



DOMESTIC BOOK TRADE IN 2005

Domestic book trade in 2005

The Spanish Federation of Publishers carries out an annual study on the domestic book trade in Spain. The study collects the details of private publishing houses in any of the associations or organisations that form part of the federation. The main aim of this research is to obtain greater knowledge of the turnover of publishing houses, the book supply and their commercialisation, employment in the sector, the geographical distribution of the production and sale of books, publications in pocket format and on new media, the average price of books according to publishing subjects, the commercialisation channels of books and the overall amount paid for copyright. The figures shown by the study for 2005 include the following:

- 724 associated publishing houses
- 14,600 employees (direct employment)
- 69,600 titles published (including reprints)
- 321,469,000 copies published
- 4,619 copies in an average print-run
- 326,000 titles currently on offer
- 230,626,000 copies sold
- €2,933 million turnover for the domestic market

EMPLOYMENT

Direct employment in the private sector of the association totalled 14,619 workers in 2005, representing an increase of 1.8% in comparison with the previous year and 36.9% in comparison with 1996. In the large publishing houses, the average number of employees was maintained, as during the last three years; the average for 2005 was 237 workers. The average number of employees in medium-sized companies was 33, similar to last year's figure. The small publishing houses employ an average of 7 people.

Activity	Number of employees in 2004	Number of employees in 2005
Publishing production	4,963	5,032
Administration	4,665	4,851
Commercial activity	3,839	3,734
Advertising	459	519

Foreign trade	238	286
Human resources	196	196
Total	14,360	14,619

In addition, 87.6% of associated companies hired external collaborators in 2005 (an average of 28 workers). The average number of external collaborators hired has increased, except in small enterprises. By associations, there has been growth in Madrid and Catalonia, while the figures for Galicia and Comunidad Valenciana have fallen.

PUBLISHING

During 2005, the number of copies published totalled 321,469,155, 3.5% more than in 2004. However, the number of titles totalled 69,598, which represents 2.6% more than in 2004. Of the total number of titles edited, 35,046 were new titles and 34,552 were reprints or re-issues.

The average print-run was 4,619 copies per title in comparison with the 4,579 copies of the previous year. The trend shown in the graph during the period under consideration represents a slight increase in the figure for titles published. The standstill in the number of copies produced per title published until 2003 seems to have been broken in the last two years.

As for subjects, there are three that continue to attract the highest number of titles and copies published: non-university texts, children's books and literature and teenagers' books and literature. Together, these three subjects total 59.8% of the titles published (61.3% in 2004) and 68.9% of the copies printed (69.9% in 2004).

77.9% of the books published were written in Spanish, 15.6% in Catalan, 2.2% in Basque, 2.5% in Galician and 1.8% in other languages.

In 2005, 5,378 titles and 43,353,034 copies were published in pocket format, which represents 7.7% of the total number of titles published and 13.5% of the total number of copies. The average print run for this book format was 8,061 copies per title, in other words, 3,442 copies more than for the general edition.

For 2005, the total number of books available in catalogue in private associated publishing houses in Spain totalled 325,808, which represents 5.4% more than the previous year and 82.1% more than in 1996. The catalogue collection is 4.7 times the total publishing production (69,598 titles) and 9.3 times the production of new titles (35,046).

SALE OF BOOKS ON THE DOMESTIC MARKET

In 2005, the turnover obtained from book sales on the domestic market (calculated at cover prices, VAT included) totalled €2,933.23 million. In comparison with the previous year, the growth rate stands at 1.8% in current euros. The number of copies sold reached 230,626,086, which represents a fall of 2.7% in comparison with 2004. The average price per copy was €12.72.

As for the pocket edition, sales totalled €155,000,000, representing 5.3% of the total turnover of associated publishing houses, which is an increase of 13.3% in comparison with the previous year.

By subjects, the turnover in comparison with the previous year was as follows: literature, 21.4%; textbooks, 23.8%. These two subjects have the two highest participation quotas with regard to the total. With a much lower percentage: social sciences and humanities (10.5%); children/teenagers (9.6%); dictionaries/encyclopaedias (7.6%); general culture (7.2%); scientific/technical (6.5%); and practical books (6.1%). The subjects of Social Sciences and General Culture have increased their turnover in this edition.

