

The San Jose Market

Newspapers First
THE LEADER IN MAJOR MARKETS



San Francisco/San Jose DMA

San Jose Metro

	#	U.S. Rank	#	U.S. Rank
Households	2,505,700	#5	582,300	#42
Population	6,882,300	#5	1,740,100	#31
EBI	\$175.1 Billion	#4	\$47.1 Billion	#26
Retail Sales	\$109.2 Billion	#4	\$31.3 Billion	#25

Market Highlights

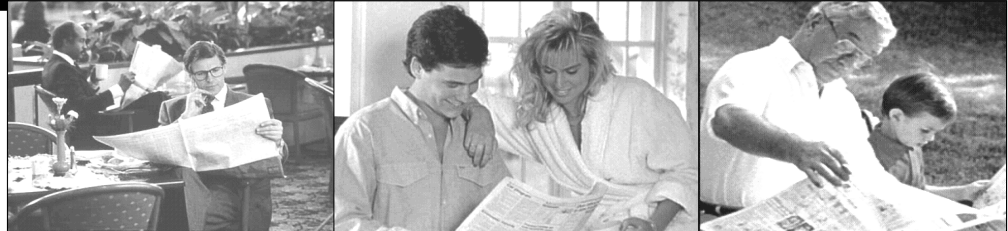
- The San Francisco/Oakland/San Jose Bay Area is the 5th-largest DMA; San Jose is California's third-largest city, the largest city in the Bay Area, and the nation's 11th-largest city
- San Jose is the wealthiest metro in the U.S., based on median (\$67,504) and average (\$80,942) HH EBI (*Market Statistics, 2002*)
- By 2025, the largest increase in jobs (303,500) in the Bay area is expected to be in Santa Clara county (*Association of Bay Area Governments, Projections 2002*)
- Silicon Valley is the epicenter for information technology - more high-tech companies here than any other U.S. region; 1,500 of the 2,500 largest electronics firms are based here; the San Jose metro area has over 12,000 high-tech firms, employing over 463,00 workers (*S.J. Office of Economic Development*)
- Fortune 500 firms located in the area include Hewlett-Packard, Intel, Cisco Systems, Solectron, Sun Microsystems, Agilent, Calpine, Applied Materials, Quantum, CNF, Sanmina-Sci, Maxtor, and JDA Uniphase (*Fortune Magazine, 4/02*); other high-tech firms here are: IBM, eBay, Flextronics, Seagate, Cadence Design, Adobe, Novellus, KLA-Tencor, and Lockheed
- Of the top U.S. 50 HH metros, San Jose is ranked #1 for sales per HH in: food/beverage sales, grocery store sales, furniture/appliance store sales, #2 in total retail sales, and #3 in food & drink places; and is ranked #1 by merchandise line per HH in: grocery/other foods, packaged alcoholic beverages, major HH appliances, TV/VCR/tapes, furniture/sleep equipment, #2 in floor coverings and computer hardware/software, and #3 in footwear (*Market Statistics, 2002*)
- The San Jose metro ranked second in exports in the U.S. with \$28.3 billion in 1999, representing a \$12.1 billion increase since 1993, the largest increase in any U.S. metro area (*City of San Jose Office of Economic Development, 2002-2003*)
- The San Jose MSA has the highest productivity level of any region in the U.S., a value added per employee increase from \$75,963 to \$170,200 from 1990 to 2001 (*City of San Jose, 2002-2003, Employment Development Department*)
- Norman Y. Mineta San Jose Int'l Airport, located 10 minutes from downtown, has 14 passenger airlines and over 13 million passengers in 2001, with non-stop service to 57 U.S. cities & int'l destinations. In 2001, a second full-length runway was completed, and a new 70,000 square foot int'l arrivals facility opened 9/02; by 2010, the airport will accommodate 17.6 million passengers
- San Jose is ranked:
 - #1 "Best high-tech market in the U.S." (*Cushman & Wakefield, 11/01*)
 - #1 "Top high-tech center issuing more patents in the U.S in 2001," with 4,571 (*Locke Liddell & Sapp LLP*)
 - #1 "Best place for business & careers" (*Forbes/Milken Institute, 5/01*)
 - #1 "Top market for high-tech infrastructure" (*Economy.com, 11/01*)
 - #2 "Most wired cities" (*Yahoo Internet Life Magazine, 8/2002*)
 - #3 "Best city for entrepreneurs" in the west (*Entrepreneur/Dun & Bradstreet, 2002*)
 - #7 "Best city to earn and save money" (*ING, 2001*)
 - #7 "Hottest city" based on population growth & housing premium ratio (*Money, 12/02*)

