

# KEY FINDINGS FROM ABM's 2009 MEDIA FINANCIAL SURVEY



*since 1987*

*a presentation for*

**ABM Annual Conference**

**Sunday, May 3, 2009**

**3:30PM to 5:00PM**

**Ritz-Carlton, Amelia Island, FL**

American Business Media's (ABM's) newly established **2009 Media Financial Survey** replaces the ABM Media Revenue and Cost Report to reflect today's integrated B2B media model – print, online, data, and events.

- The 2009 survey covers the three-year period 2006-2008, as well as Q4 of 2007 and 2008.
- Data was compiled by Peter Craig, Partner, **Bay Sherman & Craig, LLP/ Media Consulting Group**.
- **The Jordan, Edmiston Group, Inc.** (JEGI) helped create the new survey, analyzed the results, and produced this presentation and the data charts herein.
- This presentation displays the findings of the “**Total B2B Media Company Respondents**”, which comprises data from 20 B2B media companies that responded to the survey, including a mix of large, medium, and small companies.
- The data from this survey can be used to benchmark business performance against broader industry results and trends, as well as help determine where the industry is headed and how it continues to grow and evolve.

*Discussion led by:*

**Dick Ryan**

Director of Business Development, E-Opportunities, Publishers Press

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*Participants:*

- **Tom Kemp**, Chairman & CEO, NORTHSTAR Travel Media
  - **Charlie McCurdy**, Chairman & CEO, Canon Communications
  - **Steve Palm**, CEO, NewBay Media
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*Introduction, opening and closing remarks by:*

**Richard Mead**

Managing Director, The Jordan, Edmiston Group, Inc.

## TOTAL B2B MEDIA COMPANY RESPONDENTS – SUMMARY RESULTS

(TOTAL \$millions)	2006	% Revenue	2007	% Revenue	2008	% Revenue	% Change ('08 v. '07)	CAGR ('06-'08)
<b>Revenue</b>								
Magazines & Other Print	1,239	72.6%	1,250	66.6%	1,144	62.4%	(8.4%)	(3.9%)
Custom	41	2.4%	40	2.1%	40	2.2%	(0.4%)	(1.1%)
Data	33	2.0%	39	2.1%	42	2.3%	7.0%	12.3%
Online	224	13.1%	313	16.7%	360	19.6%	15.1%	26.8%
Tradeshows	113	6.6%	170	9.0%	177	9.7%	4.3%	25.4%
Conferences	57	3.4%	65	3.5%	71	3.9%	9.9%	11.3%
<b>Total Revenue</b>	<b>1,708</b>	<b>100.0%</b>	<b>1,877</b>	<b>100.0%</b>	<b>1,835</b>	<b>100.0%</b>	<b>(2.2%)</b>	<b>3.7%</b>
<b>Contribution</b>								
Magazines & Other Print	338	27.3%	322	25.8%	236	20.6%	(26.8%)	(16.5%)
Custom	21	52.5%	22	56.0%	23	57.8%	2.7%	3.7%
Data	13	39.9%	15	37.0%	16	38.4%	10.9%	10.3%
Online	151	67.3%	220	70.3%	245	68.1%	11.6%	27.5%
Tradeshows	56	49.7%	86	50.7%	90	50.8%	4.5%	26.8%
Conferences	16	27.9%	18	28.3%	19	27.3%	5.9%	10.1%
<b>Total Contribution</b>	<b>596</b>	<b>34.9%</b>	<b>683</b>	<b>36.4%</b>	<b>630</b>	<b>34.3%</b>	<b>(7.8%)</b>	<b>2.8%</b>
<b>General &amp; Administrative Costs</b>	<b>281</b>	<b>16.5%</b>	<b>300</b>	<b>16.0%</b>	<b>279</b>	<b>15.2%</b>	<b>(7.0%)</b>	<b>(0.3%)</b>
<b>Operating Profit</b>	<b>315</b>	<b>18.4%</b>	<b>383</b>	<b>20.4%</b>	<b>351</b>	<b>19.1%</b>	<b>(8.5%)</b>	<b>5.5%</b>