Subjects	Turnover €millions	%	Variation 2004/2005	Copies sold	Average price
Literature	628,46	21,4	11,9	68.141.3390	9,22
Children/teenagers	281,74	9,6	2,6	39.806.585	7,08
Non-university texts	698,86	23,8	1,3	51.607.830	13,54
Scientific/ Technical	189,45	6,5	-16,6	8.756.470	21,64
Social sciences/humanities	308,39	10,5	13,8	14.208.900	21,70
Practical books	179,57	6,1	1,2	11.939.582	15,04
General culture	211,84	7,2	4,0	18.704.195	11,53
Dictionary/encyclopaedias	223,84	7,6	-2,4	5.053.176	44,30
Comics	98,78	3,4	2,2	7.881.700	12,53
Other subjects	112,30	3,8	29,0	4.526.309	24,81
Total	2.933,23	100	1,8	230.626.086	12,72

The differences in behaviour among the various subjects require further details for the above information:

- Literature increased its turnover by 7.2% and the number of copies sold by 37%, which means that its average price has fallen by €2.57. The influence of the increased sales of pocket books is evident here.
- Children/teenagers increased its turnover by a similar percentage and the copies sold by 20.4% and 17.3%, respectively, which indicates a slightly higher price.
- Non-university texts increased turnover by 27.8% and the number of copies sold is more or less the same.
- Scientific-technical and social sciences-humanities, considered together, increased their turnover by 16.0%, whereas the copies sold fell by 25.3%.

COMMERCIALISATION CHANNELS

The evolution of book sales through the various commercialisation channels is particularly relevant at present and is related to the changes in the purchasing habits of the Spanish population and the introduction and development on the market of new publishing products. The general conclusions on book sales in the different channels are as follows:

- In 2005, bookshops/bookshop chains had 48.8% of the market, a percentage that is slightly lower than the previous year (49.2%).
- Sales in hypermarkets represent 9.8% of total sales, with a fall of 0.4 percentage points in comparison with 2004.
- Sales on credit represent 9.6% of total sales, 0.2 percentage points less than the previous year.
- Newspaper stands represent 5.3% of total sales, with 0.2 percentage points more than in 2004.
- Sales to enterprises and institutions represent 8.6% of the total, 0.3 percentage points more than in 2004. These figures include the sales of text books to schools.

- Sales by book clubs represent 3.9% of the turnover and sales by mail catalogue represent only 4.0% of the total turnover. Together, their quota has increased by 0.5 percentage points.
- Internet sales represent 0.8% of the total (0.9% in 2005).
- Sales over the telephone reached 3.1% (0.6 percentage points less than in 2004).

The following table shows the turnover and quota of the domestic market for the different commercialisation channels in 2005:

Channel	Turnover in €millions	Variation 2004/2005	Market share	Variation 2004/2005
Bookshops	960,53	-3,8	32,7	-2,0
Bookshop chains	471,53	13,0	16,1	1,6
Hypermarkets	287,91	-1,9	9,8	-0,4
Newspaper stands	156,47	5,5	5,3	0,2
Enterprises and institutions	250,88	5,1	8,6	0,3
Libraries	14,00	-10,5	0,5	0,0
Sales on credit	281,10	-0,4	9,6	-0,2
Mail	100,36	15,6	4,0	0,5
Club	113,17	0,5	3,9	0,0
Internet	24,26	-2,8	0,8	-0,1
Subscriptions	33,35	-10,0	1,1	-0,2
Telephone sales	92,19	-12,8	3,1	-0,6
Other channels	131,80	23,7	4,5	0,8
Total	2.933,23	1,8	100,0	

DISCOUNTS FOR DISTRIBUTORS AND RETAILERS

In comparison with the previous year, there has been an increase in the average discount on all channels, especially for newspaper stands, where the average has increased from 21.0% in 2004 to 32.5% in 2005. This represents a return to the values reached in 2003.

