

INVESTMENT BANKERS TO THE PUBLISHING, INFORMATION, INTERNET AND EXPOSITION INDUSTRIES

Bob Biolchini Speaks at JEGI CEO Forum



Jordan Edmiston (JEGI) hosted its B2B CEO Forum at the Four Seasons restaurant in March. (From left), Richard DW Mead, Managing Director of JEGI; Bob Biolchini, CEO of Pennwell Publishing; Wilma Jordan, CEO of Jordan Edmiston and JEGI Capital; Jayne Gilsinger, SVP of Pennwell Publishing; and William Hitzig, COO and Executive Managing Director of JEGI.

While many companies have scaled down their new media groups, Bob Biolchini, President and CEO of PennWell Corporation, believes that the future will reward those media executives who stay the course. On March 13th, Mr. Biolchini addressed a gathering of senior media industry executives at a JEGI CEO Forum. Mr. Biolchini, who oversees an integrated media company that includes 55 publications, 42 major conferences & exhibitions, databases, information products and Internet-based services, told of his company's experiences with the Internet and his commitment to the medium.

Under Mr. Biolchini, PennWell announced the formation of PennEnergy, Inc., a global, business-to-business Internet marketplace for the energy industry. Although PennWell's efforts on the Internet have required a substantial investment, Mr. Biolchini believes that having a coherent Internet strategy is vital.

PennWell's new media strategy has been to focus on its core strengths of serving the information needs of the energy industry. PennEnergy is the successor to PennNET, which was formed in early 1999, and leverages off PennNET's state-of-the-art Web sites. PennEnergy is now focused on

three product lines: Oil & Gas Journal Online; Oil & Gas Journal Property Exchange; and Oil & Gas Journal Equipment Exchange.

Oil & Gas Journal Online (www.ogjonline.com), established in 1996, is an umbrella site for multiple content Web sites and e-mail newsletters addressing

continued on page 2

Pace of Media M&A Comparable to 2000

Conference and Trade Show M&A Activity Increases 200%

Despite some turbulence in the economy that has led to a softening in the advertising marketplace, the volume of publishing, information, exposition, learning and Internet mergers and acquisitions through the first four months of this year declined only 6% from the level of activity in 2000. There were 182 mergers and acquisitions among media industry companies in the US in the first four months of 2001, with a total aggregate value of \$4.3 billion.

M&A deals were up convincingly for conference and trade show firms, learning education companies, newspaper and directory publishers. Conference and trade show sector deals during the first four months of 2001 tripled in comparison to 2000, while deal value increased 300%. The B-to-B magazine sector outpaced the consumer magazine sector in deal flow although the number of deals declined from 20 in 2000 to

continued on page 2

Media Industry Mergers & Acquisitions (Jan-Apr 2001)

US targets only, including announced and undisclosed deals

No. of Announced Deals Category	YTD 2001	YTD 2000	Difference	% Diff.
Business Information Services	18	22	(4)	-18.2
Business-to-Business Magazines	18	20	(2)	-10.0
Consumer Magazines	10	26	(16)	-61.5
Conferences and Trade shows	24	8	16	200.0
Consumer Books	11	12	(1)	-8.3
Directories	8	4	4	100.0
Internet Media (Online)	46	61	(15)	-24.6
Learning Corporate	10	13	(3)	-23.1
Learning/Education	11	5	6	120.0
Newsletters	7	11	(4)	-36.4
Newspapers	19	12	7	58.3
Total	182	194	(12)	-6.2

Sources: The Jordan, Edmiston Group, Inc., Company Reports

JEGI Capital Leads Investment in Cross-Channel Marketer; Schedules Next JEGI Capital Executive Forum Meeting

JEGI Capital LLC, the venture capital affiliate of The Jordan, Edmiston Group, Inc., recently announced its participation as an early-stage investor in Harrison, NY-based I-Behavior, Inc. (www.i-behavior.com). I-Behavior offers a co-op direct marketing database that combs on- and off-line customer purchasing data to provide member marketers with the highest predictability in their marketing campaigns. JEGI Capital served as lead investor in the company's \$5.1 million Series D Preferred Stock offering. Other investors included Morningside Ventures, Angel Investors LP, Stockton Ventures and existing individual investors. Wilma Jordan, CEO of Jordan, Edmiston and JEGI Capital, has joined I-Behavior's Board of Directors.

