



# FirstDay

THE LEADING NEWS SOURCE FOR THE MAGAZINE INDUSTRY

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## Cygnus Acquires Two VNU Publications

If the magazine M&A market has been in a deep freeze, Cygnus Business Media's acquisition of two magazines from VNU Business Media last week—*Frozen Food Age* and *Food Logistics*—may be first signs of a thaw.

The two food titles and their Web sites will become part of Cygnus' agriculture and food group, which includes titles such as *Feed & Grain* and *Health Products Business Magazine*. *Frozen Food Age*, published monthly, had a circulation of 17,001 for the six-month period ending December 31, 2001, according to BPA International; *Food Logistics* is published nine times a year and had a circulation of 26,500 in the second half of last year. Both publications, which had been based in New York City, will move to Cygnus' Melville, N.Y., offices.

"These [publications] were a nice fit and expand us in to two new areas that we weren't currently serving," said Cygnus president and CEO Paul Mackler.

Mackler declined to disclose the price of the deal.

In June of 2000, the CommerceConnect Media division of private-equity firm ABRY Partners acquired the Westport, Conn.-based Cygnus for \$275 million. Since then, Cygnus has made six strategic deals, including the acquisitions of *Professional Tool & Equipment Distributor* last November and *GSE Today* magazine, GSE-Today.com and GSE Expo last October.

"We set out to grow our company from the day that we acquired Cygnus Business Media," Mackler said.

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## Magazines Tick up In Annual MRI Measures

A key measure of consumer magazine readership notched an increase over the past year, despite the difficult market conditions and proliferating competitive media channels. According to Mediarmk Research Inc. (MRI) data released today, total audience increased 1.9 percent from the spring of 2001 to the spring of 2002 across all 206 consumer titles reported. Of those magazines, 59 percent increased their readership year-to-year, while 41 percent lost readers.

MRI data, gathered each year through a survey of consumers on their media preferences and product and service purchases, serves as a media decision tool that can impact print ad commitments in the months head. As television's upfront selling season gets underway, magazine publishers can use all the good news they can get to sway dollars in their direction.

"That's very positive for the industry that readership is up, with what the industry has had to deal with," said Rick Jones, president, DLJ Marketing, a N.Y.-based consultancy. "With the ad recession and challenging circ climate, one strong thread of good news is that readership is vital."

Notably, a category that enjoyed a strong surge in readership was epicurean, up 12 percent over last year, representing the biggest increase of any category. "Since 9/11, people have really looked for ways to connect. We're seeing it in terms of advertising,

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## MRI: Epicurean Audience Sizzles

Magazine Category	Number of Publications	Title Audience Spring '02 (000)	Title Audience Spring '01 (000)	% Diff. (%)
Epicurean	4	27,157	24,225	12.1%
Newsweeklies	3	57,059	52,749	8.2%
Automotive	4	27,476	26,223	4.8%
Men's	6	38,207	36,476	4.7%
Six Sisters	6	133,754	130,867	2.2%
Travel	5	17,370	17,169	1.2%
Airline/In-Flight	7	13,309	13,157	1.2%
Shelter	9	57,590	57,595	0.0%
Business/Personal Fin.	9	33,288	33,825	-1.6%
Computer	5	22,099	23,601	-6.4%
All Others	148	683,782	678,114	0.8%
<b>Grand Total</b>	<b>206</b>	<b>1,525,091</b>	<b>1,496,731</b>	<b>1.9%</b>

Source: Mediarmk Research Inc. Based on 206 MRI-measured magazines.

**FIRST DAY WEEKLY STOCK REPORT**

Companies	Symbol	Close 5/17/02	Week Change	Close 12/31/01	YTD Change
McGraw-Hill	MHP	\$66.95	4.97%	\$60.98	9.79%
Martha Stewart	MSO	\$19.40	9.17%	\$16.45	17.93%
Meredith	MDP	\$43.77	4.56%	\$35.65	22.78%
Penton Media	PME	\$3.08	-28.54%	\$6.25	-50.72%
Playboy	PLA	\$14.93	11.67%	\$16.98	-12.07%
Primedia	PRM	\$2.20	-6.38%	\$4.35	-49.43%
Reader's Digest	RDA	\$23.73	3.04%	\$39.12	-39.34%
Reed Elsevier	RUK	\$39.95	-2.42%	\$33.30	19.97%
Scholastic	SCHL	\$48.35	6.62%	\$50.33	-3.93%
Tribune	TRB	\$45.20	4.17%	\$37.43	20.76%
Gemstar-TV Guide	GMST	\$10.01	20.02%	\$27.70	-63.86%
AOL-Time Warner	AOL	\$19.98	17.67%	\$32.10	-37.76%
United Business Media	UNEWY	\$8.50	3.03%	\$7.92	7.32%

MAGAZINES TICK UP, CONTINUED FROM PAGE 2

and newsstand sales have grown dramatically since then," said Lynn Heiler, VP and publisher, *Bon Appétit*. "It's all because people's priorities have changed. Any epicurean magazine can give people ways to enjoy themselves at home or with friends at restaurants."

Newsweeklies also showed strong gains in readership—increasing 8.2 percent—most likely a carry-over from America's appetite for news in the aftermath of 9/11. Anne Marie Kelly, VP, marketing and strategic planning, Mediamark Research Inc., said that there were some reality-checks in the findings, noting that both the business/personal

finance and computer categories continued to lose readership, which is not surprising, given their struggles in the recession.