# TOTAL B2B MEDIA COMPANY RESPONDENTS – PRINT RESULTS

(TOTAL \$millions)	2006	% Revenue	2007	% Revenue	2008	% Revenue	% Change ('08 v. '07)	CAGR ('06-'08)
<b>Print Revenue</b>								
<b>Magazine Revenue</b>								
<b>Advertising Revenue</b>								
Display Advertising (Net)	902	68.7%	911	68.5%	821	66.9%	(9.9%)	(4.6%)
Classified Advertising (Net)	44	3.3%	43	3.2%	35	2.9%	(16.9%)	(10.3%)
<b>Total Advertising Revenue (Net)</b>	946	72.0%	953	71.7%	856	69.8%	(10.2%)	(4.9%)
<b>Circulation Revenue</b>								
Subscription Revenue	115	8.8%	118	8.9%	110	9.0%	(6.6%)	(2.4%)
Single-Copy Revenue	9	0.7%	8	0.6%	7	0.6%	(11.6%)	(8.7%)
<b>Total Circulation Revenue</b>	124	9.4%	126	9.5%	117	9.6%	(6.9%)	(2.8%)
<b>Other Print Revenue</b>	169	12.9%	171	12.8%	171	13.9%	0.3%	0.5%
<b>Total Magazine Revenue</b>	1,239	94.4%	1,250	94.0%	1,144	93.3%	(8.4%)	(3.9%)
<b>Custom Publishing Revenue</b>	41	3.1%	40	3.0%	40	3.3%	-0.4%	(1.1%)
<b>Data Revenue</b>	33	2.5%	39	3.0%	42	3.4%	7.0%	12.3%
<b>Total Print Revenue</b>	<b>1,313</b>	<b>100.0%</b>	<b>1,329</b>	<b>100.0%</b>	<b>1,226</b>	<b>100.0%</b>	<b>(7.7%)</b>	<b>(3.4%)</b>

## TOTAL B2B MEDIA COMPANY RESPONDENTS – PRINT RESULTS *(cont.d)*

(TOTAL \$millions)	2006	% Revenue	2007	% Revenue	2008	% Revenue	% Change ('08 v. '07)	CAGR ('06-'08)
<b>Magazine Operating Costs</b>								
Advertising & Selling	200	16.1%	203	16.2%	199	17.4%	(2.2%)	(0.3%)
Circulation	89	7.2%	89	7.1%	85	7.5%	(3.5%)	(1.8%)
Editorial	153	12.4%	165	13.2%	164	14.3%	(0.5%)	3.5%
Distribution	87	7.0%	91	7.3%	89	7.8%	(2.0%)	1.2%
Production	202	16.3%	210	16.8%	200	17.5%	(4.6%)	(0.6%)
<b>Total Magazine Operating Costs</b>	<b>731</b>	<b>59.0%</b>	<b>757</b>	<b>60.6%</b>	<b>737</b>	<b>64.4%</b>	<b>(2.6%)</b>	<b>0.4%</b>
<b>Print Contribution</b>								
Magazine Contribution	338	27.3%	322	25.8%	236	20.6%	(26.8%)	(16.5%)
Custom Publishing Contribution	21	52.5%	22	56.0%	23	57.8%	2.7%	3.7%
Data Contribution	13	39.9%	15	37.0%	16	38.4%	10.9%	10.3%
<b>Total Print Contribution</b>	<b>373</b>	<b>28.4%</b>	<b>359</b>	<b>27.0%</b>	<b>275</b>	<b>22.4%</b>	<b>(23.4%)</b>	<b>(14.1%)</b>

## TOTAL B2B MEDIA COMPANY RESPONDENTS – ONLINE RESULTS

(TOTAL \$millions)	2006	% Revenue	2007	% Revenue	2008	% Revenue	% Change ( '08 v. '07)	CAGR ( '06-'08)
<b>Online Revenue</b>								
Display & Search Advertising	119	52.9%	180	57.6%	203	56.3%	12.4%	30.7%
Data	21	9.2%	45	14.3%	61	16.9%	35.5%	71.6%
Lead Generation	16	7.0%	20	6.4%	27	7.4%	32.5%	30.4%
E-Newsletter Subscriptions	4	1.8%	11	3.6%	14	3.8%	21.4%	82.4%
List Rentals	6	2.7%	7	2.3%	8	2.2%	7.9%	14.4%
Webinars	3	1.2%	7	2.3%	10	2.7%	33.2%	92.6%
Other	57	25.2%	42	13.4%	39	10.8%	(6.7%)	(17.0%)
<b>Total Online Revenue</b>	<b>224</b>	<b>100.0%</b>	<b>313</b>	<b>100.0%</b>	<b>360</b>	<b>100.0%</b>	<b>15.1%</b>	<b>26.8%</b>
<b>Online Contribution</b>	<b>151</b>	<b>67.3%</b>	<b>220</b>	<b>70.3%</b>	<b>245</b>	<b>68.1%</b>	<b>11.6%</b>	<b>27.5%</b>

