

## INVESTMENT BANKERS TO THE PUBLISHING, INFORMATION AND NEW MEDIA INDUSTRIES

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### JEGI First Half Deal Summary (JEGI Clients in boldface type)

June - <b>DMG Exhibition Group</b> acquired California Gift Show from CGS Associates.
June - <b>DMG Exhibition Group</b> acquired Surf Expo from AMC Orlando.
May - The assets and business of <b>Manhattan Cooperator Publications</b> were sold to Yale Robbins Publications.
May - <b>Telecommunications Reports International</b> were sold to CCH, a wholly owned subsidiary of Wolters Kluwer.
May - CNNfn.com formed a broad strategic business partnership with <b>womenCONNECT.com</b> .
April - Stamford Publishing Corporation sold <b>Commerce Publishing Company</b> to Pfingsten Publishing.
April - <b>American Show Management</b> was sold to Warburg, Pincus Equity Partners.
April - <b>L.F. Garlinghouse</b> sold its home plan magazines and books to Sabot Publishing.
April - <b>New Orleans Publishing Group</b> was sold to Dolan Media.
April - <b>Country Sampler</b> was sold to Emmis Publishing.
March - <b>BPI Communications</b> sold <i>Plant, Sites &amp; Parks</i> Magazine to Cahners Business Information.
February - <b>SBC</b> sold its Beverage World Group to Bill Communications.

### Upcoming JEGI Sponsored Events

- ABP Littleford Awards Luncheon**  
New York, NY (August 16)
- Northeast Venture Conference**  
New York, NY (September 14-15)
- Magazines at the Millennium**  
New York, NY (September 22)
- American Magazine Conference**  
Boca Raton, FL (October 28-31)

## Financial Buyers Boost M&A Activity

The Jordan, Edmiston Group, Inc. (JEGI) recently closed four transactions on one day that involved acquisitions by financial consolidators. Five years ago it would have been unheard of for financial buyers to be such a dominant factor. Today, it is becoming commonplace.

Financial buyers typically consist of private equity funds that include pension fund, wealthy individual and corporate investors. They are in-terested primarily in the shorter-term gains that can be realized by purchasing a show management firm or publisher and developing it rapidly, then selling it privately or taking it public in five to seven years.

Many financial consolidators are aligning

themselves with former industry executives in order to combine operational knowledge with their acquisition expertise. An important component of the consolidation strategies of most financial buyers is to acquire companies with exceptional management talent to infuse into the consolidated entity.

The emergence of a growing pool of financial consolidators means there is a larger buyer pool, which should keep demand for private companies strong in the near term. Longer term, when these financial consolidators begin to divest their portfolios, prices may soften unless there is a corresponding rise in demand from strategic buyers or a new cycle of financial con-solidators.

## Fourteen Financial Buyers to Watch

### Publishing

- BG Media Investors (Dolan Media)
- Colonnade Capital (Sabot Publishing)
- Evercore Partners (American Media)
- Frontenac Company (101 Communications)
- Wasserstein Perella (American Lawyer)
- Wicks Group (Media Network International)

### Publishing & Trade Shows

- Hellman & Friedman (Advanstar)
- Kelso & Company (Cygnus Business

### Media)

- KKR (PRIMEDIA)
- Pflingsten Partners (Commerce Publishing)
- Veronis, Suhler & Associates (Canon Communications, Centaur, Chemical Week and TOIC)

### Trade Shows

- Bain Capital (1st Communications)
- Warburg Pincus (American Show Management and Imark Communications)
- William Blair (Smith Bucklin)

## Landmark Industry Research Report

In August, JEGI plans to release the findings from its joint research study with *Tradeshaw Week* Magazine in a 150 page strategic report titled *Expositions & Trade Magazines: A Converging Marketplace*.

This landmark study examines the convergence of expositions, trade publishing and the Internet in the business-to-business media sector. It will provide meaningful combined industry operating and marketing benchmarks, leading company rankings and key vertical sector forecasts to 2003. Over 1,500 senior

industry executives were interviewed by mail and telephone.

Later this month, JEGI will publish its quarterly Internet M&A Report examining valuation standards for Web-businesses across six categories including portals, software, business services, service providers, e-commerce companies and content and community sites.