#7 "Top metro with home price appreciation" (*homestore.com, 2002*)

- Rich cultural resources in the metro include San Jose Opera, San Jose Symphony Orchestra, Lively Arts at Stanford, Children's Discovery Museum, Tech Museum of Innovation, San Jose Museum of Art, and more than 20 local museums; sports teams include San Jose Sharks, NHL Hockey; San Jose Clash, MLS Soccer; San Jose Giants, AAA Baseball
 Source: Market Statistics, 2002; San Jose Chamber of Commerce; San Jose Office of Economic Development

The San Jose
 Mercury News

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	<u>Circulation</u>			<u>Readership</u>	
	<u>Daily</u>	<u>Sunday</u>		<u>Daily</u>	<u>Sunday</u>
Total	276,166	309,520	DMA	825,400	901,300
DMA	257,446	288,508	Metro	670,500	762,900
Metro	217,031	245,964	College Grad+	278,400	312,800
			Median HH Income	\$82,575	

Newspaper Highlights

- The San Jose Mercury News is the second-largest newspaper in the San Francisco/Oakland/San Jose Bay DMA Area, with coverage concentrated in Santa Clara County (San Jose metro); home to nearly 28% of sales potential within the total 11 DMA counties (*Market Statistics, 2002*)
- The San Jose Mercury News' home county (Santa Clara) is larger and more affluent than the San Francisco Chronicle's home county:

	<i>Population</i>	<i>Total EBI</i>
Santa Clara County	1,740,100	\$47.1 Billion
San Francisco County	801,400	\$21.5 Billion

- A single issue of the Mercury News reaches 58% of Silicon Valley – a Sunday issue of the San Francisco Chronicle, in comparison, reaches only 5% of this market
- On an average weekday, the San Jose Mercury News reaches over 217,000 metro households – over 2½ times more households reached by Newsweek, Time, & U.S. News weekly magazines combined (82,447) (*Circulation 2003; ABC Magazine Market Coverage Report, 2002- MSA*)
- In comparing the high-tech consumer in the Santa Clara county, daily San Jose Mercury News adult readers are reached at least 12 times more than the daily San Francisco Chronicle:

	<i>Daily % Reach in Santa Clara County:</i>			
	<i>San Jose Mercury News</i>	<i>San Francisco Chronicle</i>	<i>Wall Street Journal</i>	<i>USA Today</i>
Adults	51%	4%	4%	2%
College Grad+	53	7	7	1
Employed in High-Tech	55	3	5	1
Internet Access	55	3	4	3
Household Income \$75,000+	55	5	5	1
Professional/Managerial	55	4	5	2
High-Tech Purchase Decision Maker	59	3	3	1

- The San Jose Mercury News can be bought in combination with the Contra Costa newspapers – 4 Sunday insertions in the SF Chronicle reach only 29% of the SF Bay Area, but a schedule with 2 SF Chronicle and 2 Bay Area Buy reaches 50% of this market – a 72% increase at no additional cost

- In this wealthy market, San Jose Mercury News readers have a 44% higher median HH income than the San Francisco-San Jose DMA
- Compared to the average adult in the SF/San Jose DMA, daily Mercury News readers are:

51% more likely to own money market funds	29% more likely to own a cellular phone
38% more likely to own stock	28% more likely to stay hotel/motel for business
33% more likely to be exec/admin/managerial	21% more likely to travel for business by air in U.S.
- Compared to the average adult in the SF/San Jose DMA, Sunday Mercury News readers are:

59% more likely to use a broker past year	36% more likely to have professional specialty
51% more likely to buy hardware/software	36% more likely to have a 401-K Plan
41% more likely to purchase items on line	30% more likely to take a cruise

Source: Circulation 2003; Market Statistics, 2002; 2002 Gallup Poll of Media Usage & Consumer Behavior