltic countries particularly hard and significantly changed their media markets.

It also marks 11 years since the iPhone was launched and people discovered both the bliss and the curse of the never-ending scroll down a glass screen, which now appeals to audiences more than the mainstream media.

More than half of the most popular media outlets in 2017 had a smaller audience than a year ago, indicating that media organisations are unable to escape this effect. The wooden spoon this year goes to magazines. Audiences diminished for 12 of the most popular titles and only three magazines can take pride in having secured a higher average number of readers in their target group for one issue (cover). Magazine publishers' revenues are falling too, yet the good news is that they are still profitable. The only two exceptions are Latvian publishing house *Izdevniecība Rīgas Vilņi*, which fell into the red last year as its wage costs increased, and Estonian magazine publisher *Ajakirjade Kirjastus*, because of a fall in advertising revenues.

Newspaper audiences keep falling too. In 2017, readership declined for nine publications. Estonian newspaper publishers are in the best position as they all saw their revenue increase in 2017. However, the data should be approached with caution as *Eesti Meedia*, *Ekspress Meedia* and *Õhtuleht Kirjastus* have all consolidated their media operations, meaning that this includes the results of not only newspapers, but also websites and other business.

¹ For one company, Latvian *Radio Skonto*, financial data for 2017 is not available yet.

² For three media outlets, the audience in 2017 remained the same as in 2016, while for two media titles, no data was available for 2016 and therefore the change could not be calculated.

20 of the top media owners in the Baltics operate two or more media outlets and few of them explicitly state the profitability of each outlet, therefore this data should be interpreted with caution. While with the

help of Kantar TNS data, audience numbers can be measured and compared across the Baltic countries, the financial data concerns the media owners and not particular media titles. Particularly with

large groups such as *Eesti Meedia* and *Ekspress Grupp*, this can mean that, while the group overall is profitable, some of its individual media may not be, yet more successful outlets help to subsidise them.

Table 1. Owners of most popular media across the Baltics ranked by their change in turnover in 2017

	Country	Company	Number of media outlets owned	Turnover change 2017 vs 2016	Turnover in 2017 (euros)
1	Latvia	Delfi, AS	1	17.1%	3 974 800
2	Latvia	EHR mediju grupa, SIA	1	15.4%	1 931 844
3	Lithuania	Delfi, UAB	1	12.1%	9 487 429
4	Lithuania	Lietuvos nacionalinis radijas ir televizija	2	9.9%	35 813 306
5	Lithuania	M-1, UAB	2	9.3%	3 505 980
6	Latvia	All Media Latvia, SIA	2	8.8%	18 467 432
7	Estonia	Mediainvest Holding, AS	1	8.1%	1 754 047
8	Lithuania	Radiocentras, UAB	2	7.8%	652 498
9	Estonia	Õhtuleht Kirjastus, AS (previously SL Õhtuleht, AS)	2	7.2%	9 053 246
10	Latvia	Latvijas Radio, VSIA	2	6.8%	9 174 211
11	Latvia	Radio SWH, AS	1	6.6%	2 696 459
12	Estonia	Eesti Meedia, AS	4	6.2%	95 639 000
13	Lithuania	Laisvas ir nepriklausomas kanalas, UAB	2	5.0%	25 937 000
14	Latvia	Latvijas Televīzija, SIA	1	3.7%	18 322 514
15	Lithuania	Lrytas, UAB	1	3.4%	85 398
16	Estonia	Äripäev, AS	2	2.7%	14 515 000
17	Latvia	Latvijas Mediji, AS	1	2.5%	4 531 822
18	Estonia	Ekspress Meedia, AS	5	1.5%	18 832 331
19	Estonia	All Media Eesti, AS	1	0.8%	13 963 721
20	Latvia	Izdevniecības nams Print Media, SIA	1	0.0%	1 146 359
21	Lithuania	SS Leidyba, UAB	1	-0.8%	1 139 216
22	Latvia	Izdevniecība Rīgas Viļņi, SIA	2	-1.0%	5 999 014
23	Lithuania	Savaitė, UAB	1	-1.0%	3 834 576
24	Estonia	Balti Autorite ja Leviliit	1	-1.0%	195 761
25	Lithuania	All Media Lithuania, UAB	2	-1.6%	24 625 994
26	Latvia	Latvijas Neatkarīgā Televīzija, AS	1	-2.7%	6 296 462
27	Latvia	Zīme, SIA	2	-3.1%	3 190 528
28	Lithuania	15min, UAB	1	-3.2%	4 193 866
29	Lithuania	Respublikos leidiniai, UAB	2	-3.7%	2 201 632
30	Lithuania	Alfa Media, UAB	1	-3.8%	655 253
31	Estonia	Ajakirjade Kirjastus, AS	2	-4.0%	9 124 658
32	Latvia	Pirmais Baltijas Kanāls, SIA	2	-4.1%	2 989 906
33	Estonia	Ühinenud Ajakirjad OÜ	1	-4.1%	1 894 618
34	Latvia	Baltijas Mediju Alianse, SIA	1	-5.5%	14 572 496
35	Latvia	Žurnāls Santa, SIA	5	-6.0%	7 367 671
36	Lithuania	Flobis, UAB	1	-6.0%	451 240
37	Lithuania	Lietuvos rytas, UAB	2	-7.1%	6 431 404
38	Lithuania	Savaitės ekspresas, UAB	1	-7.1%	1 300 160
39	Estonia	Eesti Rahvusringhääling	4	-8.3%	36 944 000
40	Latvia	4. vara, SIA	1	-11.2%	1 242 090
41	Latvia	TV Net, SIA	1	-12.0%	2 043 349
42	Lithuania	Diena Media News, UAB	1	-17.1%	2 961 039
43	Lithuania	Lietuvos ryto televizija, UAB	1	-21.7%	3 066 094
44	Lithuania	Žurnalų leidybos grupė, UAB*	1	-39.7%	3 818 345
45	Estonia	Taevaraadio, OÜ	1	-46.6%	246 670
46	Latvia	Radio Skonto, SIA	1	na	na

Source: Company annual reports, Kantar TNS, author's calculations and compilation

Table 2. Owners of most popular media across the Baltics ranked by their net profit in 2017

	Country	Company	Number of Media outlets owned	Net profit in 2017 (euros)
1	Estonia	Eesti Meedia, AS	4	4 938 000
2	Lithuania	All Media Lithuania, UAB	2	4 499 728
3	Lithuania	Laisvas ir nepriklausomas kanalas, UAB	2	3 467 000
4	Lithuania	Delfi, UAB	1	1 419 096
5	Lithuania	M-1, UAB	2	1 406 287
6	Latvia	All Media Latvia, SIA	2	1 391 281
7	Estonia	Ekspress Meedia, AS	5	1 241 819
8	Latvia	Žurnāls Santa, SIA	5	1 219 570
9	Estonia	Äripäev, AS	2	767 000
10	Lithuania	Savaitė, UAB	1	710 956
11	Lithuania	Žurnalų leidybos grupė, UAB	1	565 807
12	Estonia	Õhtuleht Kirjastus, AS (previously SL Õhtuleht, AS)	2	495 105
13	Lithuania	Diena Media News, UAB	1	493 728
14	Estonia	Eesti Rahvusringhääling	4	270 000
15	Estonia	Mediainvest Holding, AS	1	219 086
16	Latvia	Delfi, AS	1	199 893
17	Estonia	Ühinenud Ajakirjad OÜ	1	164 155
18	Lithuania	Savaitės ekspresas, UAB	1	158 859
19	Lithuania	15min, UAB	1	141 809
20	Latvia	Pirmais Baltijas Kanāls, SIA	2	101 879
21	Lithuania	Lrytas, UAB	1	85 398
22	Latvia	Baltijas Mediju Alianse, SIA	1	73 925
23	Lithuania	SS Leidyba, UAB	1	66 958
24	Lithuania	Radiocentras, UAB	2	39 580
25	Latvia	Zīme, SIA	2	39 366
26	Estonia	TaevaRadio, OÜ	1	33 720
27	Estonia	Balti Autorite ja Leviliit	1	21 784
28	Latvia	4. vara, SIA	1	18 799
29	Lithuania	Respublikos leidiniai, UAB	2	7 843
30	Latvia	Izdevniecības nams Print Media, SIA	1	2 542
31	Latvia	Radio SWH, AS	1	-14 517
32	Lithuania	Flobis, UAB	1	-22 173
33	Latvia	EHR mediju grupa, SIA	1	-76 882
34	Lithuania	Lietuvos rytas, UAB	3	-102 049
35	Latvia	Latvijas Radio, VSIA	2	-174 301
36	Latvia	Izdevniecība Rīgas Viļņi, SIA	2	-189 854
37	Latvia	Latvijas Mediji, AS	1	-216 556
38	Latvia	Latvijas Televīzija, SIA	1	-233 056
39	Estonia	Ajakirjade Kirjastus, AS	2	-259 308
40	Lithuania	Alfa Media, UAB	1	-320 179
41	Estonia	All Media Eesti, AS	1	-336 180
42	Lithuania	Lietuvos ryto televizija, UAB	1	-364 588
43	Lithuania	Lietuvos nacionalinis radijas ir televizija	2	-592 357
44	Latvia	TV Net, SIA	1	-731 215
45	Latvia	Latvijas Neatkarīgā Televīzija, AS	1	-1 536 084
46	Latvia	Radio Skonto, SIA	1	na

Source: Company annual reports, Kantar TNS, author's calculations and compilation

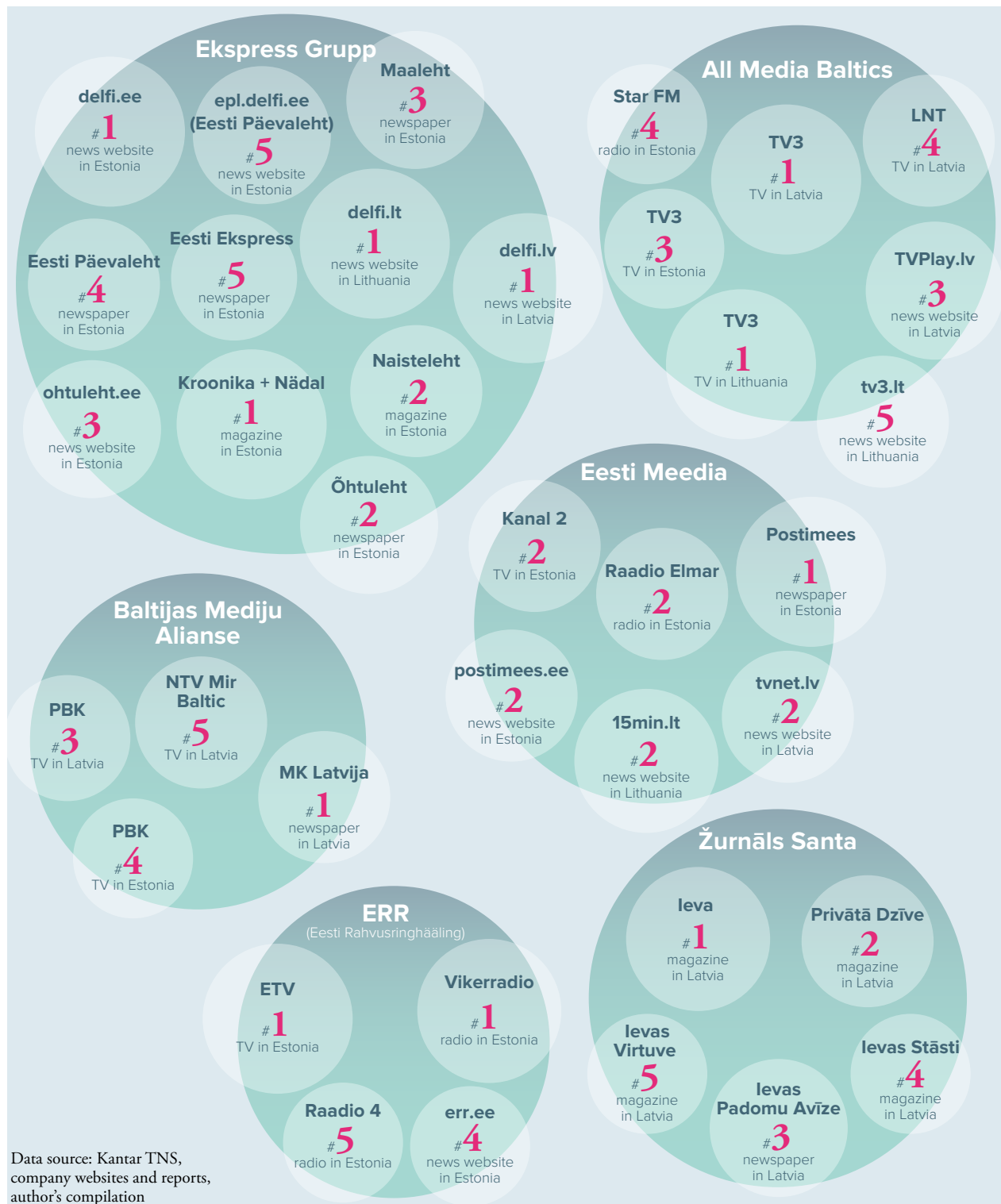
Table. Most popular media owners across the Baltics ranked by their net profit margin in 2017

		Company	Most popular media outlets owned	Net Profit Margin*	Turnover (euros)	Profit (euros)
1	Lithuania	M-1, UAB	2	40.1%	3 505 980	1 406 287
2	Lithuania	Savaitė, UAB	1	18.5%	3 834 576	710 956
3	Lithuania	All Media Lithuania, UAB	2	18.3%	24 625 994	4 499 728
4	Lithuania	Diena Media News, UAB	1	16.7%	2 961 039	493 728
5	Latvia	Žurnāls Santa, SIA	5	16.6%	7 367 671	1 219 570
6	Lithuania	Delfi, UAB	1	15.0%	9 487 429	1 419 096
7	Lithuania	Žurnalų leidybos grupė, UAB*	1	14.8%	3 818 345	565 807
8	Estonia	Taevaraadio, OÜ	1	13.7%	246 670	33 720
9	Lithuania	Laisvas ir nepriklausomas kanalas, UAB	2	13.4%	25 937 000	3 467 000
10	Estonia	Mediainvest Holding, AS	1	12.5%	1 754 047	219 086
11	Lithuania	Savaitės ekspresas, UAB	1	12.2%	1 300 160	158 859
12	Estonia	Balti Autorite ja Leviliit	1	11.1%	195 761	21 784
13	Estonia	Ühinenud Ajakirjad OÜ	1	8.7%	1 894 618	164 155
14	Latvia	All Media Latvia, SIA	2	7.5%	18 467 432	1 391 281
15	Estonia	Ekspress Meedia, AS	5	6.6%	18 832 331	1 241 819
16	Lithuania	Radiocentras, UAB	2	6.1%	652 498	39 580
17	Lithuania	SS Leidyba, UAB	1	5.9%	1 139 216	66 958
18	Estonia	Õhtuleht Kirjastus, AS (previously SL Õhtuleht, AS)	2	5.5%	9 053 246	495 105
19	Estonia	Äripäev, AS	2	5.3%	14 515 000	767 000
20	Estonia	Eesti Meedia, AS	4	5.2%	95 639 000	4 938 000
21	Latvia	Delfi, AS	1	5.0%	3 974 800	199 893
22	Latvia	Pirmais Baltijas Kanāls, SIA	2	3.4%	2 989 906	101 879
23	Lithuania	15min, UAB	1	3.4%	4 193 866	141 809
24	Lithuania	Lrytas, UAB	1	3.2%	2 641 289	85 398
25	Latvia	4. vara, SIA	1	1.5%	1 242 090	18 799
26	Latvia	Zīme, SIA	2	1.2%	3 190 528	39 366
27	Estonia	Eesti Rahvusringhääling	4	0.7%	36 944 000	270 000
28	Latvia	Baltijas Mediju Alianse, SIA	1	0.5%	14 572 496	73 925
29	Lithuania	Respublikos leidiniai, UAB	2	0.4%	2 201 632	7843
30	Latvia	Izdevniecības nams Print Media, SIA	1	0.2%	1 146 359	2542
31	Latvia	Radio SWH, AS**	1	-0.5%	2 696 459	-14517
32	Latvia	Latvijas Televīzija, SIA	1	-1.3%	18 322 514	-233 056
33	Lithuania	Lietuvos rytas, UAB	3	-1.6%	6 431 404	-102 049
34	Lithuania	Lietuvos nacionalinis radijas ir televizija	2	-1.7%	35 813 306	-592 357
35	Latvia	Latvijas Radio, VSIA	2	-1.9%	9 174 211	-174 301
36	Estonia	All Media Eesti, AS	1	-2.4%	13 963 721	-336 180
37	Estonia	Ajakirjade Kirjastus, AS**	2	-2.8%	9 124 658	-259 308
38	Latvia	Izdevniecība Rīgas Viļņi, SIA	2	-3.2%	5 999 014	-189 854
39	Latvia	EHR mediju grupa, SIA	1	-4.0%	1 931 844	-76 882
40	Latvia	Latvijas Mediji, AS	1	-4.8%	453 182	-216 556
41	Lithuania	Flobis, UAB	1	-4.9%	451 240	-22 173
42	Lithuania	Lietuvos ryto televizija, UAB	1	-11.9%	3 066 094	-364 588
43	Latvia	Latvijas Neatkarīgā Televīzija, AS	1	-24.4%	6 296 462	-1 536 084
44	Latvia	TV Net, SIA	1	-35.8%	2 043 349	-731 215
45	Lithuania	Alfa Media, UAB	1	-48.9%	655 253	-320 179
46	Latvia	Radio Skonto, SIA	1	na	na	na

Data source: Company annual reports, author's calculations and compilation

*Net Profit Margin calculated here as net profit divided by the turnover.

Figure 1. The biggest media groups in the Baltics and their most popular outlets



In Lithuania, it is the opposite: all newspaper publishers saw their revenues decrease.

Only three Baltic newspaper publishers – those of Lithuanian *Lietuvos Rytas* and *Obzor* and Latvian *Latvijas Avīze* – suffered losses.

Online is the only category where more media owners saw their audience grow rather than fall (seven versus five). The website with the largest average number of vis-

itors per day was *Delfi*, which also made a profit in each Baltic country. However, operating in a category where there is growth and being in the top 5 is not enough to guarantee a profit. Two companies stand out as having made the biggest losses - *tvnet.lv* in Latvia and *alfa.lt* in Lithuania (with 731,000 euro and 320,000 euro losses respectively).

As for radio and TV, the same number of companies lost followers as gained them. Estonia's public broadcaster

ERR claimed the number one spot in Estonia last year from the long-time leader *Kanal 2*. Most TV broadcasters operated with a profit, but the one with the biggest losses (1.5 million euros in 2017) was Latvia's *LNT*.

Of 11 radio station owners, nine increased their sales in 2017 and seven made a net profit. While the key players have remained the same, it is evident that the goose that lays the golden eggs is *M-1* in Lithuania (3.5 million euros revenue and 1.4 million euros profit in 2017). *M-1* is a genuine success story as it has held its net profit margin above 30% for the last five years.

This year's financial results show that around 70% of the top media owners in the Baltics are operating with a profit. Previous results show that this ratio has remained fairly constant over the years, though the particular companies that are profitable changes. If we consider that an indication of a healthy company is growing sales and being profitable, then there were 13 companies out of 46 media owners who met these criteria in 2017. In Estonia, it was *Ekspress Meedia*, *Äripäev* and *Õhtuleht Kirjastus* which have a strong foothold in printed media; *Eesti Meedia*, the second biggest group in the Baltics by consolidated revenues and which has strong positions and operates in all media categories; and also *Star FM* radio owner *Mediainvest Holding*.

