

Press Distribution Forum



Quarterly report covering period January - March 2011

- 1) The PDF was inaugurated on 9th September 2010 and a constitution was agreed with the following objectives:

Objectives

- i) To bring together on a voluntary self regulatory basis key stakeholders of the Press supply chain in a Forum that focuses on:
 - a. Serving consumers in the most efficient manner to ensure the widespread availability of newspapers and magazines.
 - b. The high level issues facing the sector to best ensure its ability to continue to provide the required level of service to all stakeholders in the supply chain in the most efficient manner.
 - c. Current and future service performance including monitoring and complaints resolution.
 - d. Environmental issues, changes in legislation and developments in technology.
 - e. Measures aimed at improving the total supply chain efficiency of newspaper and magazine distribution in the United Kingdom.
 - f. Communications designed to inform government and stakeholders of developments in the Press supply chain.
- ii) It is recognised that publishers, distributors, wholesalers and retailers may have individual bilateral relationships and the PDF will not impact on these relationships.
- iii) The PDF is intended to function as a collaborative coalition or "council of the willing".

Board Meetings

- 2) The PDF have met at board meetings on a regular basis since its inauguration

- 9th September 2010
- 30th September 2010 Conference Call
- 28th October 2010
- 18th November 2010 Conference Call
- 30th November 2010
- 27th January 2011
- 24th February 2011
- 31st March 2011

Press Distribution Forum



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Board Members

3) The PDF board members are :

- | | | | |
|---|----------------|---|----------------------|
| • | Adrian Smith | - | Chairman |
| • | Mike Mirams | - | PPA |
| • | Nicola Rowe | - | PPA |
| • | Nigel Lomas | - | NPA |
| • | Mike Newman | - | NPA |
| • | Lucy Ukoumunne | - | NPA |
| • | Mark Charlton | - | Smiths News |
| • | David Morton | - | Menzies Distribution |

Administration

4) All administration functions are now in place at call-on-us, including accounting facilities, contact center and all other administration and head office facilities.

The Website administration has been achieved giving all board members a unique log-on area where documents such as agenda, minutes, reports etc can be views and printed.

Database construction for logging all matter relating to the PDC Fast Track Resolution Stage 2 and Stage 3 from Wholesalers and Publishers.

Report on Wholesale and Publishers performance for Transparency and Performance being published live on a monthly basis.

Web site analyses Appendix 1 provides more detail.

5) Chris Marshall from DCMS now attends regular board meetings of the PDF as an observer and advisor on regulatory best practice.

Retail Communications

6) Over the 2nd quarter COU have received 59 calls, of these 41 have been for the PDF and 18 for PDRP Appendix 2 provides more detail.

Press Distribution Forum



Quarterly report covering period January - March 2011

Press Distribution Review Panel (PDRP)

- 7) The PDRP was inaugurated 24th February 2011 and has been formed to:
- a) Encourage Industry compliance with the standards set out in the Press Distribution Charter (PDC)
 - b) Provide comment to the Press Distribution Forum (PDF), on compliance issues.
 - c) Ensure continuity of decisions resulting from the Charter's complaint resolution process.
 - d) Provide an ongoing mechanism for the identification of supply chain trends.
 - e) Collect, audit and publish data on compliance with the Charter.

The PDRP is an independent body made up of newspaper, magazine, wholesaler and retail Representatives as well as follows:

Darren Barker	Newspaper Publishers Association (NPA)
Richard Church	R & J Newsagents, Kent
Jonathan Denton	Smiths News
Raj Ganatra	Sweet News, Luton
Carrie Rooks	Professional Publishers Association (PPA)
David Shedden	Menzies Distribution
Mark Williams	Williams Brothers, Guildford
Neil Robinson	Independent Arbiter and Chairman

Transparency and Performance

- 8) The Transparency and Performance panel is made up as follows:

Nigel Lomas	Chair Person
Simon Gage	Smiths News
Mark Cassie	Menzies Distribution
Steve Cripwell	PPA

The monthly Wholesale and Publisher Key Performance Indicator Reports are now being published on the PDF website detailing passes and fails on Service Level Agreements (SLA).

Press Distribution Forum



Quarterly report covering period January - March 2011

Bank Holiday Allocations

9) The Bank Holiday Allocation Group is made up as follows:

Nigel Lomas	Chair Person
Robert Rattley	NPA
Daniel Scott	NPA
Martin Fern	PPA
Natalie Murphy	NPA
Tom Rodgers	Smiths News
Mark Burnell	Menzies Distribution
Carl Masters	NPA

The sub group was formed in response to retailer feedback, members of the PDF acted swiftly to review copy allocations and distribution arrangements for Bank Holidays. Difficulties over the Christmas period highlighted there was need to improve processes; the new arrangements will be in place in time for Easter and the Royal Wedding and May Day Bank Holidays.