To reserve a copy of either report, contact Grant Draper at 212.754.0710 or e-mail him at grantd@jegi.com.

# B2B Media & Exposition M&A Market Surges to a Record First Half

There were a total of 312 mergers and acquisitions with an estimated value of \$11.4 billion in the U.S. publishing, information and exposition sectors announced during the first half of 1999. This mid-year total far surpasses all previous first-half totals. A significant contributor to the first half record pace has been the B2B media & exposition sector which recorded 85 mergers and acquisitions with an estimated value of \$1.8 billion. According to Thomson Securities Data Company, the media/technology/telecom industry category was the only one to report a double-digit increase in deal activity in the first half, rising 16 percent.

## Top 10 B2B Media & Exposition Industry M&As in First Half of 1999

<i>Month</i>	<i>Buyer</i>	<i>Seller</i>	<i>Property</i>	<i>Advisor</i>
June	dmg Exhibition Group	Atlanta Market Center Orlando	Surf Expo Apparel Trade Shows	<b>The Jordan, Edmiston Group</b>
June	dmg Exhibition Group	CGS Associates	California Gift Trade Shows	<b>The Jordan, Edmiston Group</b>
May	Penton Media	New Hope Communications	Natural Products Expo & Magazines	No Advisor
April	Warburg Pincus Equity Partners	American Show Management	ITEC Regional Trade Shows	<b>The Jordan, Edmiston Group</b>
April	Pfingsten Partners	Stamford Publishing Corp.	Commerce Publishing Company	<b>The Jordan, Edmiston Group</b>
April	United News & Media (Miller Freeman)	CMP Media	Technology/telecom Magazines	Lazard Freres
April	BG Media Investors (Dolan Media)	New Orleans Publishing Group	New Orleans City Business and 30 titles	<b>The Jordan, Edmiston Group</b>
March	United News & Media (Miller Freeman)	Continuing Medical Education (CME)	Medical Educational Resources & Products	Merrill Lynch
February	VNU USA (Bill Communications)	SBC/MacFadden Publishing	Bev. World & Business Communications Groups	<b>The Jordan, Edmiston Group</b>
January	VNU USA (Bill Communications)	SEMCO Productions	Medtrade Expo, (US and Europe) and FutureShow	No Advisor
<i>Last Twelve Month (LTM) Summary Multiples</i>		<i>Enterprise Value (EV)/Revenue</i>		<i>EV/EBITDA</i>
<i>Mean</i>		3.4x		13.4x
<i>Median</i>		3.4x		11.0x

## Association Trade Shows Targeted

In the past four months, B2B media companies have been increasing efforts to diversify revenue sources and strengthen bottom-line performance by acquiring association-owned trade shows such as the NSGA World Sports Expo, EEMA Electronic Commerce, Anti-Aging Expo, EIA WaterExpo and POPAI Conference and Exhibition. Strategically, by partnering with a B2B media company to invest in its show, an association gains on several fronts, including an expanded range of exhibitors represented on the floor, conference and educational programs, attendance increases and greater utilization of its staff resources.

## Stronger Than Expected Ad Gains

Robert J. Coen, SVP and forecasting director at McCann-Erickson USA forecasts U.S. advertising spending to rise 6.1 percent, to \$213.9 billion for 1999. Looking forward at 2000, Mr. Coen is forecasting U.S. advertising spending to reach \$230 billion for a robust growth rate of 7.5 percent. Mr. Coen credits this year's surge in spending to new brand campaigns for both pharmaceutical manufacturers selling prescription drugs to consumers and Internet Web sites building awareness and traffic.

## Private Placements

JEGI has been engaged by Robocast (www.robocast.com) to assist in raising its first venture capital round, in the range of \$7 million to \$10 million. In 1998, JEGI worked with the company to secure an angel investment from World Communications System, an affiliate of the Cisneros Group of Companies.

Robocast's Play Technology is poised to transform the Web by providing users with the benefits of organized, automated and timed presentations of Web pages. Since the launch of its Play Technology client and server software at Spring Internet World, Robocast has focused on developing licensing and distribution agreements with Media Metrix Top 200 Web sites.

If you would like to discuss Robocast or learn about other JEGI Internet private placement opportunities, please contact Kent Hawryluk at 212.754.0710.