	Total	Total	Large	Large	Medium-	Medium-	Small	Small
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	2004	2005	publishing houses 2004	publishing houses 2005	sized publishing houses 2004	sized publishing houses 2005	publishing houses 2004	publishing houses 2005
Distributors	47,5	48,0	38,6	42,1	44,9	44,9	48,5	49,0
Bookshops	30,9	30,9	29,2	30,8	30,8	31,7	31,0	29,6
Chains of bookshops	34,6	35,7	33,3	37,3	36,4	37,5	34,1	34,8
Hypermarkets	32,4	36,5	31,3	34,4	34,2	36,4	31,7	37,1
Newspaper stands	21,0	32,5	19,4	37,5	25,9	39,9	19,9	30,8
Direct	15,5	15,8	8,8	11,5	16,8	21,2	15,6	14,9
Other channels	26,3	33,1	24,2	28,9	30,9	32,3	24,7	33,7

RETURNS

In 2005, approximately 582 publishing houses declared returns, in other words 80.5% of the total. The average turnover of the publishing houses that received the return of books in 2005 was €4.05 million and the average return figure for the same publishing houses was €1.17 million. The annual rate of return, which is calculated taking the average return figure and the average turnover figure of the publishing houses that receive the return of books, was 29.0% in 2005. The return percentage is 3.3 percentage points higher than the previous year. In particular, the rate has increased between medium-sized and small enterprises.

COPYRIGHT COSTS

The associated publishing houses paid a total of €167.6 million for the purchase of rights in 2005. Of this amount, €150.7 million were paid for copyrights and €16.9 million for the purchase of other rights. The amount paid for copyright represents 5.1% of the total turnover of publishing houses. 68.3% of the total amount is paid to Spanish authors.

The large enterprises paid 4.6% of their gross turnover for copyright, which represents €84.6 million. 72.8% of the payments went to Spanish authors and 27.2% to foreign authors.

Medium-sized enterprises paid €44.4 million, which represents 5.6% of their turnover. 62.7% of the payments went to Spanish authors and 37.3% to foreign authors.

Small enterprises paid €21.6 million for copyrights, 7.6% of their turnover. 62.5% of this figure went to Spanish authors and 37.5% to foreign authors.

PROMOTION AND ADVERTISING

In 2005, spending on promotion and advertising totalled €138.59 million, which represents 4.7% of the total turnover. The figure increased by 2.7 percentage points in comparison with 2004. There was increased growth in comparison with 2004 in Galicia (18.1%), Andalusia (9.8%), Madrid (9.2%) and Valencia (7.6%). However, in the Basque Country (-7.8%) and Catalonia (-1.0%), spending in this area was reduced.



FOREIGN BOOK TRADE IN 2005

Foreign Book Trade 2005

According to figures taken from the study on the foreign book trade carried out by the Spanish Federation of Book Chambers, sponsored by the General Department of Books, Archives and Libraries, exports during 2005 totalled €452,894,000. This represents a fall of 5.04% in comparison with the amounts recorded for 2004. The main causes for this fall were, on the one hand, the slight crisis in the publishing sector this year (-1.33%) and, on the other, the significant crisis of the graphic sector (-14.30%).

With regard to imports, the study shows that there has also been a fall and that the €86,999 thousand imported represents a fall of 33.53% in comparison with the previous year.

The net balance of the book sector (exports less imports) totalled €365,895 thousand, which represents an increase of 5.73% in comparison with the net balance of the previous year.

EXPORTS

On a geographical scale, the significant fall in exports from Spain to the European Union is worthy of particular mention, where the absolute figures stand at €269,931 thousand in comparison with the €294,553 thousand of 2004. Exports to Latin America underwent a slight increase (1.50%) in comparison with the previous year, reaching the figure of €147,513 thousand.

For 2005, the distribution of exports among the various players that make up the book sector was as follows:

Concept	2004 (€thousands)	2005 (€thousands)	%	% Variation 2004/2005
Publishers	291,593	271,775	60	-6.80
Distributors/bookshops	22,611	20,730	4	-98.32
Others*/publishing product	26,165	43,342	10	65.65
Graphic product	88,116	76,728	17	-12.92
Others/graphic product	48,469	40,319	9	-16.81
Total	476,954	452,894	100	-5.04

* 'Others' corresponds to the press, magazines, CDs, photolithographs, etc.

During 2005, there was a significant increase in exports of the press, magazines, CDs, photolithographs, etc., in comparison with a reduction, to a greater or lesser extent, of the other

players that make up the publishing sector. Of the total number of exports, 74% were part of the publishing sector (€335,847 thousand) and 26% belonged to the graphic sector (€117,047 thousand).