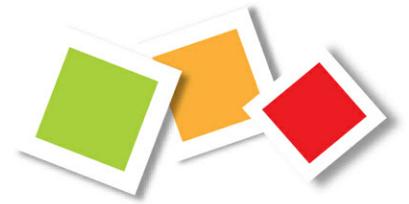
The groups findings were:

- Scope for improvement of allocations
- Members of the PDF had noticed that there had been more complaints about this period than previous years and there were reports that retailers were being cut below HND sales.
- The two most difficult days had been Boxing Day and New Year's Day

The contributory factors were reviewed and measured and the following actions emerged:

- Wholesalers will each create an allocation plan in good time before the next holiday period
- Retailers will be asked for input on future supplies
- Wholesalers to create a list of retailers who sub-retail
- Wholesalers will create a list of retailers who sold out completely
- Wholesalers will create a list of retailers where supplies were excessive
- Retailers will be able to request revision to supply by returning their order forms or calling the contact centers, or where appropriate inputting via a website

Press Distribution Forum



Quarterly report covering period January - March 2011

Olympic Distribution Group

10) The Olympic Distribution Group is made up as follows:

Nigel Lomas	Chair Person
Chris Carden	NPA
Stuart McLean	Menzies Distribution
Tim Freeman	NPA
Mark Soesan	NPA
Simon Locket	Smiths News
Daniel Scott	NPA
Lucy Ukoumunne	NPA
Steve Easton	PPA

The PDF has set up the Olympic Distribution Group (ODG), chaired by Nigel Lomas to address the unique challenges faced by publishers and wholesalers when distributing newspapers and magazines in the run up and during the Olympic and Paralympic Games.

Issues faced by the industry include restricted delivery, road closures and security checks, which could potentially impact on the levels of service retailers receive and the ability of wholesalers to deliver close to the Olympic sites. The ODG will be liaising with the London Organising Committee of the Olympic and Paralympic Games (LOCOG), The Department of Culture Media and Sport (DCMS), DCMS consultation (Regulations on advertising activity and trading around London 2012) and Transport for London (TFL), to gain their support in ensuring that the impact on newspapers and magazine distribution is minimal.

Pre Notification Group

11) The Pre Notification Group is made up as follows:

Steve Cripwell	PPA
Simon Gage	Smiths News
Andy Poskitt	Menzies Distribution

During summer 2010 agreement was reached as part of the PDF charter discussions to create a matrix of future pre notification options that enable retailers to be offered a choice as to what is advised on their allocation advice note.

The matrix remains a major opportunity to enhance retailer communication in light of the OFT's planned autumn review; therefore has been deemed a development project by the PDF steering group.

Press Distribution Forum



Quarterly report covering period January - March 2011

The magazine supply chain is seeking to enhance communication to retailers in respect of new titles and supply levels.

This will be achieved by a development program that will see the pre notification process being enhanced to enable retailers to elect to receive notification of:

- All titles
- None
- Discretionary/Optional
- Range amendments only major changes to supply
- New titles

Benefits of achieving this process should be to:

- Reduce early returns
- Remove unadvised box outs
- Improve supply management
- Improve cashflow

The project is not expected to be complete until end of 2011.

Retail Forum Group

10) The Retail Forum Group is made up as follows:

Nigel Lomas	Chair Person
Lucy Ukoumunne	NPA
Nicola Rowe	PPA
Dave Shedden	Menzies Distribution

The PDF acknowledge that there is a need to interface with retailers. Communications have been via press, or associated bodies, and to engage with retailers at grass roots, the PDF are setting up a Retail Forum.

The primary objective is to open communication channels between retailers and the PDF about service, without the necessity of involving retail representative bodies or associations, and to receive feedback on the effectiveness of the Charter and PDF.

To be seen by the OFT and Government to have an effective self-regulation process which included mechanisms for taking input from retailers.

Press Distribution Forum



Quarterly report covering period January - March 2011

Industry Association Meetings

- 13) The PDF have maintained communications with the industry and other associations that are not yet members and the following meetings have been held:
- i) NFRN, 9th August 2010; 9th September 2010; 22nd February 2011
 - ii) ANR, 24th November 2010; 18th January 2011

Other Industry Association Matters

- 14) Letters have been written to Rural Stores Alliance (RSA), British Retail Consortium (BRC), Newspaper Society, Express Newspapers and NewstrAid to keep them informed of developments and objectives of the PDF and inviting participation and contribution to the PDF, and sub groups.

Conclusion

- 15) The PDF is maintaining dialogue with industry sectors, associations and trade bodies - encouraging participation and contribution .

Bank Holiday Allocations Group - responding to Christmas and New Year allocation issues and improving communications with retailers and associated bodies.

Working and achieving transparency and performance and publishing monthly reports on the PDF website.

Encouraging communication with all levels of retail at grass root levels and associated bodies.

PDRP - The Review panel with engagement of retailers participation to oversee standards are adhered and applied.

During the 3rd quarter of 2011 we will continue to engage with all chain partners to ensure they either consider membership of the PDF or have an effective two way communication process in place and also achieve transparency.

Press Releases - all are now being published on the PDF website.

Press Distribution Forum



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Distribution List

- PDF board
- Dan Moore - OFT
- John Lennon - ACS
- David Daniel - NFRN
- Stephen Robertson - BRC
- Ken Parsons - Rural Stores Alliance
- Lynne Anderson - Newspaper Society

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Appendix 1

1) Website Visitor Statistic Summary

Period	Visits	Page Views	Average Time On Site	
Jan 2011	124	565	11.88	
Feb 2011	96	351	5.48	
Mar 2011	111	322	5.32	
Totals	331	1238		

Appendix 2

1) Telephone Call Log Summary

Period	PDF	PDRP	No of Calls	Total Duration
Jan 2011	18	9	27	02:20:09
Feb 2011	15	4	19	01:04:44
Mar 2011	8	5	13	00:26:07
Totals	41	18	59	03:51:00