In Lithuania, five companies both grew and turned a profit last year – *Delfi* and *Lrytas*, which inhabit the online media realm, TV channel owner *Laisvas ir nepriklausomas kanalas*, and radio station owners *M-1* and *Radiocentras*. In Latvia, only three companies met these criteria – *All Media Latvia*, the owner of the most popular TV channel *TV3*; *Delfi*; and *Izdevniecības nams Print Media*, the publisher of the most-read newspaper *МК-Латвия*.

As was observed in the first *Baltic Media Health Check*, Estonia still has the healthiest media environment. Estonia's big shots *Eesti Meedia* and *Ekspress Grupp* have the ambitions and the resources to invest in development of new products, especially digital. Another group which is backing up its words with funds is *All Media Baltics*. *Eesti Meedia*, *Ekspress Grupp* and *All Media Baltics* can offer advertisers not only their strong audiences, but also advertising packages that span various media. This combination gives them a big competitive advantage.

A 'Hole' Ten Years On

Each of the Baltic economies has recently seen its gross domestic product (GDP) finally exceed pre-crisis levels. Not all industries have recovered, though, and among them is the Baltic advertising market, which has the most direct impact on media businesses as a significant revenue stream.

In 2017, the advertising market in the Baltics was still 28% below its 2008 value.

Advertising market fragmentation will continue to pressure media owners

Digital developments have changed the advertising market structure. In 2008, Facebook and Google Ads were not yet fully developed and programmatic ads were just getting started. Then, the advertising market was relatively isolated because of language and geographical barriers. Now we have become participants in a global media environment. Advertising money follows the audience and therefore we are seeing increasing fragmentation in the market. This is challenging for media owners, and these developments will continue to pressure them. Latvia's advertising market is expected to grow at a rate of 3-4% in the coming years; there is no basis for faster growth.

– Baiba Liepiņa, chairman of the board of the Latvian Advertising Association.

In 2017, most media categories saw their advertising revenues increase, but not so for newspapers and magazines as advertising spending on print has declined in all Baltic countries. This has been an ongoing trend since the economic crisis. In 2008, newspapers and magazines commanded 39% of the total advertising market, but the print media's share of the advertising pie has shrunk to just 17%. Now that money flows to the internet and outdoor sectors.

The dip in spending on print advertising is seen in the latest financial results of the publishing houses. The top newspapers in the Baltic countries are published by 11 companies, of which seven saw their revenues decline last year. In magazine publishing, only Estonia's *Äripäev* has managed to increase sales. The revenues of everyone else declined in 2017.

The situation varies significantly across the Baltic countries. In Latvia, advertisers spend 4% of their budget on newspapers, but it's 8% in Lithuania and 17% in Estonia. As a result, newspaper publishers in Estonia are thriving; their revenues increased and they saw healthy profits in 2017. Meanwhile, the top Lithuanian newspaper publishers saw their sales fall. Only three newspaper publishers – Lithuanian *Lietuvos Rytas* and *Обзор* and Latvian *Latvijas Avīze* – suffered losses.

Last year, the audience grew or remained the same for six of the 15 most popular newspapers and declined for the other nine. The most read newspaper titles in each Baltic country have remained the same over the years in which we have published *Baltic Media Health Check*. In Lithuania, it is the daily *Lietuvos Rytas*; in Latvia, the weekly Russian-language newspaper *МК – Латвия*; and in Estonia, the daily *Postimees*, which was the only one among the most-read newspapers to increase its average number of readers for one issue of a press edition (cover).

Figure 2. Baltic Media Advertising Market 2007–2017 (in million euros)

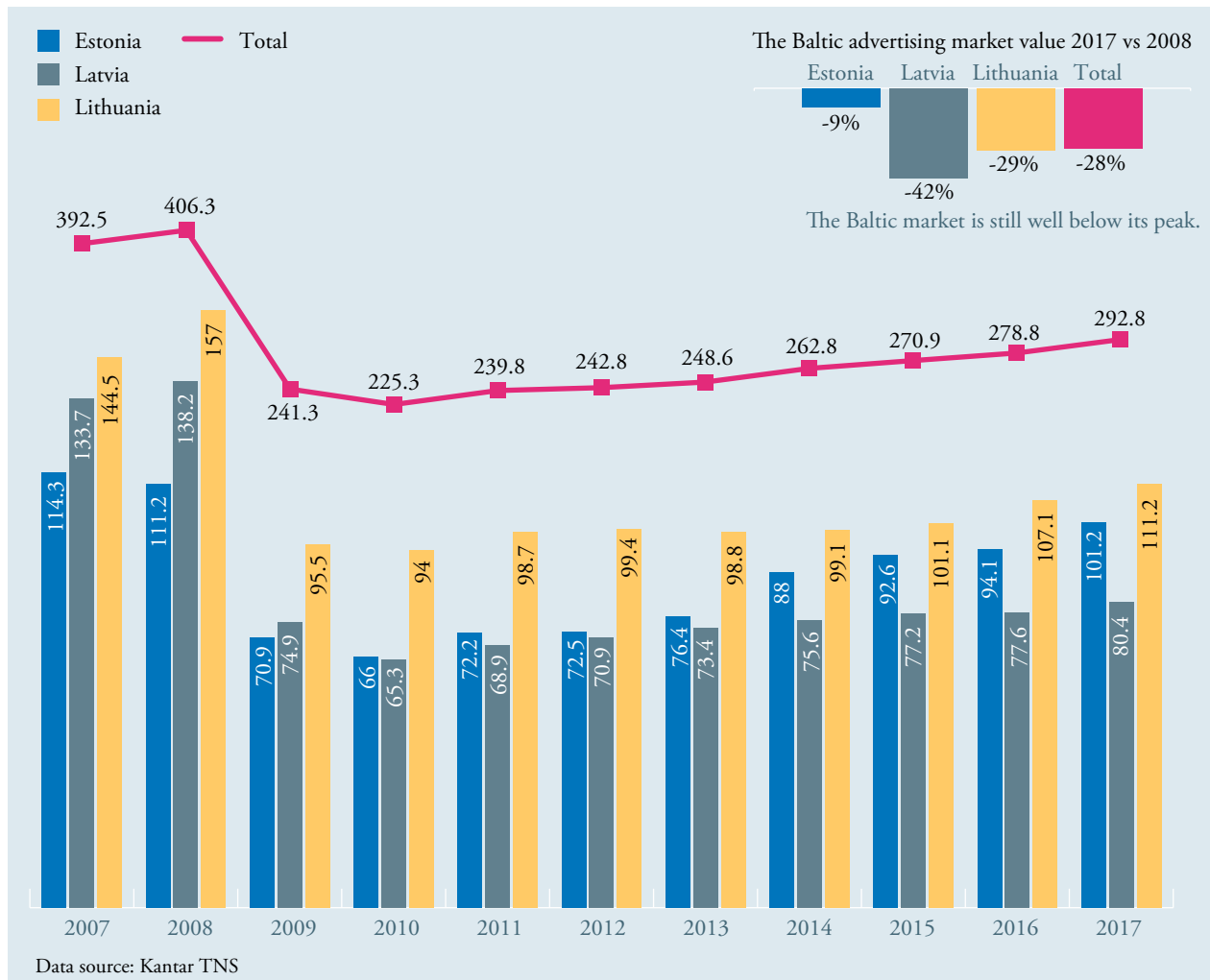
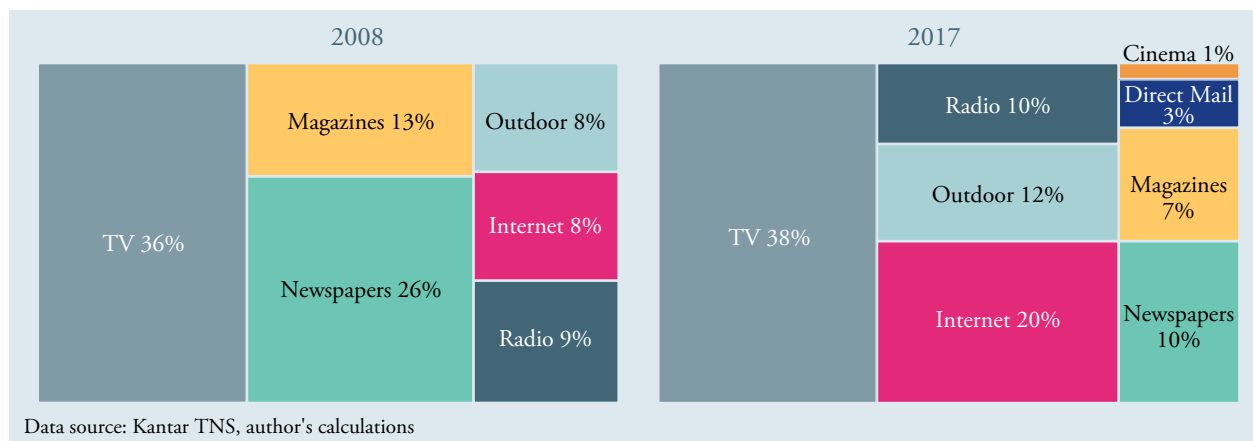


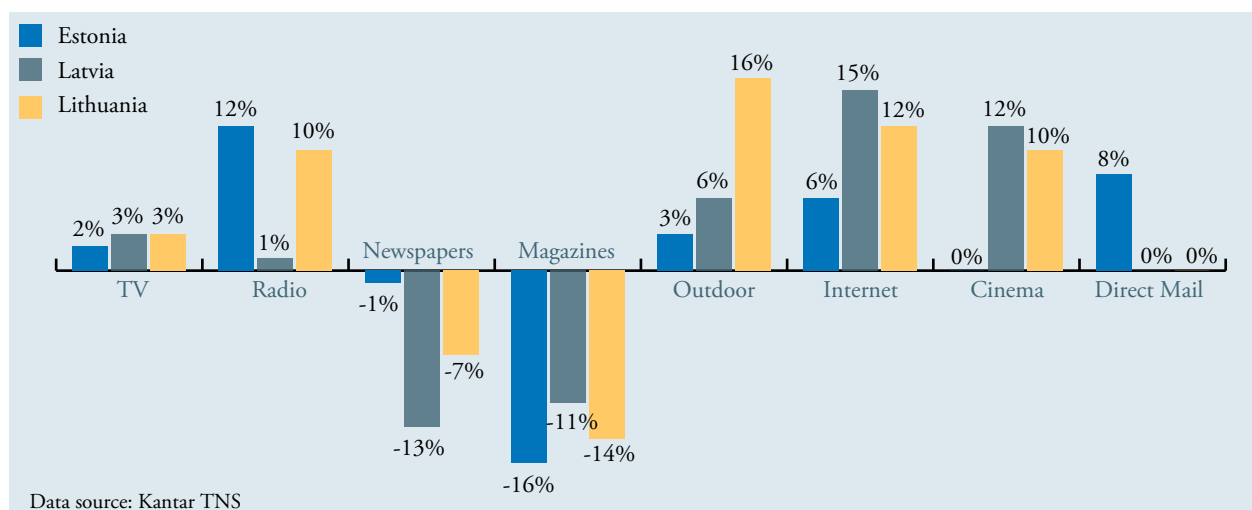
Figure 3. Advertising Market by Expenditure (by Media Type)



Overall, newspaper readership in Lithuania and Latvia is well behind Estonia, which has the smallest population among the Baltic countries. The average percentage of readers for one issue (cover, %) of *Postimees* is twice that of *Lietuvos Rytas* and 60% higher than that of *MK – Латвия*. *Lietuvos rytas* cover has fallen by 24% between 2013 and 2017 and, as a result, the most read newspaper in the most populous Baltic country

has around the same average number of readers for one issue of a press edition as *Postimees*. Estonian newspapers also have higher circulations than their peers in Latvia and Lithuania.

Key drivers in the Estonian newspaper sector are historically strong newspaper traditions and trust amongst the readership, as well as proximity to the Nordic countries.

Figure 4. Changes in advertising spending by media type – 2017 vs 2016

They have built contacts with Estonian journalists, journalistic organisations and universities, and have had an impact on the Estonian press through media ownership, explains Mart Raudsaar, managing director of the Estonian Newspaper Association (EALL). “Furthermore, we have been very lucky with media owners and managers. (...) Estonia has not experienced an influx of anonymous oligarchs into media ownership.”

In Latvia, three of the five most popular newspapers are in Russian language. Previously, Latvia was the only Baltic country where Russian-language newspapers could be found among the five most popular newspapers, but now Lithuania has joined the club too. There, the fourth most popular newspaper is a weekly called *Обзор*; each issue of it was read by an average of nearly 50 000 readers in 2017. Renata Mackevičienė, the media research and insights manager at *Kantar TNS* in Lithuania, explains that there are not many newspapers in Lithuania, especially weeklies, and *Обзор* has had quite a high ranking position for years. “It is the number one option for non-Lithuanians and has a loyal audience,” says Mackevičienė.

The Hard Hit

Audience data shows that magazines are currently taking a hard hit - in 2017 the audience increased for just three magazines – Estonian women’s weekly magazine *Naisteleht*; decoration and gardening magazine *Kodu&Aed*; and Lithuanian Russian-language weekly *Экспресс-неделя*. Audience numbers fell for the rest of the top magazines, and that is the worst result across the five media categories we have analysed – magazines, newspapers, TV, radio and online.

While Estonian newspapers have very strong positions in the local media market, in magazine publishing, Lithuania is the leader in terms of cover ratios, circulations and advertiser spending. Only 4% of total advertising spending in Estonia goes to magazines, while it is 7% in Latvia and 9% in Lithuania.

In previous years, magazine publishing houses managed to increase their sales and profits even despite falling readership. Now the situation is changing and revenues are falling too - eight out of nine magazine publishers saw their revenues decline. The good news is that the publishers are still profitable. The only two exceptions are the Latvian publishing house *Izdevniecība Rīgas Vīļņi*, which fell into the red last year as its wage costs increased, and the Estonian magazine publisher *Ajakirjade Kirjastus*, because of a fall in advertising revenues.

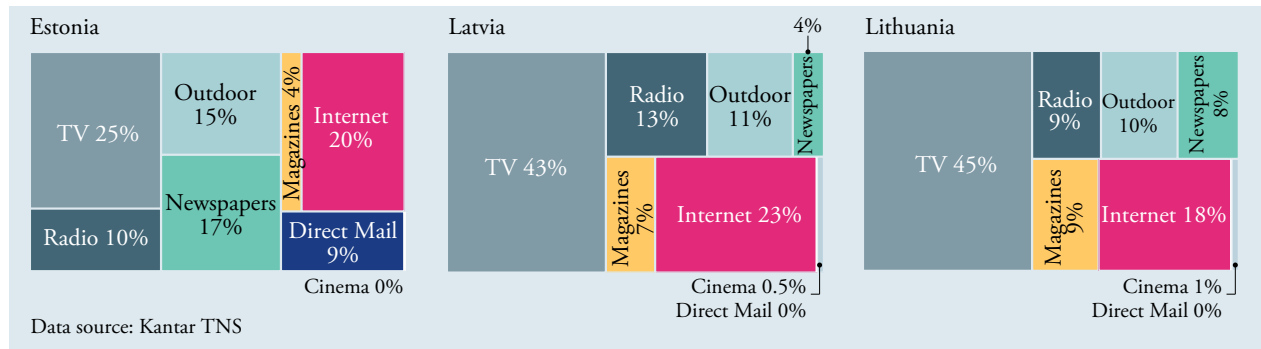
Latvia’s biggest magazine publishing house *Žurnāls Santa*, which publishes 4 out of the 5 most popular magazines and also one of the most read weekly newspapers (a spin-off of its bestselling women’s weekly magazine *Ieva*), said in its annual report that in 2017 its revenues from both selling magazines and advertising had decreased. It foresees that the biggest challenge in 2018 will be to keep circulation figures at their 2017 levels.

TV still reigns

While digital developments have hampered print media, TV still is the king of the castle and broadcasters – TV and radio combined – pocket almost half of the total Baltic advertising spending. In Lithuania and Latvia, TV advertising spending is 45% and 43% of the total market respectively, while in Estonia it is 25%.

TV broadcasting has long been dominated by large media groups. In 2017, *All Media Baltics* had four TV channels among the most popular ones, closely followed by *Baltijas Mediju Alianse* which has three of 15 most popular TV channels. Lithuania’s *Laisvas ir nepriklausomas kanalas* is also one of the key players, owning two popular TV channels.

The most popular TV channels in Latvia in 2017 were the same as during the previous *Baltic Media Health Check*, with *TV3* remaining at the top of the list, followed by the public broadcaster *LTV*, then the Russian language channel *PBK*, which is popular among Latvia’s

Figure 5. Distribution of advertising expenditure in each Baltic country in 2017

large Russian-speaking community.

In Lithuania, the first four most popular TV channels have also not changed, with the leader being *TV3*, but there is a newcomer in fifth place – *Lietuvos rytas TV*, which was established in 2008 but has not previously featured in the top five. Around 40% of features and films broadcast on *Lietuvos rytas TV* are developed in Russia, and in previous years the fifth most popular TV channel in Lithuania has usually been a Russian-language channel, such as *HTB Mup* or *Первый Балтийский Канал*.

There are some changes in Estonia too – the public broadcaster *ERR* has surpassed TV channel *Kanal 2* to claim the highest share of the viewing. *Kanal 2* had previously been the leading Estonian TV channel for several years.

Of the 15 most popular TV stations in 2017, audience figures increased for seven channels and fell for eight. Out of the 13 different companies who own the most popular TV channels (many of which have the same global ultimate owner, which is how two groups end up owning 7 channels), six increased their revenue in 2017 and five – *TV3* in Estonia, *LNT* in Latvia, *Lietuvos ryto TV* and Latvia's and Lithuania's public broadcasters – suffered losses.

Over the years, radio has proved to be a media category with a steady audience, ensuring safe revenues from advertising. During the last decade, advertisers in the Baltics have been spending around 10% of their total investment on radio. Last year, advertisers spent 9% on radio ads in Lithuania, 10% in Estonia, but in Latvia – 13% of total advertising expenditure.

In 2017, audience numbers fell for seven radio stations and increased for seven. Of 11 radio station owners, nine had a bigger turnover in 2017 than in 2016, and seven made a net profit. The key players in the radio market in each country have remained the same over the years – in Lithuania, it is *M-1*; in Latvia, it is the public broadcaster's *Latvijas Radio 2*; and in Estonia, it is the public broadcaster's *Vikerraadio*.

The healthiest radio station owner with the biggest profit is *M-1* in Lithuania who cashed in 3.5 million euros revenue and 1.4 million euros profit in 2017. *M-1* financial

results have been consistently good in recent years – it has continuously increased its revenues and its net profit margin has been above 30% for the last five years.

Meet Me Online

Online is the only category where more media owners saw their audience grow than fall. The daily average number of visitors increased for seven websites and declined for five. In Lithuania, the TOP5 players have remained the same as in the previous *Baltic Media Health Check*; in Estonia, the top three most visited websites have kept their positions; while in Latvia – the top two.

Regarding the leaders, the king of online news websites is still *Ekspress Grupp's Delfi*, followed by its rival *Eesti Meedia's* portals *postimees.ee* in Estonia, *tvnet.lv* in Latvia and *15min.lt* in Lithuania. While Latvia's *Delfi* is the smallest of its three Baltic siblings in terms of revenue, it has steadily increased its turnover from 2.3 million euros in 2013 to nearly 4 million euros in 2017. *Delfi* is also profitable in all three countries.

Eesti Meedia's portals are profitable in Lithuania and Estonia, but its second place in Latvia came at a heavy price – *tvnet.lv* suffered losses of more than 730,000 euros in 2017, which was an increase of nearly 50% on its 2016 losses. As *tvnet.lv* had operated in the red for several years, its owner *Eesti Meedia* changed the management of the company last year and the new one was tasked with reviewing *tvnet.lv* operations and analysing its administrative and production processes. As a result, *tvnet.lv* has drawn up a new five-year development plan in which the focus has been set on developing video content and making the portal mobile-friendly.