In accordance with the different geographical areas, the exports figures for the book sector in the last two years were as follows:

	2004 (€thousands)	2005 (€thousands)
U.S.A.	20,390	18,323
Latin America	145,336	147,513
European Union	294,553	269,931
Non-EU Europe	3,715	5,037
Non-European Mediterranean	5,055	4,535
Rest	7,905	7,555
Total	476,954	452,894

By countries, exports in the book sector were as follows:

	2004 (€thousands)	2005 (€thousands)
France	78,747	84,243
United Kingdom	74,709	57,084
Mexico	70,216	61,015
Italy	39,795	39,889
Germany	39,321	28,886
Portugal	33,056	27,292
USA	20,390	18,323
Argentina	11,927	16,459
Colombia	9,247	10,983
Venezuela	99,546	10,817
Brazil	3,102	5,380
Total	476,954	452,894

France is still the main importer of Spanish books, with an increase of 6.98% in 2005 in comparison with the previous year. Despite being in second place in the ranking of countries that import Spanish books, the United Kingdom fell this year by 23.59%, with a figure of only €57,084 thousand. There have also been reductions in Spanish 'shipments' to countries such as Germany (-26.54%), Portugal (-17.44%), Belgium (-12.40%) and USA (-10.14%). Mention must be made of the increase in 2005 in book exports to Brazil, which represents a breakaway from the downward trend

of previous years. After the serious economic crisis of 2001, Argentina maintains its upward trend of the last two years and has reached the figure of €16,459 thousand (38%).

By subjects, as in the exports of previous years, General Culture is in first place with a turnover of €39,170 thousand. Other subjects worthy of particular mention include Engineering/Technology, which occupies second place despite the fall of almost 12% this year and, in third place, Fine Arts, with €28,523 thousand, in other words, a reduction of 5.36% in comparison with the previous year.

IMPORTS

As for imports, an overall turnover of €43,927 thousand was reached in 2005, which represents an increase of 10.55%. Mention must be made of the significant purchases made from the European Union (96.40% of the turnover imported).

The countries exporting the greatest quantities of books to Spain were, in order, United Kingdom, France and Germany, and the subjects were Linguistics/Philology, General Culture and Medical Sciences.

	2004 (€thousands)	2005 (€thousands)	2004 (thousands of copies)	2005 (thousands of copies)
European Union	38,512	42,345	6,160	6,956
Latin America	572	948	54	77
U.S.A.	318	363	14	14
Non-EU Europe	95	123	5	37
Rest of the world	238	148	57	38
Total	39,735	43,927	6,290	7,122

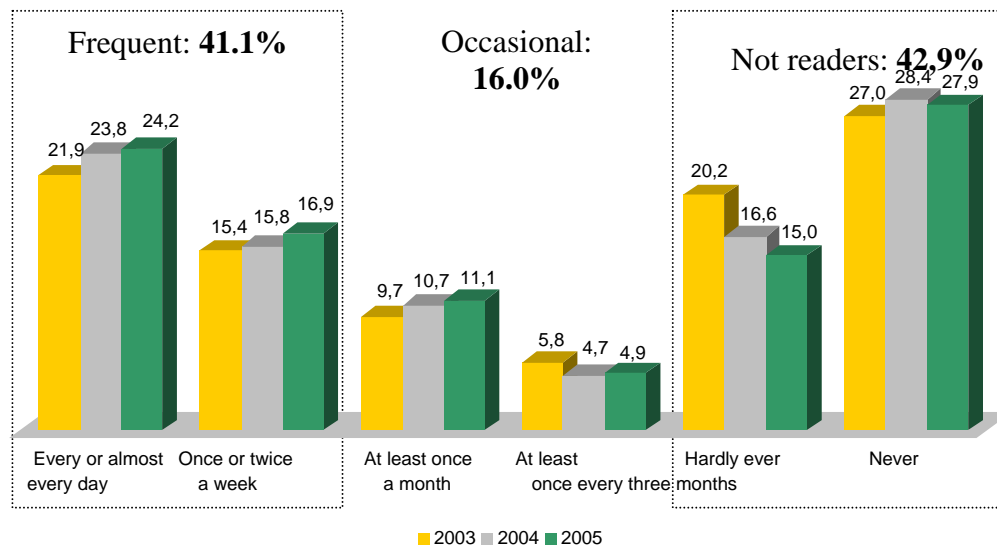


READING HABITS AND BOOK PURCHASES IN 2005

THE SPANISH PUBLISHING SECTOR - Report on the Spanish publishing sector in 2005

Reading Habits and Book Purchases in 2005

According to figures from the latest study of reading habits and book purchases carried out by the Spanish Federation of Associations of Publishers in collaboration with the General Department of Books, Archives and Libraries, in 2005, the percentage of the population who said they read books totalled 57.1% (people who read with a frequency of less than once every three months) in comparison with the 55% of 2004. Consequently, it can be said that the upward trend of recent years continues. Furthermore, there are significant differences in access to reading by the various population groups (agenda, age groups, occupation, etc.).



