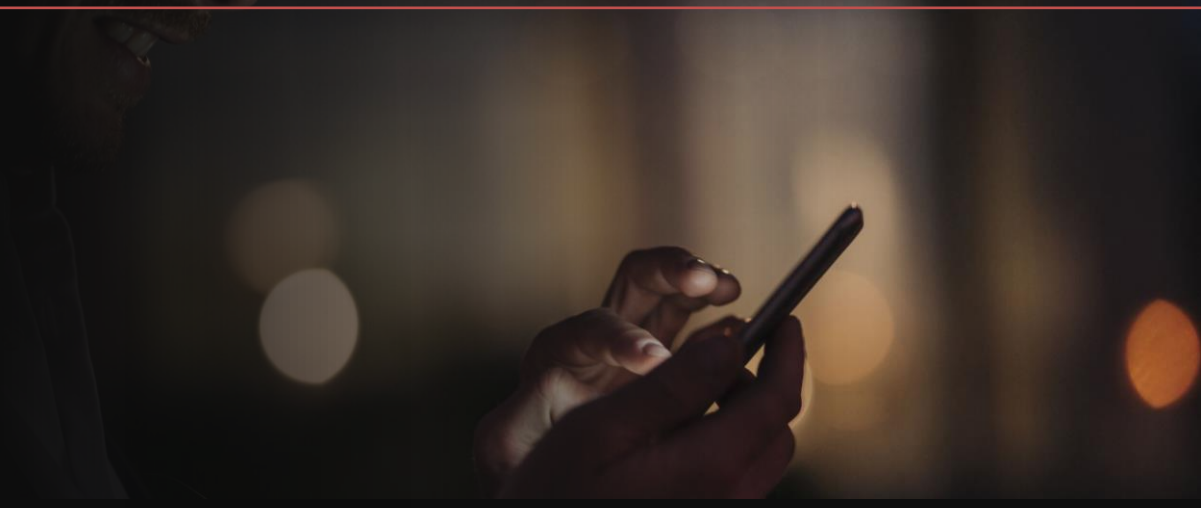


Caxton Public Hearings Presentation



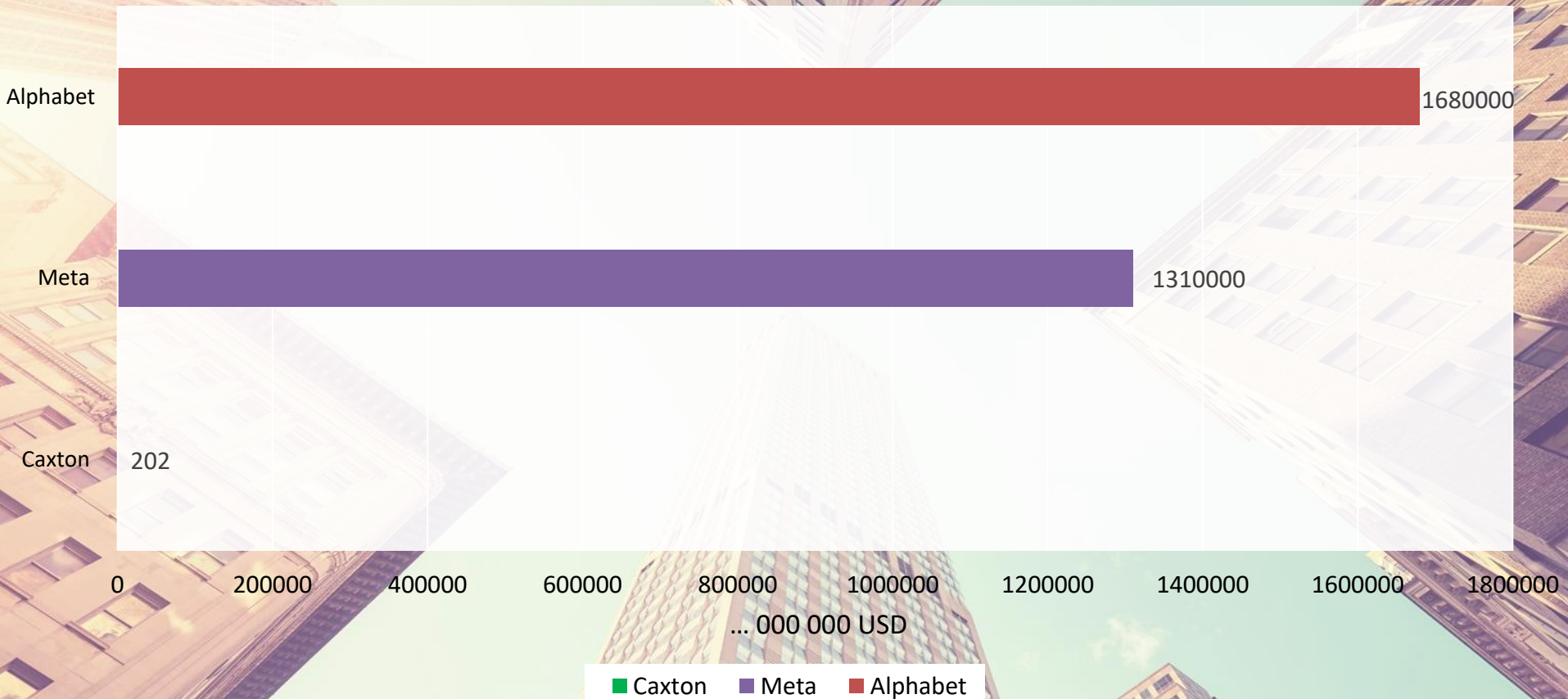


Caxton has built a sustainable local and national news business model that creates and distributes accurate and trusted local news to over three million South African households weekly

