

FOLIO: 2ND ANNUAL
**PUBLISHING
SUMMIT:**

M&A 101

A Presentation for
Folio: Publishing Summit

Scott Peters
Managing Director,
The Jordan, Edmiston Group, Inc.

The Jordan, Edmiston Group, Inc.

Publishing Transaction Overview

Consumer Magazines

B2B Magazines

State of Debt Market

Key Lending Multiples

Active Lenders – Senior Debt and Mezzanine

How to Prepare for Selling your Company

Prepare the Company

2 Year Plan in Place

Identify Key Opportunities for the Company

Analyze the Competitive environment

Position your Company to Maximize Value

Options for Selling

The Advantages of Hiring a Good M&A Advisor

Jordan, Edmiston is recognized as the leading provider of investment banking services on middle-market transactions in the media and information industries.

- ❑ Unparalleled transaction experience – over 450 completed transactions
- ❑ Mile deep knowledge in core industry markets – nearly 20 years of industry focus
- ❑ Senior level access to leading industry executives, investors and entrepreneurs
- ❑ In-depth technical and financial skills for value-enhancing deal structuring
- ❑ Top management involvement throughout each transaction
- ❑ Refined and responsive transaction process
- ❑ Corporate culture built on teamwork, integrity and professionalism
- ❑ Relentless focus on maximizing value for our clients

Extraordinary Service...Exceptional Results...Industry Leadership

<p>CNET NETWORKS has sold COMPUTER SHOPPER Magazine to SX2 MEDIA LABS LLC February 2006</p>	<p>Shorediff Communications LLC a premier global event organizer and information provider for the technology industry has been sold to CMP United Business Media January 2006</p>	<p>Stone Canyon Entertainment Corp. a portfolio company of The Cypress Group has acquired Vacation Connections The Vacation Media, Hospitality and Event Company January 2006</p>	<p>Black Hat the premier producer of information security conferences and training has been sold to CMP United Business Media November 2005</p>	<p>moreover the leading aggregator of real-time online content for Web sites, search engines and enterprise customers has been sold to VeriSign The Internet Trust Company™ for \$30,000,000 October 2005</p>	<p>iMEDIA COMMUNICATIONS, INC. a leading publisher and event producer for the interactive media and marketing industries has been sold to dmg (world media) producer of ad:tech September 2005</p>	<p>CREDIT UNION TIMES a professional weekly newspaper for the credit union industry has been sold to WICKS BUSINESS INFORMATION September 2005</p>
<p>Geo. E. Fern co. a leading national service contractor for the event industry has been sold to WACHOVIA CAPITAL PARTNERS September 2005</p>	<p>HIGHLINE MEDIA a leading information provider to the financial and insurance industries has acquired WEALTH MANAGER magazine from Bloomberg September 2005</p>	<p>naylor a leading media services firm serving the professional association market has been sold to CLARITY partners LP and zelnick media Building Value. Creating Opportunity. August 2005</p>	<p>paperloop has sold CMM International a premier trade show for the converting and package printing industry to PennWell August 2005</p>	<p>Jupitermedia. has sold its Search Engine Strategies Trade Shows and the ClickZ.com Network to incisivemedia plc for \$43,000,000 August 2005</p>	<p>SOCMA has sold Informex a leading trade show for the custom chemical industry to United Business Media August 2005</p>	<p>LIGHT READING the ultimate source for technology and financial analysis of the communications industry has been sold to CMP Media LLC a subsidiary of United Business Media August 2005</p>
<p>HALYARD CAPITAL in concert with VALENCE CAPITAL MANAGEMENT LP has acquired WMI THE ULTIMATE MEDIA NETWORK June 2005</p>	<p>pointroll a leading interactive advertising technology company has been sold to GANNETT June 2005</p>	<p>vnu business media has sold Restaurant Business, FoodService Director, Beverage World and Retail Merchandiser Magazines and the ID Access Web site to im IDEAL MEDIA LLC a subsidiary of Schofield Media, Ltd. March 2005</p>	<p>vnu business media has sold Apparel Magazine and related conferences, events and online assets to EDGE COMMUNICATIONS February 2005</p>	<p>paperloop has sold The Tissue World Franchise the leading provider of events and magazines to the tissue market to CMP Asia a subsidiary of United Business Media January 2005</p>	<p>IIC the leading international conference, tradeshow and information provider to the global mining industry and an affiliate of ISIS VENTURE PARTNERS has been sold to Pfingsten Publishing LLC January 2005</p>	<p>JDEVENTS has sold AD:TECH conferences and exhibitions focused exclusively on interactive marketing to dmg (world media) January 2005</p>

Note: In each transaction listed above, JEGI's client is mentioned first.

JEGI SELECT SIGNIFICANT TRANSACTIONS

BUYER	SELLER	PROPERTY
dmg world media	George Little Management	25% interest in GLM shows
Penton Media, Inc	Duke Communications, Inc.	Windows 2000 magazine group and other assets
The Economist Group	The Journal of Commerce	Database information business
Wolters Kluwer	The Hearst Corporation	Assets of First DataBank (Medi-Span)
The McGraw-Hill Companies	Pearson, plc	FT Energy Group
Penton Media, Inc	First Conferences, Ltd.	Streaming Media
Euromoney Institutional Investor plc	Information Management Network	Information Management Network
Gannett	PointRoll, Inc.	PointRoll, Inc.
Dow Jones & Company, Inc.	Wicks Business Information, LLC	Alternative Investor Group
Halyard Capital, et. al	WMI, Inc.	WMI, Inc.
The Washington Post Company	Reed Business Information	The Computer Group
Zelnick Media, Inc.	Naylor Publications, Inc.	Naylor Publications, Inc.
Wachovia Capital Partners	George E. Fern Company	George E. Fern Company
Stone Canyon Entertainment	Vacation Connections, LLC	Majority interest in Vacation Connections
Incise Media plc	Jupitermedia Corporation	Search Engine Strategies Trade Shows and the Clickz.com Network

Note: Bold red denotes JEGI client in each transaction.

The Jordan, Edmiston Group, Inc.