For yet another year, women read more than men: 58.8% of the women surveyed said they read in comparison with 55.3% of the men. The study confirms that, as in previous years, the typical profile of the Spanish reader responds to young academically qualified people living in large towns or cities. Non-readers are usually people of 55 years of age or over, with primary school qualifications or lower, housewives or pensioners, living in towns of fewer than 50,000 inhabitants.

Literature continues to be the subject that most interests the population, basically novels and stories (80%). It is followed in order of importance by humanities and social sciences (10.8%), practical books (3.7%) and children/teenagers literature (3.4%). Spanish is the most common reading language, with 94.9% of the population of 14 years of age and over declaring that they read in this language. 4.5% of those completing the survey declared that they read in one of the regional languages (with Catalan occupying first place with 3.9%) and 0.6% read in foreign languages.

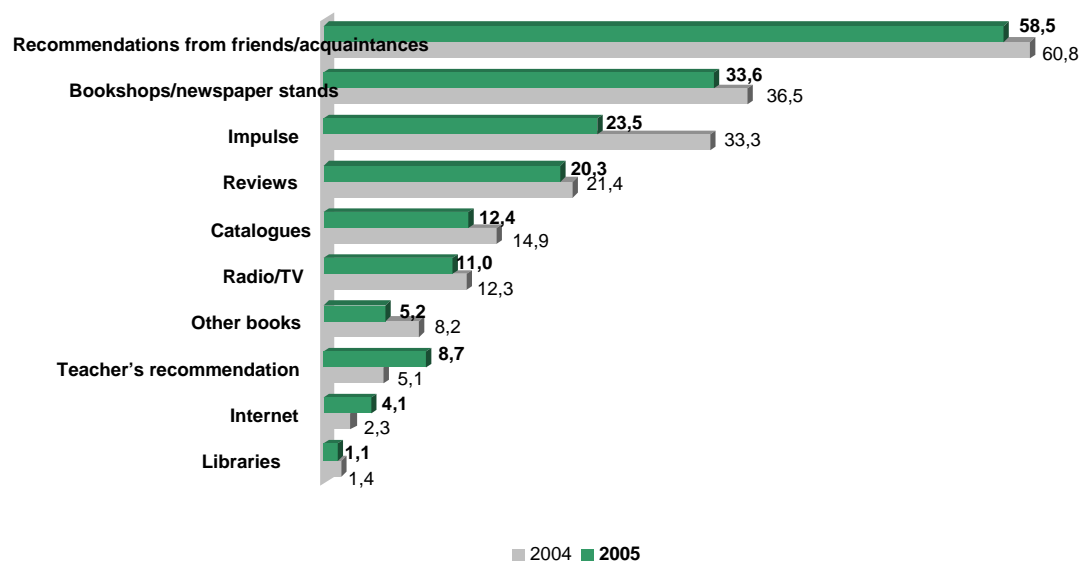
The main reason why Spanish people read a book is for entertainment (90.4%). Among the young people of between 14 and 24 years of age, 68.3% read for this reason, whereas 32.3% say that they read for matters related to their studies. At the other end, with regard to the reasons why people do not read, significant differences were found depending on gender and age. Among the people between the ages of 25 and 54 years, 61.7% said the lack of time is the main reason why they do not read, 26.7% preferred to spend their free time on other forms of entertainment and 12.6% say that they simply do not like reading, where this percentage is higher in men (16.1%) than in women (9.1%). Mention must be made of the high percentage (23.4%) of young people between the ages of 14 and 24 years who say that they do not like reading.