Estonia is the only Baltic country where the public broadcaster's online website *err.ee* is among the five most visited websites, while in Latvia, there is a surprise fifth-place taker in the form of sports news website *sportacentrs.com*. "Our reader is a loyal one, there is nowhere else for him to go to get information on sports. Understanding that the audience interested in sports is as big as it is in Latvia, in the last 2-3 years we have tried to create content for readers who are not active sports fans. That is the direction we need to go to increase our audience in future," explains Juris Celmiņš, editor-in-chief at *sportacentrs.com*. ■

IT REALLY HAPPENED

Things to remember about Baltic media in 2017-2018

ESTONIA

1. Blow to editorials

In February 2018, the Supreme Court of Estonia decided that the financial daily *Äripäev* did not have enough hard evidence to publish an editorial which questioned Estonian entrepreneur Erik-Niiles Kross's business operations and claimed he had acted corruptly. The court ordered the newspaper to publish an article on its website saying that Kross was not corrupt, and to keep it at the top of the front page for eight hours. This court ruling strongly interfered with journalistic autonomy and freedom of opinion. Sadly, it sets a precedent for this kind of intervention in the media for the future.

2. New standards, new shows

Media companies keep innovating and improving their content in order to attract, or rather not to lose, their audience. In February 2017, Estonian Public Broadcasting launched its revamped multifunctional news studio, which sets both the technical and visual standards for other media businesses. In September 2017, business daily *Äripäev* started a radio channel, thereby diversifying the audio media landscape with financial topics. For its part, television channel *Kanal2* started a new morning programme this August called *Hommik!*, targeting a younger audience and offering an alternative to the Estonian public broadcaster, which had until then been the sole provider of a morning TV show.

3. Content marketing vs. journalism

2017 opened a debate about the vanishing thin line between journalism and the financial interests of media groups after a few prominent cases revealed how television news broadcasts, newspapers and news portals were publishing paid-for content without labelling it as such.

The trigger for the debate was *TV3*, which was caught publicly selling content to be aired on their evening news

broadcast. This started a heated discussion of who did what sort of content marketing in both the commercial and public service media, the latter of which should not accept cash for content at all. The debate is far from reaching its final conclusions. As big media companies venture deeper into native advertising (see more in **The Love Hate Relationship** on page 31), we are likely to see a growing influence of money over journalistic principles in the coming years.

4. Collaboration wins competition

In 2018, reporters from *Postimees* and *Äripäev* won the Bonnier prize, the most prestigious journalism award in Estonia, for their collaborative data analysis and coverage of *Danske Bank's* money laundering case. The investigative journalism work by *Äripäev's* Marge Väikenurm and Piret Reiljan and *Postimees's* Risto Berendson and Joosep Värk resulted in the revelation of Russian money laundering through the Estonian branch of *Danske Bank*. Most importantly, it proved that quality journalistic work truly fulfils the role of the fourth estate.

5. Resist and persist

Three years after Estonia's public broadcaster started the Russian language TV channel *ETV+*, its ratings have remained unprecedentedly low and it has failed to engage the local Russian audience. Several studies indicate that the Russian minority in Estonia lives in a different information space to native Estonians. *ETV+* was established in 2015 to offer high-quality TV shows and news in Russian, at which time the volume and pressure of mis- and disinformation coming from Russia was increasing. Despite resistance efforts, Russian propaganda channels such as *Sputnik News* are reinforcing their positions. The seriousness and impact of this information disruption has not yet been fully appreciated by either Estonia's Russian or Estonian journalists and media groups. ■

By Marju Himma-Kadakas

LATVIA

1. Attacks on journalists

During the 2018 pre-election campaign, media organisations and journalists in Latvia came under an unprecedented level of attack from politicians. Not only were they accused of being partisan and of spreading false information, they were also publicly bullied and denigrated and had their private lives intruded into. The biggest abusers were representatives of *KPV LV*, a populist party whose leaders and supporters vented their rage on social media against any journalist who investigated the party's connections and finances, closely followed by *JKP*, the new anti-corruption party. *KPV LV*, and also pro-Russian *Harmony*, have called upon law enforcement agencies to open criminal cases against *Re:Baltica* and the investigative reporting TV show *De Facto*, alleging slander. While journalistic work can legitimately be criticised, the way in which it took place prior to the general election, and continues now, is aimed at discrediting critical media organisations and eroding public trust in them so that politicians can tell their lies with impunity. It takes time and resources for journalists to refute these claims and allegations, which could otherwise be used for doing their job – informing the public.

2. A win for independent local newspapers

At the end of 2017, the administrative court in Latvia ruled in favour of the regional newspaper *Bauskas Dzīve* in its case against Iecava's municipality, banning the local administration from buying advertising in the municipality-funded and published newsletter. In recent years, the creation of local municipal newsletters has become common practice, allowing local governments to praise themselves while taking away advertising money from independent regional media, thereby endangering their existence. This court ruling sets an important precedent, enabling other small, independent media to fight for their rights and challenge local governments who fund or establish their own mouthpieces.

3. Public money for media

Since 2017, Latvian media companies have had the opportunity to apply for state funding from the Media Support Fund for creating socially meaningful content. The annual budget of the fund is around 1 - 1.5 million euros and the distribution of money is project-based. In 2017 and 2018, the majority of funds were allocated to

the media coverage of Latvia's centenary, general election and media literacy improvement projects. The aim of the fund is to strengthen the independence of the media, as receivers of the funds not only get the opportunity to create stories independently from advertisers, but are also required to follow professional ethical guidelines and sign a contract ensuring editorial independence.

4. The language of the public broadcaster

In the heat of the pre-election campaign this year, a popular and well-loved Russian-language journalist, Olegs Ignatjevs, left the public broadcaster after a controversial incident in which he required a politician from the nationalist party to speak in Russian on his show without a simultaneous translation in Latvian. The party declined to participate and complained to the media supervisor. Ignatjevs was keen not to let *National Alliance* use his show for pre-election tricks and was concerned about the ability of his audience to understand the content of the show; however, the public broadcaster's management took the position that he had compromised journalistic principles and breached the language law. The most unexpected element, however, were the comments on social media in the aftermath of the incident as many people questioned whether the public broadcaster should have any content in Russian language at all, regardless of the fact that a quarter of the population is Russian.

5. Journalism for change

Recent years have seen extremely strong reporting on social issues in Latvia, highlighting systemic problems and looking for solutions. Latvia's public broadcaster received an award for journalistic excellence for its series of stories for the project *Children of the System* (*Sistēmas bērni*) that looked into children growing up (and being abused) in state-funded foster homes. It also won an award for the multimedia documentary series *Dad's project* (*Tēta projekts*) in which a public radio journalist wrote a diary and followed her own family as her father returned to live in Latvia after having worked in Ireland for more than 15 years. Weekly magazine *Ir* shook the public with *Oligarch Conversations*, which illuminated how a few wealthy and influential oligarchs were pulling the strings in 2009 and 2010 in order to seize power, destroy *Diena* – the biggest daily newspaper at the time – and exert influence over other media. ■

By Aija Krūtaine

LITHUANIA

1. GDPR escape ticket

Since the implementation of the General Data Protection Regulation (GDPR), Lithuanian state institutions are rejecting journalists' information requests regarding public spending and state officials more often. In May 2018, the Chief Official Ethics Commission cut public access to the online database of politicians' and public officials' income declarations. The State Tax Inspectorate refused to reveal the outcome of their transparency investigations into the finances of local politicians. Only after an outcry from the leading investigative journalists did the above-mentioned institutions agree to make some changes in favour of reporters. Nevertheless, GDPR comes in handy for other public institutions, especially at municipal level, which tend to withhold information, arguing that it would violate personal privacy.

2. Corrupt dealings of media organisations and politicians

Two high-profile corruption cases have rocked Lithuania's media environment in recent years. One of Lithuania's largest business conglomerates *MG Baltic*, which among real estate, alcohol and clothing businesses also owns *LNK*, the second most popular TV channel in Lithuania, stands accused of bribing politicians and using its media channels to influence Lithuania's politics. Formal charges have been brought against *MG Baltic* and its former vice president Raimondas Kurlinskis, as well as political parties the Liberal Movement and the Labour Party and several politicians. According to leaked court materials, *MG Baltic* used its media outlets and a well-known journalist Tomas Dapkus, who was allegedly remunerated for acting as the intermediary between *MG Baltic* owners and politicians, to publicly pressure (by shaming, criticising, or withholding critical information) ruling politicians on various occasions, including the appointment of a new general prosecutor.

Another major corruption scandal involves Gedvydas Vainauskas, the shareholder of *Lietuvos rytas* media group who is the editor in chief of the national daily *Lietuvos rytas*. He is accused of planning to bribe Rolandas Paksas, the leader of the political party Law and Order and current member of the European Parliament who was famously impeached when he was president of Lithuania. Vainauskas allegedly acted as an intermediary between the grocery store chain *Norfa*, a major *Lietuvos rytas* advertiser, and the Ministry of Environment, which was under the control of Law and Order, to help *Norfa* get the necessary documentation in order to build a new store.

In both cases, all involved parties deny the accusations. The court has not yet ruled in these cases.

3. Investigative journalism is alive and kicking

After years of complaints that there is no investigative journalism in Lithuania, the situation has changed for the better. Two independent teams of investigative journalists have been formed and are working in Lithuanian newsrooms, one at the online news portal *15min.lt* and the second – at the national public broadcaster *LRT*. Their independent investigations have already led to resignations of top officials, changes in regulation and court decisions in favour of journalists.

4. Media regulation in focus

Media regulation has become a test ground for dubious initiatives since the Farmers and Greens Union, who see restricting the media as a solution to many problems, won the 2016 elections, getting a third of the seats in the Lithuanian parliament. The party has been actively coming up with changes to laws regulating journalistic and media work, while its leaders refuse requests for interviews. One of the initiatives to balance positive and negative news at 50/50, drafted by a former human rights activist, was dropped only after heavy criticism, however the parliament did pass a law banning alcohol ads on all media channels, thereby reducing already scarce ad revenues.

The ruling party also formed a special inquiry commission to analyse public broadcaster *LRT*'s expenses. The inquiry resulted in new ideas for regulatory initiatives, such as plans to increase the role of ruling politicians and state institutions in appointing the management of *LRT*. The current management of the public broadcaster along with local and international journalistic organisations have expressed concern that such changes could threaten their editorial independence.

5. Distribution of public funds under review

The Ministry of Culture has proposed a new public funding distribution model for media businesses, at the centre of which is the creation of a Media Council to make public funding more transparent. Commercial media businesses, both national and regional, get income from state institutions, EU-funded projects, and also funds from a special Press, Radio and Television Support Fund. The Media Council would consist of elected media industry representatives and its task would be to manage the governmentally-owned fund. The idea is that funds should be allocated through a project-based public competition. While discussions are ongoing and no law has yet been drafted, media industry professionals have criticised the idea, arguing that the appointment of the council could be influenced by politicians, thus exerting centralised influence on the whole media environment. The Minister for Culture is not affiliated with any party but is appointed by the Farmers and Greens Union. ■

By Džina Donauskaitė



PUBLICITY PHOTO

Pierre Danon: We will show that advertising is much more effective on *TVPlay* than on *YouTube*.

ALL MEDIA BALTICS: THE BALTFLEX OF THE FUTURE

Traditionally, TV has attracted the most advertising euros, but the times are changing especially when it comes to where, when and how viewers watch TV. Therefore, *All Media Baltics*, the owner of the most popular TV channel *TV3* in the Baltic countries, is investing in technology and partnering with telecoms to push TV on all screens. Recently the company launched its new platform *TVPlay*, with which Pierre Danon, executive chairman of *All Media Baltics*, aims to turn the company's TV business into *Baltflix* – the *Netflix* of the Baltics.

By Inga Springe

How has digital development changed the media business, particularly here in the Baltics?

In the past, the content was mostly watched on TV and you had millions of people watching “big ads”. Now, instead of one piece of content, for example, a football game being watched by millions, a thousand pieces of content are each being watched by hundreds or thousands of people. In the end, the volume and the reach is the same. However, if you stay only on the big ads, that is, only on television, you lose all the growth in the market.

It is also a question about one-to-one marketing – one piece of content for one person. Digital technology enables us to know who is watching what, when and where. We have a lot of data about people now and we are capable of targeting advertising far better. It’s microtargeting, it’s what *You Tube* and *Facebook* figured out and have been doing. You know who you are talking to and what they are interested in.

Finally, new players have appeared in the video industry, especially *Netflix*.

Netflix has totally disrupted the value chain, because they are producing their own content and distributing their own content one to one.

If digital technology didn’t exist, *Netflix* wouldn’t exist either. If media businesses don’t adapt to these changes, they will die.

How do all these changes affect your business in the Baltics?

All Media Baltics has been on a journey of transformation for at least three years: firstly, an advertising video on demand (AVOD) portal *TV3Play* was created where you can access *All Media Baltics* channel content from any Baltic country for free. The portal has been a huge success with 500,000 unique users in the Baltics. *TV3Play* has been the key to developing our digital advertising business, which currently represents around 10% of our total advertising business and is growing.

Another part of the transformation is a subscription-based video on demand (SVOD) portal, *Netflix* being an example of that, where you pay 7 euros per month and you get the content. The *All Media Baltics* SVOD product is called *Viaplay* and it’s competing very nicely with *Netflix* in the Baltics.

Those are the new business models in the media industry. So the first steps in the digital transformation of *All Media Baltics* were having the AVOD portal *TV3Play* and the SVOD application *Viaplay*. This September, we announced we are to combine *Viaplay* and *TV3Play* portal into one application called *TVPlay*. All the content is there, and it will work on the web, smartphones,

All Media Baltics group

It’s the biggest media group in the Baltics by consolidated revenue

It owns TV channel TV3, which is the most popular in Latvia and Lithuania and the third most popular in Estonia, plus other TV channels

It owns radio station Star FM, plus online news websites in each of the Baltic countries

It also owns digital advertising platform SmartAD, which operates across the Baltics

Its sister company is the mobile network operator Bite, which operates in Latvia and Lithuania

***Netflix* has totally disrupted the value chain, because they are producing their own content and distributing their own content one to one.**

tablets, and television. Wherever you are, you can reach *TVPlay*.

How do you calculate the price for these products?

The price is the one set by *Netflix* all over the world; it is around 7 euros per month. That’s the average price. Plus we have some options with additional content where the price goes up to 10 euros. Since not everyone in the Baltics can afford that, there will also be entry-level products for 3 euros.

Is there already paid content for TV3 products or is this completely new?

There is already paid content on *TVPlay*, but the scale will change with the new application *TVPlay*. We want to be leaders in this market. Our product will be unique: *Baltflix*.

Is this going to be launched in all three Baltic countries?

Yes, we launched it simultaneously in all three countries, but the content will be different in each country, because there are local differences between the countries. For example, in Lithuania, there will be more content about basketball. As Estonians are not as keen on basketball, there will probably be more content about motorcars.

Figure 1. All Media Baltics companies and their financial results in 2017

Country	Company	Sales (mln euros)	Profit or Loss (mln euros)
Latvia	SIA <i>All Media Latvia</i> (formerly SIA <i>TV3</i>)	18.47	1.39
	AS <i>Latvijas Neatkarīgā Televīzija</i>	6.30	(1.54)
	SIA <i>STAR FM</i>	0.96	0.19
	SIA <i>smartAD</i> (100% subsidiary of SIA <i>All Media Latvia</i>)	0.17	0.06
	AS <i>TV Play Baltics</i> branch in Latvia	11.97*	(0.49)*
Lithuania	<i>All Media Lithuania</i> (formerly <i>Tele-3</i> , UAB)	24.63	4.50
	<i>All Media Radijas</i>	0.33	1.27
Estonia	AS <i>TV Play Baltics</i> (formerly <i>Viasat</i> AS)	36.32	(2.35)
	<i>All Media Eesti</i> (formerly <i>TV3</i> , AS)	13.96	(0.37)
	AS <i>MediaInvest Holding</i> (<i>Star FM</i> radio)	1.75	0.22

Source: company reports

*The financial results of AS TV Play Baltics Latvian branch shown here come from its 2015 annual report, which is the last that the company submitted to The Register of Enterprises.

What alternative channels do you use to reach your audience?

We have made an alliance with mobile operators *Bite* and *Tele2* and we will be on their smartphones, because the key question is one-to-one reach. We are television guys, so we don't have 2 million customer relationships that we reach one to one, we just broadcast. But *Bite* and *Tele2* have one-to-one relationships with their clients. We will distribute our products through their networks.

When you bought the MTG business in the Baltics and rebranded it, you said you were planning to invest 10 million euros per year. Have you done that?

We didn't say per year. We said more than 10 million euros, and we have actually invested 16 million euros. With that investment we have achieved three things. Firstly, all our channels are now in high definition (HD), which we needed in order to catch up with the rest of the world. The second thing is *TVPlay*, the digital platform that merges *TV3Play* and *Viaplay*. Finally, we've made huge investments in *Viasat*, which is a satellite provider for *MTG*. We changed the name to *TVPlay Home*. *Viasat* has 200,000 customers across the Baltics, but they didn't have any interactive features; in particular, a catch up option for watching TV programmes after they have been broadcast, or video on demand.

We are one of the first in the world to introduce interactive features to satellite TV.

Satellite television is dying today because of digital. It's another example of "adapt or die". When you have digital TV, you have a catch-up TV option, video on demand,

We are one of the first in the world to introduce interactive features to satellite TV.

and search. Why would you buy satellite television where you can't do that? If satellite businesses don't adapt to the digital world, they will die. But we won't.

I just want to clarify – the 16 million euro investment was for all three Baltic countries?

Yes.

Native advertising is a big thing for internet and print media. How does it affect digital television?

I am not sure that this is really the future.

I think the future lies in interactive advertising.

Studies show that people really engage with a brand when they interact with it, and digital enables that. For example, you can do questionnaires, you can do surveys, you can ask for opinions. The more you can engage customers in a dialogue with the brand, the more successful your advertising is, and the greater the number of customers connecting with the brand.

What are your expectations or goals regarding your investments?

Next year there won't be any more huge investments. We

have a regular level of technology investment, but it's certainly not 16 million euros; it's much less than that.

We have total revenues of around 115 million euros. What I expect is growth. If a media company doesn't make the digital transformation, they see little growth. We want to have double-digit growth, but if you stay on traditional media, you will never achieve it. You need to embrace where the growth is and that is in digital, data, etc.

So far your problem child has been *LNT* in Latvia, with huge losses. How do you plan to address that?

It was because of heavy regulation. When *MTG* bought *LNT*, there were a lot of regulatory constraints, but these were removed in January 2018 so now we can optimise our costs. For example, regulation forced us to keep two legal entities. We don't need to do that anymore¹. There were two completely separate newsrooms, but now we can share technology and content.

Last year you said that *All Media Baltics* might offer package products for Russian speakers in the Baltics. How far has this idea progressed?

My view is still the same. A lot of Russian-speaking people want to seek out and engage with content in their language. Russian channels are providing content that people like, but with very questionable news. That is a problem for the Baltic countries, and Ukraine as well, so I think it's also important for western European media to create content for Russian-speaking people that is not packed with propaganda. If we don't provide good, tailor-made content for the local Russian-speaking audience, they will just continue to watch the Russian content.

I'll give you one example. In sports broadcasting, we are the leaders in the Baltics. We have a product *TVPlay Sports* (previously called *Viasat Sport Baltic* - ed.) that has all the right content, everything that people like, but we don't have Russian commentators. We have Latvian, Lithuanian, Estonian, English, but no Russian-speaking commentators. And guess what, the 40% of Latvian people who are Russian speakers prefer watching their UEFA game on a Russian satellite channel. Now we will also have Russian commentators. We also plan to buy quality Russian movies. There are good movies in Russian, and we want to provide our viewers with good content without forcing them to watch questionable news.

How or where do you plan to offer this content? Don't you need a separate channel for that?