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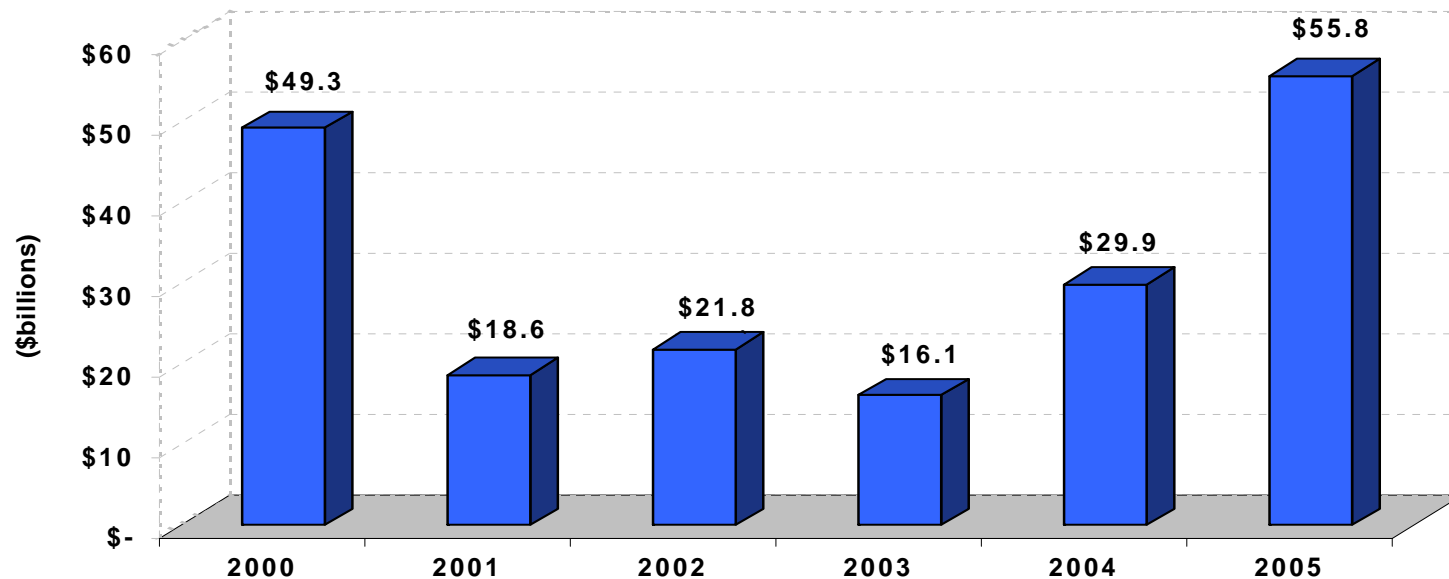
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The Advantages of Hiring a Good M&A Advisor

2005 surpassed 2000 levels in M&A for the media and information industries

Media and Information Industries M&A Transaction Volume, 2000-2005



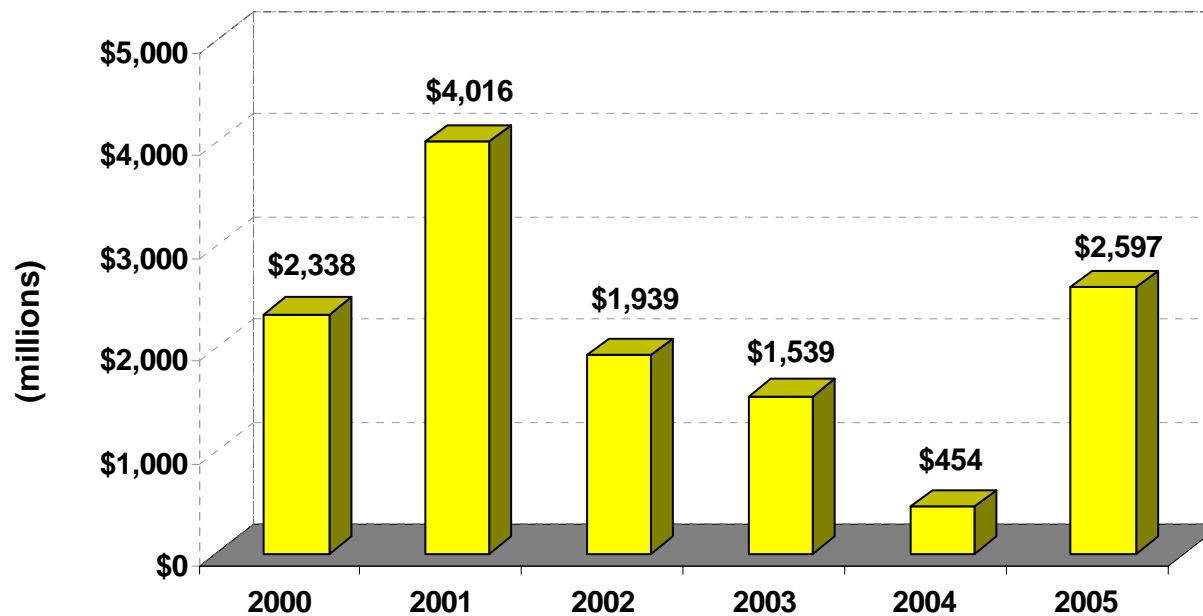
Note: Media Sectors tracked: B2B and Consumer Magazines; Marketing & Interactive Services; Online Media; Business Information Services; Newspapers; Newsletters; and Directories. 2000 excludes America Online's purchase of Time Warner for \$106 billion.

Source: The Jordan, Edmiston Group, Inc. Transaction Database

CONSUMER MAGAZINE TRANSACTION VOLUME

Total deal value for consumer magazines surpassed the levels of 2002 and increased 472% compared to 2004