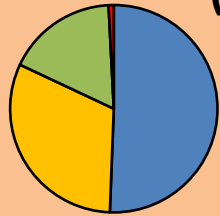
The evolution of this model is under threat because of the distortions in digital markets

Size of Caxton, Meta and Alphabet

Market Cap



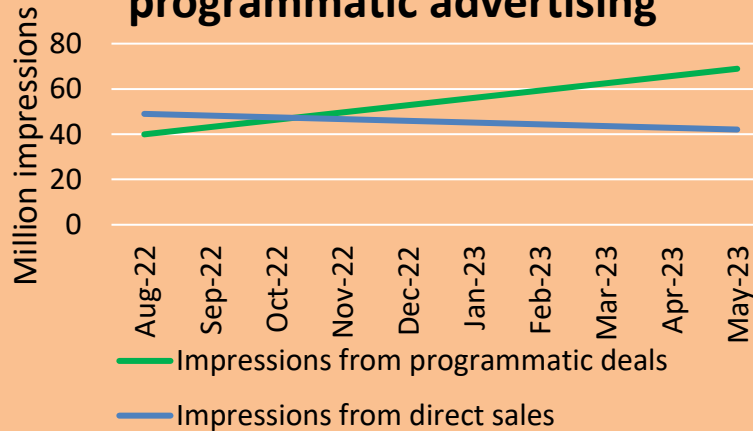
Referral traffic for Caxton Local Media (%)



(%)