Everything will be on *TVPlay*; for EUR 6,99, I can give you a Russian package – Russian channels, Russian mov-

We have to give the interested audience high-quality relevant content in Russian

ies, Hollywood content in Russian, sports with Russian-speaking commentators, kids programmes in Russian. All that on your tablet and your TV.

How will you change the habit of turning on Russia's channels?

We could develop a marketing strategy for the babushkas, but that would not be future proof.

We have to give the interested audience high-quality relevant content in Russian.

It could be sports, Hollywood or any other content but it should be affordable, adapted into Russian and marketed in the Russian-speaking community. We have to be careful to understand the context and tailor our offer specifically for the local Baltic Russian-speaking community, not some hypothetical disconnected Russian-speaking population.

Do you also plan to provide news in Russian?

I am thinking about it. We have very good news, and just having a voice in Russian could be a solution. Digital technology allows us to do very smart things. Today, our main objective is to create a Russian-language package, but we will start with entertainment content first.

Regarding *Facebook* and *YouTube*, they are your competitors, but are there ways in which you can use them to your benefit?

Of course, we are using and will continue to use social networks for our marketing. You can't avoid doing that.

Have you put in money to promote content on *Facebook*?

A little bit. What is very dangerous for the Baltics and Europe is that we are very dependent of *Facebook*; we don't have any real alternatives. We have to create something like *TVPlay*, not to push them out, but to compete, to offer an alternative. We need to balance things at least a little bit – in the United States, *Google* and *Facebook* already capture more advertising than television.

We will show that advertising is much more effective on *TVPlay* than on *YouTube*.

If you look at the content on *YouTube*, it's never on its

¹ According to a draft reorganisation contract that was submitted to The Register of Enterprises of the Republic of Latvia in July, 2019, *LNT* will be merged with *All Media Latvia*.

own – there is a lot of distraction. But on *TVPlay*, the advertiser is alone with the viewer and has their undivided attention. Advertising on *TVPlay* is 40% more effective than on *YouTube* because it's not troubled by everything else that's on the side.

Does the price of advertising depend on how long people watch it for?

That is a trend now. We will try to do that as well. One of my ventures in France is doing interactive advertising and one of the key things we want to do is to push the time that people spend with the brand. If you are doing a questionnaire, for example, you are spending 2-3 minutes interacting with the brand, which gives much more value than a 20 second peep. Very often this is not measured and not reflected in the price.

Can you give one specific example of how interactive advertising works?

What we do in France is that we have an ad network and, at the right place in their content, we plug in a questionnaire and we say that, for example, a magazine wants to know what hairstyle you prefer – curly and shining or tucked behind your ear. When people are asked these kinds of questions, they seek to engage, and after that they are taken to the advertiser's page.

You previously managed the biggest Danish telecoms

I think the future lies in interactive advertising.

company *TDC*, which announced at the start of 2018 that it is buying *MTG*'s assets in the Nordic countries. Could *TDC* consider purchasing *Bite* and *All Media Baltics* too?

If I had stayed as chairman of *TDC*, I would have considered it.

How do you see your future? Will you stay with *All Media Baltics* for many years to come?

You can never know, but I'm a long term guy. I stayed at *TDC* for ten years, and in Ukraine for six years. Usually, I like to do things in depth and for good.

We really believe in the Baltic countries and they are doing very well. I have particularly been impressed by what Vilnius is doing in terms of digital transformation. It is apparently the third-ranked city in the world for blockchain. The economic environment in the Baltics is very good – it's a region with 7 million people. However, we probably wouldn't have bought the *MTG* business in the Baltics if there wasn't a huge synergy between telecoms and media. ■



Sven Nuutmann: We are the only media group in the Baltic states increasing its number of journalists. Now it's starting to pay off.

EESTI MEEDIA: DISTINGUISHING DIGITAL SHOWS THE WAY

Postimees, Estonia's leading daily, celebrated its 160th anniversary last year by offering all of its online content to readers for free. After this experiment, its publisher *Eesti Meedia* came to the conclusion that the newspaper's print edition subscribers and its online readers are two different audiences. Sven Nuutmann, CEO and chairman of the management board at *Eesti Meedia*, highlights this discovery as a success story that has led to an increase in the newspaper's ad sales.

By Inga Springe

Revenues of Eesti Meedia group grew by 6% last year to almost 96 million euros. How much of it comes from digital content?

First of all, it might seem hard to believe, but advertising sales for printed newspapers, which hadn't increased for five years, are up 5% in Estonia for the first seven months of 2018. Our print media is driving this market growth. *Postimees* advertising sales have increased by 24% and our regional newspapers' advertising revenue has increased by almost 15% during this period.

There are a few reasons why this could be. Three years ago, we started to merge our Estonian media operations, completing that process last year. Also, we have been continuously investing in the *Postimees* editorial desk.

We are the only media group in the Baltic states increasing its number of journalists.

Now it's starting to pay off.

Revenues from our digital products make up around 37% of our total sales and this has grown steadily over the last few years. It comes from digital newspaper subscriptions in Estonia, online news portals in the Baltic states, news agency business, plus e-commerce and classifieds portals, which are very strong in Estonia and Lithuania. A year ago we also acquired the real estate portal *City24*, which is showing impressive growth in Latvia as well.

I wanted to just ask about the print circulation – did you mean that subscriptions to your newspapers' print editions are growing too?

Compared to 2017, the number of paying customers is growing for both printed and digital products, and digital products are proving to be especially successful.

This year we finally launched a new digital subscription offering our readers what they really want. Previously, people had to buy a print subscription which included digital content in the price.

We tested the price level to see how much people were willing to pay. Our benchmark was Spotify and Netflix for which people pay around 10 euros per month. For journalism, people are ready to pay at most 5 or 6 euros per month.

Last year, when *Postimees* was celebrating its 160th anniversary, we offered all its digital content free of charge to readers for half a year. We learned from this test that the newspaper and its digital edition have completely different audiences. The number of print edition subscribers didn't change during this test, so now we are focusing on different target groups.

Does that mean there are specific needs for people who read the digital content and for those who read

Eesti Meedia group

The second biggest media group in the Baltics by consolidated turnover

In Estonia, it owns the oldest and biggest daily *Postimees*; six regional newspapers; commercial TV and radio channels; news agency *BNS*, classifieds portals *KV*, *City24*, *Soov*; and e-commerce platform *osta.ee*

In Latvia, it owns news portal *TVNET*, news agency *LETA*, and the classifieds portal *City24*

In Lithuania, it owns news portal *15min*, news agency *BNS*, and the classifieds and e-commerce company *Diginet*

It also owns a printing house, book publishing company, home delivery and direct mail company

the printed content?

They are completely different. For me personally, I've noticed that I read certain types of story more in the newspaper, but others – more on my mobile phone. Of course, the print edition subscribers are generally older. However, the rate of growth of advertising sales, which has increased over 20% this year, shows that newspaper campaigns are working for advertisers.

In Estonia, not only national dailies, but also our local newspapers are making a profit. These papers allow advertisers to target a particular audience in their respective counties. They cover mainly local news, whereas *Postimees* covers the whole of Estonia and is the most powerful newspaper for use in countrywide Estonian campaigns.

You said you had learned what people want. What do they want?

For years we didn't allow people to buy the digital content separately because everyone in the industry was afraid that we would start losing newspaper subscribers. But we learned from colleagues in Scandinavia, and our own trial has also proved that it isn't so. I believe that this is the future – printed press will not die out anytime soon, but there will be two different target groups.

We also understood that people don't like reading long stories or watching videos longer than 2 minutes. It's always scandal, investigative journalism and opinion stories that are most popular, but with longer opinion stories, more than half of the readers don't read to the end.

Yet while newspapers in Estonia still have investigative journalists, Latvia doesn't have a single newspaper with investigative reporters.

Yes, oligarchs killed your newspapers! In *Eesti Meedia*, including *Postimees* and TV Kanal 2, we have 18 investigative journalists. Still, if you look at the statistics, it's not often that these stories are in the TOP10. The most read stories are usually local scandals or entertainment news.

What impact has social media had on the media market?

I sometimes follow the old Chinese proverb that you just need to sit and wait, and everything will be fine. In a way, it is similar with *Facebook* – they [now] have lost a lot of trust because of the data leak and fake news.

Economically, it's a big problem in the Baltic states that social media companies don't pay taxes. I have proposed that Estonia should introduce at least a 0% tax for ads on social media so as to require these companies to disclose what revenues they gain from the Estonian advertising market.

Still, as we have different languages in the three Baltic countries, if an advertiser needs to reach the local audience quickly, he also has to use local portals, not just *Facebook* and *Google*. Furthermore, our group portals – *Postimees.ee* in Estonia, *TVNET.lv* and *Apollo.lv* in Latvia, and *15min* in Lithuania – all support the same kind of targeting, so our sales teams can offer pan-Baltic programmatic solutions to our customers.

How much do you use social networks to generate traffic for your media?

Strong brands can afford not to push a lot of content through *Facebook*.

A year ago, we reduced our spending on *Facebook* advertising 10-fold and nothing changed.

People just came directly to our web pages. So, we do use *Facebook*, but we don't rely on them.

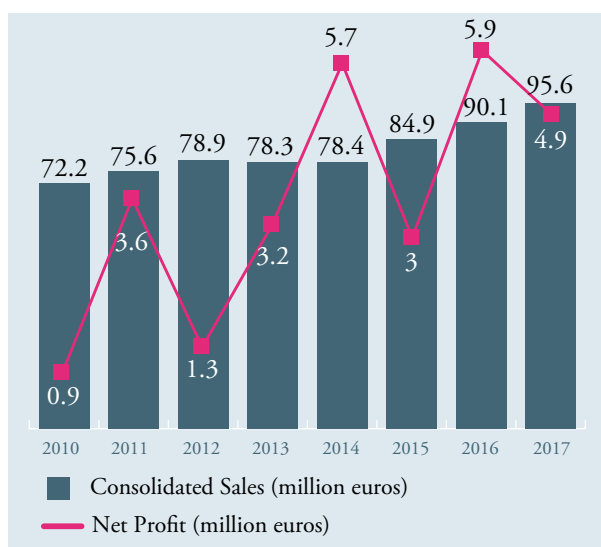
Are you also looking for any alternative channels to reach new audiences?

Sometimes we have specific campaigns, but we are too small a market. Only around 10% of people in the world use news apps. It's the same in the Baltics. The number of mobile and desktop users [accessing *Eesti Meedia* content - ed.] is 50/50. In the evenings, more than 50% of our traffic comes from mobile phones.

Last year *Eesti Meedia* launched a non-traditional advertising department. How does it work?

It's our success story; it's like an in-house creative agency. There is no other media in Estonia that can offer so many different packages and solutions to advertisers.

Figure 1: *Eesti Meedia* Financial Results 2010-2017



Data source: Net profit for all years taken from *Eesti Meedia* annual report. Sales data for years 2014-2017 taken from the company's annual reports; sales data for years 2010-2012 taken from the annual reports of Schibsted, the previous owners of the group. Sales in year 2013 calculated using information from both Schibsted and *Eesti Meedia* financial reports.

It's becoming clearer now that media can't just offer advertisers a banner campaign or a regular TV campaign, because they want something special.

I honestly think that native advertising stories are often much more interesting to read than regular journalism.

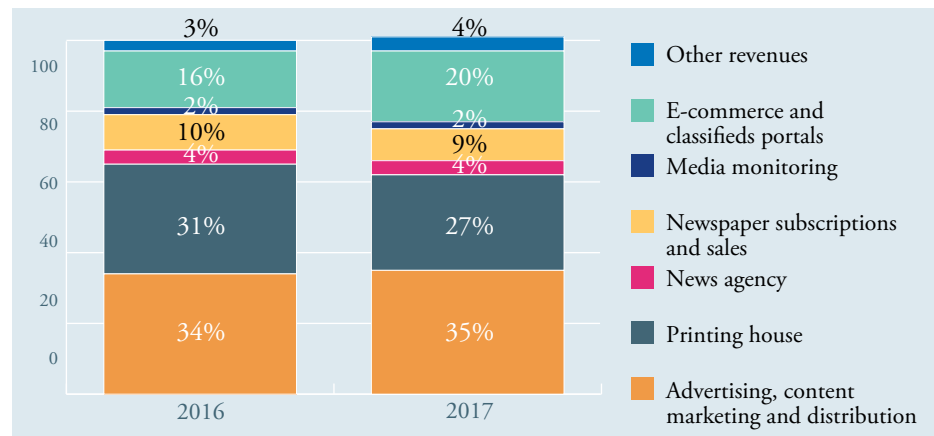
But, of course, it has to be marked appropriately so readers understand that it is marketing.

The best example is this year's Olympic games. We broadcasted the games and packaged advertisement between online, radio, newspapers and TV stations. With our five big sponsors [advertisers] we succeeded in covering the licence fee and broadcasting cost of more than 500 000 euros. We were happy to break even. We also have the broadcasting rights for Tokyo [Olympic Games in 2020], and we are quite sure that we will get the broadcasting rights for the next two games, too. The time difference makes ad selling difficult. But everything starts in the morning [local time] which means we can predict that people will be watching the Olympic Games on their mobile phones and computers.

In Latvia, newsroom journalists are not supposed to write advertising material. Is this the case in Estonia too?

Native advertising, or content marketing, is not done by journalists in our group. In *Eesti Meedia*, we have the so-called commercial verticals which were separated from the *Postimees* editorial team at the beginning of this year. Travel, entertainment and health content

Figure 2: Breakdown of Eesti Meedia group's revenues in 2016 and 2017



Data source: Eesti Meedia 2017 financial report

is separate to regular [journalistic] content. This part of the market will grow.

You mentioned that you have been merging the group's companies under one roof. Why?

Yes, we merged all our media companies – all TV, radio channels, national and local newspapers and news agencies – into *Eesti Meedia*. One reason was for efficiency – we are saving on office jobs that were duplicated.

We save around 1 million euro annually on administrative costs and many departments now require fewer people.

At the same time, we need to invest more in IT and business development employees. We wouldn't have achieved such growth this year without merging these companies.

Now let's talk about the differences between the Baltic states. Can you characterise the differences in audience?

That's a tricky question. Last year there was a big outcry in Lithuania when we changed the CEO of news portal *15min*. We were polite and said that the CEO was leaving the company because we had different views about the future. We didn't want to say we were not satisfied with the results of the CEO's job. But the CEO went public and said we [*Eesti Meedia*] were a threat, and that we wanted to control what *15min* writes. In the beginning we didn't even understand what was happening. It took a month to resolve that crisis until people finally understood that we have no intention of influencing the editorial team. In this respect, Lithuania and Estonia are quite similar. In Latvia, I have never felt that the media are afraid that someone would come and tell them what to write.

But there was uneasiness when Margus Linnamae, a pharma tycoon, bought news portal *TVNET* and news agency *LETA*. There were also rumours about ties with Russia.

Yes, but that was only at the beginning. We are not friends with Russia; our values are so different.

When we bought *LETA*, I remember all the talk about how it could be possible that Estonians are acquiring *LETA*. That was a business decision.

Regarding journalism – independent journalism is our mission; therefore, we have invested a lot of money in the editorial staff right from the start.

Can you reveal any mistakes you have made?

In Estonia, all the investments in IT were made only in the last 5 years. Before that, there were almost no investments in the online portals. We have occasionally chosen the wrong people or given money to development solutions that didn't work properly.

Does Margus Linnamae have any impact on the work of the editorial desk?

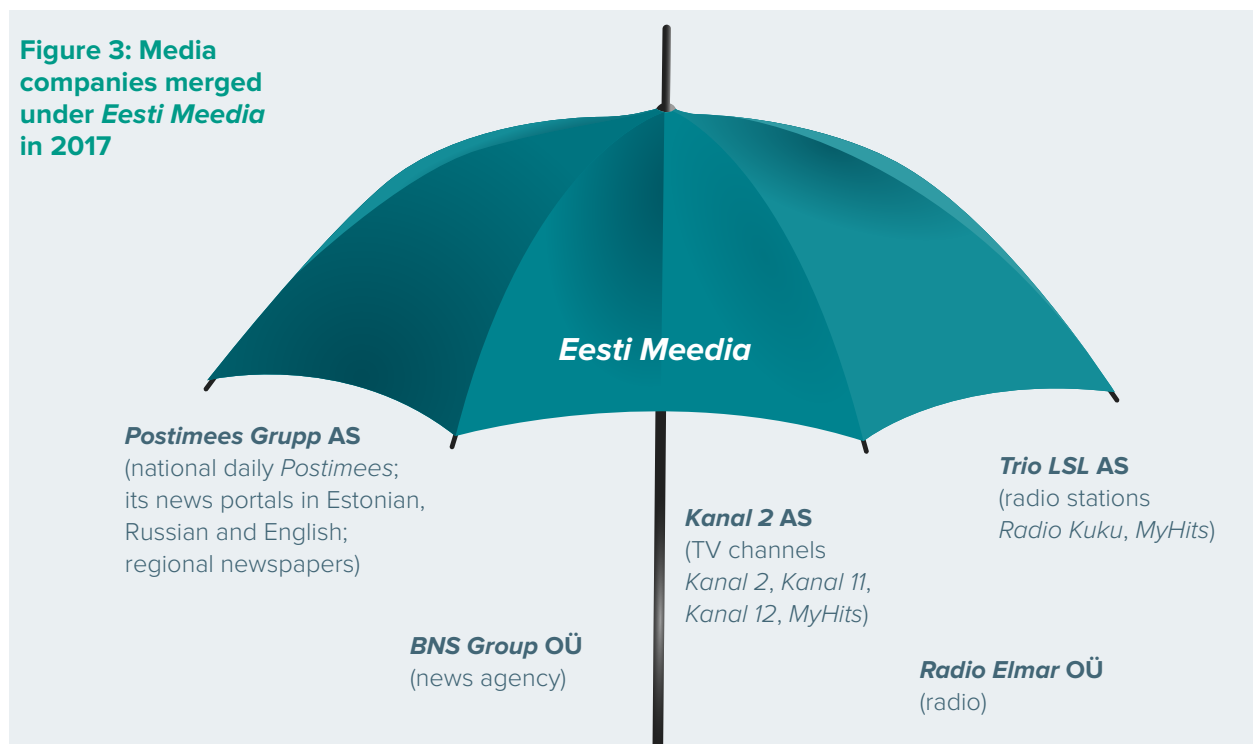
He is not involved on a daily basis. The editors-in-chief are independent in their decision-making. We have team meetings every other month in each of the Baltic states. As we don't understand Latvian and Lithuanian, we don't talk so much about editorial issues there; we trust our local CEOs and chief editors. In Estonia, there are times when people are not happy about something, they write to me and call me; even people from the government.

Does Margus Linnamae attend team meetings in Latvia and Lithuania?

No, he doesn't. In Estonia he sometimes participates in the supervisory board meetings in which journalists do not participate, only the editor-in-chief.

How do you decide how much to invest in Latvia and Lithuania? No offence, but it seems that *TVNET* only has 1,5 journalists on its editorial board.

Figure 3: Media companies merged under Eesti Meedia in 2017



Altogether Eesti Meedia owns 37 brands and 18 different companies across the three Baltic countries.

Data source: Eesti Meedia 2017 financial report

A year ago, we reduced our spending on Facebook advertising 10-fold and nothing changed.

What makes you think I decide or control how many journalists work in any particular country? It's always a local decision.

But isn't it a question of money?

No, no, we don't decide how many people work in the newsroom. We only decide the budgetary process. Regarding *TVNET*, I think we should have sent some people there a lot sooner than we did. That was one of our mistakes. Now I see that we are finally back on track and investing a lot of money in that company. One of our board members spent half a year in *TVNET* to speed up the decision-making. We have lost a lot of market share. Now it looks to me that Toms [Ostrovskis, editor-in-chief - ed.] is a very good choice for the company. Give us half a year in Latvia and you will see that *TVNET* will recover. I support and trust Zane Bārtņiece, CEO of the *TVNET* and Apollo. I'm sure she will deliver the results together with her team.

What are your goals for *TVNET*?