"From the very beginning, I have been impressed by the attention I-Behavior has gotten from JEGI Capital's senior management. The JEGI Capital team immediately started looking for ways to leverage their contacts and experience to help open doors for our

JEGI Capital's investment focus on the direct marketing and marketing services sectors will be spotlighted at the next JEGI Capital Executive Forum, scheduled for June 14th, at the Four Seasons Hotel. This upcoming JEGI Capital Executive Forum is being co-sponsored

"As part of our investment focus on the cross-channel marketing sector, we are interested in discussing early-stage capital investments with emerging companies that are in this space," said Kent Hawryluk, General Partner, JEGI Capital.

by eLogic Corporation (Marina del Rey, CA) and will focus on the topic of mastering cross-channel marketing. Cross-channel marketing is a database-driven marketing concept designed to integrate varying delivery channels to enhance personalized marketing. For more information or an invitation to the cross-channel marketing event, contact Esther Reid at estherr@jegi.com or 212-754-0710.

company," said Lynn Wunderman, CEO of I-Behavior.

M&A Activity continued from page 1

18 in 2001. The consumer magazine sector did however, account for six of the Top 10 magazine deals of the first four months of 2001.

Given the uncertain business climate for media companies during the first four months of the year, many previously active buyers and sellers stayed away from M&A activity, yet most still remain cautiously optimistic in their outlook for M&A transactions during the second half of this year. Their inactivity, however, put downward pressure on valuations from the near-historic highs of 1999 and 2000 as buyers

adjust their projections on cash flow to take into account a weakening economy. "With the likelihood of an additional cut in interest rates by the Federal Reserve, continued lower market valuations and a renewed interest on behalf of private equity buyers, we expect the pace of consolidation to accelerate in the second half of 2001," said Wilma Jordan, CEO of The Jordan, Edmiston Group and JEGI Capital.

Media companies continue to focus their acquisition strategies around their traditional media properties, especially in relation to acquisitions of Internet media and trade show

properties. Leading acquirers through the first four months of 2001 include several well-known companies such as Penton Media, PRIMEDIA, Wolters Kluwer, Pulitzer Newspapers, The Walt Disney Corporation, iVillage.com, Conde Nast (Advance Publications) and Internet.com. Other acquisitive companies included Randall Publishing, Imark Communications, Canon Communications, American Lawyer Media and Alloy Online. Strategic buyers dominated the list of the Top 10 largest magazine publishing industry M&A deals (to-date) of 2001.

JEGI Completes 3 of the Top 10 Deals

Top 10 Magazine Publishing M&As By Value

Buyer	Seller	Description (Property)
Advance Publications	The New York Times Co.	<i>Golf Digest, Golf Digest Women, Golf World, Golf World Business</i> and <i>GolfDigest.com</i>
Advanstar Comm.	Cahners Bus. Info.	The Automotive Group of B-to-B magazines
Business News Publishing	Cahners Bus. Info.	The Manufacturing, Food Processing and Building Groups of B-to-B magazines
ESPN (Walt Disney Corp.)	B.A.S.S.	<i>BASSMASTER</i> magazine and tournament
Penton Media	Nutrition Business Int'l.	<i>Nutrition Business Journal</i>
PRIMEDIA	Brill Media Holdings	<i>Content</i> magazine and <i>contentville.com</i>
PRIMEDIA	Creating Keepsakes	<i>Creating Keepsakes</i> magazine
Quadrangle Capital	Publishing Grp. of America	<i>American Profile</i> magazine
Randall Publishing	Cahners Bus. Info.	The Trucking Group of B-to-B magazines
Walt Disney Corp.	Wenner Media	<i>Us Weekly</i> magazine

