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Independent and Profitable? The Stunning Success Story of the Mediapart

It is the rare bird: an independent news organization dedicated to reveal the corruption of its country's political and financial elites, born into the digital revolution, entirely supported by its readers - and fantastically profitable.

Founded by four veteran journalists in 2007, *Mediapart* was launched on 16 March 2008 with a pledge to serve as France's much-needed independent news outlet. In the arid landscape of National investigative journalism, it promised to resist, and fight against, the close-knit group of investors and politicians that controlled most French news. The strategy: an advertisement-free news website, owned mostly by its workers and supported by its readers alone. To ensure these principles, *Mediapart* made its financial reports publically available from day one.

Back then, the editor-in-chief and a leading founder, Edwy Plenel, hanged in his office a poster that read: "The only ones who can buy us are our readers." At a time when newspapers across the board struggled to adapt their business model to the online world, his cause resounded utopic. Yet eight years after its launch, the ex-editor of the redoubtable national daily *Le Monde* proved that the idealistic slogan was not futile. *Mediapart* is now the most talked about news platform in France and arguably its most puissant. With several scandalous exposés to its record, by 2010 *Mediapart* had enough subscribed readers to make it profitable. In 2015 it entered its fourth profitable year with a row, still advertisement free. It is fully supported by its 118,099 readers, who pay 9 euros per month to get the latest from *Mediapart's* bustling newsroom in central Paris. It employs 65 people, 39 of them full-time journalists.¹

Plenel's charisma, vision and talent are to a large extent the driving force behind the newsroom. His impending retirement and decision to sell his shares, casts a shadow on the future of the venture. Can *Mediapart* survive the retirement of its founder? Can the company find a successor for a venture that relied so heavily on Plenel's vision and qualities? Can a new

¹ Edwy Plenel, "Mediapart a huit ans : nos comptes, nos résultats". *Mediapart.fr*, March 16, 2016

Independent and Profitable? The Stunning Success Story of the Mediapart

ownership guarantee the continued editorial independence that makes Mediapart so unique? Or is there another solution, as bold and inventive as the website itself?

This pending change is particularly worrying on the backdrop of the taxation battle that Plenel have been waging for the past three years. In 2013 the government decided that *Mediapart* is not entitled to enjoy the lower tax rates granted to newspapers, since it was in fact a media platform. The State demands that the increased tax rate will apply retroactively and past tax liabilities will repaid, resulting in a tax bill to the sum of 4.2 million euros. *Mediapart* refuses to yield, with Plenel citing vengeful political motivation behind the State's tax demands. After two scoops that rocked French politics, the claim is not implausible. If it loses, the enormous expense will jeopardize *Mediapart's* financial health and may lead to bankruptcy.

Background

French Press History

France has a lively newspaper culture that dates back the mid-seventeenth century, first assuming a key political role on the eve of the Revolution.² The French Declaration of the Rights of Man and Citizen (1789) indeed postulates for the «free communication of thoughts and opinion». Similarly to American press, it was in the late 18th century that the French newspaper first became a factional organ in a developing democratic political system. In France, however, that trajectory was cut short by Napoleon Bonaparte's coup d'état in 1799, and later with the restitution of the monarchy in 1814. «Overt state censorship of the press became the norm over the next eight decades», writes Benson, «Thus, the particular French notion of journalistic autonomy was crucially influenced by this long formative period during which the early journalistic heroes were of necessity also political dissidents».³ Hostile to politicized newspapers, the monarchic climate proved welcoming for populist publications. It was this realization that, in the 1820's, made Emile de Girardin France's first media mogul. (32)

When French press again gained a degree of autonomy in 1881 under the Third Republic, it quickly developed into a factitious system, reflecting the fragile foundations of the Republic. «Because the parties themselves differed so fundamentally», writes Benson, «the press was not allowed to avoid choosing sides and thus remained politicized even as it became more commercialized».⁴

Mere 13 years later, the nascent free press became overnight a battlefield over the tragic Dreyfus Affair, which became a cornerstone in the history of 20th century France, and its journalism in particular. The Dreyfus Affair tested, and influenced, nearly every key value of the free press: investigative revelations, self-censorship, impartiality, political interests, the power of newspapers to shape unfolding events and public opinion, serve as a watchdog against institutional injustices or, by contrast, as its chauvinistic justification. As Adam Gopnic puts it, «the Dreyfus affair was the first indication that a new epoch of progress and

² Rodney Benson, «Shaping Immigration News: A French-American Companion.» Cambridge, UK: Cambridge University Press, 2013.

³ *Id.*

⁴ *Id.*

Independent and Profitable? The Stunning Success Story of the Mediapart

cosmopolitan optimism would be met by a countervailing wave of hatred that deformed the next half century of European history.”⁵

On October 15, 1894, after a summary inquiry that produced precarious evidence, a 34-year old artillery officer Alfred Dreyfus was accused of spying for Germany and thrown to prison. Soon after, the news was leaked to the press. On October 31, the newspaper *Le Soir* revealed to the public the name, age and function of the accused officer. Forced by these publications to confirm the information, the army was criticized by the press for holding it back since the end of September.

A day later the anti-Semitic newspaper *La Libre Parole* picked up the news, this time making a point of the officer's origin: “HIGH TREASON! A JEWISH OFFICER ARRESTED! CAPTAIN DREYFUS!” It was the beginning of a wild anti-Semitic campaign led by its publisher Édouard Drumont. Other newspapers, among them *Le Courrier des Alpes* and *La Croix*, join in. These publications adopted the line that Dreyfus' Judaism is evidence enough of his treachery.⁶

Dreyfus was found guilty on December 22, after a three-day trial. In a humiliating public ceremony that took place on 5 January 1895, he was stripped of his medals and badges and his sword was broken against the knees of his degrader. Newspapers generally noted that the trial process did not respect the laws of criminal justice, yet at the same time remained confident in the French justice system. “In some newspapers, this continued to be the leitmotif up to 1906” - the year of his rehabilitation - “and even beyond that,” wrote Michèle Mestrallet and Pascale Dubois.⁷ Little was written on the affair before 1898, when, in a fit of courage, Emile Zola composed his famed *J'accuse*. Published in *L'Aurore* on 13 January 1898 as an open letter to the president of the Republic, the article named the protagonists that framed, or were complicit in the framing of Alfred Dreyfus. Zola was sentenced for his publication for a year in prison, but his message took root. *J'accuse* propelled the Dreyfus case to parliament, and eventually a second process that released Dreyfus from his unjust exile.

The ideological polarization of French newspapers became painfully clear once again some forty years later, during World War II. While the Résistance fought to free France from the Nazi occupation, others went along, newspapers included. *Le Matin*, *L'Appel*, and *Je Suis Partout* were committed to the Nazi cause and forced to shut down with the restitution of the French government. Little remained of the old guard after the war. At the 1945 trial of Robert Brasillach, editor of *Je Suis Partout*, “Edouard Helsey for the conservative Figaro was practically alone among them in having been a colleague of Brasillach's in the 1930s”, as Alice Kaplan points out.⁸ After a series of trials in '44-'46, still less remained. Brasillach was condemned to

⁵ Gopnik, Adam. “Trial of the Century: Revisiting the Dreyfus affair.” *The New Yorker*, September 28, 2009 issue. <http://www.newyorker.com/magazine/2009/09/28/trial-of-the-century>

⁶ Michèle Mestrallet and Pascale Dubois, “L’Affaire Dreyfus, 1894-1906.” *Archive Départementales de Savoie, Service Éducatif, avril 2006*

⁷ “L’Affaire Dreyfus”

⁸ Kaplan, Alice. “The Collaborator: The Trial and Execution of Robert Brasillach.” Chicago: University of Chicago Press, 2000

Independent and Profitable? The Stunning Success Story of the Mediapart

death along with three other journalists from his paper. Other collaborationist journalists were imprisoned or sent to long terms of forced labor.⁹

It was time for underground Résistance press to come to light. In August 1944, journalists, academics and other members of Résistance took over the headquarters of the the Nazi-sponsored *Office français d'Information* and established there the Agent France-Press (AFP), still active as a major global news publication today.¹⁰ Two years later, Résistance journalists opened the School of Journalism to model the profession against the values of the corrupt, commercial collaborators of the terribly recent past. The «noncommercial, civic pole of the journalistic field», as Benson puts it, flourished across the country.¹¹

The remade media map of postwar France thus saw the rise of a politically-engaged press. Twenty-five dailies were published in Paris in the years following the war, with the Communist Party paper *L'Humanité* topping the circulation chart. *Le Monde*, launched with the backing of Charles de Gaulle upon his return from exile in 1944, and showed its independence when it came out against the revered general during his presidency years, from 1958 to 1969.

In the 1960's a second wave of social agitation - epitomized in the students protests of May 1968 - propelled the creation of several left-wing newspapers under the same fierce principles of postwar publications. The foremost among them, *Libération*, was founded in 1973 by philosopher *Jean-Paul Sartre*. In 2013 *Libé* as it is affectionately known was sold to the fast rising media tycoon Patrick Drahi.

Government Ties

While French newspapers in the postwar period enjoyed a reputation for its rigorous independence, it also became deeply entangled with the French government. "After the liberation, the reborn French press was not in a condition to secure the financial funds necessary to carry out their ambition", wrote in 1995 Lionel Fleury, then president of AFP. "The State took upon it to give the AFP the means to succeed"¹².

The involvement of the state, however, soon interfered with the motivation of the AFP founders to create an independent and disinterested news source. The foreign press, writes Fleury, was quick to denounce the agency as nothing more than an instrument for state propaganda.

Seen then as crucial for the postwar convalescence of France, more than 70 years later French press still relies heavily on governmental aid, both directly and indirectly.¹³ The government gives subsidies to small politically oriented publications, «in the defence of political pluralism». It pays yearly reparation to cover for the losses due to commercial TV, rapidly

⁹ Caroline Puissant, "Les Collaborateurs Sanctionnés." <http://conferencederedaction.info/>

¹⁰ Lionel Fleury, "La Création de l'Agence France Press." *Espoire* no. 103, 1995.

¹¹ Rodney Benson, "Shaping Immigration News: A French-American Companion." Cambridge, UK: Cambridge University Press, 2013

¹² Lionel Fleury, "La Création de l'Agence France Press." *Espoire* no. 103, 1995.

¹³ Rodney Benson, "Shaping Immigration News: A French-American Companion." Cambridge, UK: Cambridge University Press, 2013

Independent and Profitable? The Stunning Success Story of the Mediapart

introduced in the 1980s¹⁴ (the yearly sum for national dailies currently stands at 85 million euros). It fixes the price of newspapers, keeps the VAT low and provides subsidies for printing, postage and even paper cost, with taxpayers covering possible fluctuations in the price of paper.¹⁵ In 2014, it cancelled a \$6m debt to help keep afloat *L'Humanité*, which has 369,000 readers.¹⁶

Reporters are naturally well aware of their publishers' reliance on government funds, since some of these subsidies go directly to their pockets. For example, a reporter with an official press card gets a 30% discount in public transport, including Air France, and until a few years ago journalists paid 7% less in income tax than workers in other trades with similar salaries.¹⁷

Advertising also relies heavily on the government, since a high percentage of national advertising comes from government owned companies and organizations, and even directly from government ministries. The governmental aid to the Press is currently 12% of the trade's total revenue.¹⁸ This number does not include the injection of money via government-controlled advertising. In fact, the main advertiser of national newspapers is the car manufacturer Renault, whose communication strategy is heavily controlled by the government. In April 2015 it even decided to upper its direct stake in the company to 19.5%. It should be added that the government influence on Renault has always been much heavier than its equity stake.¹⁹

The entanglement of journalism and government is further aggravated by what Bourdieu and Wacquant termed «habitus» (1992, 115-140). In his analysis of the French field of journalism, Benson refers to habitus as «an individual's habitual way of being — encompassing ideological predispositions, judgments of taste, and physical bearing — shaped by family, education and profession».²⁰ High-ranking professionals in both government and the national newspaper industry often take part in the same social circles, forged through a handful of prestigious schools and exclusive institutes. In these circumstances, writes Benson, «one might expect habitus affinities to contribute to more (and more positive) news coverage of some

¹⁴ World Press Trends Decade Report, World Association of Newspapers and News Publishers, 1990

¹⁵ Clare Cook: "France: Tensions and diversity" in "Sustainable Business Models for Journalism", a joint publication of University of Tampere, USC Annenberg and Waseda University, 2012

<http://www.submojour.net/archives/1025/submojour-report-2-5-france-tensions-and-diversity/>

¹⁶ Observatoire des Journalistes et de l'Information Médiatique: "L'Humanité, la rechute finale?", 2016

¹⁷ Alice Antheaume, "The French press and its enduring institutional crisis". In "The Changing Business of Journalism and its Implications for Democracy", Reuters Institute for the Study of Journalism, 2010

<http://reutersinstitute.politics.ox.ac.uk/publication/changing-business-journalism-and-its-implications-democracy>

¹⁸ Ministère de la Culture et de la Communication, "Aide à la Presse 2016: Présentation"

<http://www.culturecommunication.gouv.fr/Politiques-ministerielles/Presse/Aides-a-la-presse>

¹⁹ Christian Marbach, « Georges Besse arrive chez Renault : lisons les journaux ! », Bulletin de la Société des Amis de l'École Polytechnique, 2013, révisé 2016 <http://sabix.revues.org/1025>

²⁰ Rodney Benson, "Shaping Immigration News: A French-American Companion." Cambridge, UK: Cambridge University Press, 2013

Independent and Profitable? The Stunning Success Story of the Mediapart

groups, whereas habitus disaffinities could contribute to less (and less positive) news coverage of other groups.»²¹

One of the earliest novels to take on the subject matter of journalism, Alexandre Dumas' *The Count of Monte Cristo* (1844), espoused these familial ties as a novel aspect of investigative reportage. Beauchamp, a young and talented journalist at the fictive newspaper *l'Impartial*, conducts a rigorous journalistic investigation that leads him to discover that twenty years earlier, his close friend's father betrayed his protector to collect a bounty. Beauchamp's loyalty to his friends' father defeats his journalist *impartialité* as he pledges to never reveal the destructive story.