To become the market leader by revenue and readership during the next two or three years.

So, you want to outperform *DELFI*? You have quite a large gap to close.

Of course. We did it in Estonia this year - for the first time, we are level with them. For *DELFI*, Latvia is the smallest market. I'm not saying that it will happen in one year, but in two or three we should at least be level with them. We are ready to invest a lot of money in that. If I look at the competition between *15min* and *DELFI* in Lithuania, I see that *DELFI* is quite nervous there.

Regarding journalists' salaries, I suppose Estonians are leading, but can you compare them with those in Latvia and Lithuania?

I would say that this trend is also changing now. If you want to get a good journalist, the salary you must offer is increasing. The competition is fiercer in Estonia. If competition in Latvia were to increase, at least between *DELFI* and *TVNET*, I'm quite sure we would see salaries in Latvia rally.

What are your goals for the next five years?

There isn't so much to buy or acquire in the Baltic market anymore. We will strive to become more efficient and extract more revenue from our company, since there is still a lot of potential. Hopefully, in five years' time, all of our brands will still be successful. ■



Hans Luik: 2018 marks a time when the editorial office is really relying on data.

EKSPRESS GRUPP: THE ONE-CLICK SPRINGBOARD

For seven years, *Ekspress Grupp*, the owner of *DELFI*, the king of the Baltic online portals, has been trying to persuade readers that online content should be paid for, just as printed news is. Now, Andre Veskimeister, chairman of the supervisory board of *Ekspress Grupp*, and the media group's majority shareholder Hans Luik say that technology allowing digital content to be paid for with a single click is finally turning the tide.

By Inga Springe

Ekspress Grupp's digital revenue increased by 37% in the first half of 2018, according to your financial report. What are your top-selling digital products?

Hans Luik: I'd like to say that we are the pioneers in selling digital subscriptions. The first digital payments we introduced were for the weekly paper *Eesti Ekspress*, then *Eesti Päevaleht* followed.

The most impressive growth now is in per-article digital sales.

It's more convenient because of the one-click payment system called *Zlick*, in which we are one of the investors and which is also now being used by our competitors.

Andre Veskimeister: Over the last year, we have increased our article sales ten-fold for a number of reasons. One of them is certainly the single-click payment system. However, I think the biggest increase has come from the editorial team getting real feedback on what people really like. If you are selling an article, you have a very good measurement tool.

How much does it cost to read an article?

Veskimeister: We have different prices, but it's typically 99 cents per article or piece of content.

You have different subscription packages. Why such a big variety, and how much are people willing to pay?

Veskimeister: In our portfolio there are four major newspapers and eight magazines. We have to sell them differently, with different packages.

Luik: We merged our magazine unit with our online operations to give it a long-read focus.

Veskimeister: Mostly, we are learning by doing. We test what the audience's reaction to the prices is. Also, it comes from international players like *Spotify* and *Netflix*. Four or five years ago, people weren't willing to pay for any digital content. Now, *Spotify* and *Netflix* have helped to persuade people that it's worth paying.

Sven Nuutmann of Eesti Meedia group has concluded that the local audience is not ready to pay 10 euros for a [digital news] subscription, as people do for Netflix. The average price people are willing to pay here is around 6 euros.

Veskimeister: It's true, 10 euros is the limit for a digital content [subscription]. If it's more, the package has to be very special.

Which of your packages are more popular?

Veskimeister: It is difficult to say because the world is becoming more fragmented. People are choosing be-

Ekspress Grupp group

Owner of news portal *DELFI*, which has the largest user base in each of the Baltic countries.

It also owns an online advertising network company, *Adnet Media*, that operates in all three countries.

In Estonia, it publishes newspapers *Õhtuleht*, *Eesti Ekspress*, *Eesti Päevaleht* and *Maaleht*. It also publishes more than 20 magazines.

In Latvia, it owns an outdoor media company.

It also owns a printing company, book publishing company, home delivery and direct mail company, e-commerce and classifieds portals.

tween *Facebook*, *Instagram*, other social media and traditional media.

In your 2017 annual report it was mentioned that you have 75 000 subscribers. What kind of subscribers are they?

Veskimeister: I don't want to go into specific numbers. It is easy to count audience if you have one printed magazine subscriber. Then you know that you have one subscriber. It's harder if there is a package of three newspapers – do we have one subscription or three? It doesn't mean that we have 75 000 unique users. They can overlap.

There are times when the number of subscriptions grows a lot, and other times when it grows less quickly. The dynamics are different, but what the trigger is – I don't know.

Luik: We are also quite dependent on the telecoms companies. If they include us in their regular packages, we get a lot of subscribers.

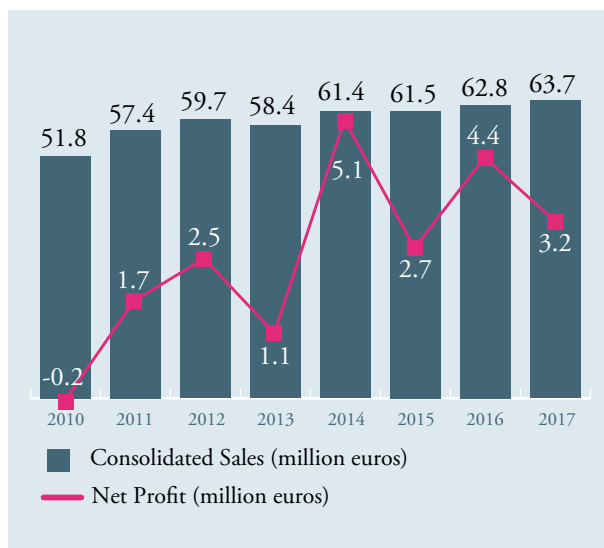
What do you mean?

Veskimeister: There are four or five ways to get an *Eesti Ekspress* subscription. Telecoms companies also sell our packages; for example, *Telia* clients can buy an *Eesti Ekspress* subscription. This is the future. Just as you can buy a *Samsung* phone in 20 different places, in the future, you will fill up your car at a *Circle K* petrol station and order a one-month subscription as an extra.

Are there any other non-traditional ways of subscribing to your content?

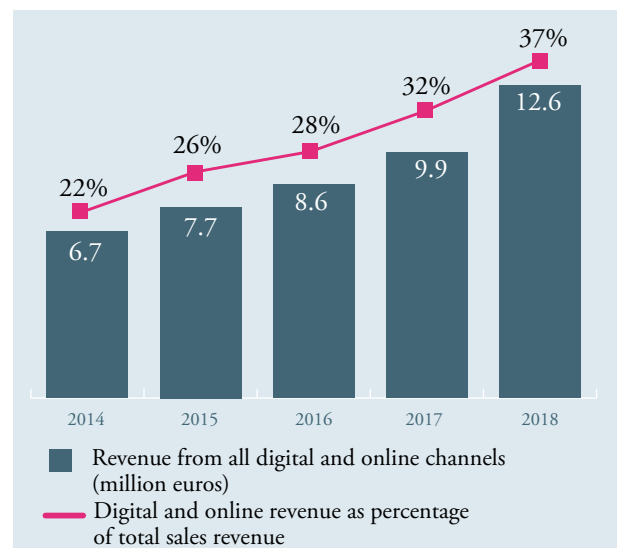
Veskimeister: We have tried gift cards. It increased our sales, but not significantly.

**Figure 1. Ekspress Grupp
Financial Results 2010-2017**



Data source: Ekspress Grupp annual reports

Figure 2. Sales revenue from digital and online in the first half-year (2014-2018)



Data source: Ekspress Grupp's consolidated interim report for the second quarter and first half-year of 2018

Luik: At first there were some real turn-offs because of the system being too complicated, but now it's easier. Above all, *Zlick* is a brilliant thing, and I'm very happy that it's a Baltic product.

Veskimeister: In the digital world, everything has to be easy. People don't like to fill in lots of information or pay one euro through a bank link or by credit card.

Do you know of any other media groups in the Baltics that are using *Zlick*?

Veskimeister: In Estonia, every publisher is using it. In Lithuania, we already have agreements with some media portals.

Luik: We also have a client in Poland, and Finland too.

You said earlier that it's easier now to know what people want to read. What do they want?

Veskimeister: On the one hand, it's very easy. The masses like scandals, blood, click-bait type articles. But there are different interest groups. We use 12 fictional characters on our editorial desk to represent 12 different clients with different needs.

The funny thing about news is that the most-read topics are not news at all. In Estonia, it is information about weather, sports and the former mayor of Tallinn, Edgar Savisaar. The *New York Times* is doing the same thing, telling me all the time that Trump is a crook. Of course, it's nothing new, it's not news anymore. We are quantifying this "news" and that has allowed our company to turn a profit not only through journalistic activities.

Luik: 2018 marks a time when the editorial office is really relying on data. We have been gathering and analysing data for years, but now almost every editorial office decision is based on data.

Can you give an example?

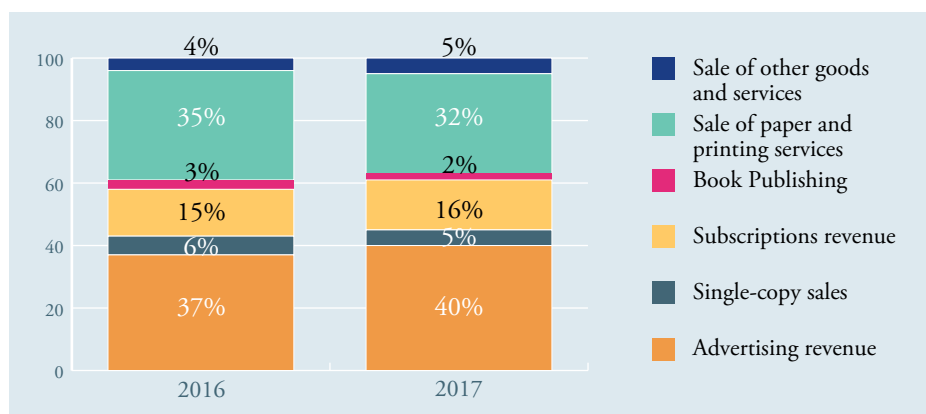
Veskimeister: We look at the lifespan of every article and change its position in the portal accordingly. We have a machine-learning program that checks the actual performance of every story and does a forecast for it. Based on that, we publish related stories. We have social media bots that aggregate the most-discussed topics on *Facebook* and we create stories based on that. For example, if there is a discussion about the Swedish princess visiting Estonia, we will create some content about it.

Is there a demand for long reads? This is a trend in the US media now. Advertisers want people to spend more time on the story to see their ads for longer periods of time.

Veskimeister: Absolutely. Lithuanian *DELFI* was the initiator of this and insisted that, instead of unique browsers or sessions, we have to measure the session length. It has to be an advertising currency as well. By

The most impressive growth now is in per-article digital sales, says Hans Luik.

Figure 3. Breakdown of Ekspress Grupp group's revenues in 2016 and 2017



Data source: Ekspress Grupp 2017 financial report

that measure, we are certainly in a dominant position.

People spend one minute longer on *DELFI* compared to our competitors.

In Latvia, this long-read format has been promoted on *DELFI* very heavily. We are planning to introduce paid content in Latvia and Lithuania, too.

You want to introduce a paywall for *DELFI*?

Veskimeister: Yes, and we are integrating *Zlick* into it. The majority of the content will be free, but there will be additional content – investigative, descriptive stories, long-reads – that will be behind a paywall.

Latvia generates the lowest advertising revenue. Is a paywall a response to that – to increase revenues?

Veskimeister: Yes, and no. It's not clear yet when we will do it. In Estonia, the fact that we have a paywall still annoys some people. *15 Minutes* in Lithuania offered an advertising-free solution if you had paid for content two years ago and it got a very negative response. In Estonia, we opened our first paywall 7 years ago and only now are we finally earning something. After 7 years! It will be a long road in Latvia.

Veskimeister: We truly believe that the *DELFI* editorial offices in Latvia and Lithuania have reached the quality mark. It's not just online copy/paste journalism, but journalism done by professionals that can be sold in a similar way to other goods.

Luik: Content marketing is another source of revenue growth and Latvia has been innovative in this sector. An example is the *Rietumu Banka* ads on Latvian *DELFI* promoting Latvian arts and architecture. In the ads [which were a series of long-read articles about the history of art in Latvia – ed.], they were supporting art without saying anything about the bank's services – just a simple *Rietumu Banka* logo somewhere. And it works.

People spend one minute longer on *DELFI* compared to our competitors, says Andre Veskimeister.

Veskimeister: Another example of content marketing is our real estate project. We bought an apartment and started creating the interior, designing it room by room. There were different options offered by different companies and the audience could choose what would fit best for that kitchen. So, we built the whole apartment together with the audience. It was content marketing in the sense that it was paid-for content as opposed to a journalistic project.

Is the ad-free subscription popular?

Veskimeister: I can't recall the exact numbers, but they are not large.

Can you characterise the differences between consumers in the Baltic states?

Luik: What is easy to observe, especially in Latvia, is that newspapers can't be classed as mass media anymore as the circulations are only something like 9000 for *Latvijas Avīze* or *Diena*. People don't subscribe to anything. In Lithuania, for a countrywide newspaper like *Lietuvos rytas*, 35 000 is hardly a circulation at all. It means that, in two of the three Baltic states, there is no desire to pay for news anymore. In Estonia, the habit is still there; we are more like the northern countries.

Veskimeister: The reason why people are subscribing to newspapers is changing. 5-10 years ago, people subscribed to newspapers to get information, but today, that's not a problem anymore.

My prediction is that people will pay journalists not to inform them, but to save time by selecting particular in-

Andre Veskimeister:
People will pay journalists not to inform them, but to save time by selecting particular information and analysing it for them.



PUBLICITY PHOTO

formation and analysing it for them.

That is the biggest change that I see.

Are there other things apart from the paywall that differ across the Baltic countries?

Luik: Where we have been constantly failing is in youth content. We have been trying to attract younger people and it has been very hard. We even wanted to interview some YouTubers here in Estonia, but they didn't want to talk. There was an open-air discussion festival; I was on the panel representing our paper, and a YouTuber was only willing to take part for a fee.

What's happening with digital advertising? Can media finally start to earn from it?

Veskimeister: It's true that the total advertising market has been growing, but most of the growth comes from social media and programmatic advertising. Unfortunately, media outlets are not taking full advantage of the market growth and we can honestly say that it's not fair,

because *Google* and *Facebook* don't pay local taxes and they don't pay for content creation. The worst part is that we don't even know how much money they are taking out of the Estonian advertising market. Luckily, we are somewhat protected here because of our language; *Google News* is not such a big threat to us. Right now, they are stealing ad money, but for international media companies, they are also stealing readers.

Luik: I'd like to add that we have our own programmatic tool called *AdNet*. It enables us to quantify and target our audience like *Facebook* does.

Veskimeister: This is our way of at least partly benefiting from the growth in programmatic ad sales. As far as we understand, none of our competitors are doing this.

Have you used *Facebook* for content promotion?

Veskimeister: Absolutely. One third of our page views come from *Facebook*.

Do you feel it when *Facebook* changes its algorithms?

Figure 4. DELFI revenues in each Baltic country in 2016 and 2017

Sales (million euros)	2016	2017	Change
Ekspress Meedia	19.1	19.3	1%
including DELFI Estonia online revenue	6.7	6.9	2%
DELFI Latvia	3.4	3.8	13%
DELFI Lithuania	8.6	9.5	11%
including DELFI Lithuania online revenue	6.6	7.8	19%

Data source: Ekspress Grupp 2017 financial report

Veskimeister: We feel it every time. It's a constant process.

Why do you still keep *Eesti Päevaleht* in print when it makes a loss?

Luik: We have 12 000 people who are paying for the physical morning newspaper *Eesti Päevaleht* and we are not going to let them down. It's about loyalty too. In the future, daily morning newspapers might disappear, but weekly newspapers and monthly magazines will continue to be printed for a long time. The question about printed newspapers is not so painful for us because, for the fourth year in a row, we have run the daily newspaper with the largest circulation in the Baltics – *Õhtuleht* (it is published by AS *Õhtuleht Kirjastus*, of which 50% belong to Ekspress Grupp and the other 50% belong to *Suits Meedia* – ed.). I would never have guessed that we, Ekspress Grupp, would be running the biggest newspaper in the smallest Baltic state.

Veskimeister: If some newspapers close their print version, they will still continue to run a digital version. It's related to age. There's now an age group that pays only for the printed version because they are not able to use the digital version. It will take years before the group of digital natives is so big that it's worth stopping printing.

How do you see the next five years? What's your vision or goals?

In the digital world, everything has to be easy. People don't like to fill in lots of information or pay one euro through a bank link or by credit card, says Andre Veskimeister.

Luik: DELFI TV will be big. Every news piece that is popular in future will have video.

Veskimeister: Television will shrink severely and videos and on-demand channels will grow. Video, podcast and audio media will increase and it's going to boom.

Luik: There will be robotic fact-checking, and that's why some of the publications that are popular now will lose their popularity. News will be attached to blockchains, so you will see where this picture or video, or that piece of news, comes from, and you will be able to follow its footprint to the original.

Do you think people really care about facts?

Luik: Governments will. Spreading false facts on purpose will be considered to be sabotage. ■

THE LOVE-HATE RELATIONSHIP

As Baltic news media fight for every reader and viewer, social media helps them to drive audience to their online platforms. Yet it comes at the cost of their brand awareness and it shakes the foundations of journalism's traditional business model.

By Džina Donauskaitė

Social media is where news organisations' audience has drifted to over the last decade, taking their most generous advertisers with it, so traditional media are looking for ways to replace the advertising revenues they have lost to the digital behemoths *Facebook* and *Google*. The common understanding is that the fish in the Baltic media market are too small for their discontent to bother *Facebook* or *Google*.

Most Baltic news media organisations have never formally met with representatives of *Google* or *Facebook* to talk business, let alone sign partnership deals. Everyone is on their own trying to figure out how to have their cake and eat it too.

The Unfair Competition

The big Baltic whales *Ekspress Group* and *Eesti Media* along with other influential locally-owned national publishers in Lithuania and Latvia are dissatisfied that *Google* and *Facebook* escape local regulation and taxes, thus putting them at disadvantage in the competition for internet advertising money.

When media managers are asked to estimate how much the Baltic media industry loses to the duopoly of *Google* and *Facebook*, no one can say for sure. Neither *Google* nor *Facebook* comes clean about how much advertising they sell locally.

Estimates vary, suggesting that 30% to 50% or perhaps even 70% of all local digital advertising market revenues flow into the pockets of global players.

However, the three Baltic languages are working to the benefit of the local players as producing quality content in Estonian, Latvian and Lithuanian is expensive and requires local expertise. This has become a selling point for the media powerhouses *Ekspress Grupp*, *Eesti Meedia* and *All Media Baltics* with local advertisers. This revelation has also led the big Baltic media groups to realise that it is only rational to share content on social media when it helps to draw the audience back to their own platforms.

Friends, not Foes

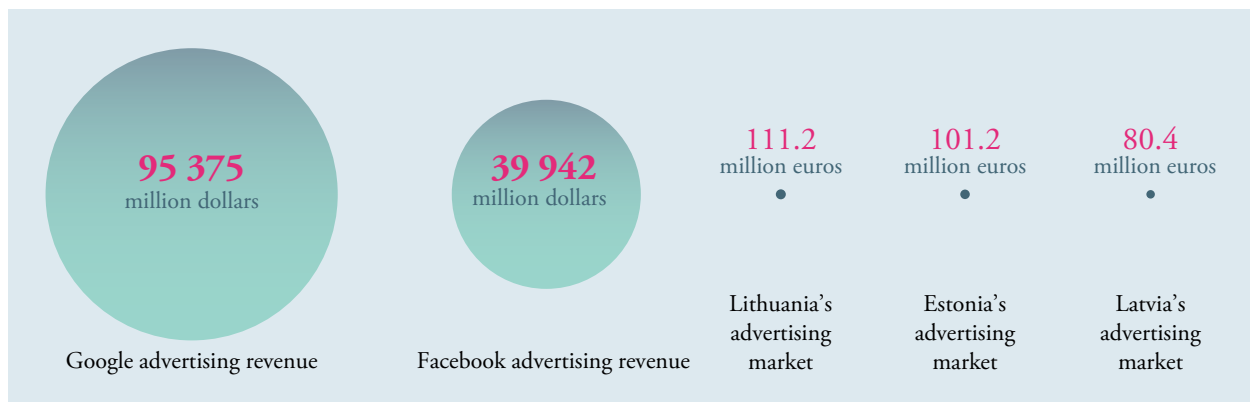
Journalistic startups, however, are not so concerned with the negative effects of social media. Estonian *Edasi*, Latvian *Imperfekt* and Lithuanian *Nanook* use social media, and *Facebook* in particular, to create a connection with their audiences.