# TOTAL B2B MEDIA COMPANY RESPONDENTS – EVENT RESULTS

(TOTAL \$millions)	2006	% Revenue	2007	% Revenue	2008	% Revenue	% Change ('08 v. '07)	CAGR ('06-'08)
<b>Event Revenue</b>								
<b>Tradeshow Revenue</b>								
Exhibit Space Sales	76	44.5%	102	43.5%	104	42.0%	2.2%	17.4%
Exhibit Attendee Revenue	5	3.2%	12	5.0%	18	7.4%	54.3%	83.4%
Conference Attendee Revenue	12	7.3%	26	10.9%	22	8.8%	(15.1%)	32.9%
Sponsorships	12	7.0%	18	7.5%	18	7.3%	3.0%	23.8%
Barter & Other	7	4.3%	12	5.3%	14	5.8%	15.8%	41.1%
<b>Total Tradeshow Revenue</b>	<b>113</b>	<b>66.2%</b>	<b>170</b>	<b>72.4%</b>	<b>177</b>	<b>71.3%</b>	<b>4.3%</b>	<b>25.4%</b>
<b>Conference Revenue</b>								
Sponsorships	42	24.5%	48	20.6%	51	20.7%	6.1%	10.9%
Attendee Revenue	9	5.3%	10	4.2%	11	4.2%	6.6%	8.4%
Barter & Other	7	4.0%	7	2.8%	9	3.8%	42.2%	17.6%
<b>Total Conference Revenue</b>	<b>57</b>	<b>33.8%</b>	<b>65</b>	<b>27.6%</b>	<b>71</b>	<b>28.7%</b>	<b>9.9%</b>	<b>11.3%</b>
<b>Total Event Revenue</b>	<b>170</b>	<b>100.0%</b>	<b>235</b>	<b>100.0%</b>	<b>248</b>	<b>100.0%</b>	<b>5.8%</b>	<b>20.8%</b>
<b>Event Contribution</b>								
Tradeshow Contribution	56	49.7%	86	50.7%	90	50.8%	4.5%	26.8%
Conference Contribution	16	27.9%	18	28.3%	19	27.3%	5.9%	10.1%
<b>Total Event Contribution</b>	<b>72</b>	<b>42.4%</b>	<b>104</b>	<b>44.5%</b>	<b>109</b>	<b>44.1%</b>	<b>4.8%</b>	<b>23.2%</b>

# TOTAL B2B MEDIA COMPANY RESPONDENTS – KEY STATISTICS

	2006	2007	2008	% Change (’08 v. ’07)	CAGR (’06-’08)
<b>Print Statistics</b>					
Number of Magazines	182	201	208	3.5%	6.9%
Total Ad Pages	285,954	277,865	255,314	(8.1%)	(5.5%)
Net Ad Revenue per Ad Page	\$3,308	\$3,431	\$3,353	(2.3%)	0.7%
Total Circulation	85,675,210	76,729,009	68,543,706	(10.7%)	(10.6%)
Percentage of Paid (vs. Controlled) Circulation	32.3%	32.1%	33.4%	n.a.	n.a.
<b>Tradeshaw Statistics</b>					
Number of Tradeshaws	23	26	23	(11.5%)	0.0%
Net Paid Square Feet	350,384	312,265	329,663	5.6%	(3.0%)
Number of Paid Exhibitors	1,266	1,376	1,172	(14.8%)	(3.8%)
Number of Attendees	55,801	43,053	40,551	(5.8%)	(14.8%)
<b>Conference Statistics</b>					
Number of Conferences (not part of tradeshaws)	118	150	191	27.3%	27.2%
Number of Paid Attendees	1,420	1,174	1,294	10.2%	(4.5%)
Number of Paid Sponsors	96	93	90	(3.2%)	(3.2%)
<b>Online Statistics</b>					
Number of Web Sites	134	140	156	11.4%	7.9%