- Direct
- Social
- Search
- Other

Caxton Local Media direct vs programmatic advertising



Advertising yield

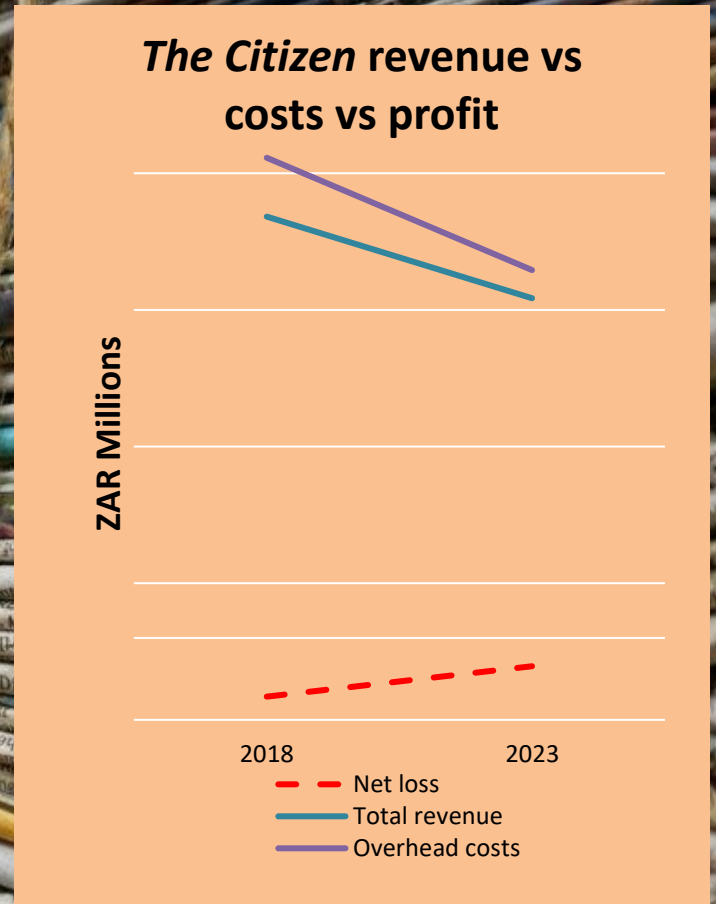
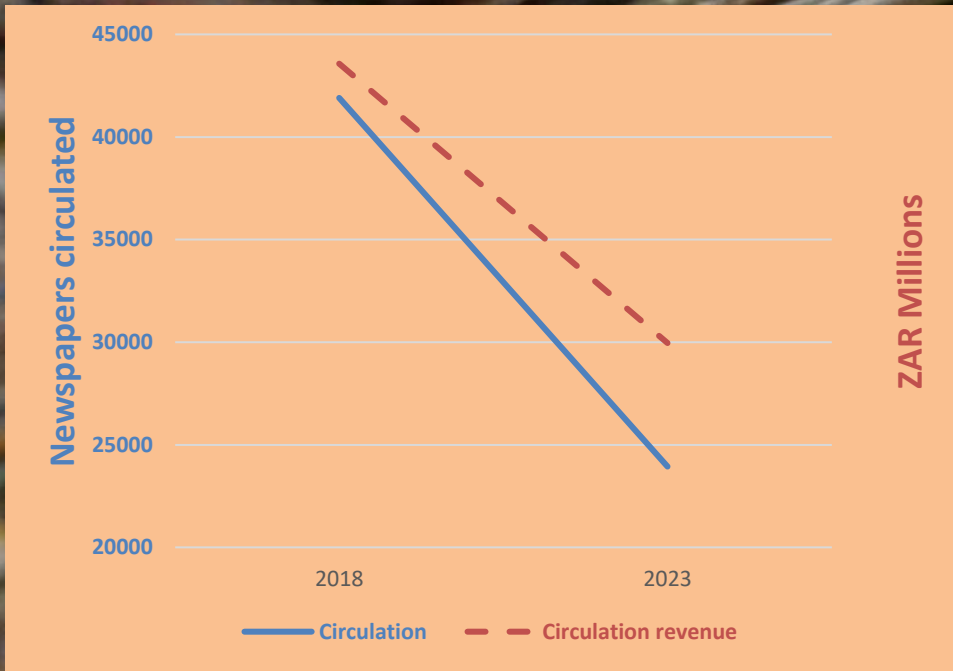
ZAR per advert

Direct

Programmatic

Advertising type

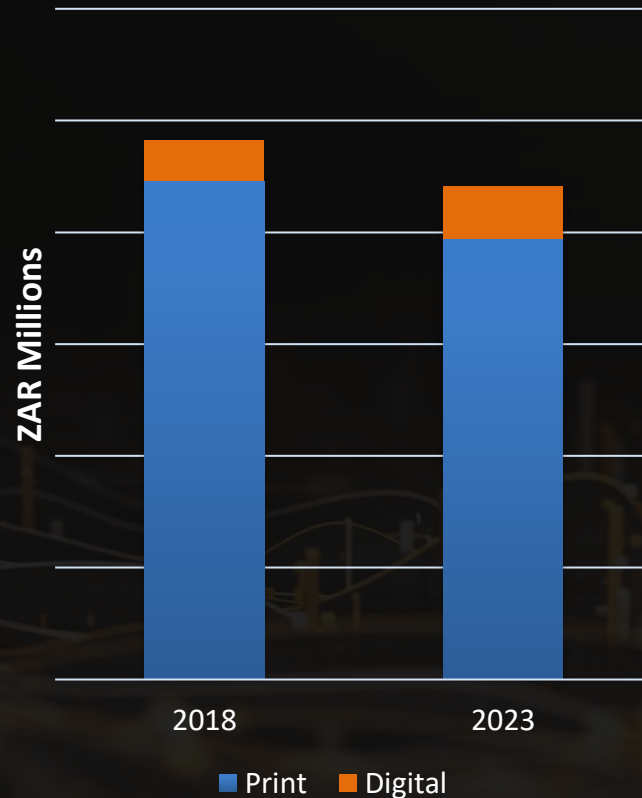
Programmatic advertising provides 86% less revenue than direct advertising per advert.