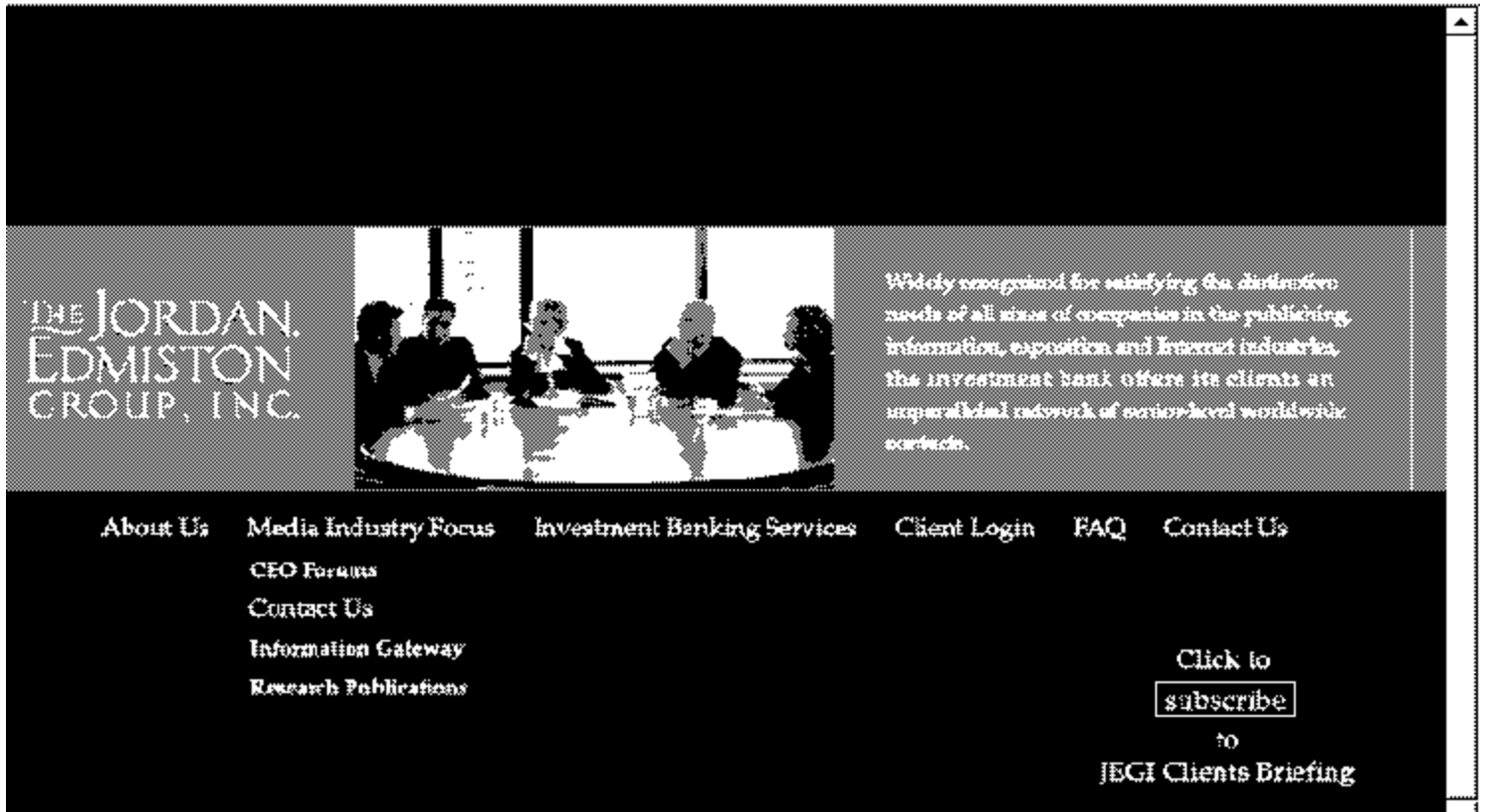
Biolchini continued from page 1

specific segments of the energy industry. The Web site, which is subscription-based and is packaged with the print publication, has generated unusually strong interest from advertisers and users alike with 95,000 unique visitors per month. Mr. Biolchini believes that Oil & Gas Journal Online presents unique branding opportunities and competitive advantages to PennWell.

Oil & Gas Journal Property Exchange (www.ogjpropertyexchange.com) is the industry's first fully Web-enabled auction platform for buyers and sellers of oil and gas properties. It takes advantage of the inherent strengths of the Internet in matching buyers and sellers. The site is forecast to exceed \$750 million in gross transactions during 2001.