# TOTAL B2B MEDIA COMPANY RESPONDENTS – Q4 PRINT AND ONLINE RESULTS

(TOTAL \$millions)	Q4-2007	% Revenue	Q4-2008	% Revenue	% Change '08 v. '07)
<b>Print Revenue</b>					
<b>Magazine Revenue</b>					
<b>Advertising Revenue</b>					
Display Advertising (Net)	219	50.2%	183	41.9%	(16.7%)
Classified Advertising (Net)	10	2.2%	10	2.3%	6.5%
<b>Total Advertising Revenue (Net)</b>	229	52.4%	193	44.2%	(15.7%)
<b>Circulation Revenue</b>					
Subscriptions	28	6.4%	33	7.7%	19.6%
Single Copy	1	0.1%	0	0.1%	(13.6%)
<b>Total Circulation Revenue</b>	29	6.5%	34	7.8%	19.0%
<b>Other Print Revenue</b>	46	10.6%	47	10.9%	1.9%
<b>Total Magazine Revenue</b>	304	69.5%	274	62.9%	(9.8%)
<b>Custom Publishing Revenue</b>	10	2.3%	11	2.5%	8.4%
<b>Data Revenue</b>	11	2.5%	13	2.9%	15.2%
<b>Total Print Revenue</b>	<b>325</b>	<b>74.3%</b>	<b>298</b>	<b>68.2%</b>	<b>(8.4%)</b>
<b>Online Revenue</b>					
Display & Search Advertising	41	9.3%	52	11.9%	28.3%
Data	14	3.1%	16	3.6%	13.2%
Lead Generation	0	0.1%	2	0.4%	388.1%
E-Newsletter Subscriptions	3	0.7%	4	0.9%	25.0%
List Rentals	2	0.4%	2	0.6%	41.6%
Webinars	2	0.5%	3	0.6%	28.4%
Other	10	2.3%	13	3.1%	33.8%
<b>Total Online Revenue</b>	<b>72</b>	<b>16.4%</b>	<b>92</b>	<b>21.1%</b>	<b>28.3%</b>

## TOTAL B2B MEDIA COMPANY RESPONDENTS – Q4 EVENT AND TOTAL RESULTS

(TOTAL \$millions)	Q4-2007	% Revenue	Q4-2008	% Revenue	% Change (’08 v. ’07)
<b>Event Revenue</b>					
<b>Tradeshow Revenue</b>					
Exhibit Space Sales	16	3.6%	12	2.7%	(25.9%)
Exhibit Attendee Revenue	1	0.3%	1	0.3%	10.5%
Conference Attendee Revenue	6	1.3%	4	0.8%	(34.1%)
Sponsorships	3	0.6%	3	0.7%	25.2%
Barter & Other	4	0.9%	4	0.9%	(5.6%)
<b>Total Tradeshow Revenue</b>	<b>29</b>	<b>6.7%</b>	<b>24</b>	<b>5.5%</b>	<b>(18.5%)</b>
<b>Conference Revenue</b>					
Sponsorships	8	1.9%	16	3.8%	95.7%
Attendee Revenue	2	0.5%	3	0.8%	67.8%
Barter & Other	1	0.2%	3	0.6%	242.1%
<b>Total Conference Revenue</b>	<b>11</b>	<b>2.6%</b>	<b>22</b>	<b>5.2%</b>	<b>100.3%</b>
<b>Total Event Revenue</b>	<b>41</b>	<b>9.3%</b>	<b>46</b>	<b>10.6%</b>	<b>14.4%</b>
<b>Total Revenue</b>	<b>437</b>	<b>100.0%</b>	<b>436</b>	<b>100.0%</b>	<b>(0.2%)</b>

## TOTAL B2B MEDIA COMPANY RESPONDENTS – NUMBER OF EMPLOYEES

	2006	% Total	2007	% Total	2008	% Total	% Change ('08 v. '07)	CAGR ('06-'08)
<b>Employees</b>								
Advertising - Online	21	0.4%	35	0.5%	36	0.6%	2.9%	30.9%
Advertising - Print	1,282	21.9%	1,337	20.8%	1,349	21.0%	0.9%	2.6%
Circulation	394	6.7%	420	6.5%	394	6.1%	(6.2%)	0.0%
Database Services	42	0.7%	52	0.8%	76	1.2%	46.2%	34.5%
Distribution	58	1.0%	46	0.7%	43	0.7%	(6.5%)	(13.9%)
Editorial - Online	151	2.6%	181	2.8%	158	2.5%	(12.7%)	2.3%
Editorial - Print	1,689	28.8%	1,803	28.1%	1,811	28.2%	0.4%	3.5%
Events	127	2.2%	166	2.6%	207	3.2%	24.7%	27.7%
Other Digital/Technical	322	5.5%	406	6.3%	425	6.6%	4.7%	14.9%
Production	529	9.0%	534	8.3%	495	7.7%	(7.3%)	(3.3%)
Administrative	821	14.0%	1,001	15.6%	958	14.9%	(4.3%)	8.0%
Other	428	7.3%	439	6.8%	464	7.2%	5.7%	4.1%
<b>Total Employees</b>	<b>5,864</b>	<b>100.0%</b>	<b>6,420</b>	<b>100.0%</b>	<b>6,416</b>	<b>100.0%</b>	<b>(0.1%)</b>	<b>4.6%</b>
<b>Total Online/Technical</b>	<b>494</b>	<b>8.4%</b>	<b>622</b>	<b>9.7%</b>	<b>619</b>	<b>9.6%</b>	<b>(0.5%)</b>	<b>11.9%</b>
<b>Total Revenue (millions)</b>	<b>\$1,708</b>		<b>\$1,877</b>		<b>\$1,835</b>		<b>(2.2%)</b>	<b>3.7%</b>
<b>Revenue per Employee (000)</b>	<b>\$291</b>		<b>\$292</b>		<b>\$286</b>		<b>(2.2%)</b>	<b>(0.9%)</b>

