

1. Welsh news audiences are rapidly transitioning from print to digital. Thanks to the success of WalesOnline, Media Wales outlets have managed to not only retain readership over the course of that transition, but significantly grow it. At this point, more people read content produced by Media Wales journalists than at any other time in the company's history. ABC figures for March recorded WalesOnline's readership as 404,000 average daily unique users, making it the fourth largest regional site in the country, behind only the Manchester Evening News, the Evening Standard and the Liverpool Echo. WalesOnline's growth among an identifiably Welsh audience (ie, one geo-located as using IP addresses within Wales) is faster than its overall growth, indicating that the proportion of its growing audience that come from within Wales is increasing.
2. Newspaper sales in the UK have been falling at a fairly consistent rate since well before the time newsroom started focusing on digital publishing. Sales trends for Trinity Mirror's daily newspapers in Wales are in line, or in some cases better, than those seen nationally. We have to be realistic about this issue, which is why Trinity Mirror's strategy is to protect through titles to the greatest extent possible, while focusing on growing its digital presence in communities around Wales.
3. Print revenues still make up the majority of income for most publishers, but the gap with digital is narrowing. Companies like Media Wales are working proactively to develop advertising options that harness the full range of their platforms to meet the needs of advertisers. However, the situation in an already cautious economic environment is not helped by the growing dominance of Google and Facebook in the digital advertising sphere. Both of these companies have a business model which relies on the content provided by publishers, but have shown no inclination to collaborate with these publishers on a revenue split commensurate with this model.
4. Much has been discussed about the possibilities of external support for local publishers, and it is pleasing to see the BBC's democracy reporter and news bank initiatives come to fruition. There seems to be a good level of confidence across the regional media that this collaboration will help to

mitigate the impact of the fall in the numbers of journalists that market conditions have enforced over the past 15 years or so. The regional media scene, in Wales in particular, can only benefit from a more collaborative approach than has been evident in recent years.

5. There has been a fair amount of scrutiny over the first part of 2017 on the decision to merge the South Wales Evening Post website into WalesOnline. It would be helpful to provide some background to this move:

- 5.1. For some time, we had received feedback from readers and advertisers that they found the South Wales Evening Post (SWEP) website difficult to use. Audience performance was in decline as a result, while advertisers were becoming reluctant to spend with us because of the lack of response they were receiving.

- 5.2. From the perspective of journalistic resource, running two websites frequently necessitated having two reporters sitting next to each other at the same event (eg a court hearing or press conference), producing copy ostensibly the same as the others. Moving onto one website has enabled us to re-deploy this “spare” resource onto stories that we previously would not have been able to cover, or to cover issues in a depth that previously would have been impossible.

- 5.3. This change has had no impact on staff numbers in either the Cardiff or Swansea office. In addition, close to £500,000 has been spent on upgrading operating systems, hardware and kit for journalists in our offices in Swansea, Carmarthen and Llanelli. There has also been a great deal of training made available as part of the ongoing investment in our staff in these offices, and the titles that they produce.

- 5.4. Audience numbers on WalesOnline in the areas previously within the SWEP digital footprint since the merger have been very encouraging. Local penetration figures for Swansea, Carmarthenshire and Neath Port Talbot indicate that the vast majority of the previous SWEP audience have migrated to WalesOnline, plus, it would appear, some new users who may have stopped using SWEP but had not previously been WalesOnline readers. We will keep working to improve WalesOnline's digital offering to readers in these areas.