Some 150 years later, elite loyalty was still so much an aspect of French press that in their 1999 book *L'Omertà Française*,²² Sophie Coignard and Alexandre Wickham compared it to the Sicilian and Corsican mafia's sacred code of honor, also known as *l'omertà* ("code of silence"). Public figures enjoy the privileges of privacy and protection on grave matters both personal and financial, granted to them by journalists whose loyalty to their social group gained the upper hand.

Public Distrust

These factors combined to place France relatively low on the World Press Freedom Index, published annually by "Reporters Without Borders." Of the 180 nations surveyed in the 2016 report, most Western European countries made it to the top 20 (apart from Italy, ranked 77th): Netherlands is placed 2nd, Switzerland 7th, Austria 11th, Belgium 13th and Germany 17th.

France by contrast regularly ranks much lower in comparison. Placed 45th in 2016, it is bypassed by the USA (41), Burkina Faso (42), Botswana (43) and Trinidad and Tobago (44). "Though journalists in France are generally free and their work protected by the law," reads the report, "the media landscape is basically made of groups whose owners – industrialists in particular – may have other objectives in mind than defending editorial independence", explains the analysis. Moreover, "political and financial pressures are more and more frequent. Reporters have sometimes been attacked when they covered political meetings or other events."

These findings well reflect the attitude of the French public toward national press. The 2016 Edelman Trust Barometer²³ found that only 38% of the general public was trustful of media. Importantly, the report reveals a strong link between income inequality and trust levels: Respondents with high income showed a 64% trust in government and in media, compared to just 35% among low-income respondents. Alongside the U.S. and Brazil, France makes it to the top three countries with the largest gap between these two groups.²⁴

²¹ Rodney Benson, "Shaping Immigration News: A French-American Companion." Cambridge, UK: Cambridge University Press, 2013

²² Sophie Coignard et Alexandre Wickham, "L'Omertà française". Albin Michel, 1999

²³ <http://www.edelman.com/insights/intellectual-property/2015-edelman-trust-barometer/>

²⁴ "2016 Edelman Trust Barometer Finds Global Trust Inequality is Growing." January 27, 2016

Independent and Profitable? The Stunning Success Story of the Mediapart

Paid French press can be divided into four main categories:²⁵ National daily press (nine newspapers), local daily press (54), weeklies (45) and niche and professional magazines, 119 publications strong.²⁶ Given the mistrust of the general public in the central government and newspapers, it is hardly surprising that France's most-read paid newspaper is a local daily, *Ouest-France*, with 2.481 million readers.²⁷ *Le Parisien/Aujourd'hui en France*, the second most-read newspaper with 2.416 readers, is a national. But it is packaged with *Le Parisien*, the daily of the Île-de-France region. Next on the chart comes the sports daily newspaper *l'Équipe* with 2.275 million readers.

Legacy national platforms for investigatory journalism - *Le Monde*, *Le Figaro* and *Libération* - come further down the list. *Le Monde* has 2.231 million readers, *Le Figaro* 1.553 million, whereas *Libération* attracts no more than 950,000 readers. Together the three national publications cover but a small fraction of France's 66 million citizens. As a result, of the small number of national platforms and their limited reach little room remains nowadays for journalists in France to expose irregularities and corruption in government and industry.

Online Failures and Media Consolidation

As Julia Cagé shows, when compared with revenues or taxes, government subsidies have less weight than generally ascribed to them.²⁸ Generous as they may be, they fell short of saving the failing newspaper industry. Even more than its peers across the world, French newspapers struggled with the transition from traditional print to a regularly updated news website. Some newspapers tried to tackle the crisis by launching new titles to attract readers, but soon the initial curiosity waned and most had to shut down.

Websites started by legacy news publications were not doing well either. In 2014, a US Nieman Foundation report described in strong terms the poor online qualities of the revered newsrooms of *Libération*, *Le Monde* and *Le Figaro*. «Libé (a short for *Libération*) is a wreck, and its digital presence an embarrassment” wrote Peter Gumbel for the report.²⁹ The once vital newspaper dropped 15% in circulation in 2013 and sank in deep debt. The losses in readership and revenues across newsrooms were exorbitant. A 2014 report by the French ministry of culture found a drop of -4.2% in global revenue of press publications compared to 2013.³⁰ In the national press, turnover was further lowered by -5.6%. With seven consecutive years of losses, calculated that the written press has lost in total more than 2 billion euros.

And thus, between 2013 to 2015 the pillars of French press - *Figaro*, *Le Monde*, *Libération* and *l'Observateur* - were all sold to media giants. In fact, in the past 5 years France has known a

²⁵ Pasquier, Martin and Bernard Lamizet. “Media Landscapes: France”. European Journalism Center, 2009.

²⁶ “La Presse Payante”. L'Alliance pour les chiffres de la presse des médias, 2015.

²⁷ Audipresse, *One* 2014/2015

²⁸ Cagé, Julia. “Sauver les médias : Capitalisme, financement participatif et démocratie.” Paris: Seuil 2015

²⁹ Peter Gumbel, “Plus ça change”, Nieman Reports, Summer 2014

³⁰ “L'enquête rapide 2014 - Les chiffres clés,” <http://www.culturecommunication.gouv.fr/Politiques-ministerielles/Presse/Chiffres-statistiques>

Independent and Profitable? The Stunning Success Story of the Mediapart

storm of acquisitions that concentrated its entire media - including TV and radio channels - in the hands of about twenty conglomerates.

In June 2014, the controlling stake in *Libération* was bought by the French-Israeli media mogul Patrick Drahi two months after he won a bid to buy SFR, the second-largest mobile company in France. In October 2015, Drahi also became the owner of the weekly *L'Express*. Xavier Niel, owner of cable giant Free, took over *Le Monde* and *L'Obs* along with business partners Pier Bergé and banker Matthieu Pigasse. On that same month, Niel and Pigasse partnered with TV producer Pierre-Antoine Capton to form Media One, a 300-500 million dollar fund purposed for media companies acquisition.³¹

France Compared to Italy and Germany

According to Eurostat data, 52% of the adult population in Germany consumes news through the Internet, compared with Italy (30%) and France (23%).³² Yet despite its large market potential and high use of the Internet, few online journalistic startups have succeeded in Germany.³³ In 2001, the venture *Netzeitung* ('internet newspaper') arrived on the scene. An online-only news venture, it went off to a good start with funding from the technology sector. Though it had some success, in the years of its existence *Netzeitung* suffered serious financial problems and perpetual changes of ownership. In 2009, the last owner turned it into an automatic news aggregator.

The dearth of online news innovation in Germany results from the fact that unlike their French peers, German legacy newspapers like *Spiegel* and *Die Zeit* by and large excelled in handling the online transition. Although "the rise of the internet and the global economic crisis have challenged publishers here as elsewhere", write Bruno and Kleis Nielsen of Germany, "their position remains stronger than in many other countries."³⁴ They provide editorial resources that "no European journalistic start-up can match."³⁵

Compared to other West European countries, Italy was slow to develop an internet infrastructure in most parts of the country. Most legacy newspapers started their websites around 1994, but the first online experiment emerged only six years later. *Dagoscopia*, launched in 2000, "traffics in a mixture of gossip, rumours, and political backstage news (exposing in particular the weaknesses or scandalous sides of powerful figures)".³⁶ Per 27 June 2016, *Dagoscopia's* homepage taunted articles about Amal and George Clooney's prospects for children and a photo of a young celeb's bare bottom, the caption claiming to have detected a major weight gain.

It took ten years for new ventures to enter the scene. Since 2010 the news websites *Lettera43*, *Il Posto* and *Linkiesta.it* have joined the journalistic field, offering investigative reports, news articles and commentary. But their figures are nowhere close to the websites of

³¹ Renaud Février, "'Le Figaro', 'Libé', 'L'Obs'... qui possède la presse française?" *L'Obs*, October 15, 2015

³² Eurostat, internet use: reading/downloading online newspapers/news, 2011

³³ Nicola Bruno and Rasmus Kleis Nielsen. *Survival is Success: Journalistic Online Startups in Western Europe*, p. 15

³⁴ *Survival is Success*, 16

³⁵ *Survival is Success*, 19

³⁶ *Survival is success*, 69

established publications. According to the Reuters Institute Digital News Report 2016, 5% of Italian online newsreaders used *Il Post* weekly, while *La Repubblica Online* served 33% of the readers weekly. Two other legacy newspaper websites - *Il Corriere della Sera online* and *La Stampa* - had a weekly usage of 21% and 16% each.³⁷

Enter Mediapart

In France, the disappointing online presence of France's legacy quotidiens has not translated into any significant advantage for new online enterprises. The economics of online news were as challenging for newcomers as they were for the old reputed press.³⁸ But *Mediapart* from the start did not fall strictly into any of these categories. A new online news enterprise, it was nonetheless established by four veterans of the traditional French press. Plenel, François Bonnet, Gérard Desportes and Laurent Mauduit all entered the reportage scene decades before the online revolution.

In his inaugural letter to the readers editor Edwy Plenel invoked the «Declaration of the rights and duties of the free press», formulated by the French Council of Resistance in the years of Nazi occupation.³⁹ Plenel is known for his ongoing critique of established journalism and the intimate ties between the mainstream media in France and foreign political and financial interests. Like publications founded in the wake of World War II, *Mediapart* was propelled by its aspiration to become France's much needed platform for muckraking and impartial investigative reports.

To work out an organizational and financial model for the website, the journalists teamed up with Marie-Hélène Smiéjan, a senior informatics executive. Together they figured out a business model that strictly excluded advertising and protected most articles behind a paywall. "It won't be viable if we put everything for free", Smiéjan explained to the editorial board.

From the start *Mediapart* published 5-7 articles a day. "We wanted it to look like a real newspaper, so we thought that should be the minimum", explains Marie-Hélène Smiéjan.⁴⁰ It later added user-generated blogs, and nowadays relies on news video streaming and on a very popular "open night" event series, featuring a top-politician answering questions of journalists and the readers all night long.

True to its vision of transparency, the website made its ownership model immediately available. The company raised an initial sum of 2.9 million euros, 60% of which belonged to the six co-founders (Smiéjan and Plenel contributed the largest sums, 550,000 euros each). The remaining 40% came from the *Mediapart's* Society of Friends, presided by the mathematician Michel Broué (504,000 euros); and from two private investors in informatics and technology, Jean-Louis Bouchard (Ecofinance) et de Thierry Wilhelm (Doxa), each investing 550,000 euros.

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³⁸ Survival is Success, 1

³⁹ Plenel, "Comment Mediapart a construit son Indépendance"

⁴⁰ Interview with Marie-Hélène Smiéjan, March 2016

Independent and Profitable? The Stunning Success Story of the Mediapart

Within a little over two years, Mediapart had nothing to show but profits. In the autumn of 2010 the company reached its point of equilibrium, and in 31 December 2011 it marked its first profitable year, and it has been profitable since. *Mediapart's* declared after-tax benefits for 2014 were 1.48 million euros for an income of 8.8 million euros. By September that year Mediapart reached its 100,000th subscriber. By the end of 2015, some 18,000 more subscribers joined the Mediapart readership. Its newsroom grew from 24 to 39 journalists, and it now employs 65 workers altogether - in adherence to a transparent salary system singularly based on equality. According to Reuters Institute for the Study of Journalism, *Mediapart* is "arguably the most disruptive and controversial journalistic online start-up in France today."

Scoops and Success

A self-described traditional investigative news website "that covers a great many other stories that don't hit the headlines", and accentuating its efforts to cover social issues, *Mediapart* nevertheless made its mark chiefly by publishing exclusive documents that were at the heart of two of the main political stories of the last decade: The Bettencourt affair and the Cahuzac case. Both stories proved crucial to the future of Mediapart.