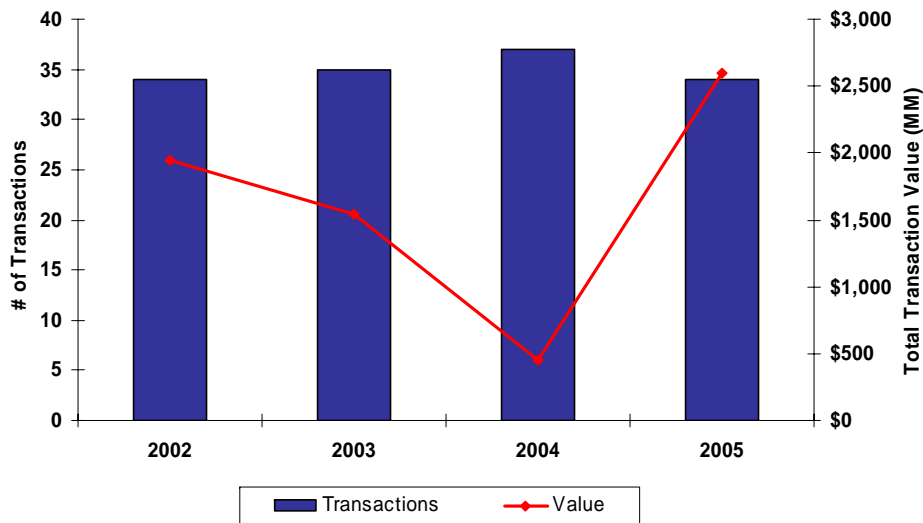
Consumer Magazines Transaction Volume, 2000-2005



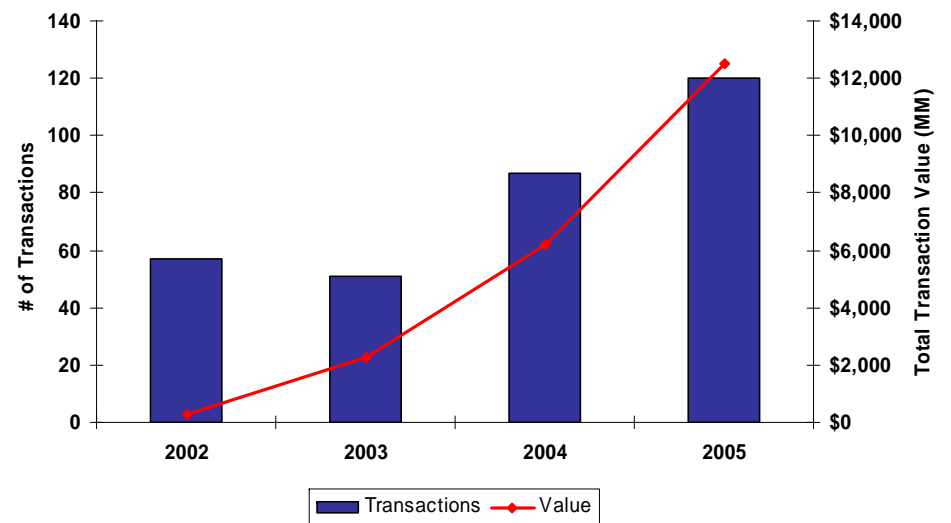
Source: The Jordan, Edmiston Group, Inc. Transaction Database

Online media is beginning to eclipse traditional media in M&A activity and transaction value

Consumer Magazine Transactions



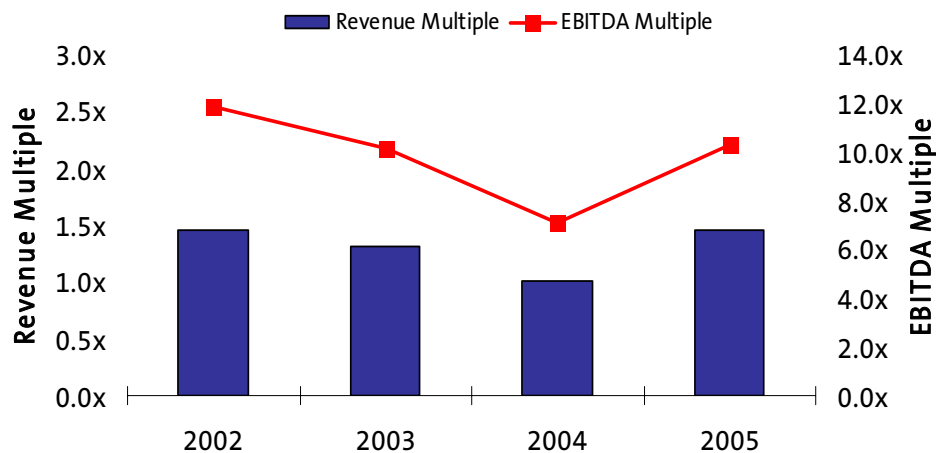
Online Media Transactions



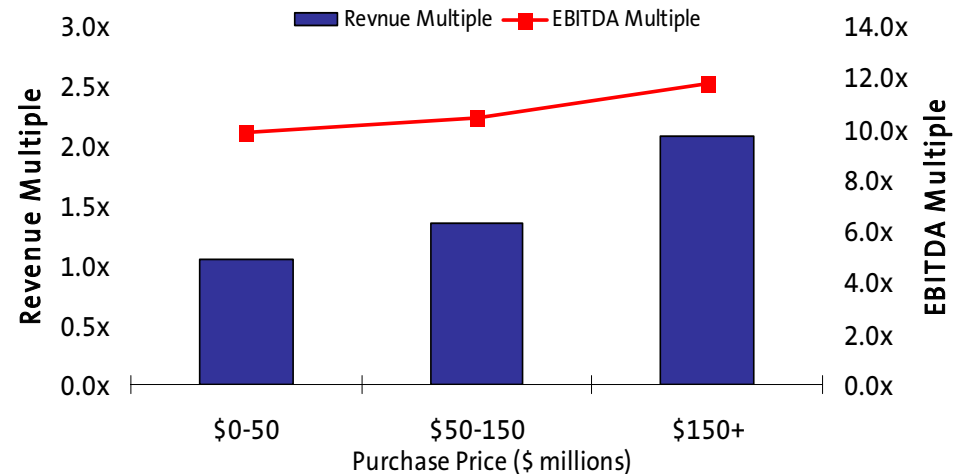
Source: The Jordan, Edmiston Group Transaction Database

Consumer Magazine Revenue and EBITDA M&A Multiples experienced healthy growth in 2005

Consumer Magazine Transaction Multiples, 2002-2005



Consumer Magazine Transaction Multiples, by Purchase Price 2002-2005



Source: JEGI Transaction Database

ACTIVE CONSUMER MAGAZINE BUYERS 2003-2005

Company	2003	2004	2005	Total
Future Network	1	2	3	6
Time Inc.	3	0	2	5
Apprise Media (Spectrum Equity)	0	0	3	3
ABRY Partners (Gallarus Media and F&W Publications)	1	0	1	2
Aspire Media (Frontenac Company)	0	0	2	2
Morris Communications	1	2	0	3
F&W Publications (Providence Equity Partners)	1	1	0	2
Active Interest Media (Windpoint Partners)	1	1	0	2
Mansueto Ventures	0	0	1	1
Meredith Corporation	0	0	1	1
Total, Most Active Buyers	8	6	13	27
Total, Consumer Magazines	35	37	34	106
% Most Active	22.9%	16.2%	38.2%	25.5%