Oil & Gas Journal Equipment Exchange (www.globalequipmentexchange.com) launched in June 2000, is a full-service equipment exchange that links buyers and sellers of surplus and used equipment.

New Industry Resource for Senior Media Executives



The screenshot shows the top portion of the JEDI website. On the left is the logo for 'THE JORDAN EDMISTON GROUP, INC.' in a serif font. To the right of the logo is a black and white photograph of five people sitting around a conference table in a meeting room. Further right is a block of text: 'Widely recognized for satisfying the distinctive needs of all sizes of companies in the publishing, information, exposition and Internet industries, the investment bank offers its clients an unparalleled network of senior-level worldwide contacts.' Below these elements is a dark navigation bar with white text links: 'About Us', 'Media Industry Focus', 'Investment Banking Services', 'Client Login', 'FAQ', and 'Contact Us'. Under 'Media Industry Focus', there are sub-links: 'CEO Forums', 'Contact Us', 'Information Gateway', and 'Research Publications'. On the right side of the navigation bar, there is a button that says 'Click to subscribe' with 'to JEDI Clients Briefing' underneath it.

In addition to providing senior media executives with a comprehensive set of information resources, Jordan Edmiston's Web site (www.jegi.com) has become a mainstay for media industry insights, analysis and useful information links. The firm's redesigned Web site encompasses the full-range of its media industry focused financial advisory services including investment-banking services and venture capital.

Powered by JEGI Capital portfolio company Broad Daylight, the new FAQ sections of the Web site allow users to search for answers by a variety of means, including keyword and topic. Broad Daylight's FAQ server system identifies "hot topics" and automatically organizes the five most common questions that have been asked by others at the top of the page. Here's how it works: A visitor asks a question in either the investment banking or venture capital FAQ section and if the question has been answered before, the answer pops up on the screen. If an answer doesn't yet exist, the FAQ server routes the question to the professional that can best reply. Next, the answer is e-mailed to the visitor and published on the Web page. In addition, the new answer is automatically indexed in the search engine and filed under the correct topic.

The Media Industry Focus section provides

visitors a front row seat to a comprehensive array of industry research and resources. The *JEGI Client Briefing*, JEGI Information Gateway, JEGI Research Publications and JEGI CEO Forum sections are all located under the Media Industry Focus area. For example, visitors can download issues of past newsletters or one of the firm's ground breaking research studies in Adobe pdf format.

The JEGI Information Gateway provides visitors with Internet links to media-related information resources, selected by the experienced professionals of Jordan Edmiston and JEGI Capital. Also in the Media Industry Focus area are synopses of executive presentations given at previously held JEGI CEO Forums, the industry's leading senior level forums for media executives. JEGI CEO Forums include a presentation by a leading industry CEO in which he or she shares insight on his or her company's strategy followed by an in-depth discussion in a dinner or lunch setting. For more information, or to attend future JEGI CEO Forums, contact Esther Reid at estherr@jegi.com.

Links and descriptions of JEGI Capital's venture investments are presented in the Portfolio Companies section. The early-stage fund's investment criteria are listed under the Investment Focus area. The JEGI Advantage

section highlights the relationship that JEGI Capital has with its portfolio companies and the advisory expertise that it affords to these start-up companies. The Brain Trust section, located in the About JEGI Capital area, introduces the distinguished members of JEGI Capital's Brain Trust Advisory Board. JEGI Capital's Brain Trust is a group of innovative senior level professionals from technology, Internet, financial services and media companies, with cutting-edge experience in their respective industries. Also in the About JEGI Capital area is a description of the Executive Forum, a series of popular senior executive level breakfast seminars that focus on technologies and services for the traditional media companies. JEGI Capital Executive Forums serve both media and technology companies by creating a forum for the exchange of ideas and applications.

www.jegi.com provides information on Jordan Edmiston and JEGI Capital, and it serves as a research and information tool for publishing, information, exposition, learning and Internet senior executives. So, visit www.jegi.com today to qualify for a complimentary subscription to the *JEGI Client Briefing* newsletter, to visit the JEGI Information Gateway or to learn more about us.