In June 2010, the richest woman in France, owner of l'Oréal Cosmetics Liliane Bettencourt, became embroiled in a high-level French political scandal after details of the tape recordings made by her butler became public. The tapes included a conversation between Bettencourt and Éric Woerth, who was soliciting a job for his wife as manager of Bettencourt's wealth. Woerth was acting at the time as budget minister and was running a high-profile campaign to catch wealthy tax evaders. Ms Bettencourt, moreover, received a €30 million tax rebate during that period. The secret recordings also implicated former French president Nicolas Sarkozy in the affair. Sarkozy filed a lawsuit, but thanks to the international attention the story attracted Mediapart reached over 58,000 and started 2011 as its first profitable year.

Two years later another Mediapart investigation rocked France's political world. Jérôme Cahuzac was serving as an industrious minister of budget under François Hollande's socialist government when, in 4 December 2012, Mediapart published a story titled: "The Swiss Account of Minister of Budget Cahuzac". Investigative journalist Fabrice Arfi revealed that the minister had an undeclared bank account in Geneva up until 2010. Infuriatingly it was Cahuzac who less than a month before publically declared a legislative war on those who stowed their fortune overseas to evade France's 60% taxation. His career was over. Mediapart got the push that propelled it to profitability.

Competition: *Rue89*

Mediapart was not the only online pretender to the throne of an independent "pure player." *Rue89* was launched on May 2007, just ten month before *Mediapart*. Similarly to *Mediapart*, it was founded by reputed reporters from the legacy press and investors Pierre Haski and Pascal Riché (from the left-leaning daily *Libération*). The '89' in the name references three seminal moments in history: the French revolution (1789), the fall of the Berlin wall (1989), and the invention of the World Wide Web that same year. It emphasized its independence, offering general news, investigative journalism, analysis and opinion. Its business model, however, was different: it relied on advertising, training videos, and an accompanying print magazine.

Independent and Profitable? The Stunning Success Story of the Mediapart

The first success of *Rue89* came early. Only one before its launch, Nicolas Sarkozy defeated Ségolène Royal in the Presidential Election, and *Rue89* soon had its scoop: Sarkozy's wife at the time, Cecilia Attias, did not vote for her husband. More important from this piece of news was the fact that the weekly *Le Journal du Dimanche* had, despite the judgment of its journalists, decided to censor the story. The publication was owned by the Lagardère group, which held ties to Sarkozy.

Yet, despite its success, it suffered debilitating financial difficulties. In December 2011 it was acquired by the popular weekly *Le Nouvel Observateur* (aka *l'Obs*). In March 2016, Jérôme Lefilliâtre of *Libération* described it as “just another link on *l'Obs* website”. Indeed, its url address is now a subset of that of *l'Obs*, and the logo minimally appears under that of the newspaper. The brand no longer exists. “They wanted to publish fine journalism for free,” says drily Edwy Plenel. “This is not an information business model. This was an entertainment business model, an infotainment really”.⁴¹

Taxation Battle

About a year after the break of the Cahuzac affair, Mediapart entered a taxation battle with the government that is still waged. Between 2008 and 2014, Mediapart paid 2.1% VAT – the rate applicable to newspapers – rather than the 19.6% that applies to digital platforms. According to the Treasury, Mediapart owes the tax authorities 4.7 million euros (the difference itself was 3 million). Edwy Plenel publicly announced that the website will not pay and accused the treasury of running a vendetta against in revenge of the Cahuzac revelations. The parliament decided in 2015 that digital journalism platforms should have the same VAT rate as their print counterparts, but the tax authorities still demand that Mediapart pays back its 2008-2014 taxes.

For Plenel, the battle is waged over the independence of Mediapart. The measures taken by the Treasury, he wrote in January 2016, “are meant primarily to weaken us and to slow down the construction of our independence.” Plenel's refusal to pay can tell a story of courageous resistance that reaffirms *Mediapart's* core values. But it could also imply that Mediapart feels untouchable: already the suspicion has arisen that President Hollande works to influence the treasury in favor of Mediapart. The website's main early competitor, *Rue89*, paid the 19.6% VAT and was refused any refund. Its founder, the ex *Libération* editor Pierre Hasky, angrily remarked that a website carrying a mission of justice should pay its taxes.

Rue89, however, had to give up its independence and was bought out by the leftist weekly *Le Nouvel Observateur*. At the moment, the mounting legal expenses threaten to shake *Mediapart's* financial health. The latest *Mediapart* financial report, published March 10 2006 upon the website's eighth year, details the anticipated impact of the battle on the company's balance sheets, and urges readers to support the website. «Our liberty is too precious - and increasingly too necessary - for us to let off the guard from the conditions that guarantee it», writes Plenel. In April, Mediapart augmented its fee for new subscribers from 9 to 11 euros per month.

Pure Player?

⁴¹ Interview with Edwy Plenel, March 2016

Independent and Profitable? The Stunning Success Story of the Mediapart

The launch of *Mediapart* is generally described in fairy-tale terms -- four journalists longing for press independence taking to the Web, investing their pensions in a new venture. The truth is a little different. As we've seen, out of the first investment of 2.9 million euros, 1.1 million came from Econocom and Doxa, both privately owned and close to the French elite. Plenel explains that the two investors are interested in the Mediapart adventure for two reasons, «the democratic game - the freedom and pluralism of information - and the business lab - the invention of a new model for the Internet». Put it another way, the actual journalistic content remains outside their fields of interest.

Furthermore, immediately after *MediaPart's* launch when it became clear that the initial target of 10,000 paying subscribers would be missed, Plenel convinced Odysée Venture, a hedge-fund specializing in tax schemes for the very rich, to invest 1 million euros for 22% of the capital. Five years later, in March 2014, Odysée Venture sold its 22% to Edwy Plenel, the other 3 founders and to Jean-Louis Bouchard, owner of Econocom. The price was 2.5 million euros, reflecting a market value of 11.3 million euros.

Given the imposing power of media conglomerations in France today, it is not clear for how long, and to what extent, the strict separation of interest can be kept intact. The benignly titled "Société des Amis de Mediapart" hides powerful members that include Maurice Lévy, the president of Publicis; Christian Ciganer, the private banker of Nicolas Sarkozy and brother of his ex-wife and PR mogul Cecilia Sarkozy; Jean-Louis Bouchard, chief investor of Econocom, a B2B publicly-held French company present in 20 countries; Xavier Niel, a key figure of the French financial world, investor in "Le Monde" and owner of the multinational internet provider "Free", and Stéphane Fouks, the Euro-RSCG boss and special adviser to numerous politicians, most notably Jérôme Cahuzac himself.

"Yes, [Stéphane Fouks] invested 550,000 euros", confirms Plenel in a conversation, "as did Maurice Lévy. So what? At the time, we took everything we could get a hold on," he laughs. "And everyone could see that it had no influence at all on our investigations into power. Besides," added Plenel, our biggest 'friend' was Xavier Niel who, I stress, was at the time a mere internet provider and was not yet an established member of the oligarchy." Plenel added that Niel's contribution of 200,000 euros went to *Mediapart's* Society of Friends, and he is therefore not a direct shareholder.⁴²

Now what?

In 2015, on the occasion of the website's seventh birthday, Plenel announced that he would leave Mediapart when he reaches the age of retirement in 2017. Two other founders, Marie-Hélène Smiéjan and Laurent Mauduit, will also turn 65 in 2017 and are likely to retire as well (the fourth, François Bonnet, is a year younger than the rest).

As Alex Piquard pointed out in *Le Monde* in 2015, Plenel's legendary figure might be hard to replace. «The idea the such a character - a debater, essayist, the former editor-in-chief of *Le Monde* - would go on retirement raises many questions», He writes. «<Edwy> recognises that

⁴² Interview with Edwy Plenel, April 2016

Independent and Profitable? The Stunning Success Story of the Mediapart

his personality - his «moustache» - may have a strong presence, but he is optimistic about the prospects of finding a successor». ⁴³

Plenel told Piquard that he plans to stay within reach after his retirement. But his departure also entails a thorough rethinking of the business model. Smiéjan and Plenel own nearly 30% of Mediapart; to keep the website independent, they first thought of transferring their parts to the company's salaried workers. But now, Plenel conceived an ambitious alternative: to sell Mediapart to a trust dedicated to keep Mediapart independent. Based on the model of the Scott Trust, the new structure would build new journalistic platforms inspired by Mediapart: a website dedicated to corruption in sports, for example, could in his opinion gain readers without cannibalizing Mediapart's readership.

But can Plenel conduct this kind of fundraising -- courting financiers, hedge funds, and philanthropists all across France -- without sabotaging the main platform? Will *MediaPart's* business model work without its charismatic founder? Can it be replicated elsewhere? One is reminded of the credo of the fictitious Starship Enterprise from Star Trek -- "to explore strange new worlds, to seek out new life and new civilizations, to boldly go where no man has gone before".

⁴³ Alexandre Piquard, "Mediapart : Plenel prépare l'après-Plenel". *Le Monde Economie*, March 13, 2015.

Exhibits

Exhibits 1-8 present Mediapart facts and figures between 2008 and 2015.

French Media Market

According to the data published by IREP (*Institut de Recherches et d'Etudes Publicitaires*)⁴⁴, advertising revenues in the year 2015 sum to 12.8 billion euros, with a 1.1% decrease since 2014. The biggest drops have been registered in Advertising on Telephone Directories (-6.9% as compared to 2014), Press (-5.9%) and Mail Advertising (Addressed and Unaddressed combined, -4.9%). Instead, Internet Advertising has increased by almost 6% since 2014.

Over the period between 2010 and 2015, revenues from four out of five of the historical media – namely, Television, Cinema, Radio and Outdoor Advertising – have remained quite constant, albeit slightly in decline. A similar pattern cannot be drawn for the Press, which saw its revenues dropping overall by 30% since the beginning of the period under consideration. The second worse decline is that of Telephone Directories, that have suffered a decrease of 25%, followed by Mail Advertising (- 19% since 2010). On the contrary, 2015 advertising revenues from Internet are 36% higher than those in 2010.

Exhibit 9 plots the total revenues (in billion €) by media in France over the period 2010-2015. The data derive from IREP annual study on the evolution of Ad French Market.

As we can see from the figure, advertising revenues are on a declining, although flattening, path since 2011. According to the 2012 IREP report⁴⁵, total advertising revenues dropped by 3.5% between 2011 and 2012. In the period 2007- 2012, the five historical media (Television, Cinema, Press, Radio and Outdoor Advertising, without their activities through the Internet) have lost 2 billion euros, of which 1.5 billion euros accounted for the Press only.

Exhibit 10 shows how the decline in revenues in the past three years changes when we isolate historical media: as expected, they experience the largest drops in total annual revenues, although the decline is stabilizing over time. In particular, when we include revenues from Internet advertising – that comprises revenues from display advertising, search advertising, and mobile advertising – the market has reached stability last year. Market forecasts for 2016 are market stabilization for all the media, and an increase in the “Historical Media + Internet” by 1%, with the rise in Internet advertising outpacing the flattening decline in Historical Media revenues.⁴⁶

Data from France PUB clearly depicts a similar picture on the advertising expenditures side. In 2015, advertising spending amounted to 29.4 billion euros in total, a 0.8% decline since 2014. The highest cuts affect Directories (-7% since 2014), the Press (-6.3%) and Direct Marketing (-3.6%). Among newspapers, the most severe drop pertains to national daily newspapers, which suffered a decrease of 7 percentage points since 2014 (as compared to -5.5% for regional newspapers). Remarkably lower appear as well expenditures on the free informative press, which registered a decline of 18.5% as compared to the previous year.

⁴⁴ <http://www.irep.asso.fr/>

⁴⁵ <http://www.irep.asso.fr/marche-publicitaire-chiffres-2012>

⁴⁶ IREP – France Pub 2015 Press Release available here:

http://www.irep.asso.fr/files/marche_publicitaire/communiqu_e_de_presse_MPF_2015.pdf

Independent and Profitable? The Stunning Success Story of the Mediapart

The pie chart reported in Exhibit 11 shows the composition of total advertising expenditures by means of communication in 2015.

The change in advertisers expenditures between 2014 and 2015 differs among sectors: according to the 2015 IREP – France PUB Press Release, expenses in consumer goods and household equipment increased by 1% over the period. Particularly relevant are the increases in advertisers expenditures in the Pharmaceutical sector (+ 7.1%), Food (+ 5.3%), Drinks (+ 5.5%), and Clothing (+ 1.8%). Expenditures on Retail sector appear on a positive trend as well, although lower (+ 0.1%).

Instead, the trend in ad spending on Services remains downward sloping: expenses have lowered by 3.4% since 2014. In addition, in 2014 they were 3.5% lower than the previous year, and 6.5% lower than 2012 levels. Less pronounced, but still negative, is the change in ad expenditures for the Business-to-Business industry (-1.3% between 2014 and 2015).