Source: JEGI Transaction Database

SELECTED CONSUMER MAGAZINE TRANSACTIONS 2003 – 2006YTD*

Buyer	Seller	Property	Date	Value (\$ millions)
Centaur Holdings Plc	Emap plc	Period Living & Traditional Homes magazine.	Jan-06	2.6
D.C. Thomson & Co Ltd.	Puzzler Media Group	Puzzle Media publishes a range of puzzle magazines.	Dec-05	149.7
Future plc	Xenia Edizioni Srl	The deal includes The Games Machine and PC Action, PC Action Games, the recently launched Videogames and www.tgmonlie.it.	Sep-05	4.3
Apprise Media LLC	CFW Enterprises Inc.	CFW Enterprises Inc., a New York publisher of paintball and martial arts publications.	Aug-05	10.0
Abry Partners LLC	F&W Publications Inc.	F+W Publications, Inc. publishes magazines and books to various consumer categories.	Jun-05	500.0
Meredith Publishing Group	Gruner + Jahr	<i>Parents</i> , <i>Child</i> , <i>Fitness</i> and <i>Family Circle</i> .	May-05	350.0
Future	Highbury House Communications, plc	The titles being acquired include Fast Car, Fast Bikes, DJ, DVD Review, the What Video group of magazines and Highbury's puzzle magazines and Highbury's US business.	Apr-05	71.3
Future Network plc	Dennis Publishing Group	Future acquired two games titles, <i>PC Zone</i> and <i>Computer & Video games</i> , along with the related website, computerandvideogames.com.	Aug-04	4.5
Pacific Publications	Murdoch Magazines	The deal includes <i>Marie Claire</i> , <i>Men's Health</i> , and <i>Better Homes & Gardens</i>	Jul-04	77.0

Source: JEGI Transaction Database, YTD is through February 28, 2006.

SELECTED CONSUMER MAGAZINE TRANSACTIONS 2003 – 2006YTD*

Buyer	Seller	Property	Date	Value (\$ millions)
World Publications, Inc.	Island Media	<i>Three magazines from Island Publishing, Islands, Spa and Resorts and Great Hotels.</i>	Apr-04	20.0
Bruce Wasserstein	Primedia, Inc.	New York Magazine	Dec-03	55.0
The Future Network plc	Cherry Lane Magazines	<i>Guitar One</i> magazine, a special interest magazine for guitar enthusiasts.	Oct-03	2.5
Best, Patterson, Crothers & Yeoham, Ltd.	Lifestyle Ventures	Lifestyle Ventures, a special interest consumer magazine publisher of dance and cheerleading magazines.	Sep-03	24.0
The Future Network plc	Harris Publications, Inc.	<i>Guitar World</i> magazine and related titles	Sep-03	16.3
Guardian Media Group	BC Partners	The 52% equity in Trader Media Group held by BC Partners and management.	Aug-03	960.0
Highbury House Communications	Paragon Publishing Holdings	Paragon Publishing Holdings, publisher of magazines for the video games, personal computing and Internet and home entertainment sectors.	Jul-03	52.0
Hearst Corporation	Primedia, Inc.	<i>Seventeen</i> Magazine	Apr-03	182.4
EMAP France	Excelsion Publications SA	Excelsion Publications SA, a French consumer magazine publisher.	Apr-03	99.0

Multiples	Revenue	EBITDA
Mean	1.3x	9.2x
Median	1.4x	9.1x

Source: JEGI Transaction Database, YTD is through February 28, 2006.

(\$ millions)

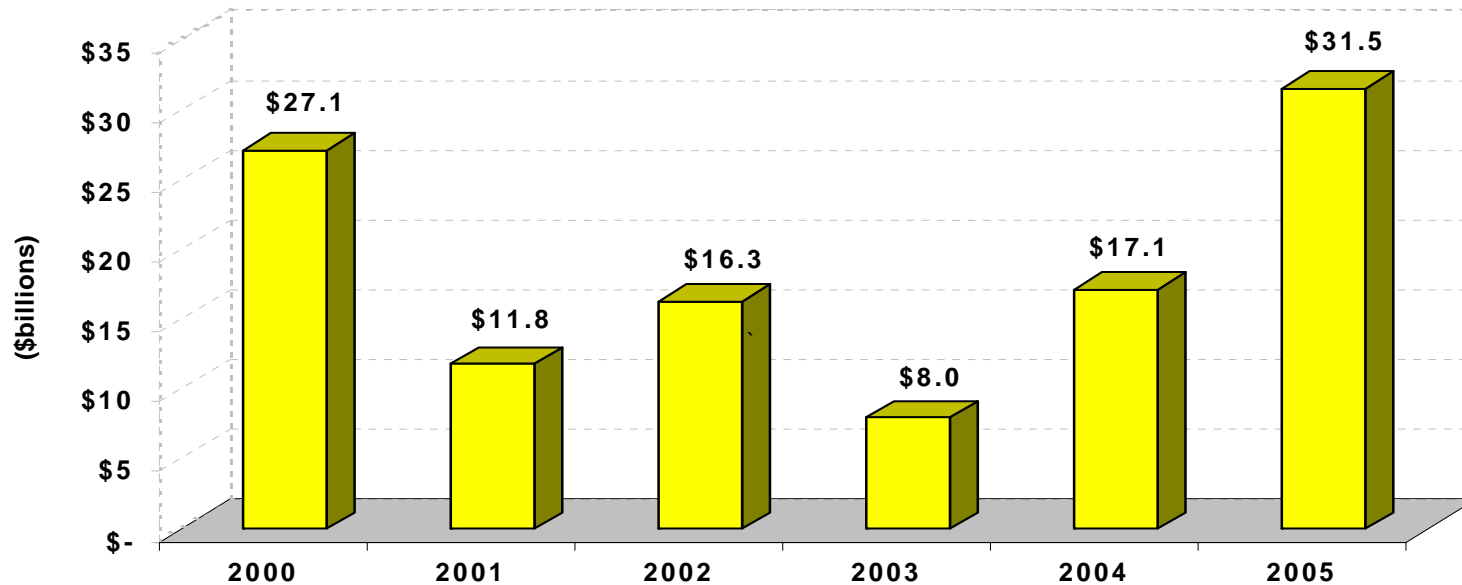
Company	Market Cap	Enterprise Value (EV)	LTM Revenue	LTM EBITDA	EBITDA margin	EV/Rev	EV/EBITDA
Consumer Magazine Companies							
Future plc	162	201	212	22	10%	0.9x	9.1x
Gemstar-TV Guide International Inc.	1,298	817	711	31	4%	1.1x	25.9x
Meredith Corp.	2,692	3,272	1,414	313	22%	2.3x	10.4x
Playboy Enterprises Inc.	453	518	338	36	11%	1.5x	14.5x
PRIMEDIA Inc.	527	1,882	991	173	17%	1.9x	10.9x
Reader's Digest Association Inc.	1,437	1,994	2,383	176	7%	0.8x	11.3x
Scholastic Corp.	1,249	1,590	2,268	237	10%	0.7x	6.7x
					MEAN	1.3x	12.7x
					MEDIAN	1.1x	10.9x
Diversified Media Companies							
Dow Jones & Co. Inc.	3,326	3,788	1,770	254	14%	2.1x	14.9x
Informa PLC	1,322	1,687	572	127	22%	2.9x	13.3x
McGraw-Hill Companies Inc.	20,173	19,427	6,004	1,538	26%	3.2x	12.6x
Time Warner Inc.	77,807	99,701	43,652	13,519	31%	2.3x	7.4x
Walt Disney Co.	54,025	66,697	32,132	6,003	19%	2.1x	11.1x
Washington Post Co.	7,197	7,388	3,554	708	20%	2.1x	10.4x
					MEAN	2.5x	11.6x
					MEDIAN	2.2x	11.9x
					OVERALL MEAN	1.9x	12.2x
					OVERALL MEDIAN	2.1x	11.1x
					Low	0.7x	6.7x