BOOK PURCHASES

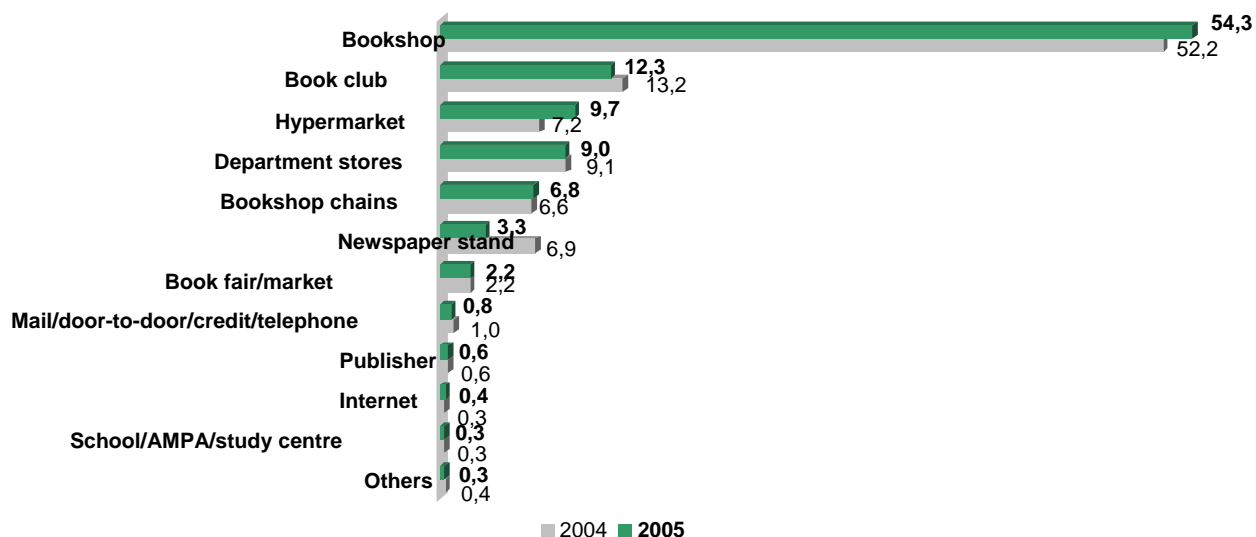
56.3% of those completing the survey who were 14 years of age and over have bought at least one book in the last year. According to socio-demographic variables, the study shows that women buy more novels and stories than men and men read more books in the area of Humanities (9.8%) than women (eight%). People of between 35 and 44 years of age read more practical books.

Novels of intrigue and mystery have been the most purchased types of books during the last year. Followed by historical and adventure novels. The millionaire sales of best-sellers such as *The Da Vinci Code* and *The Shadow of the Wind* have influenced the increase in sales of the intrigue/mystery genre in 2005.

The main reference for buying a book is, as usual, recommendations from friends, acquaintances or relatives. However, this percentage has fallen in comparison with the previous year. Internet has increased slightly as a source of recommendation, as well as teachers.



As for the purchasing channels, those completing the survey consider that bookshops are by far their usual place of purchase. In addition, during 2005, there was an increase in the purchasing quota of hypermarkets and a fall in sales in newspaper stands.



LIBRARIES

The percentage of readers who visited the library during 2005 totalled 28.5%, a figure that is almost the same as the figure for the previous year, which stood at 28.4%.

Although the main reason for visiting a library is to take out or return books, there are other reasons such as studying or completing projects as part of an academic course (41.1%). As for the parallel activities carried out in libraries, the results for 2005 revealed an increase in the use of the Internet, the reading of the press and magazines and audiovisual loans.

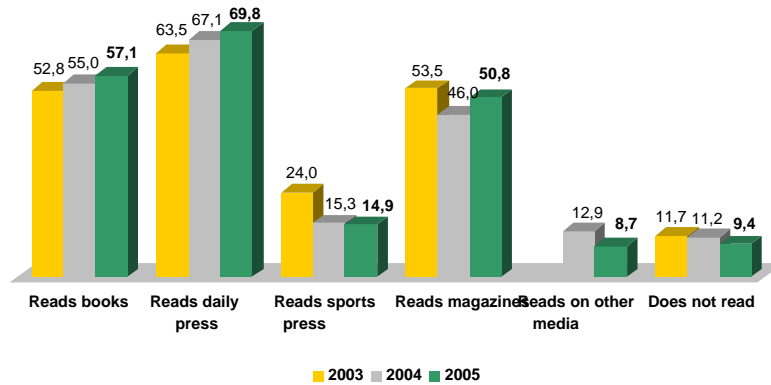
OTHER ACTIVITIES AND THEIR RELATION TO READING

THE INTERNET

The study shows that those who read books more regularly also spend more time on 'cultural' activities, such as browsing the web, reading the press and magazines or writing. The reading-related activities that are carried out on the Internet include reading the press, searching for information about books and buying books.