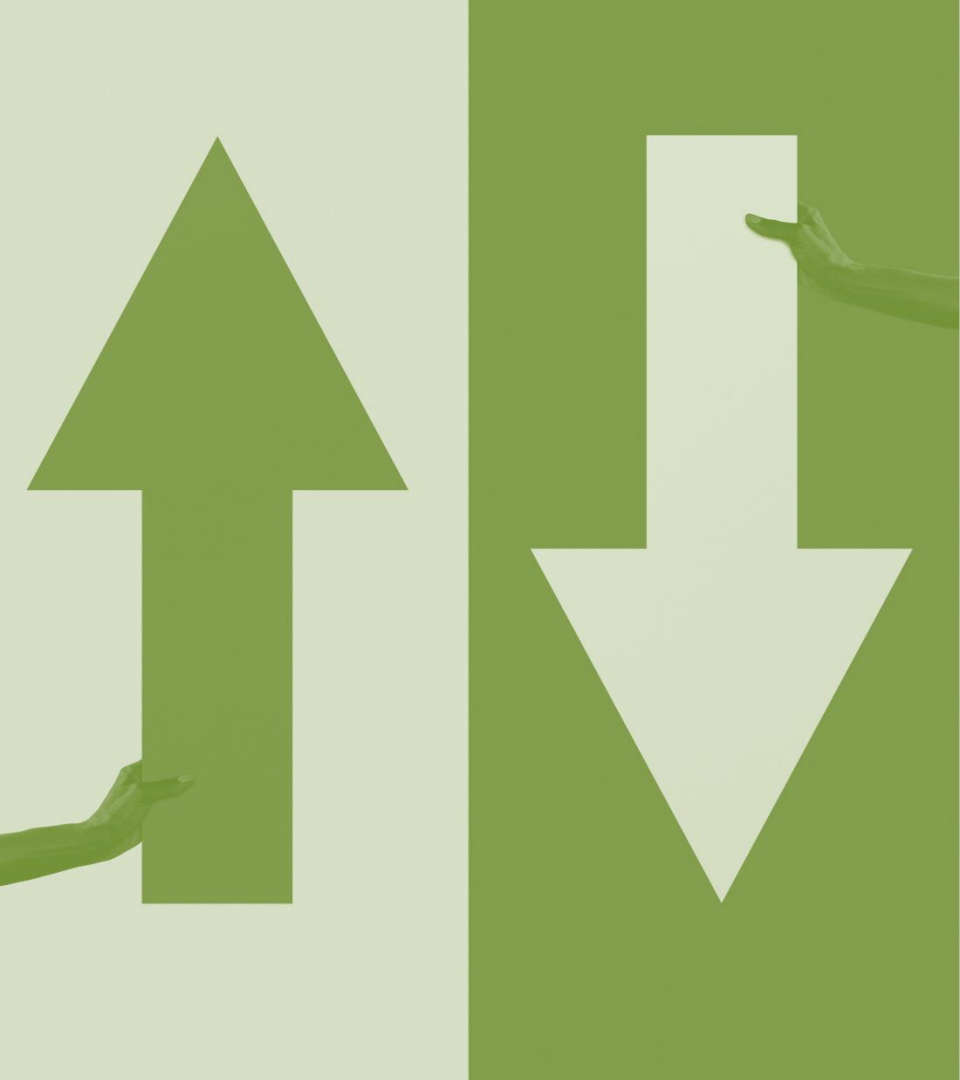
- 43% decrease in newspaper circulation;
- 23% reduction in overhead costs;
- 51% reduction in net loss – still “in the red”.

Net loss in advertising revenue of 8%, despite a digital advertising revenue increase of 30%.