Source: Capital IQ

Note: Data as of March 8, 2006

2005 was up 84.2% over 2004 and 16.2% over 2000 in
B2B Media M&A

B2B Media M&A Transaction Volume, 2000-2005

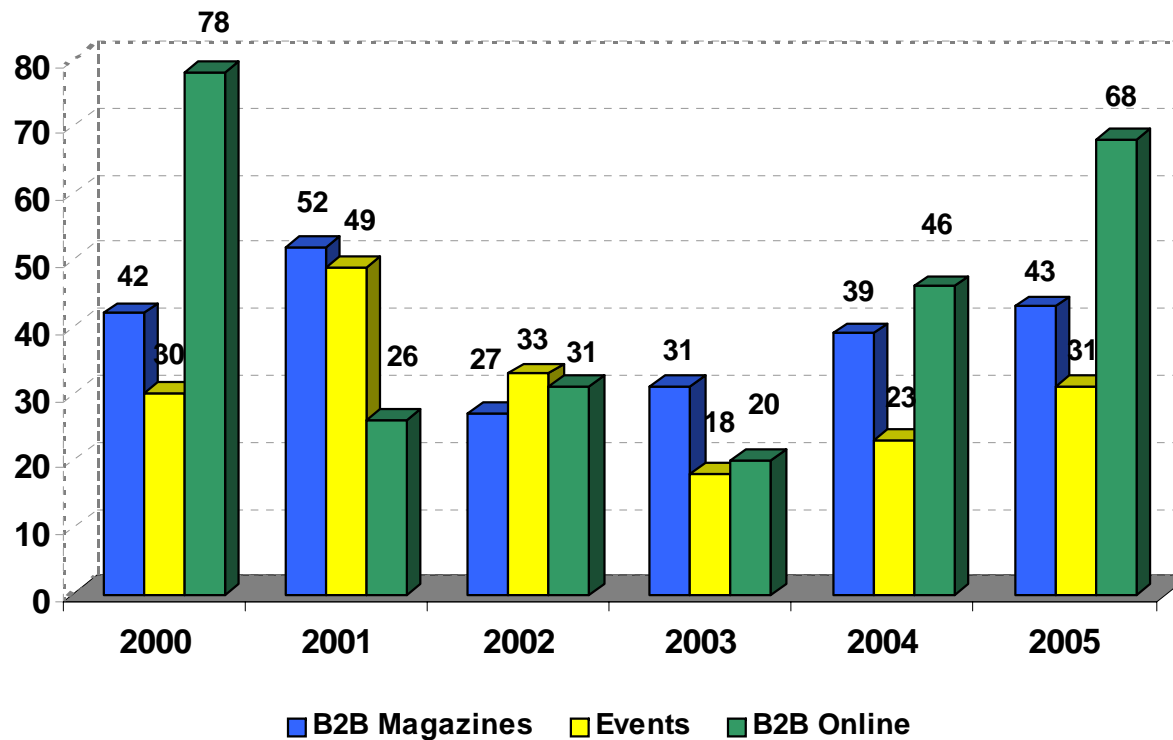


Note: Media Sectors tracked: B2B Magazines; Marketing & Interactive Services; Online Media; Business Information Services; Newsletters; and Directories.

Source: The Jordan, Edmiston Group, Inc. Transaction Database

The number of B2B media deals rebounded in 2005 across all sectors

B2B Media Deals, 2000-2005



Source: The Jordan, Edmiston Group, Inc. Transaction Database

B2B MAGAZINES – MOST ACTIVE ACQUIRERS

CMP Media has been the most active acquirer of B2B magazines over the past 3 years

Company (Parent/PE Firm)	2003	2004	2005	Total
CMP Media (United Business Media)	3	1	3	7
Highline Media (Spire Capital Partners)	1	1	3	5
VS&S Fund Companies	3	1	1	5
Advanstar Communications (CSFB Private Equity)	2	1	0	3
Cygnus Business Media (ABRY Partners)	2	0	1	3
Wicks Group of Companies	0	0	3	3
Haymarket Group	1	1	0	2
Penton Media (ABRY Partners)	0	1	1	2
Pfingsten Publishing (Pfingsten Partners)	0	1	1	2
Reed Elsevier	0	2	0	2
Wolters Kluwer	0	0	2	2
Total, Most Active Buyers	12	9	13	36
Total, B2B Magazine Transactions	31	39	43	113
% Most Active	38.7%	23.1%	30.2%	31.9%