READING OF BOOKS, MAGAZINES AND NEWSPAPERS

Mention must first of all be made of the fall in the number of sports newspaper readers (14.9% in comparison with the 15.35% of 2004), which confirms the downward trend of this type of press. The reading of the other media (books, daily press, magazines and other media) increased slightly.



Mention must also be made of the reading of magazines, where women surpass men by almost 11 percentage points. Similarly, women return a higher percentage of weekly reading (59.2%) and men read more monthly magazines (54.9%).

MOST READ BOOKS IN 2005

As last year, Dan Brown's *The Da Vinci Code* was the most read and most bought book in 2005. Furthermore, the American author has three of his books in the top 10 list of most sold and most read books. The influence of this author on the rankings is interesting since most of the titles that top the lists are historical novels whose plots centre on religious controversy. Among the overwhelming majority of novels of this genre, mention must be made of others, such as *The Shadow of the Wind*, by the Catalan writer Carlos Ruiz Zafón, which is in second position and *Don Quixote*, which reached fourth position in 2005, coinciding with the commemoration of the 400 years since the publication of Cervantes's immortal classic. The most read and bought authors also include Ken Follet, Julia Navarro, J. R. R. Tolkien, Katherine Neville, Matilde Asensi, Umberto Eco, Isabel Allende and J. K. Rowling, among others.

Most read books in 2005	Most bought books in 2005
1. <i>The Da Vinci Code</i> . Dan Brown	1. <i>The Da Vinci Code</i> . Dan Brown
2. <i>The Shadow of the Wind</i> . Carlos Ruiz Zafón	2. <i>Angels & Demons</i> . Dan Brown
3. <i>Angels & Demons</i> . Dan Brown	3. <i>The Shadow of the Wind</i> . Carlos Ruiz

	Zafón
4. <i>Don Quixote</i> . Miguel de Cervantes	4. <i>Don Quixote</i> . Miguel de Cervantes
5. <i>The Pillars of the Earth</i> . Ken Follet	5. <i>The Pillars of the Earth</i> . Ken Follet
6. <i>The Brotherhood of the Holy Shroud</i> . Julia Navarro	6. <i>The Brotherhood of the Holy Shroud</i> . Julia Navarro
7. <i>The Lord of the Rings</i> . J. R. R. Tolkien	7. <i>The Conspiracy</i> . Dan Brown
8. <i>The Eight</i> . Katherine Neville	8. <i>The Last Cato</i> . Matilde Asensi
9. <i>The Last Cato</i> . Matilde Asensi	9. <i>The Eight</i> . Katherine Neville
10. <i>The Conspiracy</i> . Dan Brown	10. <i>The Lord of the Rings</i> . J. R. R. Tolkien
11. <i>Harry Potter and the Philosopher's Stone</i> . J. K. Rowling	11. <i>A Miracle in Balance</i> . Lucía Etxebarria
12. <i>El último Merovingio</i> . Jim Hougan	12. <i>El último Merovingio</i> . Jim Hougan
13. <i>The Bible</i> .	13. <i>Cape Trafalgar</i> . Arturo Pérez-Reverte
14. <i>The Name of the Rose</i> . Umberto Eco	14. <i>Memory of My Sad Whores</i> . Gabriel García Márquez
15. <i>The Doctor</i> . Noah Gordon	15. <i>Iacobus</i> . Matilde Asensi
16. <i>Captain Alatriste</i> . Arturo Pérez-Reverte	16. <i>The Bible of Clay</i> . Julia Navarro
17. <i>The House of the Spirits</i> . Isabel Allende	17. <i>The House of the Spirits</i> . Isabel Allende
18. <i>The Bible of Clay</i> . Julia Navarro	18. <i>The Alchemist</i> . Paulo Coelho
19. <i>A Miracle in Balance</i> . Lucía Etxebarria	19. <i>Diario de un Skin: Un topo en el movimiento neonazi español</i> . Antonio Salas
20. <i>Memoirs of a Geisha</i> . Arthur Golden	20. <i>The Dante Club</i> . Matthew Pearl

The *Reading Habits and Book Purchase Barometer* has been drawn up quarterly since 2001 by the company Precisa Research to analyse the behaviour of Spanish citizens over the age of 14 years with regard to reading and other cultural habits. The annual results are obtained from a sample of 16,000 individuals (4,000 corresponding to the general population over the age of 14 years and 12,000 to the world of readers).