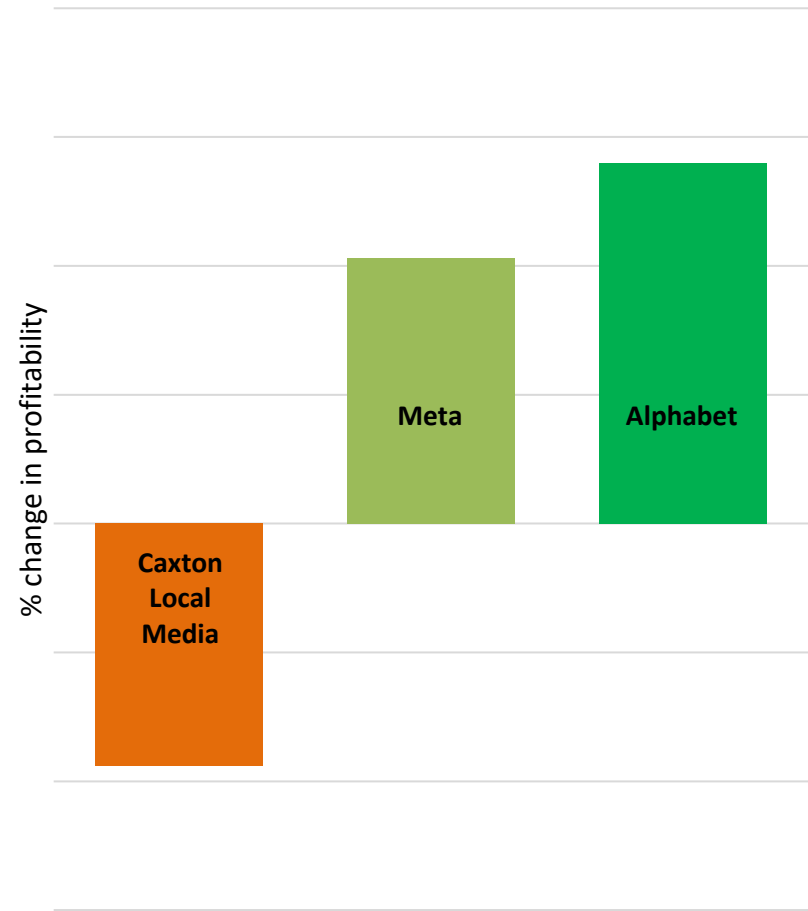
Reduction in advertising revenue for *The Citizen*



Digital advertising revenue is unable to support quality journalism.



Percentage change in profitability 2018 to date





Constitutional Context- Media Freedom, Transparency & Access to Information

Dario Milo

Journalism is a Public Good

Communicator of essential information

Constitutional sword - "speaking truth to power"

Upholder of democracy



Khumalo v Holomisa

“Every citizen has the right to freedom of the press and the media and the right to receive information and ideas. The media are key agents in ensuring that these aspects of the right to freedom of information are respected. The ability of each citizen to be a responsible and effective member of our society depends upon the manner in which the media carry out their constitutional mandate.”



The background of the image features three raised fists, symbolizing protest or solidarity. The fists are rendered in a dark, monochromatic style against a black background, creating a strong visual impact.

“Without viability, media freedom is hollow, independence can be easily compromised, and pluralism becomes a shadow of what it should be.”

2021 Journalism is a Public Good Global Report
– UNESCO

Midrand officers awarded for their bravery in the line of fire

Sixteen Midrand police officers were awarded for their bravery in the line of fire during a shooting in the suburb of Midrand on Monday. The officers were recognized for their actions during a shooting in the suburb of Midrand on Monday. The officers were recognized for their actions during a shooting in the suburb of Midrand on Monday. The officers were recognized for their actions during a shooting in the suburb of Midrand on Monday.



Midrand 10000

MEC Chiloneo warns of bogus schools in Midrand

Special Education MEC Chiloneo has warned parents to be vigilant against bogus schools in Midrand. He said that many parents are being misled by schools that do not have the necessary accreditation. He advised parents to check the school's accreditation status and to visit the school before enrolling their children.

Pretoria Far East REKORD

DECEMBER 14, 2016 • www.rekord.co.za • 012-842-8000



'Helpful' hijackers warning

Police are warning motorists to be on high alert for 'helpful' hijackers in the area. These hijackers are often seen as friendly but are actually trying to lure victims into a trap. Police advise motorists to avoid driving alone at night and to be cautious of anyone who offers help or a ride. They also advise motorists to avoid driving in high-risk areas and to report any suspicious activity to the police.

Maimane - Zuma must go!