Source: The Jordan, Edmiston Group, Inc. Transaction Database

dmg world media is by far the most active acquirer of conferences and trade shows

Company (Parent/PE Firm)	2003	2004	2005	Total
dmg world media/Euromoney (Daily Mail & General Trust)	3	3	5	11
CMP Media (United Business Media)	0	0	4	4
Advanstar Communications (CSFB Private Equity)	0	0	3	3
Cygnus Business Media (ABRY Partners)	2	1	0	3
Diversified Business Communications	2	0	1	3
Emap Communications (Emap plc)	1	1	0	2
PennWell Corporation	0	0	2	2
Reed Elsevier	0	1	1	2
VS&S Fund Companies	1	1	0	2
Total, Most Active Buyers	9	7	16	32
Total, Event Transactions	18	23	31	72
% Most Active	50.0%	30.4%	51.6%	44.4%

Source: The Jordan, Edmiston Group, Inc. Transaction Database

B2B ONLINE MEDIA – MOST ACTIVE ACQUIRERS

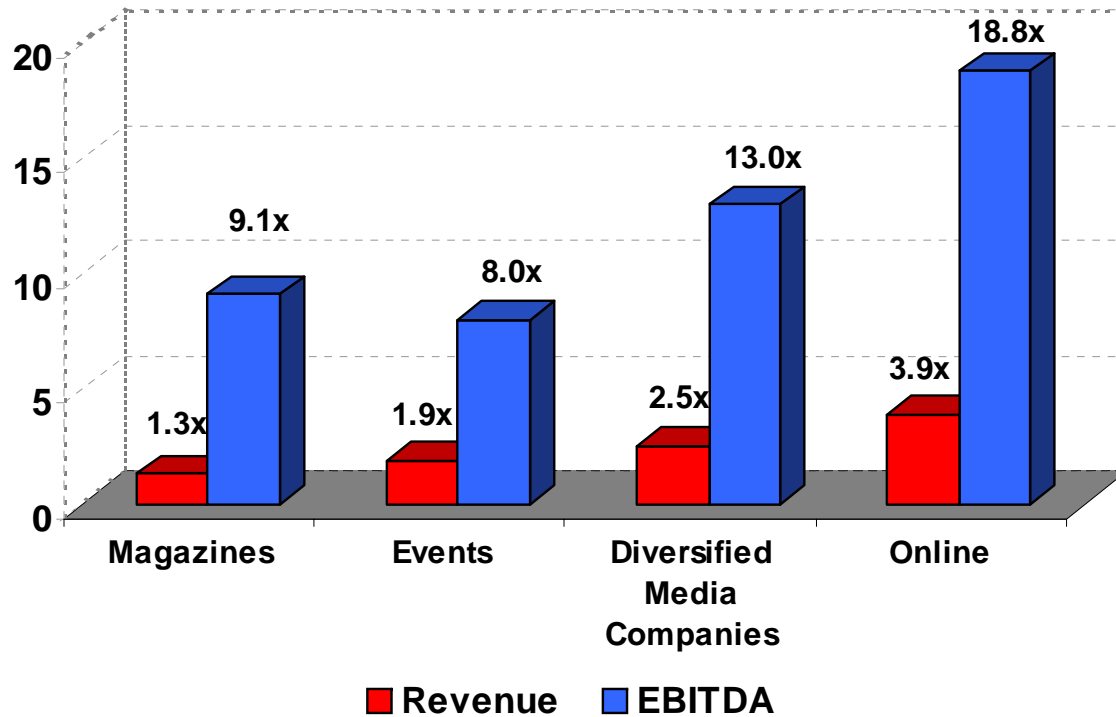
JupiterMedia has been the most active acquirer of B2B online media properties, primarily of stock images

Company (Parent/PE Firm)	2003	2004	2005	Total
JupiterMedia (formerly INT Media)	4	3	2	9
TechTarget	1	3	0	4
CMP Media (United Business Media)	0	0	3	3
Monster Worldwide	0	2	1	3
Thomson Corporation	0	3	0	3
Choice Media	0	2	0	2
iNet Interactive (Stoddard Hill Capital)	2	0	0	2
Think Partnership (CGI Holdings)	0	0	2	2
WebMD	0	1	1	2
Yahoo!	1	0	1	2
Ziff Davis Media	0	2	0	2
Total, Most Active Buyers	8	16	10	34
Total, B2B Online Media Transactions	20	46	68	134
% Most Active	40.0%	34.8%	14.7%	25.4%

Source: The Jordan, Edmiston Group, Inc. Transaction Database

Diversified b2b media companies (mix of magazines and related events) and online media properties are attracting high multiples

B2B Average Revenue & EBITDA Multiples



Source: The Jordan, Edmiston Group, Inc. Transaction Database

SELECTED B2B MAGAZINE TRANSACTIONS 2003 - 2006YTD*

Buyer	Seller	Properties	Date	Value (\$ Million)
Wachovia Capital Partners	Randall Publishing	Randall Publishing, a publishing company, which provides BtoB multimedia communication solutions.	Nov-05	75.0
United Business Media	Mondiale Publishing	"Theme" magazine and "Bar" exhibition. •	Jun-05	9.1
United Business Media	MediMedia	Medical trade press and other professional healthcare business information services in France.	Jan-05	67.2
Pragma Capital	Aprovia	Groupe France Agricole publishes magazines, reviews, and journals for the agriculture industry.	Jan-05	98.3
Ascend Media, Inc.	Great Hill Partners	Medical World Communications, a trade publisher serving the healthcare industry.	Dec-04	130.0
CMP Healthcare Media	SCP Communications	The Oncology Group and Cligott Publishing.	Nov-03	37.5
Leader Publishing	<i>Competitive Edge</i> magazine	<i>Competitive Edge</i> magazine, an Atlanta business magazine.	Sep-03	0.1
Advanstar Communications Inc.	Thomson Scientific and Healthcare	15 advertising-driven b2b healthcare magazines.	Aug-03	135.0
PCM Algemene Boeken	Wolters Kluwer	Bohn Stafleu Van Loghum unit, a business unit of Wolters Kluwer that publishes Dutch-language healthcare publications.	Sep-02	29.6
Leisure Publications	VNU Business Media (VNU)	<i>Contemporary Long Term Care</i> , a healthcare trade magazine, and also the only healthcare magazine owned by VNU.	May-02	1.8

Source: JEGI Transaction Database, YTD is through February 28, 2006.