French Media Industry vs. US Media Industry

In order to have comparable data between the two countries, the analysis has been restricted to advertising revenues and spending by Historical Media (i.e. Television, Radio, Press, Outdoor Advertising, and Cinema) and Internet for the year 2015.⁴⁷ See Exhibit 12 for details.

French Newspapers

According to the information released by ACPM (*Alliance pour les Chiffres de la Press et des Médias*)⁴⁸, the biggest national newspapers in terms of circulation are: Le Figaro (average monthly circulation of 321,569 copies in 2015), followed by Le Monde (292,054), Aujourd’hui en France (141,697), la Croix (100,632) and Libération (91,649). Broadly diffused appear as well L’Équipe, that covers news on sport (229,722), and Les Echos, the main French financial newspaper (129,455).

As we can see from Exhibit 13, circulation among the top French newspapers decreased over the past three years – with the exception of Le Figaro, that kept its levels almost constant over the entire period in exam. The graph shows the percentage change in the number of copies sold between two successive years, and it takes 2012 as base year. Generally speaking, in 2013 there has been the most dramatic drop, particularly relevant for Libération (circulation in 2013 was almost 15% lower than its 2012 level) and Aujourd’hui en France (-10%), but also for Le Monde (almost -5%), historically one of the two leading newspapers.

Given the increasing importance of the digital world, ACPM publishes as well data on the number of total visits of newspapers’ websites (eventually separated between visits made

⁴⁷ For France, calculations are based on France PUB data on Advertising Expenditure, looking only at Historical Media + Internet. For the U.S., the data that seemed the most comparable have been taken from Statista, available here (for revenues): <http://www.statista.com/statistics/272500/advertising-revenue-in-the-us-by-media/>; and here (for spending): <http://www.statista.com/statistics/386308/advertising-expenditures-by-medium-usa/>.

⁴⁸ <http://www.acpm.fr/Chiffres/Diffusion/La-Press-Payante/Presse-Quotidienne-Nationale>

Independent and Profitable? The Stunning Success Story of the Mediapart

through mobile web access as opposed to desktop access), on a monthly basis. Exhibit 14 shows April total visits and the average number of pages visited each time.

As we can see, in terms of total pages visited during the month, Le Monde and Le Figaro are considerably above the other main newspapers.

In terms of audience, we can also look at how the news website are ranked in the list of the most visited websites in France. Mediametrie/Nielsen provide this data on a monthly basis. Exhibit 15 shows the ten most visited groups' websites, along with the ten most visited *media* groups' websites, provided that media companies generally own more than just one newspaper – or more generally, only one source of news. Exhibit 16 shows a very similar table, where instead the rank refers to the most visited unique website.

Finally, if we restrict the analysis to the Individual Paid Circulation only (that is, we exclude copies sold to third parties, abroad, and all non-paid circulation), we can decompose total circulation by buying option offered to the individuals: "Print subscription" – notice that it may offer as well full access to the web news, "Single-copy Sale", and "Digital Subscription only" – that gives exclusively full access to the news through newspapers' websites.

Exhibit 17 depicts some remarkable differences among newspapers, in terms of selling channels. Aujourd'hui en France for instance, sells almost all of its copies in single sales through kiosks, whereas La Croix has customers who have mainly chosen print subscriptions. Le Monde is the newspaper that relies the most on digital subscriptions, accounting for closely 1/3 of its total individual paid circulation.

Since this type of data is available since 2012, we can see how the means of circulation have evolved for those same newspapers in the past few years (see Exhibit 18). The smallest ring, which sums up to 100%, shows the decomposition of individual paid circulation in 2012, whereas the largest ring, 2015 percentages. As we may have expected by looking at 2015 bar graph, Aujourd'hui en France relied almost entirely on single-copy sales during the entire period. The two leading newspapers, while relying for around 50-60% on print subscriptions, have experienced an increase in digital subscriptions, especially at the expenses of single-copy sales. Libération instead, seems to have been able to attract its customers with subscriptions of either form, although more considerably in print.

Exhibit 19 is a table taken from the newly released book by Eli Noam, *Who Owns the World's Media? Media Concentration and Ownership Around the World* (Oxford University Press, 2016), shows French Daily Newspapers market shares' evolution over time, measured in terms of circulation.

Who owns the media in France?⁴⁹

The multinational mass media company Vivendi owns the French TV channel Canal + Group. It also owns stakes in companies like Universal Music Group, Dailymotion, Ubisoft, Gameloft and Telecom Italia. Its largest shareholder is the Bolloré Group, owning 14.35% of share capital as of February 2016. Its chairman and CEO Vincent Bolloré is ranked as the 248th richest person in the world according to Forbes, with a net worth of \$5.3 billion, and 11th in

⁴⁹ Source: Wikipedia pages, unless otherwise noted.

Independent and Profitable? The Stunning Success Story of the Mediapart

France.⁵⁰ The Group also controls advertising giant Havas, owning around 60% of its share capital: Yannick Bolloré is its chairman and CEO.

The conglomerate Bouygues operates in construction, real estate development, media and telecommunications through its subsidiaries. Key figure is Martin Bouygues, that with his brother Olivier is ranked as the 435th richest person in the world (2016 Forbes ranking) and 14th in France, with a net worth of \$3.4 billion.⁵¹ With a 43% stake in TF1 Group, Bouygues group controls TF1 channel (the largest European private TV channel as well as the most popular channel in France) and several others. It also owns 100% of Publications Metro France, a group of free-distribution press.

The German media company Bertelsmann, through its division RTL Group (the leading European entertainment company with its 57 television channels and 31 radio station in 10 countries⁵²) controls RTL radio stations and relevant TV channels, through its 48.6% stake in M6 Group (e.g. channel M6, the third most watched in France). Through its division Gruner + Jahr, Bertelsmann owns Prisma Media, the second-largest magazine publisher in France, editing 20 leading brands, that reach over 34 million French every month.⁵³

The media conglomerate Lagardère, headed by Arnaud Lagardère, operates through its subsidiary Lagardère Publishing in the book and electronic publishing sector in several countries, including the publisher Hachette. Lagardère Active instead owns 24 radio stations, 16 TV channels and is one of the first news publishers in the French press, with several well established magazines and 81 editions under license internationally.⁵⁴

Altice Media Group France, division of Altice Group, was founded in 2015 by Patrick Drahi and Marc Laufer. It publishes the newspaper Liberation and news magazine L'Express. Drahi is the founder and chairman of the Netherland-based telecommunication parent company Altice. In the past few years, he acquired the second largest mobile phone French company SFR; he entered the US market by acquiring 70% of controlling stake of Suddenlink Communications (the seventh largest US cable company); last year, he acquired Portugal Telecom, and tried to further consolidate the French telecom sector with an offer to Bouygues Telecom, the third largest company. In May 2016, he is the process of buying Cablevision, for \$17.7 billion.⁵⁵ In Israel, he owns the TV station i24 News and cable vision operator Hot. He is one of the richest people in both France and Israel (as of 2016), and currently the 205th richest person in the world (Forbes 2016).⁵⁶

Owner of the Figaro group is Dassault Group, a holding company headed by Serge Dassault. Its core activities are in the aircraft and software industries. With a net worth of \$15.5 billion in 2016, Mr. Dassault is the 3rd richest person in France, and the 56th in the world.⁵⁷

⁵⁰ <http://www.forbes.com/profile/vincent-bolloré/>

⁵¹ <http://www.forbes.com/profile/martin-olivier-bouygues/>

⁵² http://www.rtlgroup.com/files/pdf2/facts_20160420.pdf

⁵³ <http://www.prismamedia.com/groupe/presentation/>

⁵⁴ <http://www.lagardere.com/activites/lagardere-active-2610.html>

⁵⁵ <http://www.bloomberg.com/news/articles/2016-05-20/new-york-panel-recommends-approval-of-altice-cablevision-deal>

⁵⁶ <http://www.forbes.com/profile/patrick-drahi/>

⁵⁷ <http://www.forbes.com/profile/serge-dassault/>

Independent and Profitable? The Stunning Success Story of the Mediapart

Le Monde, and more recently Le Nouvel Observateur, Courrier International and Telerama are co-owned by investors Pierre Bergé, Matthieu Pigasse and Xavier Niel. The businessman Pierre Bergé is the co-founder of Yves Saint Laurent Couture House. Matthieu Pigasse is a French investment banker and investor. Active in the media industry, he owns a stake in the Huffington Post, and the radio station Radio Nova. Xavier Niel is the founder of the fourth biggest telecom company in France, Iliad, and invested in startups related to online services or technology (he was one of the founding members of Mediapart, contributing with 200,000 euros for the Société des amis de Mediapart). According to Forbes, he is the 129th richest person in the world, and 7th in France.⁵⁸ He is married with Delphine Arnault, daughter of Bernard, the 2nd richest person in France and 14th in the world, chairman and CEO of LVMH, the luxury conglomerate of more than 70 prestigious brands. Bernard Arnault is the owner of the first daily financial newspaper Les Échos, and was the owner of the weekly economic newspaper La Tribune. Last year, the group LMVH acquired the third biggest French newspaper in terms of circulation, Le Parisien-Aujourd'hui en France.

The Amaury Group is a family owned company involved in the French media and press industry since the mid-20th century. It was the publisher of the regional newspaper Le Parisien, and of the national Aujourd'hui en France. It is the publisher of the first national sport newspaper in France, L'Équipe, and leads the sport news through L'Équipe Group. Amaury Sport Organization is also one of the principal organizers of international sporting events, specializing in all businesses related to the organization, media and commercialization of sports competition. The company organizes 70 events every year: notably, the Tour de France, the Dakar Rally and the golf tournament Open de France.

The billionaire businessman François Pinault, founder of Kering, took control of the news magazine Le Point, though the Artemis Group. With a net worth of \$11.5 billion in 2016, Mr. Pinault is ranked 4th among the French richest people, and he is the 84th richest person in the world.⁵⁹

⁵⁸ <http://www.forbes.com/profile/xavier-niel/>

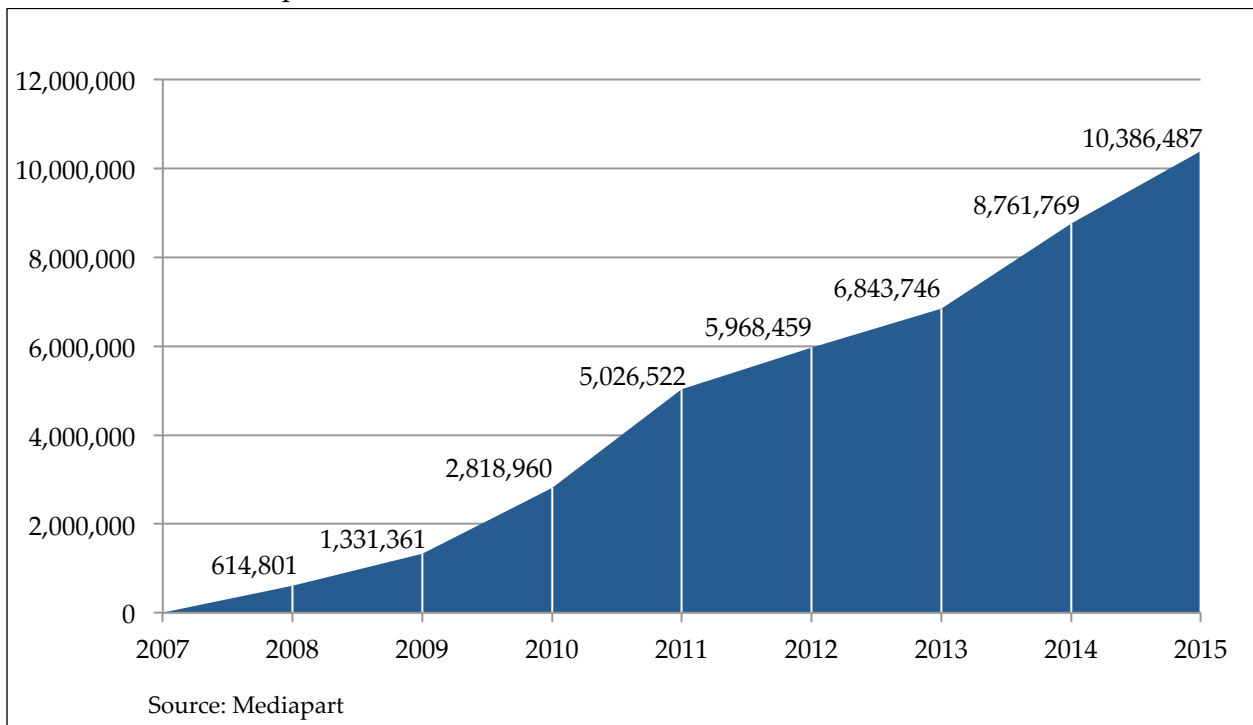
⁵⁹ <http://www.forbes.com/profile/francois-pinault/>