ANC MP Maimane has called for Zuma's resignation. He said that Zuma's leadership has led to a state of lawlessness and that the country needs a new leader. He said that Zuma's actions have damaged the reputation of the ANC and that he is no longer fit to lead the party. He called on party members to support his call for Zuma's resignation.

DecoR
 www.alexnews.co.za
 LED Lights
 Our PVC Ceilings are Best



Police revved up

New vehicles and more staff have helped rev up the police. The police department has received a new batch of vehicles and additional staff, which will help them to better serve the community. The new vehicles include patrol cars, support vehicles, and motorcycles. The additional staff will be assigned to various units across the department.

Revved Up
 www.highwaymail.co.za
 SIGN UP FOR MORE

Stage is set for local artists to dazzle

The stage is set for local artists to dazzle at the upcoming festival. The festival will feature a variety of performances, including music, dance, and theater. The organizers are excited to showcase the talent of the local arts community and to provide a platform for emerging artists. The festival will be held in a scenic location and is expected to attract a large audience.



SAY NO TO EXPIRED FOOD

The Wabank Group has set up a campaign to educate the public on the dangers of eating expired food. The campaign will focus on educating children and their parents about the risks of consuming expired food. The Wabank Group will provide educational materials and resources to help the public make informed choices about the food they eat.

Allied Builders Express
 www.alliedbuilders.co.za
 BOSS GONE MAD SALE

Upgrade to the Brakpan Cemetery welcomed

Work to expand and revamp the local cemetery is finally underway. The upgrade project will involve expanding the cemetery's capacity and improving the facilities. The project is being funded by the local government and is expected to be completed within a few months. The upgrade will provide a more dignified and respectful resting place for the community's deceased.



Water & Ice
 www.waterandice.co.za
 VIRAL WATER ON 18 PER HOUR

Review

www.fourways.co.za

Road closure questioned

Not everyone approved it. Booms not on Bridle Pass.



Special Offers
 www.fourways.co.za

Sandton Chronicle

www.sandtonchronicle.co.za



SPIT 'N POLISH

Fed-up residents take up the tin-brush and get to work.

Residents in Sandton have taken matters into their own hands to clean up the area. They organized a 'spit and polish' event where they used tin brushes to clean the roads and sidewalks. The residents were frustrated with the lack of maintenance from the local government and wanted to improve the appearance of their neighborhood. The event was a success and the area is now much cleaner.

SANDTON'S GAMBLING DESTINATION!
 www.sandtongambling.co.za

BENONI CITY TIMES

www.benonicitytimes.co.za



Crematorium remains shut

Services are still suspended at the facility.



Help to make a difference
 www.help2makeadifference.co.za

Rekord

www.rekord.co.za



Dihlabeng Municipal Manager allegedly pays himself an extra R250 000

Allegations of financial irregularities at the council.



HOPC
 www.hopc.co.za

R15.50 per litre*
Diesel Holiday Special
Jeep Chrysler & Dodge

ADAMS
 www.adams.co.za

MARCO POLO
 www.marcopolo.co.za

Help to make a difference
 www.help2makeadifference.co.za

HOPC
 www.hopc.co.za

Value of local news to citizens and democracy

01



Act as a local watchdog

02



Serve underserved communities

03



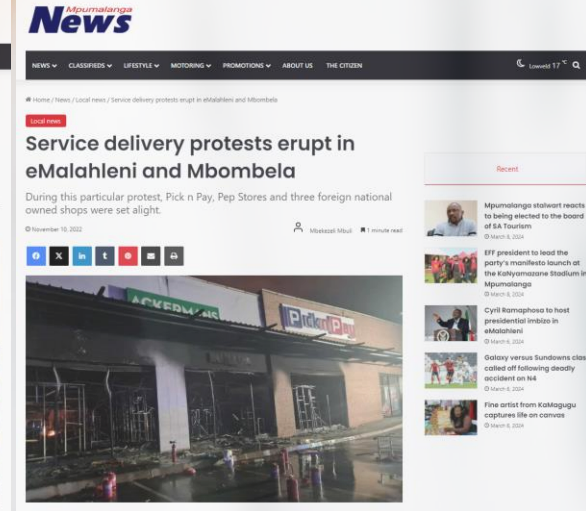
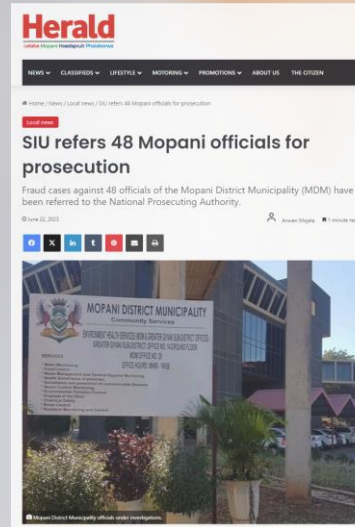
Mediate a local identity and a sense of belonging

04



Make local information accessible to citizens

Local news provides significant value to digital platforms



But are Google and Facebook supporting local news or simply reaping the rewards?