Multiples	Revenue	EBITDA
Mean	1.3x	9.1x
Median	1.3x	9.0x

SELECTED EVENT TRANSACTIONS 2003 - 2006YTD*

Buyer	Seller	Properties	Date
The Economist Group	EuroFinance Conference Ltd.	EuroFinance is a leader in global and regional cash and treasury management events for senior finance professionals.	Jan-06
T & F Informa Plc	IIR Holdings	IIR organizes about 1,400 conferences a year and provides training to companies and the U.S. government.	Jun-05
Expomedia Group PLC	Expo-Volga EMG, LLC	Expo-Volga organizes exhibitions in Russia.	Mar-05
HG Capital	Clarion Events	Clarion Events, organizes three major art and antiques fairs in London	Oct-04
Emap plc	Cannes Lions International Advertising Festival	Cannes Lions International Advertising Festival, a festival that celebrates the best work in film and TV, print, outdoor, internet advertising and direct marketing.	Aug-04
Pfingsten Publishing	Art Chicago	Art Chicago, an international art exhibition and conference that attracts curators, gallery owners and museum and foundation personnel as exhibitors.	Aug-04
Dow Jones & Company, Inc.	Technologic Partners	Technologic Partners, a financial information and events company.	Sep-03
Euromoney Institutional Investor plc	HedgeFund Intelligence Ltd.	The issued share capital of HedgeFund Intelligence Limited, a UK based hedge fund information company that publishes newsletters and databases and organizes conferences and events.	Aug-03
Svoboda Collins	Smith Bucklin & Associates	Smith Bucklin & Associates, an association management firm that provides full-service management, program management and contract services to trade associations, professional societies and industry consortiums worldwide.	Aug-02

Source: JEGI Transaction Database, YTD is through February 28, 2006.

Multiples	Revenue	EBITDA
Mean	1.9x	8.0x
Median	1.3x	6.3x

**SELECTED B2B INTEGRATED MEDIA TRANSACTIONS
2003 - 2006YTD***

Buyer	Seller	Properties	Date	Value (\$ Million)
Prism Business Media Inc.	Primedia, Inc.	Ward's Automotive properties which includes magazines, online products and a trade show.	Dec-05	50.0
Exponent Private Equity	News Corp.	TSL Education, Ltd. publishes newspapers, magazines, Web sites, and exhibitions covering the professional educational field.	Oct-05	415.0
Wasserstein & Co. LP	Primedia Inc.	Primedia Business Magazines & Media, Inc. produces business-to-business publications, Websites, e-mail newsletters, 25 trade shows, and 450 books and directories.	Jul-05	385.0
JPMorgan Partners	Hanley Wood, LLC	Hanley Wood is a media company serving housing and construction.	May-05	650.0
Apprise Media	Canon Communications	Canon Communications, a b-to-b medical manufacturing publisher.	Apr-05	210.0
Questex Media	Advanstar Communications Inc.	Information Technology & Communications, Travel & Hospitality, Beauty, Home Entertainment, and Abilities and Portfolio groups.	Apr-05	185.0
Ergo Science Corp.	Highbury Communications, plc	BCom Business publishes B2B magazines and directories.	Feb-05	23.5
Investcorp S.A.	Thomson Corporation	Thomson Media is a Publishing and Conferences Group	Oct-04	350.0
United Business Media plc	MediMedia	MediMedia's drug information businesses in Europe and Asia, as well as all the trade press, patient education and pharma marketing solutions businesses in Germany and Asia-Pacific.	Jun-04	351.2
Sagard	Groupe Moniteur	Groupe Moniteur (Paris, France) provides information and services for people working in construction, architecture, design, environment, and local communities sectors.	Mar-04	334.0

Source: JEGI Transaction Database, YTD is through February 28, 2006.

SELECTED B2B INTEGRATED MEDIA TRANSACTIONS 2003 - 2006YTD*

Buyer	Seller	Properties	Date	Value (\$ Million)
Centaur Holdings plc.	Centaur Communications	Centaur Communications, a UK-based business media company that produces integrated media products for professionals in media and marketing, financial services, legal, construction and engineering.	Mar-04	261.0
Informa Group plc	PJB Publications	PJB Publications, an independent, UK-based publisher of international business news and information services for the pharmaceutical, agrochemical and biotechnology industries.	Dec-03	192.0
Taylor & Francis Group plc	Frank Cass & Co.	Frank Cass & Co., a UK-based journal and book publisher specializing in the social sciences and humanities subject areas.	Jul-03	15.2
CMP Information	Aprovia	Aprovia, owner of The Builder Group and Barbour Index.	Jul-03	126.4
Candover Investments and Cinven Limited	Bertelsmann AG	BertelsmannSpringer, a scientific and technical publishing group that produces approximately 24,000 book titles and 650 journals and magazines through its various imprints.	May-03	1,200.0
Incisive Media	Risk Waters Group	Risk Waters Group, a financial information company that provides information across a variety of platforms, including magazines, conferences, training events, newsletters, books, reference products, journals and online databases and services.	Apr-03	56.3
VNU Business Media Europe (VNU)	Publicaciones Profesionales SA	Publicaciones Profesionales SA, produces publications and organizes popular industry events for the advertising and marketing industries.	Mar-02	3.0
Wolters Kluwer	The Institute of Chartered Accountants in England and Wales (ICAEW)	ABG Professional Information, a provider of print and electronic publishing focusing on audit, accountancy and assurance subjects.	Jan-02	57.6

Multiples	Revenue	EBITDA
Mean	2.5x	13.0x
Median	2.4x	13.0x

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(\$ millions)