Independent and Profitable? The Stunning Success Story of the Mediapart

Exhibit 1 Mediapart Total Workforce between 2008 and 2015



Exhibit 2 Mediapart Turnover between 2008 and 2015, in euros



Independent and Profitable? The Stunning Success Story of the Mediapart

Exhibit 3 Mediapart Annual Subscriptions

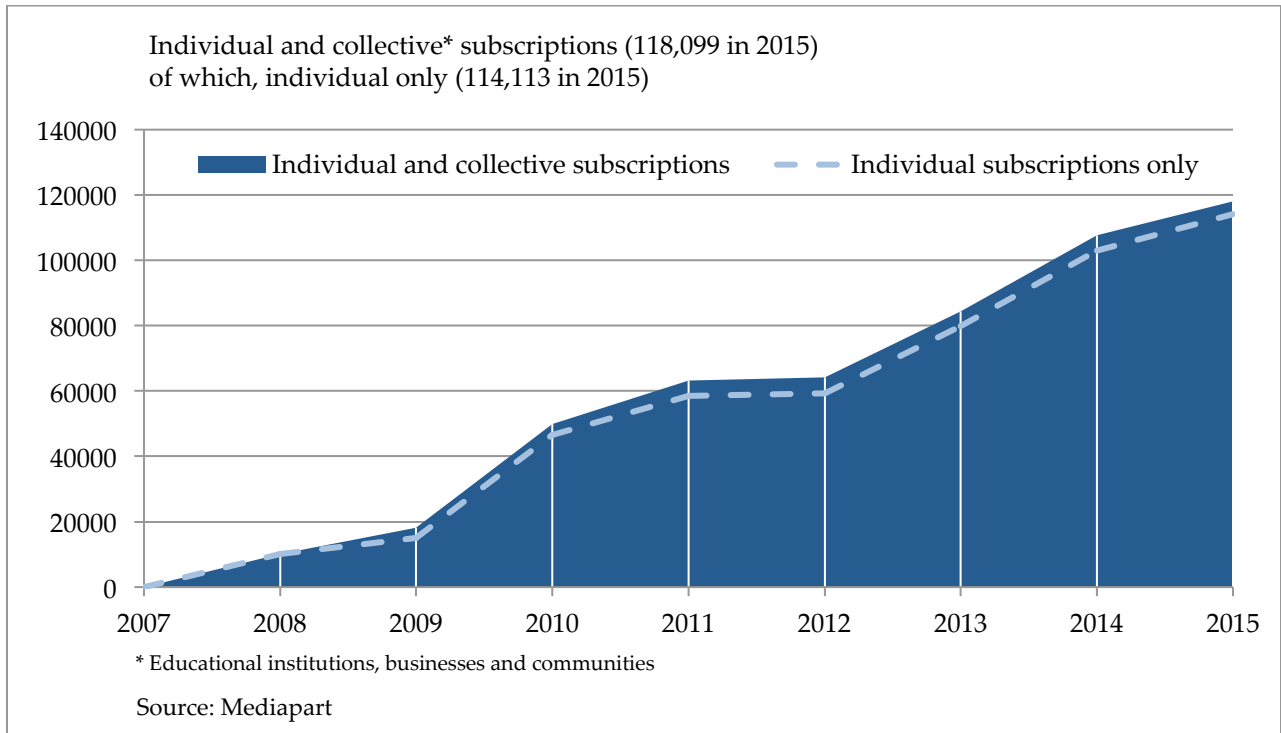
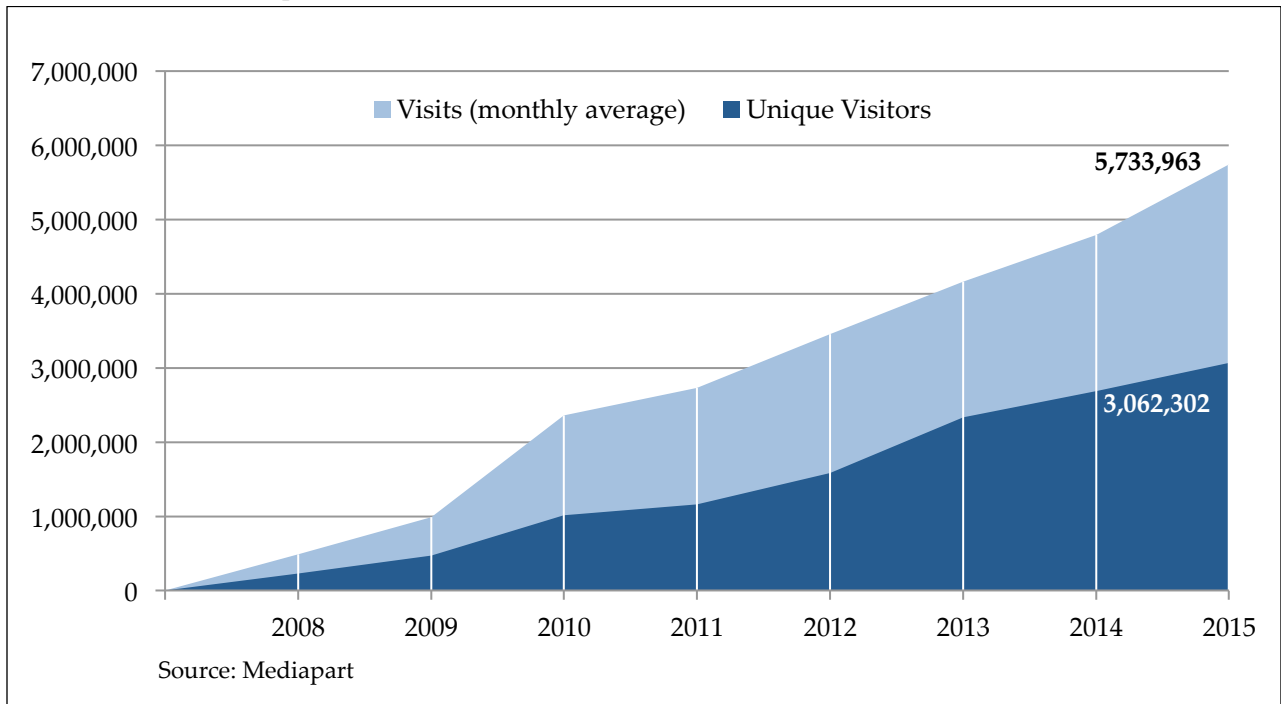


Exhibit 4 Mediapart Audience 2008-2015



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Exhibit 5 Mediapart Current Result 2008-2015, in euros

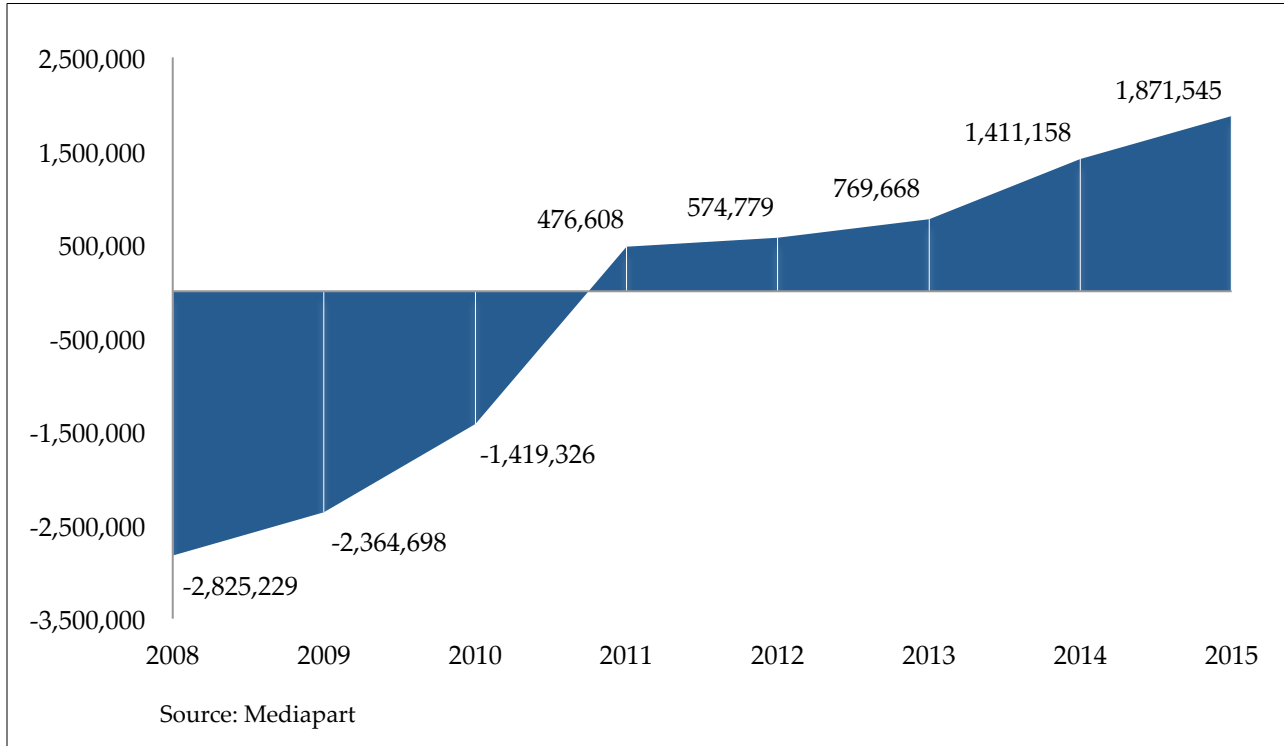
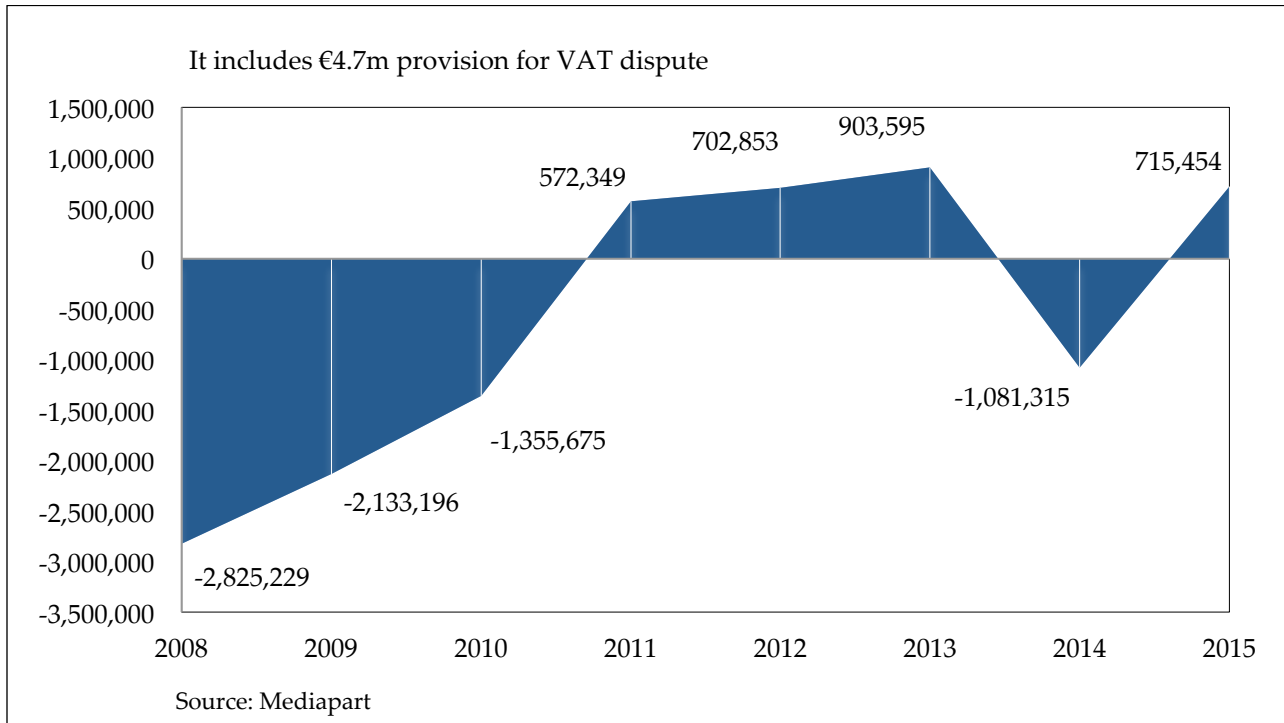


Exhibit 6 Mediapart Net Profit 2008-2015, in euros



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Exhibit 7 Mediapart Annual Balance Sheet 2011-2015, in euros

Assets (€)	2011	2012	2013	2014	2015*
Fixed Assets	130,940	139,647	415,931	763,835	738,738
Current Assets	2,462,760	3,162,528	4,227,512	4,411,298	7,025,888
Total Assets	2,593,700	3,302,175	4,643,443	5,175,133	7,764,626
Equity & Liabilities (€)	2011	2012	2013	2014	2015*
Capital Stock	242	703,677	1,604,842	-850,682	-127,347
Other Shareholders Funds	204,624	204,624	204,624		
Provisions for Risks and Charges	743,055	743,055	743,055	3,389,233	4,844,695**
Short Term Debt	1,645,779	1,650,819	2,090,921	2,636,582	3,047,279
Total Shareh. Funds & Liab.	2,593,700	3,302,175	4,643,442	5,175,133	7,764,627

* Preliminary data

** Provisions for risk: the company is in dispute with the tax administration on the 2.1% VAT rate granted to the press in the period prior to February 1, 2014. The adjustment amounts to €4,697,695 of which €1,349,462 in interests and fines for bad faith.