Imperfekt, a lifestyle magazine for women, has in the era of digital decided to stick to ink and paper. The magazine's co-founder and editor-in-chief Inga Gorbunova has no plans to offer a digital subscription to the magazine. "We don't share all our content online, only certain excerpts of stories, just to help our sales. We sell out all our printed editions," explains Gorbunova. Her startup

Džina Donauskaitė is the director of the Lithuanian Journalism Centre and the postdoctoral researcher at Vytautas Magnus University (Kaunas). She is currently working on a research project "Impact of Global

Publishers on Local Media Ecosystems: Preconditions for Communication Policy Innovation in Small Baltic Markets", for which she has interviewed dozens of media executives and editors from all three countries. Among

the interviewees are executives of companies such as *Eesti Meedia*, *Ekspress Grupp*, *Bonnier (Äripäev)*, *All Media Baltics* and many others. This article is based on her conclusions following these interviews.

Figure 1. Baltic advertising market comparison with advertising revenues of Facebook and Google in 2017

Source: Facebook, Alphabet (Google's parent company), Kantar Emor

Estimates vary, suggesting that 30% to 50% or perhaps even 70% of all local digital advertising market revenues flow into the pockets of global players.

earns money by selling design objects on the *Imperfekt* website and tickets to various lifestyle events they organise. The *Imperfekt* team uses Facebook to communicate with readers and manage sales. “For us, *Facebook* is a partner rather than a competitor,” says Gorbunova.

None of the Baltic media startups are building their activities based on the funding model of traditional journalism. Usually, their funding comes from extremely diverse sources – crowdfunding, donations, fundraising, e-commerce, project-based funding, and so on.

Social media proves to be the perfect space for running crowdfunding campaigns, which are becoming popular with small media startups. *Youtube*-only based Lithuanian *Freedom TV*, which was established in 2016, enjoys the support of 4,000 micro funders every month and collects up to 200,000 euros a year from them. Another Lithuanian-based multimedia startup *Nanook* funds its *NYLA* podcast through a crowdfunding platform called *Patreon* and enjoys the support of 200 followers a month.

But, of course, it's not all rosy. Some startups and small newsrooms, such as the Latvian-based Baltic investigative journalism centre *Re:Baltica* or the Estonian cultural outlet *Müürileht*, use social media for content distribution. Being able to inform as wide an audience as possible is one of the core values of their journalistic activities. They are worried, however, that slight algorithmic changes, such as when *Facebook* this spring decided to demote posts by publishers in a push to emphasise con-

tent by friends and family, cause startups to struggle to reach their audience.

Meanwhile, Estonian *Edasi*, which publishes opinion pieces on leadership, management, entrepreneurship, lifestyle and quality of life, manages to sell ads on its site at a higher price than that offered by local media, let alone *Facebook* or *Google*. The key to that – access to the site's niche audience. “I do the evangelist's job of talking to advertisers myself,” says Janeck Uiibo, founder and editor-in-chief of *Edasi*. “I strongly believe that getting more things for a cheaper price is not the purpose of our lives – quality is the purpose. And by buying cheaper things, you may end up paying more in the long run. It is not easy to sell that idea, but here I am, after two years, finding advertisers who believe in the same philosophy,” explains Uiibo.

All or Nothing

When it comes to public broadcasters, attitudes towards social media could not be more opposed than they are in Latvia and Estonia. Estonia's public broadcaster *ERR* is sceptical about sharing its content on social media. *ERR* has the advantage that people go directly to their website and it does not want to lose its audience to social media by being too active on it. Therefore, as with the commercial TV group *All Media Baltics*, *ERR* is looking to innovate on its own platforms.

Meanwhile, the Latvian public broadcaster's strategy is to be all over social media. *LTV*, the public TV company, does live broadcasts of its main news program on *Facebook*. It creates special web documentaries for social media and it recently debuted *16+*, a TV series for teenagers which is broadcast on *YouTube* only. Latvia's public broadcaster believes that, to accomplish its educational mission, it has to follow its audiences to *Facebook* or *Instagram* and provide special content for social media. This, however, raises the question of whether it is ethical and in the public interest to use public funds to create

content for *Facebook*, because as well as allowing them to reach new audience, it also works in favour of *Facebook*, which gets free content and free audience on its platform.

Paywalls on the rise

One obvious means of generating revenue is to put on-line content behind a paywall, and many media houses have started to experiment with different subscription models. Some newspaper publishers have already offered their content online for a fee for a while now, yet persuading people to pay for digital-only content has been challenging. *Ekspress Grupp* is now leading the way to change that. *Delfi* in Estonia has increasingly put more content behind a lock since 2009 and it plans to introduce paid content in Latvia and Lithuania too. Time will tell whether *Ekspress Grupp* manages to crack the code to Latvian and Lithuanian willingness to pay for journalism.

Some niche commercial media such as business dailies feel they have lost the battle for local advertising funds to *Facebook* and *Google*, therefore they plan to focus on increasing subscriptions. Such a trend is observed globally – in a survey of 194 leading editors, CEOs, and digital leaders *Reuters Institute for the Study of Journalism* found that almost half of publishers (44%) saw subscriptions as a *very important* source of digital revenue in 2018; more than digital display advertising (38%) and branded and sponsored content (39%). “Our future business model will be based on subscriptions. Advertising will only form a very small part of our income,” says Igor Rõtov from the Estonian business daily *Äripäev*. Journalism is at the core of *Äripäev*’s ideology, but advertising revenues alone are not enough to support the company, so other activities, such as selling training, organising conferences and publishing business literature, are their way of keeping the media house financially viable.

Journalism or Advertising?

As some advertisers have switched away from banner ads on online websites to banner ads on social media, the unique package that all well-established media organisations are offering these days is native advertising – ads that don’t really look like ads but resemble regular articles. It can also be referred to as a ‘content project’, a ‘special content project’, ‘content marketing’, ‘brand journalism’, and so on.

Native advertising is growing in the biggest and most respected media channels in every Baltic country. The

practice is new, profitable, and all the media houses are jumping on this revenue-generating opportunity.

Some media houses try to keep it clean and separate brand journalism departments from independent editorial teams, others try to integrate them into a single team, but the rest are not worried about organisational structure at all and assign journalists to write both news and ads. Currently there is little or no regulation, nor self-regulation, of practices for producing native advertising in the Baltics.

Some media managers admit that journalists within their own newsrooms do not like native advertisements being displayed next to their independent, journalistic articles. However, that is the way media businesses earn money to pay people’s salaries these days – so the dissatisfied ones are being told. And that’s where the conversation comes to a dead end.

The Weakest Link

Innovation is essential for media companies to be able to stay profitable and defend local journalism. However, some of the new sources of revenue do raise questions. Take for example native advertising. When native advertising is not labelled as such, it is hard for the audience to see it for what it is. Because of its vast abundance, it might also prevent the media from performing its democratic role. If some topics are covered by ‘brand journalists’, they might become difficult for independent journalists working within the same newsroom to cover critically.

The instruments for content monetisation offered by social media (for example, instant articles on *Facebook*), are rarely used in the Baltics. Baltic media organisations are mostly suspicious of global social networks as they change prices, algorithms and user experience frequently and without due warning. There is also a fear that the abundance of fake content on social media, which is being displayed alongside news produced by respected media houses, is threatening the quality of the local information environment. Social media, especially *Facebook*, is increasingly being used by Baltic news companies as a marketing tool for raising brand awareness and creating an image, but less so as a platform for content distribution.

In other words, local and global media organisations co-exist and try to use each other for their own benefit, but the trust in the relationship is absent. ■

WHAT DO DIGITAL-BORN MEDIA INVEST IN?

We asked popular news websites to share their most important innovation projects of recent years. You'll never believe what they have created!

By Elga Sile

Listen up! Content finds its voice.

15min has decided to venture into audio content after noticing a growing demand and the lack of a local offering. Following a grant from the Google Digital News Innovation Fund, a new platform offering voice-overs of *15min* long-reads, daily audio news, and podcasts will be launched on the 3rd of December, 2018. While developing the platform, *15min* has already launched two pilot podcasts dedicated to sports, made available on sites like *Spotify*, *iTunes* and *Podbean*. By stepping out of their own platform *15min* wants to focus on increasing content reach over various platforms, explains Gediminas Galkauskas, the head of marketing and business development at *15min*.

Internet TV with a capital D

Among preparatory works for the implementation of *Delfi Plus*, a paid product expected to be launched in 2019, and other projects, the most important innovation for the online news site ***Delfi.lv* has been their new and improved internet TV studio**, says the editor-in-chief Ingus Bērziņš. Made for the popular “*Delfi TV ar Jāni Domburu*”, the 50 000 euro studio has enabled *Delfi* to expand its content offering from interviews to discussions and improve video quality significantly. The host and guests will now be seated around a counter in the form of a large capital “D”, representing both *Delfi* and the *Domburs* show, in a modern yet minimalist studio that is easy to transform for other purposes as well.

Elf army debunking disinformation with AI and friends

***DELFI's* Lithuanian team has launched *Demaskuok.lt* – a fact-checking site** designed to fight propaganda and disinformation in Lithuania. *Demaskuok.lt*, whose name means ‘debunk’, uses artificial intelligence (AI) to perform automated real-time analysis of news, with the help of fact-checking volunteers, or “elves”, and journalists. The Google DNI funded platform currently analyses around 10 000 articles per day from ~500 domains and is supported by the seven largest Lithuanian media outlets, Lithuanian *StratCom* units, as well as Lithuanian government officials, explains the director of *DELFI* Vytautas Benokraitis.

News sites share a platform

At the end of July 2018, the Latvian popular news website ***TVNET.lv* and its Estonian sister *Postimees.ee* both switched their IT platforms** (both front-end and back-end) to a pan-Baltic one, which is based in Estonia. To strengthen their capability, the development teams from Latvia and Estonia were also merged at the same time. Working together allows the team to share information and implement new products across the two countries. The saved resources can now be redirected towards creating more content, says CEO of *TVNET.lv* Zane Bārtnece. ■

HUNTING FOR CHANGE

When I was searching for media outlets with a strong footprint in Lithuania's digital realm, the name of *Nanook*, a multimedia journalism startup that focuses on documentary projects about social issues, came up so often that I became curious. Established for the passion of multimedia storytelling, *Nanook* is on a mission to bring change with the help of stories.

By Aija Krūtaine

Nanook brings its readers a rich experience – its storytelling is augmented by photos, videos and audio in a visually appealing way. Besides multimedia journalism, they also do podcasts. Lithuanian photojournalists Berta Tilmantaite and Artūras Morozovas founded *Nanook* in 2014 as they were both eager to tell stories using multimedia, but the demand for it in Lithuanian newsrooms was constrained by the costs and production time.

Nanook's mission is not just to tell a good story, but also to show a different perspective on well-ingrained social narratives. Their first project, *Monotone Days*, which looked into the lives of female convicts, is a prime example of that. “Very often, stories about convicted people in Lithuanian media are not very ethical and convicts are shamed and blamed. So we decided to look for another narrative to see if it could work,” says Berta.

And it did.

The Money

“We are like an octopus with many tentacles trying to grab bits and pieces from different places and then create the content that we really want to create,” says Berta, when I ask her how *Nanook* funds itself.

When Berta and Artūras first started *Nanook*, they would use the money they earned as freelancers to make *Nanook* multimedia stories, which they would then try to sell to other media. These days, one source of finance comes from applying for funding from scholarships, grants and various funds.

Another source is the various NGOs and other organi-

Nanook or Nanuk means ‘the polar bear’ – the master of the bears in the Inuit religion, who decided whether or not hunters deserved success in hunting.

sations who hire *Nanook* to create content for them. “These are smaller projects, but they help us to generate additional income that we can later invest into our plans and projects,” says Berta, adding that *Nanook* maintains control of what content they produce and how.

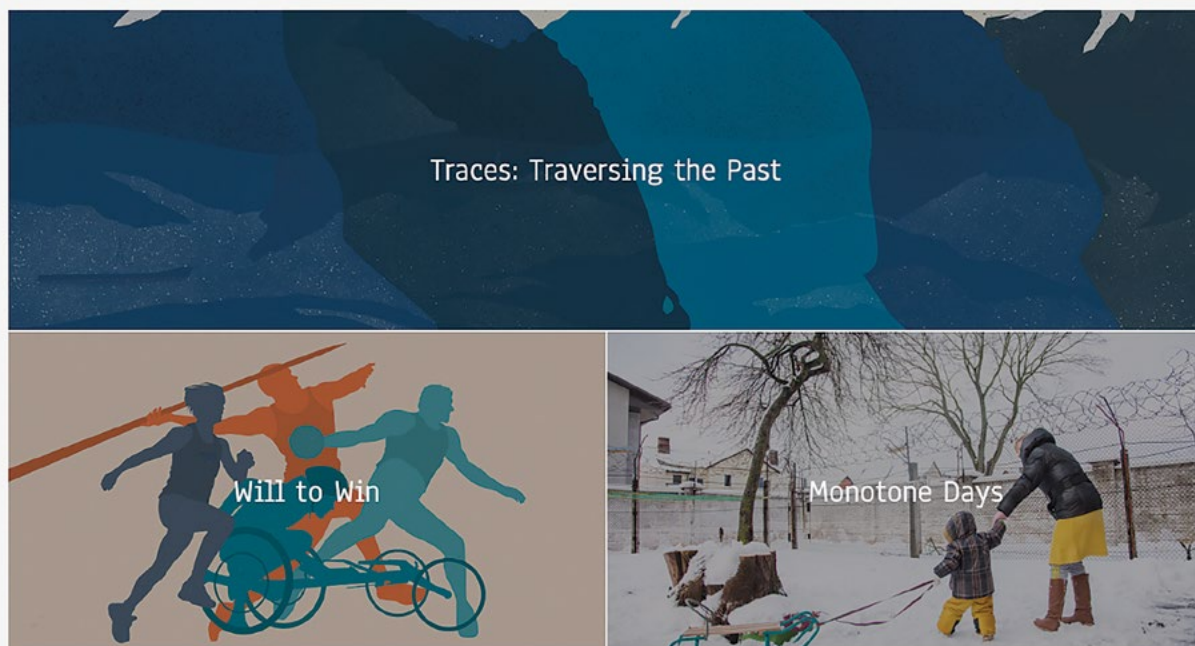
A third source of income is voluntary payments from people who enjoy *Nanook's* podcasts and want to support them. *Nanook* uses the *Patreon* platform where so far 226 patrons have chosen to support the startup. It gives them an income of USD 1200 - 1300 every month.

“It's been a few years since we published our first project in 2015, so it's getting easier to attract funding because more people know about us and more organisations find us and want to partner with us,” says Berta.

The Reach

When *Nanook* started, Berta thought that they would be able to sell their multimedia stories to local media, but it didn't work out. “Our projects are big and they're expensive – a lot of people work on them for a long time – so it's not easy to make the money back if you don't have anything [agreed with partners on funding] beforehand,” says Berta.

The length of their projects varies. It took nine months



Nanook's multimedia storytelling project *Monotone Days* looked into the lives of female convicts, *Will to Win* explored the lives of paralympic sportsmen, while *Traces* followed the expedition of four Lithuanian men to Siberia telling the story about deportations by the Soviet Union.

to produce *Monotone Days*; a year for *Traces*; while *Will to Win*, a project about paralympic sportsmen, involved very intense 24/7 work for two months.

Nowadays, *Nanook* tries to sell its stories to foreign media, while in Lithuania, they look for local partners before they actually start a new project. *Monotone Days* was published on *Al Jazeera*, but their latest project, *Traces* (about deportations by the Soviet Union and the expedition of four Lithuanian men to Siberia to reach the birthplace of one of their fathers) was published by *Radio Free Europe*.

Nanook also gives lectures and runs workshops for different organisations who invite them to talk about media literacy, multimedia journalism or documentary making. It is an important source of income, as besides telling stories about social issues, *Nanook's* second priority is to educate on and improve media literacy, Berta explains.

The Community

When it comes to social media, *Nanook's* philosophy is "less is more". *Nanook* is on *Facebook* and *Instagram* and uses these platforms to show readers teasers or inform them when they've finished some new work, but they don't see the point in posting just for the sake of it. The same philosophy applies when Berta talks about technology. *Nanook's* team keeps an eye on what's happening in the field of immersive journalism, such as virtual reality

or 360° videos, but for them, new technology is only important if it can add to the story and the user experience. "We see that a lot of organisations start using technology just for the sake of it, without really thinking what the best way to use it is," says Berta.

For her and her team, what's more important is engaging with the audience in real life. Therefore, *Nanook* wants to record more podcasts live with an actual audience. "We really feel the need to meet the audience, talk with them, hear how they live and understand what they need and want from the media," says Berta.