CAXTON & CTP LIMITED
publishers & printers

Co. Reg No.: 1947/026616/06

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28 Wright St, Industria West, JHB, 2093

PO Box 43587, Industria, JHB, 2042

Page 1

6 February 2024

Google LLC and Google South Africa
Ballyoaks Office Park 35 Ballyclare
Building E Bryanston
Johannesburg
Gauteng
2191

Attention: Alistair Mokoena and Marianne Erasmus

By Hand and by email

By email: [REDACTED]

Dear Mr. Mokoena and Ms. Erasmus

CAXTON: REQUEST FOR INFORMATION

“Citizens in democracies around the world are growing alert to the dangers of a culture of secrecy and unresponsiveness, both in respect of governments and in relation to corporations. In South Africa, because of our past, the latter aspect has increased significance. The legislature has rightly seen fit to cater for both aspects in legislation, driven by Constitutional imperatives.”

- Arcelormittal South Africa and Another v Vaal Environmental Justice Alliance



“Corporations operating within our borders, whether local or international, must be left in no doubt that in relation to the environment in circumstances such as those under discussion, there is no room for secrecy and that constitutional values will be enforced.”

ArcelorMittal SA and another v Vaal Environmental Justice Alliance





Confidential

29 February 2024

Paul Jenkins
Caxton and CTP Print Publishers Limited
28 Wright Street
Industria West
Johannesburg
2093

RESPONSE TO CAXTON'S REQUEST FOR INFORMATION

The information requested in your letter is not required to negotiate or conclude a Showcase contract with Google. Further, Caxton is not otherwise entitled in law to the information requested. You will appreciate that the information you have requested is confidential, and includes proprietary, commercial and financial information, and trade secrets. In some instances, the requests do not relate to the media industry at all and also are irrelevant to the Caxton Objective.

The requested information also is not required to protect the right to press freedom, and we deny that Google's products limit the media's freedom. Our products promote freedom of expression, including freedom of the press. Every day, we link hundreds of millions of people around the world, including South Africans, to publishers' websites containing the news that people want to read.



Reduces ability and incentive for quality journalism

Increase in "clickbait"

Harms caused by digital platforms

Increasing prevalence of fake news

Reduction in click-through

Imbalance of bargaining power



Conclusions

Paul Jenkins

- Data
- Algorithms
- Revenue/Profit
- Training AI models
- AdTech Stack
- Value of content

Asymmetry of information

Market failure

- No fair commercial terms
- No transparency
- Potential excessive pricing
- Free riding
- Abuse of dominance

- Unsustainable business model for publishers
- Profiteering by platforms continues
- Survival of news media at stake

Entrenched dominance of digital platforms

Striking reasonable commercial terms is impossible without access to information

Conduct of platforms



- Highly secretive
- Indiscriminate
- Free riding off publisher content
- Complete control over traffic
- No accountability



Effect on Caxton's business



- Low advertising yields
- Inability to monetize digital news content
- No incentive for digital investment



What's at Stake?



- Caxton media business under pressure
- Livelihoods of 346 journalists and over 1000 employees in total
- Over 100 publications that serve consumers across the country

What do we know about these organisations?

	Caxton	Google	Meta
SA employees	> 4000	?	?
Taxes paid	> R200 000 000	?	?
SA revenue	R6 900 000 000	?	?
BEE level	1	×	×
Publications	> 120	×	×
Journalists employed	346	×	×

Perspectives from the coalface

Eureka
Zandberg

Publisher of
The Citizen

Servaas de
Kock

Group
Executive
Digital: Caxton
& CTP

Katherine Bell

GM: Hive
Digital

Seelan Pillay

Creative and
digital director:
The Citizen

JC Muller

Digital
consultant:
The Citizen