Source: Mediapart

Exhibit 8 Mediapart Income Statement 2011-2015, in euros

(€)	2011	2012	2013	2014	2015*
Operating Income	5,122,068	6,039,288	6,894,797	8,982,229	10,441,139
Operating Costs	4,657,847	5,467,575	6,131,915	7,594,381	8,577,574
Operating Result	464,221	571,713	762,882	1,387,848	1,863,565
Financial Income	12,391	3,357	6,608	23,310	7,980
Financial Expenses	4	291	-178		
Financial Result	12,387	3,066	6,786	23,310	7,980
Current Result	476,608	574,779	769,668	1,411,158	1,871,545
Extraordinary Income	9,377	19,479	8,001	5,858	411,693**
Extraordinary Expenses	13,641	12,263	6,969	2,632,752	1,621,620
Extraordinary Profit	-4,264	7,216	1,032	-2,626,894	-1,209,927
Total Income	5,143,836	6,062,125	6,909,406	9,011,397	10,860,812
Total Expenses	4,671,492	5,480,129	6,138,707	10,227,132	10,199,194
Taxes	-100,005	-120,857	-132,896	-134,420	-53,836
Net Profit/Loss	572,349	702,853	903,595	-1,081,315	715,454

* Preliminary data

** Exceptional gift of our readers, they support us facing the tax litigation

Source: Mediapart

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Exhibit 9 Advertising Revenues in France, by Medium (billion €)

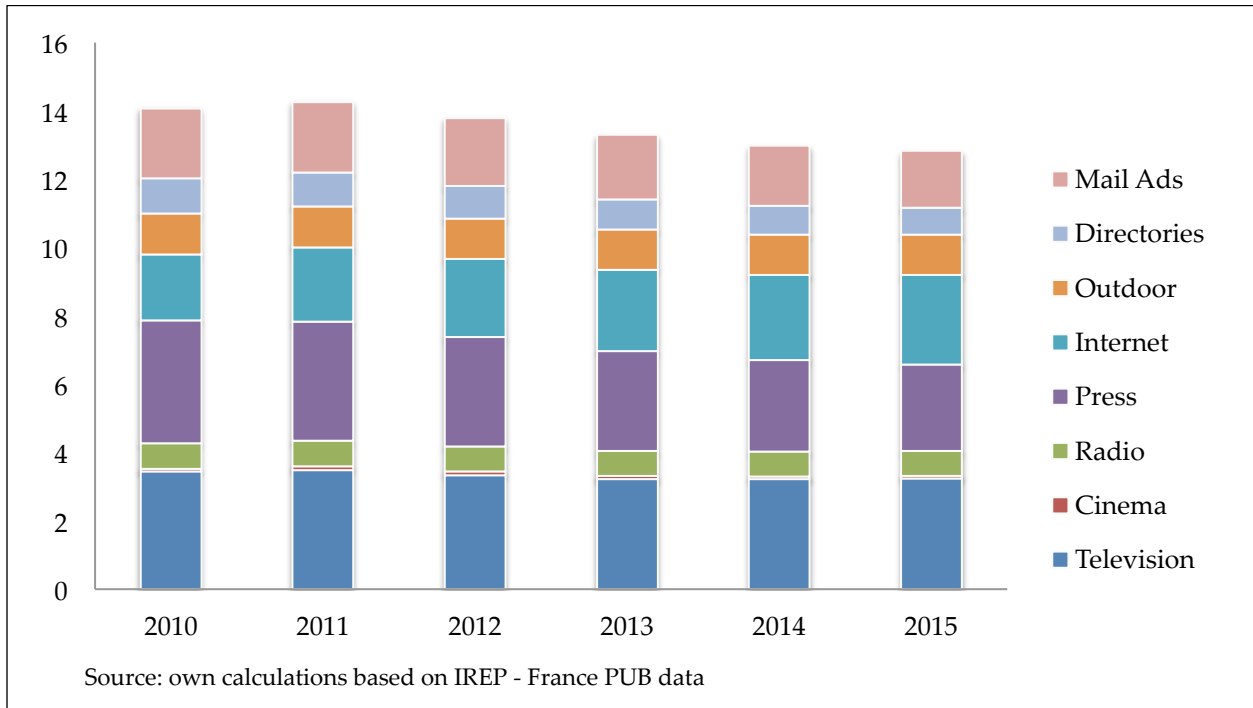
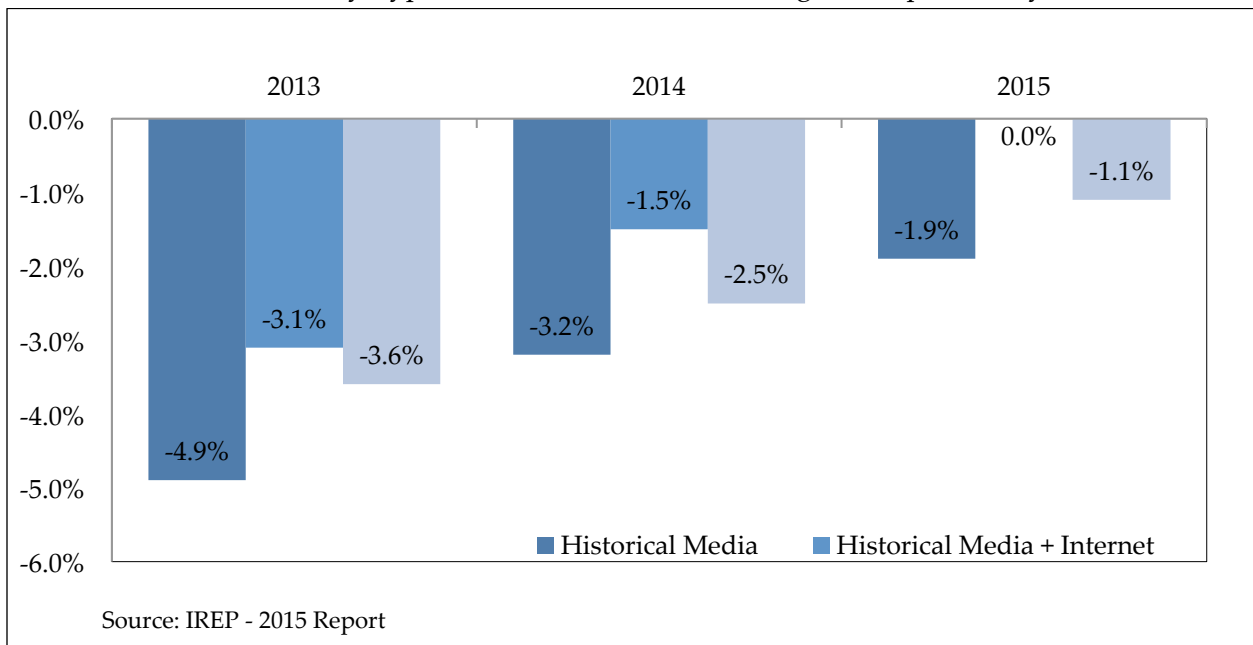
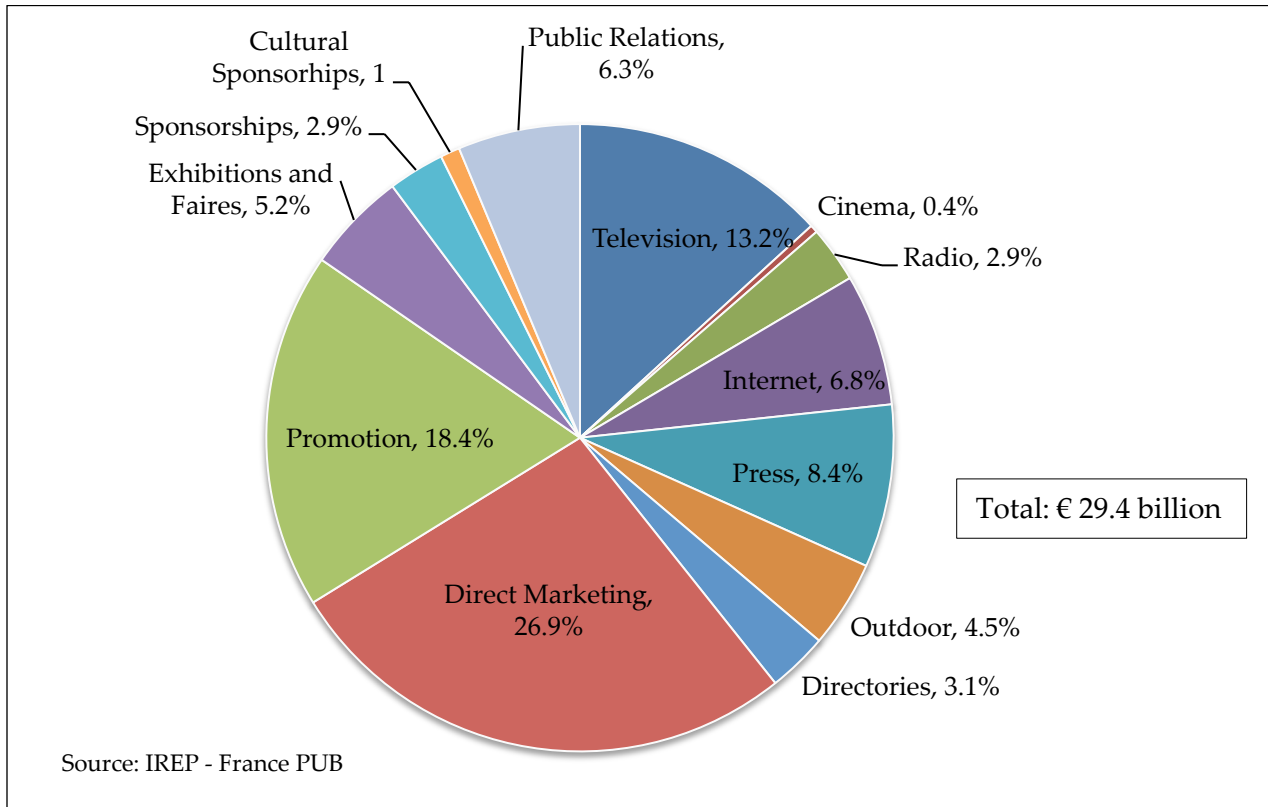


Exhibit 10 Revenues by Type of Media in France, % change since previous year



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Exhibit 11 Advertisers' Expenditures in France by Means of Communication (2015, %)



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Exhibit 12 2015 Advertising Revenues and Spending in France and in the US, by Medium
Advertising Revenues in France and U.S., by medium (2015)

<i>Medium</i>	France		US	
	billion US\$	as % Ad Rev	billion US\$	as % Ad Rev
Television	3.60	0.31	66.3	0.37
Radio	0.80	0.07	17.4	0.10
Press	2.81	0.24	27.3	0.15
Outdoor Ad	1.30	0.11	8.9	0.05
Cinema	0.09	0.01	0.8	0.00
Internet	2.93	0.25	59.6	0.33
Total	11.53	1.00	180.3	1.00

Advertising Spending in France and U.S., by medium (2015)

<i>Medium</i>	France		US	
	billion US\$	as % Ad Spend	billion US\$	as % Ad Spend
Television	4.31	0.36	74.76	0.38
Radio	0.94	0.08	19.51	0.10
Press	2.74	0.23	44.9	0.23
Outdoor Ad	1.47	0.12	7.4	0.04
Cinema	0.13	0.01	1.11	0.01
Internet	2.22	0.19	48.58	0.25
Total	11.82	1.00	196.26	1.00

Source: France PUB data release for France; Statista for the U.S.

Note: The exchange rate used for French numbers is the official averaged exchange rate as reported by the World Bank for the year 2015.