From our conversation, it is clear that Berta is passionate about a conscious and open-minded audience whose members would be open to change their minds if the story persuaded them to. So, it is more a community that the team is trying to create than just a series of stories or podcasts. "Media organisations have a responsibility not only to do business and make money, but to shape the knowledge and consciousness of society. It's important not just to count views and clicks, but to see what changes the stories can bring in people's minds and even society itself – for example, by getting discriminatory laws changed. Sometimes it's really frustrating to see that bad content gets traffic and high quality, ethical content doesn't. Sometimes you want to give up, but then you just have to keep in mind what is really important," concludes Berta. ■

TOP 5 NEWSPAPERS IN THE BALTICS AND THEIR FINANCIAL INDICATORS

TOP5 Most Popular Newspapers	Lithuania	Latvia	Estonia
#1 Newspaper	Lietuvos Rytas	МК - Латвия/ МК-Latvija (rus)	Postimees
Title in English	Lithuanian Morning	МК-Latvia	Postimees
Frequency	5 issues per week	1 issue per week	6 issues per week
Cover in 2017	185 700	168 000	167 000
Cover in 2016	193 900	180 000	160 000
Change in Cover 2017 vs 2016, %	-4.2%	-6.7%	4.4%
Cover (%) in 2017	8.5	10.4	17.0
Cover (%) in 2016	8.9	11.0	16.3
Change in the Cover (%) 2017 vs 2016, pp	- 0.4	- 0.6	0.7
Circulation in 2017	28 650	45 000	44 700
Circulation in 2016	31 720	45 000	47 000
Publisher	Lietuvos rytas, UAB	Izdevniecības nams Print Media, SIA	Eesti Meedia, AS*
Turnover in 2017 (euros)	6 431 404	1 146 359	95 639 000
Turnover in 2016 (euros)	6 921 146	1 146 503	90 087 000
Change in Turnover 2017 vs 2016, %	-7.1%	0.0%	6.2%
Profit/Loss 2017 (after tax, euros)	-102 049	2 542	4 938 000
Profit/Loss 2016 (after tax, euros)	536 737	8 069	5 902 000
Change in Profit 2017 vs 2016, %	nm	-68.5%	-16.3%
Global Ultimate Owner	BIG group UAB (Benas Gudelis), Gedvydas Vainauskas, Vidmantas Strimaitis	Baltijas Mediju Alianse, SIA (Oļegs Solodovs, Alexey Plyasunov)	UP Invest, OÜ (Margus Linnamäe)

#2 Newspaper	Vakaro žinios	Latvijas Avīze	Õhtuleht
Title in English	Evening News	Latvia's Newspaper	Evening Newspaper
Frequency	6 issues per week	5 issues per week	6 issues per week
Cover in 2017	127 000	56 000	127 000
Cover in 2016	148 600	61 000	148 000
Change in Cover 2017 vs 2016, %	-14.5%	-8.2%	-14.2%
Cover (%) in 2017	5.8	3.5	13.0
Cover (%) in 2016	6.8	3.8	15.0
Change in the Cover (%) 2017 vs 2016, pp	- 1.0	- 0.3	- 2.0
Circulation in 2017	26 320	14 180	47 600
Circulation in 2016	28 477	15 774	49 200
Publisher	Respublikos leidiniai, UAB	Latvijas Mediji, AS	Õhtuleht Kirjastus, AS (previously SL Õhtuleht, AS)
Turnover in 2017 (euros)	2 201 632	4 531 822	9 053 246
Turnover in 2016 (euros)	2 285 406	4 419 144	8 442 118
Change in Turnover 2017 vs 2016, %	-3.7%	2.5%	7.2%
Profit/Loss 2017 (after tax, euros)	7 843	-216 556	495 105
Profit/Loss 2016 (after tax, euros)	-36 928	-197 315	444 492
Change in Profit 2017 vs 2016, %	nm	nm	11.4%
Global Ultimate Owner	Respublikos investicija UAB, Justinas Tomkus	VB mediju grupa, AS (Olafs Berķis)	Ekspress Grupp, AS (Hans H. Luik), Suits Meedia OÜ (Janek Veeber)
#3 Newspaper	Mūsų Respublika	Ievas Padomu Avīze	Maaleht
Title in English	Our Republic	Eve's Advice Newspaper	Rural Newspaper
Frequency	1 issue per week	1 issue per week	1 issue per week
Cover in 2017	56 400	56 000	89 000
Cover in 2016	52 800	52 000	101 000
Change in Cover 2017 vs 2016, %	6.8%	7.7%	-11.9%
Cover (%) in 2017	2.6	3.4	9.1
Cover (%) in 2016	2.4	3.2	10.3
Change in the Cover (%) 2017 vs 2016, pp	0.2	0.2	- 1.2
Circulation in 2017	7 500	24 593	52 500
Circulation in 2016	8 000	24 578	54 400
Publisher	Respublikos leidiniai, UAB	Žurnāls Santa, SIA	Ekspress Meedia, AS
Turnover in 2017 (euros)	2 201 632	7 367 671	18 832 331
Turnover in 2016 (euros)	2 285 406	7 836 260	18 553 393
Change in Turnover 2017 vs 2016, %	-3.7%	-6.0%	1.5%
Profit/Loss 2017 (after tax, euros)	7 843	1 219 570	1 241 819
Profit/Loss 2016 (after tax, euros)	-36 928	1 303 203	1 264 181
Change in Profit 2017 vs 2016, %	nm	-6.4%	-1.8%
Global Ultimate Owner	Respublikos investicija UAB, Justinas Tomkus	Santa Anča, Ivars Zariņš	Ekspress Grupp, AS (Hans H. Luik)

#4 Newspaper	Обзор/Obzor (rus)	Латвийские Вести/Latvijskie Vesti (rus)	Eesti Päevaleht
Title in English	Review	Latvian News	Estonian Daily Newspaper
Frequency	1 issue per week	1 issue per week	6 issues per week
Cover in 2017	48 800	54 000	74 000
Cover in 2016	43 300	60 000	71 000
Change in Cover 2017 vs 2016, %	12.7%	-10.0%	4.2%
Cover (%) in 2017	2.2	3.3	7.5
Cover (%) in 2016	2.0	3.7	7.2
Change in the Cover (%) 2017 vs 2016, pp	0.3	- 0.4	0.3
Circulation in 2017	20 229	na	15 300
Circulation in 2016	21 048	na	16 600
Publisher	Flobis, UAB	Zīme, SIA	Ekspress Meedia, AS
Turnover in 2017 (euros)	451 240	3 190 528	18 832 331
Turnover in 2016 (euros)	480 161	3 292 108	18 553 393
Change in Turnover 2017 vs 2016, %	-6.0%	-3.1%	1.5%
Profit/Loss 2017 (after tax, euros)	-22 173	39 366	1 241 819
Profit/Loss 2016 (after tax, euros)	-16 479	-38 685	1 264 181
Change in Profit 2017 vs 2016, %	nm	nm	-1.8%
Global Ultimate Owner	Anatolij Lozinskij, Borisas Lozinskis, Vladimir Farberov, Josif User, Oksana Lozinskaja	Jeļena Ustinova	Ekspress Grupp, AS (Hans H. Luik)
#5 Newspaper	Kauno Diena	Суббота/Subbota (rus)	Eesti Ekspress
Title in English	Kaunas's Day	Saturday	Estonian Express
Frequency	6 issues per week	1 issue per week	1 issue per week
Cover in 2017	48 400	50 000	70 000
Cover in 2016	52 300	55 000	70 000
Change in Cover 2017 vs 2016, %	-7.5%	-9.1%	0.0%
Cover (%) in 2017	2.2	3.1	7.2
Cover (%) in 2016	2.4	3.4	7.1
Change in the Cover (%) 2017 vs 2016, pp	- 0.2	- 0.3	0.1
Circulation in 2017	18 014	na	27 700
Circulation in 2016	17 048	na	27 300
Publisher	Diena Media News, UAB	Zīme, SIA	Ekspress Meedia, AS
Turnover in 2017 (euros)	2 961 039	3 190 528	18 832 331
Turnover in 2016 (euros)	3 573 792	3 292 108	18 553 393
Change in Turnover 2017 vs 2016, %	-17.1%	-3.1%	1.5%
Profit/Loss 2017 (after tax, euros)	493 728	39 366	1 241 819
Profit/Loss 2016 (after tax, euros)	142 414	-38 685	1 264 181
Change in Profit 2017 vs 2016, %	246.7%	nm	-1.8%
Global Ultimate Owner	Sunra UAB, Mindaugas Mickevičius	Jeļena Ustinova	Ekspress Grupp, AS (Hans H. Luik)

Decline in audience and/or turnover marked in red

* Newspaper Postimees previously was owned by AS Postimees Grupp, which in April 2017 was merged with its parent company AS Eesti Meedia, thereby and also because AS Postimees Grupp submitted the last annual report in 2015, here the financial data for AS Eesti Meedia is represented.

Sources:			
Cover data	Kantar TNS Lithuania Readership Survey	Kantar TNS Latvia, National Readership Survey	Kantar Emor, TNSAtlas
Period for cover data 2017	Spring 2017	Spring 2017	2017
Period for cover data 2016	Spring 2016	Spring 2016	2016
Target Audience	Lithuanian residents aged 15-74 years	Latvian residents aged 15-74 years	Estonian residents aged 15-74
Cover	average number of readers in target group for one issue of press edition		
Cover (%)	average percentage of readers in target group for one issue of press edition		
Circulation data	Ministry of Culture of Lithuania, data unaudited, provided by the newspapers	As disclosed by the newspapers or their publishers	Estonian Newspaper Association
Period for circulation data	Second half of 2017	December 2017	December 2017
	Second half of 2016	December 2016	December 2016
Financial data	Creditreform	Lursoft	Centre of Registers and Information Systems
na	data not available		
nm	not meaningful to calculate		

TOP 5 MAGAZINES IN THE BALTICS AND THEIR FINANCIAL INDICATORS

TOP5 Most Popular Magazines	Lithuania	Latvia	Estonia
#1 Magazine	Savaitė	Ieva	Kroonika + Nädal
Title in English	Week	Eve	Chronicle+Week
Type of the Magazine	TV listings, household and lifestyle tips	Women, lifestyle	Entertainment, celebrities
Frequency	weekly	weekly	
Cover in 2017	491 900	173 000	59 000
Cover in 2016	495 500	198 000	62 000
Change in Cover 2017 vs 2016	-0.7%	-12.6%	-4.8%
Cover in 2017, %	22.4	10.8	6.0
Cover in 2016, %	22.6	12.1	6.3
Change in the Cover 2017 vs 2016, pp	- 0.2	- 1.3	- 0.3
Circulation in 2017	196 745	50 543	33 400
Circulation in 2016	199 590	52 725	34 400
Publisher	Savaitė, UAB	Žurnāls Santa, SIA	Ajakirjade Kirjastus, AS**
Turnover in 2017 (euros)	3 834 576	7 367 671	9 124 658
Turnover in 2016 (euros)	3 873 082	7 836 260	9 509 308
Change in Turnover 2017 vs 2016, %	-1.0%	-6.0%	-4.0%
Profit/Loss 2017 (after tax, euros)	710 956	1 219 570	-259 308
Profit/Loss 2016 (after tax, euros)	689 479	1 303 203	752 023
Change in Profit 2017 vs 2016, %	3.1%	-6.4%	nm
Global Ultimate Owner	Asta Jelinskienė, Aleksandras Maceina	Santa Anča, Ivars Zariņš	Ekspress Grupp, AS (Hans H. Luik), Suits Meedia, OÜ (Janek Veeber)

#2 Magazine	Žmonės	Privātā Dzīve	Naisteleht
Title in English	People	Private Life	Women's Paper
Type of the Magazine	Entertainment, lifestyle, celebrities	Entertainment, celebrities	Women
Frequency	weekly	weekly	weekly
Cover in 2017	247 100	123 000	58 000
Cover in 2016	260 200	152 000	55 000
Change in Cover 2017 vs 2016	-5.0%	-19.1%	5.5%
Cover in 2017, %	11.3	7.6	5.9
Cover in 2016, %	11.9	9.3	5.6
Change in the Cover 2017 vs 2016, pp	- 0.6	- 1.7	0.3
Circulation in 2017	67 680	32 817	28 900
Circulation in 2016	73 467	36 496	32 100
Publisher	Žurnālų leidybos grupė, UAB*	Žurnāls Santa, SIA	Ajakirjade Kirjastus, AS**
Turnover in 2017 (euros)	3 818 345	7 367 671	9 124 658
Turnover in 2016 (euros)	6 331 391	7 836 260	9 509 308
Change in Turnover 2017 vs 2016, %	-39.7%	-6.0%	-4.0%
Profit/Loss 2017 (after tax, euros)	565 807	1 219 570	-259 308
Profit/Loss 2016 (after tax, euros)	30 782	1 303 203	752 023
Change in Profit 2017 vs 2016, %	1738.1%	-6.4%	nm
Global Ultimate Owner	Tomas Balžekas, Martynas Basokas, Vytautas Kaikaris, Gabrielė Burbinė, Tomas Bindokas	Santa Anča, Ivars Zariņš	Ekspress Grupp, AS (Hans H. Luik), Suits Meedia, OÜ (Janek Veeber)
#3 Magazine	Prie Kavos	Kas Jauns	Kodu&Aed
Title in English	With Coffee	What's New	Home & Garden
Type of the Magazine	Women	Entertainment, celebrities	Interior design, decoration, gardening
Frequency	weekly	weekly	monthly
Cover in 2017	118 200	127 000	51 000
Cover in 2016	132 800	144 000	48 000
Change in Cover 2017 vs 2016	-11.0%	-11.8%	6.3%
Cover in 2017, %	5.4	7.9	5.2
Cover in 2016, %	6.1	8.8	4.9
Change in the Cover 2017 vs 2016, pp	- 0.7	- 0.9	0.3
Circulation in 2017	37 000	45 000	20 300
Circulation in 2016	na	na	21 700
Publisher	SS Leidyba, UAB	Izdevniecība Rīgas Vīļņi, SIA	Ühinenud Ajakirjad OÜ
Turnover in 2017 (euros)	1 139 216	5 999 014	1 894 618
Turnover in 2016 (euros)	1 148 087	6 062 011	1 976 442
Change in Turnover 2017 vs 2016, %	-0.8%	-1.0%	-4.1%
Profit/Loss 2017 (after tax, euros)	66 958	-189 854	164 155
Profit/Loss 2016 (after tax, euros)	-55 049	19 205	110 378
Change in Profit 2017 vs 2016, %	nm	nm	48.7%
Global Ultimate Owner	Regina Sudakoviene	Ingmārs Kariņš, Aleksandrs Šihmans	Marko Tamme

#4 Magazine	Экспресс-неделя / EKSPRESS NEDELIA (rus)	Ievas Stāsti	Imeline Ajalugu
Title in English	Express Week	Eve's Stories	Fantastic History
Type of the Magazine	News, tips, TV listings	Stories, biographies	Popular history, education
Frequency	weekly	bi-weekly	monthly
Cover in 2017	105 600	114 000	51 000
Cover in 2016	86 900	124 000	64 000
Change in Cover 2017 vs 2016	21.5%	-8.1%	-20.3%
Cover in 2017, %	4.8	7.1	5.2
Cover in 2016, %	4.0	7.6	6.5
Change in the Cover 2017 vs 2016, pp	0.9	- 0.5	- 1.3
Circulation in 2017	39 654	38 755	21 200
Circulation in 2016	42 879	40 540	23 200
Publisher	Savaitės ekspresas, UAB	Žurnāls Santa, SIA	Äripäev, AS
Turnover in 2017 (euros)	1 300 160	7 367 671	14 515 000
Turnover in 2016 (euros)	1 400 164	7 836 260	14 134 000
Change in Turnover 2017 vs 2016, %	-7.1%	-6.0%	2.7%
Profit/Loss 2017 (after tax, euros)	158 859	1 219 570	767 000
Profit/Loss 2016 (after tax, euros)	191 734	1 303 203	302 000
Change in Profit 2017 vs 2016, %	-17.1%	-6.4%	154.0%
Global Ultimate Owner	Arturas Janušauskas, Aleksandras Maceina	Santa Anča, Ivars Zariņš	Bonnier Business Press AB
#5 Magazine	TV Antena	Ievas Virtuve	Imeline Teadus
Title in English	TV Antenna	Eve's Kitchen	Fantastic Science
Type of the Magazine	TV news	Cooking	Popular science, education
Frequency	weekly, supplement of Lietuvos Rytas Saturday edition	Monthly	monthly
Cover in 2017	99 500	95 000	46 000
Cover in 2016	136 600	101 000	56 000
Change in Cover 2017 vs 2016	-27.2%	-5.9%	-17.9%
Cover in 2017, %	4.5	5.9	4.7
Cover in 2016, %	6.2	6.2	5.7
Change in the Cover 2017 vs 2016, pp	- 1.7	- 0.3	- 1.0
Circulation in 2017	63 088	24 790	20 400
Circulation in 2016	70 871	28 550	19 700
Publisher	Lietuvos rytas, UAB	Žurnāls Santa, SIA	Äripäev, AS
Turnover in 2017 (euros)	6 431 404	7 367 671	14 515 000
Turnover in 2016 (euros)	6 921 146	7 836 260	14 134 000
Change in Turnover 2017 vs 2016, %	-7.1%	-6.0%	2.7%
Profit/Loss 2017 (after tax, euros)	-102 049	1 219 570	767 000
Profit/Loss 2016 (after tax, euros)	536 737	1 303 203	302 000
Change in Profit 2017 vs 2016, %	nm	-6.4%	154.0%
Global Ultimate Owner	BIG group UAB (Benas Gudelis), Gedvydas Vainauskas, Vidmantas Strimaitis	Santa Anča, Ivars Zariņš	Bonnier Business Press AB

Decline in audience and/or turnover marked in red

*Lithuanian magazine Žmonės since October 2017 is owned and published by UAB Media bitės, which bought the magazine's former publisher UAB Žurnalų leidybos grupė from its previous owner Stichting Administratiekantoor Kemplake. As this report focuses on audiences in 2017 and the year before financial results of UAB Žurnalų leidybos grupė are presented here instead of the magazine's new publisher UAB Media bitės. The global ultimate owners represented in this report are the owners of UAB Media bitės.

Estonian weekly magazines Kroonika and Naisteleht are currently published by AS Õhtuleht Kirjastus which was created in June 1, 2018, merging the magazine's former publisher AS Ajakirjade Kirjastus together with AS SL Õhtuleht. As this report focuses on audience in 2017 and the year before, financial results of AS Ajakirjade Kirjastus are presented here. Global ultimate owners of the former legal entity AS Ajakirjade Kirjastus and the newly created AS Õhtuleht Kirjastus are the same - AS Ekspress Grupp and OÜ Suits Meedia in equal parts.

Sources:			
Cover data	Kantar TNS Lithuania Readership Survey	Kantar TNS Latvia, National Readership Survey	Kantar Emor, TNSAtlas
Period for cover data 2017	Spring 2017	Spring 2017	2017
Period for cover data 2016	Spring 2016	Spring 2016	2016
Target audience	Lithuanian residents aged 15-74 years	Latvian residents aged 15-74 years	Estonian residents aged 15-74
Cover	average number of readers in target group for one issue of press edition		
Cover, %	average percentage of readers in target group for one issue of press edition		
Circulation data	Ministry of Culture of Lithuania, data unaudited, provided by the newspapers	As disclosed by the publishers of magazines	Estonian Newspaper Association
Period for circulation data	Second half of 2017, except for magazine Žmonės for which only circulation data for the first half of 2017 was available.	December 2017	December 2017
	Second half of 2016	December 2016	December 2016
Financial data	Creditreform	Lursoft	Centre of Registers and Information Systems
na	data not available		
nm	not meaningful to calculate		

TOP 5 INTERNET MEDIA WEBSITES IN THE BALTICS AND THEIR FINANCIAL INDICATORS

TOP 5 Internet Media Websites	Lithuania	Latvia	Estonia
#1 portal	delfi.lt	delfi.lv	delfi.ee
The website is a part of other media outlet	No	No	No
Cover 2017	877 200	538 000	375 000
Cover 2016	779 000	544 000	394 000
Change in cover 2017 vs 2016, %	12.6%	-1.1%	-4.8%
Cover in 2017, %	40.0	33.4	38.2
Cover in 2016, %	35.5	33.3	47.5
Change in the Cover 2017 vs 2016, pp	4.5	0.1	- 9.3
Owner	Delfi, UAB	Delfi, AS	Ekspress Meedia, AS
Turnover in 2017 (euros)	9 487 429	3 974 800	18 832 331
Turnover in 2016 (euros)	8 461 570	3 395 154	18 553 393
Change in Turnover 2017 vs 2016, %	12.1%	17.1%	1.5%
Profit/Loss 2017 (after tax, euros)	1 419 096	199 893	1 241 819
Profit/Loss 2016 (after tax, euros)	1 356 900	207 319	1 264 181
Change in profit 2017 vs 2016, %	4.6%	-3.6%	-1.8%
Global Ultimate Owner	Ekspress Grupp, AS (Hans H. Luik)	Ekspress Grupp, AS (Hans H. Luik)	Ekspress Grupp, AS (Hans H. Luik)
#2 portal	15min.lt	tvnet.lv	postimees.ee
The website is a part of other media outlet	No	No	Yes
Cover 2017	568 000	455 000	246 000
Cover 2016	520 000	476 000	282 000
Change in cover 2017 vs 2016, %	9.2%	-4.4%	-12.8%
Cover in 2017, %	25.9	28.3	25.1
Cover in 2016, %	23.7	29.1	28.7
Change in the Cover 2017 vs 2016, pp	2.2	- 0.8	- 3.6
Owner	15min, UAB	TV Net, SIA	Eesti Meedia, AS
Turnover in 2017 (euros)	4 193 866	2 043 349	95 639 000
Turnover in 2016 (euros)	4 334 649	2 322 461	90 087 000
Change in Turnover 2017 vs 2016, %	-3.2%	-12.0%	6.2%
Profit/Loss 2017 (after tax, euros)	141 809	-731 215	4 938 000
Profit/Loss 2016 (after tax, euros)	306 692	-496 583	5 902 000
Change in profit 2017 vs 2016, %	-53.8%	nm	-16.3%
Global Ultimate Owner	Eesti Meedia, AS (Margus Linnamäe)	Eesti Meedia, AS (Margus Linnamäe)	UP Invest, OÜ (Margus Linnamäe)