## TOTAL B2B MEDIA COMPANY RESPONDENTS – CAPITAL EXPENDITURES

(TOTAL \$millions)	2006	% Total	2007	% Total	2008	% Total	% Change ('08 v. '07)	CAGR ('06-'08)
<b>Capital Expenditures</b>								
Back-End Systems (Servers; Software; etc.)	11	47.8%	12	39.9%	12	41.5%	1.9%	4.9%
New Online Technology	2	9.0%	4	13.0%	9	31.5%	136.7%	110.7%
Front-End Systems (Content Delivery; CRM; etc.)	3	14.9%	3	10.4%	3	11.0%	3.7%	(3.1%)
Other	7	28.3%	11	36.7%	5	16.1%	(57.1%)	(15.2%)
<b>Total Capital Expenditures</b>	<b>23</b>	<b>100.0%</b>	<b>30</b>	<b>100.0%</b>	<b>30</b>	<b>100.0%</b>	<b>(2.0%)</b>	<b>12.7%</b>
<b>Total Revenue</b>	1,708		1,877		1,835		(2.2%)	3.7%
<b>CAPEX as % of Revenue</b>	1.4%		1.6%		1.6%		n.a.	n.a.

## B2B MEDIA COMPANY RESPONDENTS – ANSWERS TO SURVEY QUESTIONS

	% YES	% NO
<b>Business Strategy</b>		
Do you plan to launch new print publications in 2009?	5.6%	94.4%
Do you plan to launch new events in 2009?	38.9%	61.1%
Do you plan to launch new web sites in 2009?	61.1%	38.9%
Do you plan on folding any print publications in 2009?	44.4%	55.6%
Do you plan to discontinue any events in 2009?	38.9%	61.1%
Do you plan to close any web sites in 2009?	11.1%	88.9%
Are you planning to add databases and information services in 2009?	16.7%	83.3%
Are you currently in international markets?	61.1%	38.9%
If not, do you plan to expand into international markets in 2009?	0.0%	100.0%
<b>Operations</b>		
Is your online operation a separate department?	61.1%	38.9%
Is your event operation a separate department?	99.5%	0.5%
Do your tradeshows have conference programs?	63.6%	36.4%
<b>M&amp;A</b>		
Do you plan to make acquisitions in 2009?	12.5%	87.5%
Do you plan to make any divestitures in 2009?	5.6%	94.4%

### **About American Business Media (ABM)**

Founded in 1906, ABM is the leading association for business information providers. It delivers business intelligence to the business-to-business media industry, Madison Avenue, Wall Street, and the Beltway. ABM's 350+ member companies reach an audience of more than 100 million professionals and generate over \$30 billion in annual revenues.

For more information, visit [www.americanbusinessmedia.com](http://www.americanbusinessmedia.com).

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### **About The Jordan, Edmiston Group, Inc. (JEGI)**

JEGI, the leading independent investment banking firm for media, information, marketing services and related technologies, has completed more business-to-business media and information transactions than any other firm since being founded in 1987. Bloomberg and the 451 Group have ranked JEGI the #1 investment bank in Media and Internet transactions since 2006.

For more information, contact Richard Mead, Managing Director ([richardm@jegi.com](mailto:richardm@jegi.com)) or visit [www.jegi.com](http://www.jegi.com).



*since 1987*

## KEY FINDINGS FROM ABM's 2009 MEDIA FINANCIAL SURVEY

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