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Exhibit 13 Circulation of Top French Newspapers, % change between successive years (since 2013)

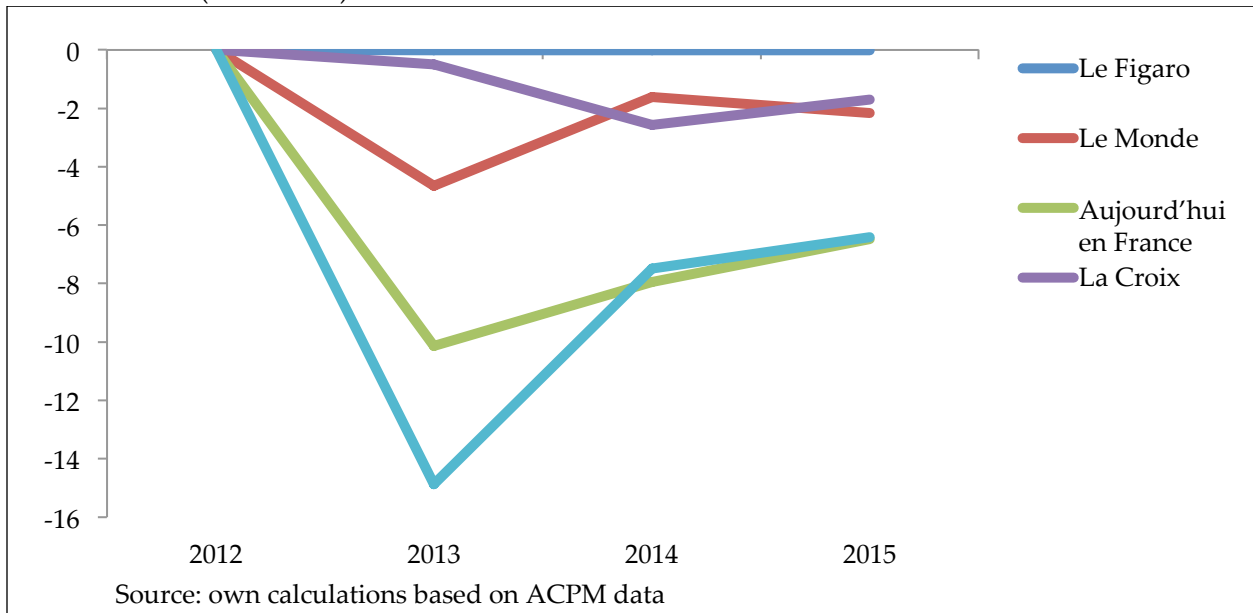


Exhibit 14 Total Visits (right axis) and Average # Pages Visited (left axis), April 2016

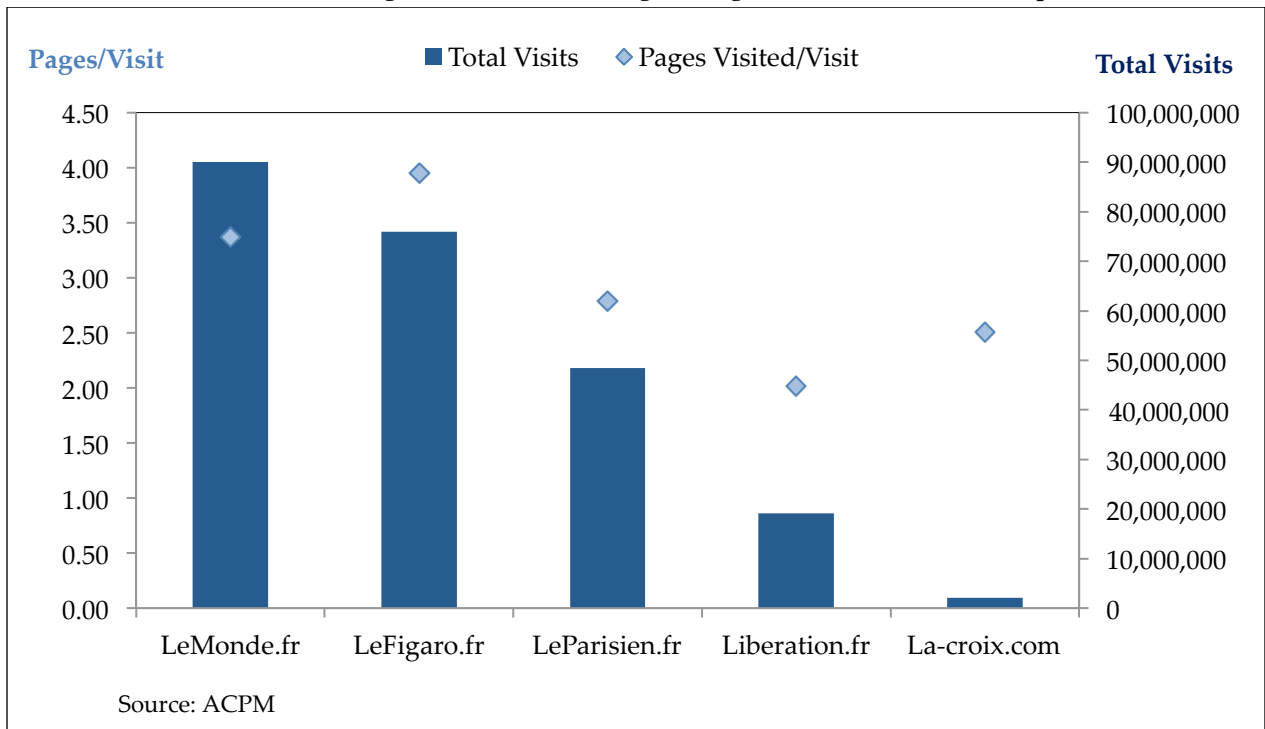


Exhibit 15 French most visited groups' websites and media groups' websites (April 2016)

10 Most Visited Groups' Websites

Rank	Website	Monthly Unique Visitors (April 2016) ¹
1	Google	41,914,000
2	Microsoft	35,537,000
3	Facebook	27,148,000
4	Groupe Figaro CCM Benchmark	23,556,000
5	Webedia	20,243,000
6	Orange	20,032,000
7	Solocal Group	19,316,000
8	Schibsted	16,593,000
9	Wikimedia Foundation	16,147,000
10	Groupe Lagardiere	15,776,000

10 Most Visited *Media* Groups' Websites

Rank	Website	Monthly Unique Visitors (April 2016) ¹
4	Groupe Figaro CCM Benchmark	23,556,000
10	Groupe Lagardiere	15,776,000
11	Vivendi	15,588,000
14	M6	13,574,000
17	Groupe Le Monde	12,448,000
18	Prisma Media	12,004,000
23	francetelevisions	9,839,000
28	Groupe TF1	8,919,000
29	Next Radio	8,788,000
33	Altice Media Group	8,507,000

Note: ¹Data refer to Internet audience of desktop devices only.

Source: Médiamétrie Communiqués de Presse (May 27, 2016), available at:
<http://www.mediametrie.fr/internet/communiques/audience-internet-ordinateur-en-france-en-avril-2016.php?id=1470>.

Exhibit 16 French most visited websites and news websites (April 2016)

Most Visited Websites

Rank	Website	Monthly Unique Visitors (April 2016) ¹
1	Google	40,912,000
2	Facebook	27,002,000
3	Microsoft	24,489,000
4	Youtube	24,123,000
5	Orange	18,635,000
6	Leboncoin.fr	16,592,000
7	Windows Live	16,367,000
8	Wikipedia	15,889,000
9	Skype	14,982,000
10	Amazon	14,789,000

Most Visited News Websites

Rank	Website ²	Monthly Unique Visitors (April 2016) ¹
16	France Televisions	9,839,000
22	Le Figaro	8,641,000
23	Linternaute.com	8,596,000
29	Le Monde	7,951,000
37	MYTF1	6,803,000
38	Tele Loisirs	6,792,000
40	Le Parisien	6,556,000
41	20minutes.fr	6,527,000
48	L'Equipe	5,884,000

Note: ¹ Data refer to Internet audience of desktop devices only.

² Only nine news websites are in the rank, because they are the only ones appearing in the list of the most visited 50 websites in France during April 2016, on which the tables are based.

Source: *Médiamétrie Communiqués de Presse* (May 27, 2016), available at:

<http://www.mediametrie.fr/internet/communiqués/audience-internet-ordinateur-en-france-en-avril-2016.php?id=1470>.

Independent and Profitable? The Stunning Success Story of the Mediapart

Exhibit 17 Individual Paid Circulation in France, in 2015 (by buying option)

