



Looking at the Right Numbers



Fund Managers, Stock Brokers, Share Analysts love numbers and will generally welcome additional ways of evaluating a company's financial strength. After all, the end goal of performing any financial analysis is to produce a value that an investor can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

Besides using revenues, earnings, future growth, return on equity, profit margins and other data to determine a company's underlying value, and potential for future growth, there is a "financial statement" that exists in for media companies which own publications. This "statement" provides information on the **ABC audited circulation numbers** of publications.

A newspaper's circulation is simply the number of papers in circulation on an average day, both through subscriptions and newsstand sales. Publishers will often use circulation figures to market their publications, hence, verification of these circulation numbers becomes important in determining true strength and value of a publication.

The Audit Bureau of Circulations (ABC – a non profit organization) is an industry body for independent, unbiased media measurement. The results of its audit can be found in the ABC's Audit Reports. Given that the ABC logo is recognized by the advertising industry as a stamp of credibility, there is value to consider the independently audited figures:

- An ABC certificate demonstrates Publishers are keen to support and comply with industry agreed standards.
- The ABC audit demonstrates that the claims are transparent and trustworthy.
- ABC adds to the Publications success by providing advertisers the information they need to evaluate print media. The Publishers fully participate in ABC's efforts to help them gain the credibility the market is looking for.
- ABC's verification of circulation figures is not confined just to hardcopies sold, it also verifies the digital replica of a publication. This is particularly important given the trend towards online reading of tech-savvy consumers which translates to the generation of additional revenues for publishers

from this new “version” of a publication. The digital replica is also seen by advertisers as a media channel and thus, the audit figures become part of the consideration in selecting right media.

Hence, financial analysts can view the audited numbers with confidence, as compared to relying on the claimed circulation numbers by individual publishers.

Counted the ABC way is an opportunity to be valued appropriately!



In essence, the ABC figures aim to provide an even playing field for ALL publications.

Looking at the right numbers matters!

As such, all parties involved in advertising decisions should support fully the efforts of the ABC.

Source: ABC Malaysia

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