



Spontaneous

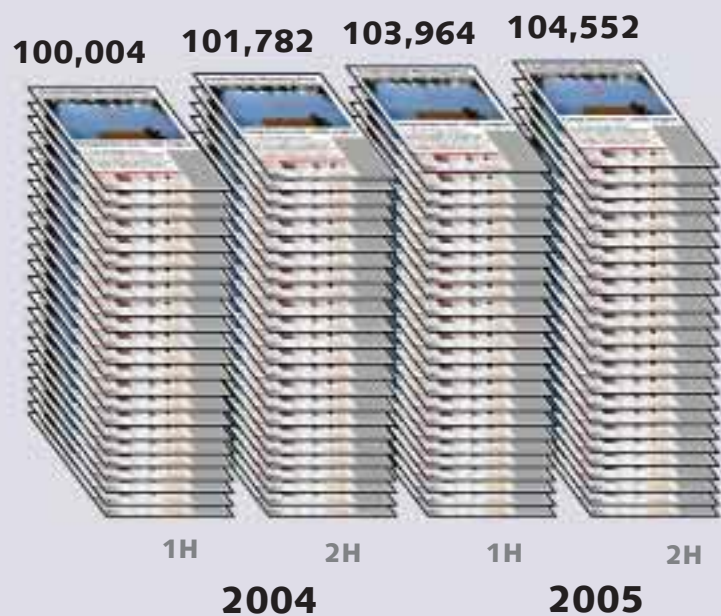
Positive

or driven. South China Morning Post readers tend to  
working lives. They have the education, application  
happens, which is probably why our paper has a m  
middle and senior management readers than oth  
but it's not only high flying executives. There are  
professionals. And then there are the entrepreneurs, own  
work in the business world. In fact, take a look at the top of any  
top readers. And if they're not there yet, they will be soon.

# Engaging Readers

The mandate of the circulation team is to capture the loyalty of each and every reader. Working with a network of distribution agents and retail outlets, this team delivers the latest news to Hong Kong and the world in a daily ritual that has been at the heart of the SCMP business for over a century. Without this ability to reach readers on the streets, at home, in the office and at hotels, advertisers would not reach their target audience.

## SCMP Circulation Gains



**Affluent**

Average household monthly income (HK\$)



**Young in years**

Age	SCMP	SMP
Under 20	17%	8%
20 to 29	28%	28%
30 to 39	30%	30%
40 to 49	18%	23%
50 plus	7%	11%

Over the years, the SCMP has excelled in distributing its brand of content to readers in Hong Kong as well as on the mainland. Recently, the fight to maintain circulation levels reached a feverish pitch due to factors ranging from new media platform to the emergence of free distribution newspapers.

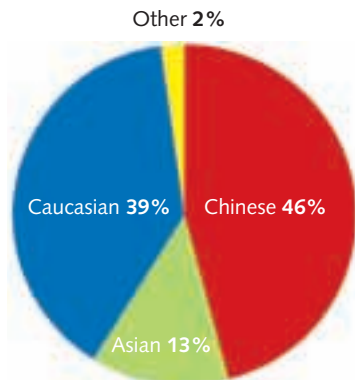
Online news providers have attracted readers from traditional print media with aggregated content delivered on demand to a generation with changing reading habits. The SCMP has countered this trend with a website that bundles print with online subscriptions.

Free Chinese language newspapers have entered Hong Kong riding on the popularity of a worldwide trend. To win back readers, some Chinese paid circulation dailies have

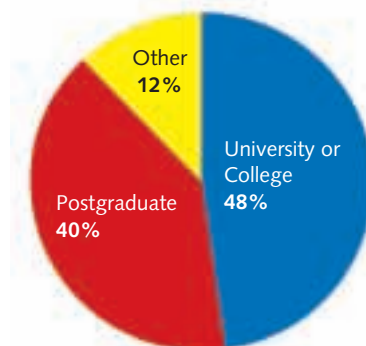
introduced aggressive promotions with give away premiums that cost more than their paper. Though the free paper phenomenon did not extend to English newspapers, some competitors have used free copies in select areas to build circulation.

Amid this competition, the SCMP grew weekday circulation by 4% in first half 2005 and 3% in second half 2005. Audited figures show circulation at 104,552. No price cuts were made to the cover price. Despite a slight decline in retail sales, the circulation team delivered growth on other fronts, particularly in direct subscriptions, which grew due to marketing initiatives and reader benefit programs. This overall success is due to the uniqueness of the SCMP brand of information and the loyalty of an affluent customer base.

**Multi ethnic**

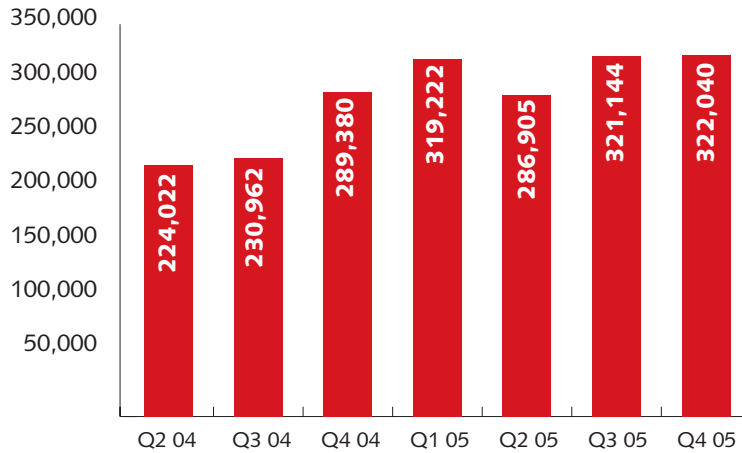


**Highly educated**





**Readership**



**Outlook**

The outlook for circulation for the South China Morning Post in 2006 is stable. The SCMP aims to maintain audited circulation figures and expand its market share modestly through a variety of key distribution channels.

Over the course of the coming year, efforts will be made to find more cost effective ways to reach mainland readers and any opportunity to increase circulation will be fully explored. In addition, the revamp of the website is expected to support the campaign to increase circulation. More and more readers will be able to benefit from the convenience of the enhanced online-print subscription package and gain from a greater level of customer service.

**More high-fliers**

**Job/Position**

Professional	Manager Department head	Vice-president Director General manager	CEO, President Chairman Managing director	Executive Supervisor Officer	Technician Associate Professional Service staff	Owner Partner Proprietor
17%	16%	16%	13%	7%	6%	6%

**Influentials**

**40% of readers are PMEs  
35% hold influential positions**