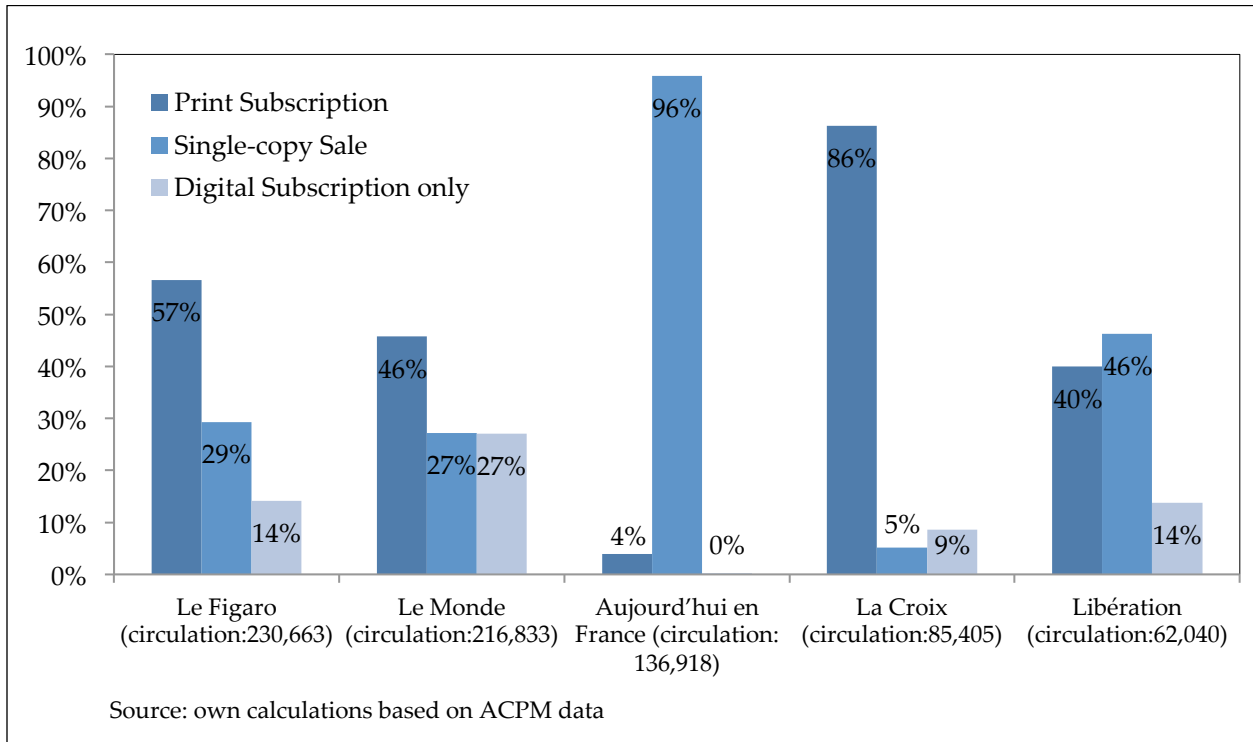
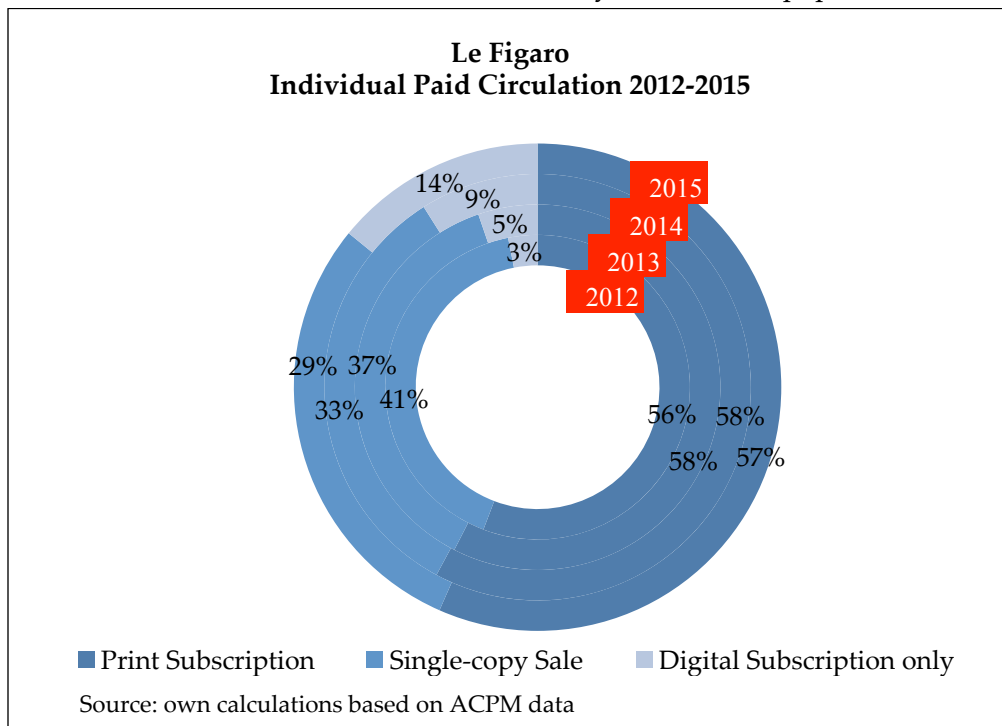
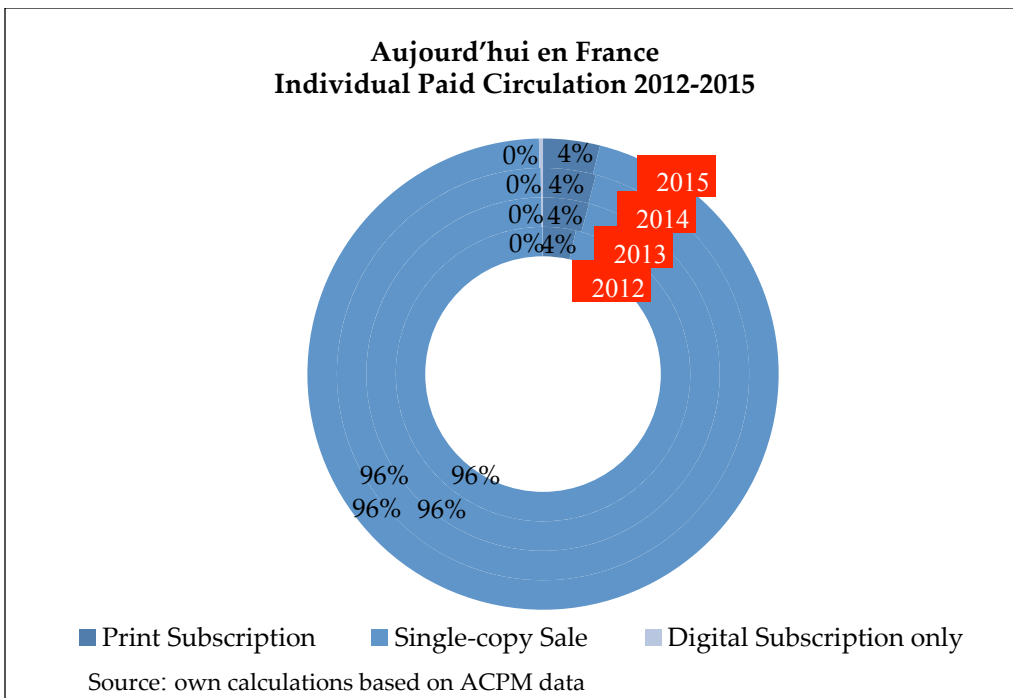
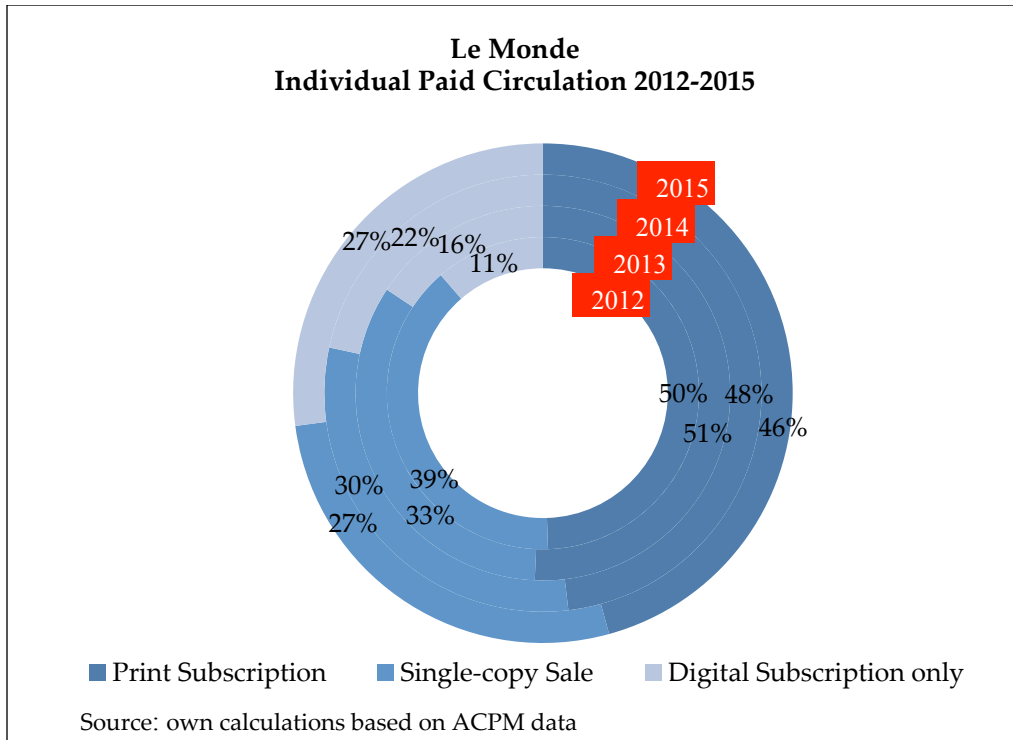


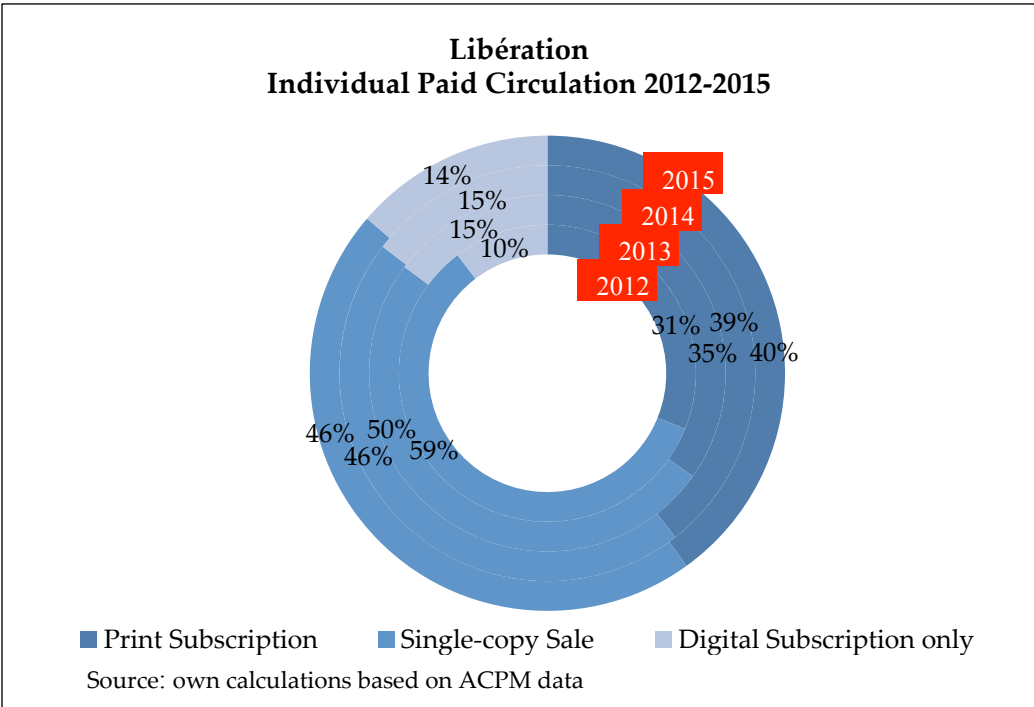
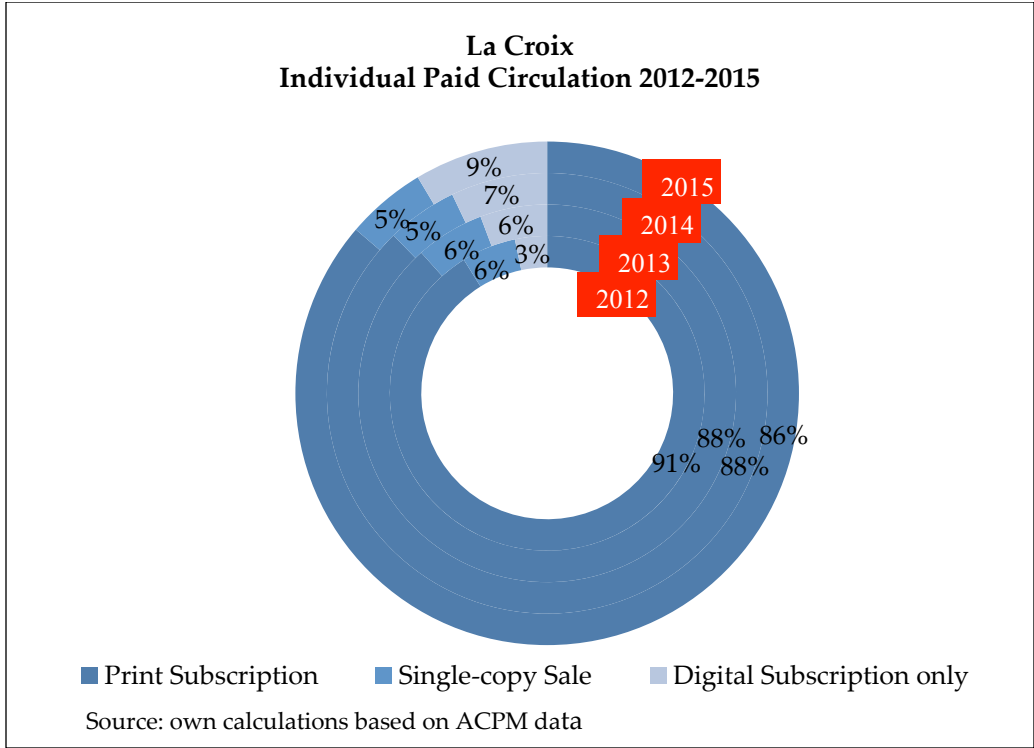
Exhibit 18 Individual Paid Circulation 2012-2015 by French newspaper



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Exhibit 19 French Daily Newspaper Market Share by Circulation, 1997-2011

Table 5-1. Daily Newspapers (Market Shares by Circulation), 1997–2011

GROUPS/TITLES	1997	2004	2006	2008	2010	2011
Amaury Group (total)	31.5	38.8	39.6	39.4	37.9	37.8
<i>Aujourd' hui — Le Parisien</i>	17.3	22.4	23.2	24.3	22.7	23.2
<i>L'Equipe</i>	14.2	16.4	16.4	15.0	15.2	14.6
Socpresse Group (total)	32.8	18.7	15.2	15.6	16.0	16.4
<i>Paris-Turf</i> ¹	13.0	3.5				
<i>France-Soir</i> ²	6.2					
<i>Le Figaro</i>	13.6	15.3	15.2	15.6	16.0	16.4
Paris Turf	Socpresse	Socpresse	3.6	3.5	3.0	2.9
France-Soir ³	Socpresse	2.8	1.2	1.1	3.7	3.7
<i>Le Monde</i> (La Vie-Le Monde Group)	14.3	16.6	15.9	15.8	15.4	15.0
<i>La Croix</i> (Bayard Presse)	3.5	4.3	4.6	4.8	5.1	4.8
<i>Les Echos</i> (LVMH Group)	4.9	5.3	6.2	6.4	5.8	6.1
<i>La Tribune</i> ⁴	3.3	3.6	4.1	3.8	3.8	3.8
<i>Libération</i>	6.3	6.5	6.1	6.1	5.7	6.1
<i>L'Humanité</i>	2.2	2.2	2.5	2.4	2.5	2.5
<i>International Herald Tribune</i> (New York Times Group, US)	1.2	1.1	1.1	1.1	1.0	0.9
Total Circulation (1,000)	2,739	2,236	2,233	2,155	2,070	1,956
Total Revenue (mil euros)				1,056		
Total Revenue (mil US\$)				1,228		
C4	84.9	80.7	76.8	77.2	75.1	75.3
HHI	2,366	2,246	2,187	2,181	2,066	2,064
N (>1%)	9	10	11	11	11	9
Noam Index	789	710	660	658	623	688

Source: Our calculations based on data from OJD. <<http://www.ojd.com>> (3.22.2013 and past years); DGMIC (French Ministry of Culture). <<http://www.culturecommunication.gouv.fr/>> for total revenue; see also Badillo and Lesourd (2010).

¹ Sold off by the Socpresse Group in 2005.

² Sold off by the Socpresse Group in 1999.

³ *France-Soir* ceased publication as a national print daily in 2012.

⁴ *La Tribune* ceased publication as a national print daily in 2012. It was owned by the French investors Alain Weill (20%) and Valérie Decamp (80%) up until then.

Independent and Profitable? The Stunning Success Story of the Mediapart

Exhibit 20 Who owns the media in France?



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