Company	Market Cap	Enterprise Value (EV)	LTM Revenue	LTM EBITDA	EBITDA margin	EV/Rev	EV/EBITDA
Emap plc	4,164	4,963	1,908	406	21%	2.6x	12.2x
Euromoney Institutional Investor plc	812	962	341	72	21%	2.8x	13.4x
Incisive Media plc	265	315	85	22	22%	3.7x	14.3x
Pearson plc	6,008	7,234	4,096	797	19%	1.8x	9.1x
Penton Media Inc.	21	408	217	45	21%	1.9x	9.0x
Reed Elsevier plc	6,580	9,463	5,166	1,259	24%	1.8x	7.5x
Reuters Group plc	5,370	4,733	2,409	344	14%	2.0x	13.8x
Thomson Corp.	24,088	28,074	8,703	2,294	26%	3.2x	12.2x
United Business Media plc	1,855	1,612	688	146	21%	2.3x	11.0x
VNU NV	6,940	8,580	3,818	871	23%	2.2x	9.8x
Wolters Kluwer NV	5,832	7,988	3,374	627	19%	2.4x	12.7x
					MEAN	2.4x	11.4x
					MEDIAN	2.3x	12.2x
					Low	1.8x	7.5x

Source: Capital IQ

Note: Data as of March 9, 2006

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The Advantages of Hiring a Good M&A Advisor

❑ Senior Debt

- Multiples remain strong 4.0x – 6.0x
- Competition for new business remains fierce
 - New entrants into the market have kept pricing highly competitive

❑ Mezzanine Debt

- A flood of mezzanine debt entered the market in 2004-2005 from PE funds
- Adds 1.0x – 2.0x to the debt facility
- Hedge funds are increasingly providing “stretch” capital

❑ Outlook

- The debt market should remain strong through 2006 although interest rates are continuing to creep up

The Jordan, Edmiston Group, Inc.
Publishing Transaction Overview

Consumer Magazines

B2B Magazines

State of Debt Market

Key Lending Multiples

Active Lenders – Senior Debt and Mezzanine

How to Prepare for Selling your Company

Prepare the Company

2 Year Plan in Place

Identify Key Opportunities for the Company

Analyze the Competitive environment

Position your Company to Maximize Value

Options for Selling

The Advantages of Hiring a Good M&A Advisor

- ❑ Once you decide to sell, prioritize your exit criteria
 - Maximizing shareholder value
 - Cultural fit and on-going role in business
 - Employee protection

- ❑ Preparation for a sale
 - Hire an advisor or go solo?
 - Strongly consider having your financials audited
 - Identify the value drivers for your business
 - Identify and quantify growth opportunities
 - Thoroughly analyze the competition

- ❑ Preparation for a sale (cont.)
 - Develop at least a 2-year forward business plan
 - Think carefully about all of the forward opportunities for the business
 - Assess any and all forward business risks
 - Carefully assess the impact on employees and decide how you intend to include/exclude key employees from the sale process

	Sale to Strategic Buyer	Sale to Financial Buyer
PROS	<ul style="list-style-type: none"> ➤ Potentially higher price due to synergies ➤ Support for organic growth and/or acquisitions ➤ Strong buyer may allow for quicker entry into new markets ➤ Significant management and industry expertise ➤ Opportunity for a tax-advantaged transaction 	<ul style="list-style-type: none"> ➤ Strong demand for good businesses ➤ Attractive liquidity to selling shareholders ➤ Place value on strong management teams and typically grant equity to align their interests ➤ Company usually retains identity and employee base ➤ Minimal cultural conflicts
CONS	<ul style="list-style-type: none"> ➤ Potential management and employee terminations ➤ Portion of sale price may be based on meeting future financial/operational goals ➤ May opt to have transaction paid in stock versus cash ➤ The name and legacy of the Company may be changed ➤ Cultural conflicts with integration 	<ul style="list-style-type: none"> ➤ Financial buyers generally price at a discount to strategic buyers, due to “stand alone” valuation perspective and total return requirements ➤ Often rely on “carried interest” structures to bridge valuation gaps and retain shareholder management ➤ Less opportunity to create a tax advantaged transaction

- ❑ Market position/competition
 - Based on strategic importance (strong barriers to entry)
 - Fragmentation in market – add-on acquisition potential
- ❑ Immediate and future growth opportunities
- ❑ Diverse revenue streams
- ❑ Profitability
 - Additional premium for strong margins with growth opportunities
- ❑ Strong management team, willing to stay on board after the transaction
- ❑ Type of transaction
 - Assets versus stock

- ❑ List and define key growth opportunities, for example:
 - New product launches
 - Enhance existing products and services
 - Enter new markets

- ❑ Focus on quantifying the opportunities
 - Why they are growth opportunities
 - How you plan to take advantage of them
 - Exactly how will they impact your business

- ❑ Buyer concerns
 - How concrete are these growth opportunities
 - Timeframe for realization
 - Has there already been an initial investment or would that be left to the buyer

- ❑ Who are your key competitors?
 - Especially the top three in each market sector
 - Overlap of markets covered and product offering
- ❑ Where is your company ranked compared to the competition?
 - Is it #1? If not, why?
 - Can it become #1? How?
- ❑ How do you compete against the competition?
 - What differentiates your company?
 - Are there any concrete strategies in place to face the competition?
 - Do you track your competitors on a regular basis and upon which metrics?

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- ❑ Conducts a discreet process that does not disrupt staff and clients
- ❑ Allows you to stay focused on running the business and meeting projections
- ❑ Simplifies a multi-step, time-consuming process
- ❑ Provides in-depth market knowledge and analysis
- ❑ Knows how to position the business and present it in the best possible light
- ❑ Has access to a vast database of prospective buyers
 - Well-established relationships with executives and key decision makers
 - Knows the “hot buttons” of potential buyers
- ❑ Ability to maximize value through competition and a controlled auction process
- ❑ Experienced in overcoming hurdles and obstacle that can come up during a transaction negotiation

- ❑ Hire the best advisor for your business
 - ❑ Assess
 - ❑ Specific transaction experience
 - ❑ The team that will be handling your transaction
 - ❑ Get as many client references as you can
 - ❑ Ask hard questions
 - Focus on market dynamics and trends, major players, prior experience, etc.
 - ❑ Get a step by step explanation of the process and expected timetable
 - ❑ Have a clear understanding of your role and the role of your advisor during the process
 - ❑ Ask about valuation expectations
 - Be careful that you aren't being told what you want to hear
 - ❑ Discuss the auction process
 - Needs to be lively and well-run to truly maximize the company's value

M&A 101

A Presentation for Folio: Publishing Summit

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