#3 portal	lrytas.lt	TVPlay.lv	ohtuleht.ee
The website is a part of other media outlet	Yes	Yes	Yes
Cover 2017	450 200	101 000	128 000
Cover 2016	375 900	93 000	128 000
Change in cover 2017 vs 2016, %	19.8%	8.6%	0.0%
Cover in 2017, %	20.5	6.2	13.1
Cover in 2016, %	17.2	5.7	13.0
Change in the Cover 2017 vs 2016, pp	3.3	0.5	0.1
Owner	Lrytas, UAB	All Media Latvia, SIA	Õhtuleht Kirjastus, AS (previously SL Õhtuleht, AS)
Turnover in 2017 (euros)	2 641 289	18 467 432	9 053 246
Turnover in 2016 (euros)	2 555 613	16 969 121	8 442 118
Change in Turnover 2017 vs 2016, %	3.4%	8.8%	7.2%
Profit/Loss 2017 (after tax, euros)	85 398	1 391 281	495 105
Profit/Loss 2016 (after tax, euros)	-70 502	3 092 862	444 492
Change in profit 2017 vs 2016, %	nm	-55.0%	11.4%
Global Ultimate Owner	BIG group UAB, Gedvydas Vainauskas, Vidmantas Strimaitis	Providence Equity Partners L.L.C.	Ekspress Grupp, AS (Hans H. Luik), Suits Meedia OÜ (Janek Veeber)
#4 portal	alfa.lt	jauns.lv	err.ee
The website is a part of other media outlet	No	Yes	Yes
Cover 2017	103 200	97 000	71 000
Cover 2016	122 800	83 000	na
Change in cover 2017 vs 2016, %	-16.0%	16.9%	nm
Cover in 2017, %	4.7	6.0	7.3
Cover in 2016, %	5.6	5.1	na
Change in the Cover 2017 vs 2016, pp	- 0.9	0.9	nm
Owner	Alfa Media, UAB	Izdevniecība Rīgas Viļņi, SIA	Eesti Rahvusringhääling
Turnover in 2017 (euros)	655 253	5 999 014	36 944 000
Turnover in 2016 (euros)	680 863	6 062 011	40 283 000
Change in Turnover 2017 vs 2016, %	-3.8%	-1.0%	-8.3%
Profit/Loss 2017 (after tax, euros)	-320 179	-189 854	270 000
Profit/Loss 2016 (after tax, euros)	-312 888	19 205	2 518 000
Change in profit 2017 vs 2016, %	nm	nm	-89.3%
Global Ultimate Owner	Naujienu centras, UAB (Ovidijus Lukošius)	Ingmārs Kariņš, Aleksandrs Šihmans	Public Broadcaster

#5 portal	tv3.lt	sportacentrs.com	epl.delfi.ee (Eesti Päevaleht)
The website is a part of other media outlet	Yes	No	Yes
Cover 2017	51 900	57 000	63 000
Cover 2016	36 100	47 000	na
Change in cover 2017 vs 2016, %	43.8%	21.3%	nm
Cover in 2017, %	2.4	3.5	6.4
Cover in 2016, %	1.7	2.9	na
Change in the Cover 2017 vs 2016, pp	0.7	0.6	nm
Owner	All Media Lithuania, UAB	4. vara, SIA	Ekspress Meedia, AS
Turnover in 2017 (euros)	24 625 994	1 242 090	18 832 331
Turnover in 2016 (euros)	25 036 158	1 399 471	18 553 393
Change in Turnover 2017 vs 2016, %	-1.6%	-11.2%	1.5%
Profit/Loss 2017 (after tax, euros)	4 499 728	18 799	1 241 819
Profit/Loss 2016 (after tax, euros)	3 892 966	20 132	1 264 181
Change in profit 2017 vs 2016, %	15.6%		-1.8%
Global Ultimate Owner	Providence Equity Partners L.L.C.	Silver Spring Media, AB (Torsten Magnus Billing, Jose Antonio Moreno Davalos, Hans Michael Svelander), Gints Belēvičs, Artūrs Vaskis, Kristaps Zālītis	Ekspress Grupp, AS (Hans H. Luik)

Decline in audience and/or turnover marked in red

Sources:			
Cover data	Kantar TNS Lithuania Internet Users Survey	Kantar TNS Latvia Digital	Kantar Emor, TNSAtlas
Period for cover data 2017	Spring 2017	Spring 2017	2017
Period for cover data 2016	Spring 2016	Spring 2016	2016
Target Audience	Lithuanian residents aged 15-74 years	Latvian residents aged 15-74 years	Estonian residents aged 12-74 years
Cover	The average number of visitors per day		
Cover, %	The average number of visitors as percentage of target audience per day		
Financial data	Creditreform	Lursoft	Centre of Registers and Information Systems
nm	not meaningful to calculate		
na	not available		

TOP 5 RADIO STATIONS IN THE BALTICS AND THEIR FINANCIAL INDICATORS

TOP5 Most Popular Radio Stations	Lithuania	Latvia	Estonia
#1 Radio	M-1	Latvijas Radio 2	Vikerraadio
Reach daily, 2017	399 900	209 000	191 000
Reach daily, 2016	372 000	217 000	198 000
Change in reach 2017 vs 2016, %	7.5%	-3.7%	-3.5%
Reach daily (%), 2017	18.2	12.5	18.7
Reach daily (%), 2016	16.1	12.8	19.4
Change in reach (%) 2017 vs 2016, pp	2.1	-0.3	-0.7
Owner	M-1, UAB	Latvijas Radio, VSIA	Eesti Rahvusringhääling
Turnover in 2017 (euros)	3 505 980	9 174 211	36 944 000
Turnover in 2016 (euros)	3 207 869	8 592 626	40 283 000
Changes in Turnover 2017 vs 2016, %	9.3%	6.8%	-8.3%
Profit/Loss 2017 (after tax, euros)	1 406 287	-174 301	270 000
Profit/Loss 2016 (after tax, euros)	1 245 374	-120 422	2 518 000
Changes in Profit 2017 vs 2016, %	12.9%	nm	-89.3%
Global Ultimate Owner	Ramunė Grušnytė-Mikalauškienė	Public Broadcaster	Public Broadcaster
#2 Radio	Lietus	Radio Skonto	Raadio Elmar
Reach daily, 2017	323 300	142 000	106 000
Reach daily, 2016	317 800	142 000	124 000
Change in reach 2017 vs 2016, %	1.7%	0.0%	-14.5%
Reach daily (%), 2017	14.7	8.5	10.4
Reach daily (%), 2016	13.8	8.4	12.2
Change in reach (%) 2017 vs 2016, pp	0.9	0.1	-1.8
Owner	M-1, UAB	Radio Skonto, SIA	Eesti Meedia, AS*
Turnover in 2017 (euros)	3 505 980	na	95 639 000
Turnover in 2016 (euros)	3 207 869	1 589 021	90 087 000
Changes in Turnover 2017 vs 2016, %	9.3%	nm	6.2%
Profit/Loss 2017 (after tax, euros)	1 406 287	na	4 938 000
Profit/Loss 2016 (after tax, euros)	1 245 374	110 351	5 902 000
Changes in Profit 2017 vs 2016, %	12.9%	nm	-16.3%
Global Ultimate Owner	Ramunė Grušnytė-Mikalauškienė	Guntis Indriksons, RS Media (Baiba Ābele, Ivars Laimonis Embrekts, Edijs Akolovs)	UP Invest OÜ (Margus Linnamäe)

#3 Radio	LRT Radijas	EHR (Eiropas Hitu Radio)	Sky Plus
Reach daily, 2017	261 800	84 000	105 000
Reach daily, 2016	322 300	82 000	125 000
Change in reach 2017 vs 2016, %	-18.8%	2.4%	-16.0%
Reach daily (%), 2017	11.9	5.0	10.3
Reach daily (%), 2016	14.0	4.8	12.2
Change in reach (%) 2017 vs 2016, pp	- 2.1	0.2	- 1.9
Owner	Lietuvos nacionalinis radijas ir televizija	EHR mediju grupa, SIA	Taevaraadio, OÜ
Turnover in 2017 (euros)	35 813 306	1 931 844	246 670
Turnover in 2016 (euros)	32 590 935	1 674 473	462 000
Changes in Turnover 2017 vs 2016, %	9.9%	15.4%	-46.6%
Profit/Loss 2017 (after tax, euros)	-592 357	-76 882	33 720
Profit/Loss 2016 (after tax, euros)	785 612	9 326	283 840
Changes in Profit 2017 vs 2016, %	nm	nm	-88.1%
Global Ultimate Owner	Public Broadcaster	Uģis Polis, Ričards Zakss	Harald Tehver
#4 Radio	Radiocentras	Radio SWH	Star FM
Reach daily, 2017	250 500	78 000	103 000
Reach daily, 2016	181 800	84 000	93 000
Change in reach 2017 vs 2016, %	37.8%	-7.1%	10.8%
Reach daily (%), 2017	11.4	4.6	10.1
Reach daily (%), 2016	7.9	5.0	9.1
Change in reach (%) 2017 vs 2016, pp	3.5	- 0.4	1.0
Owner	Radiocentras, UAB	Radio SWH, AS**	Mediainvest Holding, AS
Turnover in 2017 (euros)	652 498	2 696 459	1 754 047
Turnover in 2016 (euros)	605 373	2 529 371	1 622 347
Changes in Turnover 2017 vs 2016, %	7.8%	6.6%	8.1%
Profit/Loss 2017 (after tax, euros)	39 580	-14 517	219 086
Profit/Loss 2016 (after tax, euros)	9 873	80 157	27 946
Changes in Profit 2017 vs 2016, %	300.9%	nm	684.0%
Global Ultimate Owner	Achemos Grupė (Lyda Lubienė, Viktorija Lubyte, Jūratė Žadeikienė)	Jānis Šipkēvics, Filips Rubenis, DLT Capital OÜ (Tatiana Tolstaya)	Providence Equity Partners LLC

#5 Radio	RUSRADIO LT	Latvijas Radio 1	Raadio 4
Reach daily, 2017	134 900	120 000	84 000
Reach daily, 2016	137 000	115 000	80 000
Change in reach 2017 vs 2016, %	-1.5%	4.3%	5.0%
Reach daily (%), 2017	6.2	7.2	8.2
Reach daily (%), 2016	5.9	6.8	7.8
Change in reach (%) 2017 vs 2016, pp	0.3	0.4	0.4
Owner	Radiocentras, UAB	Latvijas Radio, VSIA	Eesti Rahvusringhääling
Turnover in 2017 (euros)	652 498	9 174 211	36 944 000
Turnover in 2016 (euros)	605 373	8 592 626	40 283 000
Changes in Turnover 2017 vs 2016, %	7.8%	6.8%	-8.3%
Profit/Loss 2017 (after tax, euros)	39 580	-174 301	270 000
Profit/Loss 2016 (after tax, euros)	9 873	-120 422	2 518 000
Changes in Profit 2017 vs 2016, %	300.9%	nm	-89.3%
Global Ultimate Owner	Achemos Grupė (Lyda Lubienė, Viktorija Lubyte, Jūratė Žadeikienė)	Public Broadcaster	Public Broadcaster

Decline in audience and/or turnover marked in red

*Raadio Elmar previously was owned by AS Trio LSL, which in April 2017 was merged with its parent company AS Eesti Meedia, thereby and also because AS Trio LSL submitted the last annual report in 2015, here the financial data for AS Eesti Meedia is represented.

** In September 2017, Latvian media reported that majority shareholder of AS Radio SWH Tatiana Tolstaya was looking to sell her shares and a deal was to be finalised with a company SIA Media Support, which is connected to a Swiss attorney Rudolf Meroni, who was hired in 1990's to build an offshore network for powerful Latvian businessmen and who later became the nemesis of the Latvian oligarch Aivars Lembergs. No official changes were registered in the Register of Enterprises of the Republic of Latvia at the moment this publication went to print.

Sources:			
Audience data	Kantar TNS, Radio Audience Survey	Kantar TNS, Radio Audience Measurement	Kantar Emor, Radio Audience Survey (diaries)
Reach daily	The number of people who listen to a certain radio station for at least 15 minutes per day		
Reach daily (%)	The average percentage of people in a target group who listen to a certain radio station for at least 15 minutes per day		
Target audience	Lithuanian residents aged 16-74	Latvian residents aged 12-74	Estonian residents aged 12-74
Period 2017	2017	Year 2017 (08.02.2017–05.11.2017)	4th quarter of 2017 (30.08.2017–28.11.2017)
Period 2016	2016	Year 2016 (08.02.2016–30.10.2016)	4th quarter of 2016 (31.08.2016 – 29.11.2016)
Financial data	Creditreform	Lursoft	Centre of Registers and Information Systems
na	data not available		
nm	not meaningful to calculate		

TOP 5 TV CHANNELS IN THE BALTICS AND THEIR FINANCIAL INDICATORS

TOP5 Most Popular TV Stations	Lithuania	Latvia	Estonia
#1 TV channel	TV3	TV3	ETV
Share (%), 2017	16.8	11.3	13.8
Share (%), 2016	15.7	12.1	15.0
Change in share 2017 vs 2016, pp	1.1	-0.8	-1.2
Broadcaster	All Media Lithuania, UAB	All Media Latvia, SIA	Eesti Rahvusringhääling
Turnover in 2017 (euros)	24 625 994	18 467 432	36 944 000
Turnover in 2016 (euros)	25 036 158	16 969 121	40 283 000
Change in Turnover 2017 vs 2016, %	-1.6%	8.8%	-8.3%
Profit/Loss 2017 (after tax, euros)	4 499 728	1 391 281	270 000
Profit/Loss 2016 (after tax, euros)	3 892 966	3 092 862	2 518 000
Change in Profit 2017 vs 2016, %	15.6%	-55.0%	-89.3%
Global Ultimate Owner	Providence Equity Partners L.L.C.	Providence Equity Partners L.L.C.	Public Broadcaster
#2 TV channel	LNK	LTV1	Kanal 2
Share (%), 2017	16.4	9.9	12.8
Share (%), 2016	14.7	10.2	14.1
Change in share 2017 vs 2016, pp	1.7	-0.3	-1.3
Broadcaster	Laisvas ir nepriklausomas kanalas, UAB	Latvijas Televīzija, SIA	Eesti Meedia, AS*
Turnover in 2017 (euros)	25 937 000	18 322 514	95 639 000
Turnover in 2016 (euros)	24 694 000	17 671 608	90 087 000
Change in Turnover 2017 vs 2016, %	5.0%	3.7%	6.2%
Profit/Loss 2017 (after tax, euros)	3 467 000	-233 056	4 938 000
Profit/Loss 2016 (after tax, euros)	2 551 000	-7 447	5 902 000
Change in Profit 2017 vs 2016, %	35.9%	nm	-16.3%
Global Ultimate Owner	MG Baltic Media, UAB (Darius Mockus)	Public Broadcaster	UP Invest, OÜ (Margus Linnamäe)
#3 TV channel	LRT Televīzija	PBK	TV3
Share (%), 2017	10.5	8.2	10.7
Share (%), 2016	9.0	9.8	11.7
Change in share 2017 vs 2016, pp	1.5	-1.6	-1.0
Broadcaster	Lietuvos nacionalinis radijas ir televizija	Pirmais Baltijas Kanāls, SIA	All Media Eesti, AS
Turnover in 2017 (euros)	35 813 306	2 989 906	13 963 721
Turnover in 2016 (euros)	32 590 935	3 116 721	13 852 831
Change in Turnover 2017 vs 2016, %	9.9%	-4.1%	0.8%
Profit/Loss 2017 (after tax, euros)	-592 357	101 879	-336 180
Profit/Loss 2016 (after tax, euros)	785 612	64 642	-852 715
Change in Profit 2017 vs 2016, %	nm	57.6%	nm
Global Ultimate Owner	Public Broadcaster	Baltijas Mediju Alianse, SIA (Oļegs Solodovs,	Providence Equity Partners L.L.C.

#4 TV channel	BTV	LNT	PBK
Share (%), 2017	7.0	7.8	5.4
Share (%), 2016	6.9	7.9	2.7
Change in share 2017 vs 2016, pp	0.1	-0.1	2.7
Broadcaster	Laisvas ir nepriklausomas kanalas, UAB	Latvijas Neatkarīgā Televīzija, AS	Pirmais Baltijas Kanāls, SIA
Turnover in 2017 (euros)	25 937 000	6 296 462	2 989 906
Turnover in 2016 (euros)	24 694 000	6 468 957	3 116 721
Change in Turnover 2017 vs 2016, %	5.0%	-2.7%	-4.1%
Profit/Loss 2017 (after tax, euros)	3 467 000	-1 536 084	101 879
Profit/Loss 2016 (after tax, euros)	2 551 000	-1 723 655	64 642
Change in Profit 2017 vs 2016, %	35.9%	nm	57.6%
Global Ultimate Owner	MG Baltic Media, UAB (Darius Mockus)	Providence Equity Partners L.L.C.	Baltijas Mediju Alianse, SIA (Oļegs Solodovs,
#5 TV channel	Lietuvos ryto TV	NTV Mir Baltic	RTR Planeta
Share (%), 2017	5.4	7.3	4.9
Share (%), 2016	5.0	8.1	2.0
Change in share 2017 vs 2016, pp	0.4	-0.8	2.9
Broadcaster	Lietuvos ryto televizija, UAB	Baltijas Mediju Alianse, SIA	Balti Autorite ja Leviliit**
Turnover in 2017 (euros)	3 066 094	14 572 496	195 761
Turnover in 2016 (euros)	3 918 225	15 420 106	197 669
Change in Turnover 2017 vs 2016, %	-21.7%	-5.5%	-1.0%
Profit/Loss 2017 (after tax, euros)	-364 588	73 925	21 784
Profit/Loss 2016 (after tax, euros)	-630 816	-213 854	-106 800
Change in Profit 2017 vs 2016, %	nm	nm	nm
Global Ultimate Owner	Lietuvos rytas, UAB (Benas Gudelis, Gedvydas Vainauskas, Vidmantas Strimaitis)	Oļegs Solodovs, Alexey Plyasunov	na

Decline in audience and/or turnover marked in red

* Kanal 2 previously was owned by AS Kanal 2, which in April 2017 was merged with its parent company AS Eesti Meedia, thereby and also because AS Kanal 2 submitted the last annual report in 2015, here the financial data for AS Eesti Meedia is represented.

**TV channel RTR Planeta is owned by the Russian state-owned broadcaster VGTRK (*Всероссийская государственная телевизионная и радиовещательная компания*), however, it is the Balti Autorite ja Leviliit which owns the rights to distribute RTR Planeta TV channel in Estonia, therefore for the purposes of this report financial information reported by Balti Autorite ja Leviliit is used. Balti Autorite ja Leviliit is registered as a non-profit association, therefore its owners are not known. Members of the board of Balti Autorite ja Leviliit Oleg Domanin and Ljubov Domanina are the owners of a company that distributes RTR Planeta TV channel in Latvia, SIA Baltic Media Union.

Sources:			
Audience data	Kantar TNS, TV Audience Survey	Kantar TNS, TV Audience Survey	Kantar Emor, TV Audience Measurement
Share (%)	consolidated TV share of viewing, the percentage of the total viewing time over a given period of time		
Target audience	Lithuanian residents aged 4+	Latvian residents aged 4+	Estonian residents aged 4+
Period 2017	01.01.2017-31.12.2017	01.01.2017-31.12.2017	01.01.2017-31.12.2017
Period 2016	01.01.2016-31.12.2016	01.01.2016-31.12.2016	01.01.2016-31.12.2016
Financial data	Creditreform	Lursoft	Centre of Registers and Information Systems
na	data not available		
nm	not meaningful to calculate		