To get the data, MRI actually interviews 13,000 readers across the nation twice a year, walking them through a list of magazines and asking what they read. It is a sampled balance, projectable to the U.S. population, said Kelly. Total audience is defined as circulation multiplied by readers-per-copy. "From an industry point of view, readers are loyal to their magazines," she said. "The good news is that magazines are holding their readers." ■

CYGNUS ACQUIRES, CONT. FROM PAGE 1

But that growth has not been across the board. "We are in some markets that are struggling in this economy, we're in other markets that have done incredibly well last year and this year, and we're in other markets that are flat," Mackler said. "So it really for us has been market specific. We're hoping to see a pickup in the second half. But while advertisers are still buying their ad schedules month to month or quarter to quarter, it makes it tough to forecast out the second half of the year."

M&A deals in the b-to-b sector last year were down 20 percent, from 65 to 52, compared with 2000, according to Whitestone Communications. The value of those deals declined 94 percent, from \$5.9 billion to \$371 million. ■

**PEOPLE ON THE MOVE**

**Ann Hayden** was elected chairman of the board of the BPA International. Hayden, a managing partner with Young & Rubicam, will serve a one-year term... World Publications named **Ty Sawyer** editor of *Sport Diver* magazine. Before joining *Sport Diver*, Sawyer was editor of *Skin Diver* magazine... Worth Media named **Gary Walther** editorial creative director of *Worth* magazine. Previously, Walther was founding editor and editor in chief of *Expedia Travels* magazine. ■

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## CadmusMack Rebrands as it Embraces PDF Workflow

CadmusMack, the fourth-largest periodical printer in the US, re-christened itself Cadmus Specialty Publications effective July 1st and formed a division to push clients to adopt its Portable Document Format (PDF)-based workflow. In creating the group—dubbed Cadmus MediaWorks—and publicly embracing the popular standard, the company joined the swelling ranks of magazine publishing-related corporations endorsing the use of the PDF exclusively in the printing process.

Time Inc. moved to PDF as its official digital file standard this February, asking customers to send materials as PDFs only as of June 1st. A month later, RR Donnelley & Sons, the nation's number two magazine printer, followed suit.

Jim McQueen, vice president of digital technology and development for Cadmus, said his company has been

using a PDF workflow for almost a year, but only now officially made an announcement. "We just didn't publicize what we were doing," he explained. Of the 600 magazines the company prints each month, he added: "We've got 11 clients on the [PDF] workflow right now, nine in the process and another nine in quoting stages."

MediaWorks should speed growth as well. After installing the appropriate software and equipment to use the Cadmus system, the MediaWorks employees coach magazine clients on creating and transferring PDF pages to the printer.

Mark Ploucha, president of Cadmus, asserts the system eliminates steps—such as preflighting—that once appeared on printer invoices. Prepress cost savings of up to 20 percent are

possible. PDFs are also basically "locked-down," preventing errors from creeping into files. Production cycle times also drop significantly; publishers can shave anywhere from hours to days off of schedules. "That helps publishers get to the market quicker," he said. "They can beat their competition with news or hold their magazines to close later and increase the number of late ads they take."

Joleen Mathews, production director for 101communications LLC and an early MediaWorks customer, said that her staffers are three to four times faster creating print-ready PDF files in the Cadmus system than creating them on their individual desktops. The system works so well for her, she said, that she no longer examines blueslines or proofs before printing five of her company's magazines—they go straight to press. ■

## Car Zeitgeist for Non-Gear Heads: *Intersection*

Dan Ross wants to change how you think about your car. As the editor and founder of a new London-based quarterly called *Intersection*, Ross intends to elevate car appreciation from niche, trade-publication fare into the realm of mainstream editorial about important issues, events, people ... and cars.

As of its April launch, *Intersection* hit newsstands in 45 countries (including the US) with a circulation of 60,000. Ross is shooting for distribution in 70 countries and circulation of 100,000. This month, he said *Intersection*—a sister title to hipper-than-thou lifestyle publication *Dazed & Confused*—signed a newsstand distribution deal with U.K. supermarket giant, Tesco. "That's a big deal because they don't carry more than 40 magazines," he said.

What sets the magazine apart from the average auto trade title, said Ross, is its effort to look at cars through the eyes of car-industry outsiders. "We're

drawing in people from a wide variety of creative fields who've had some professional encounter with cars, or used cars in their work—be it in art, film, video games, etcetera," said Ross. "We're trying to offer a view of cars that reflects their cultural and social impact. To attack specific issues that may not be specific to cars but that tell an important story through them."

This particular editorial angle, however, makes *Intersection* "a non-car, car magazine," said *AutoWeek* editor and associate publisher Dutch Mandel. "It's a car magazine where they've done every story that doesn't have anything to do with cars. It's very much and oddity to me, both in terms of my field of interest and also just as a magazine fan."

Still, Ross said the first issue sold out, "At many newsstands around the world." Besides, he added, "We want relevance beyond entertaining a small audience." ■

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## International Magazine Management Executive Forum

The recession has called into question the most time honored traditions in magazine publishing. Everything from revenue sources to organizational structure is up for reexamination. **Master the Future** with the industry's top thinkers as they remodel audience and client relationships, delivery systems, long-term strategies and short-term game plans. Join the innovators preparing to prosper at this year's M<sup>2</sup> Forum.

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# Master the Future

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Bonnie Fuller, Editor in Chief, *US*

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- Single Rate, \$235  Smoking
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| 1. MANAGEMENT LEVEL<br>(SELECT ONLY ONE) | 2. TYPE ALL PUBLICATION(S)<br>YOU WORK ON<br>(SELECT ALL THAT APPLY) | 3. WHAT IS THE<br>CIRCULATION OF THE<br>LARGEST PUBLICATION<br>IN WHICH YOU ARE<br>INVOLVED? |
| A. Owner/Principal                       | A. Consumer  | A. Under 10,000  |
| B. President/CO                          | B. B-to-B/Trade  | B. 10,001 to 24,999  |
| C. COO                                   | C. Both (A and B above)  | C. 25,000 to 74,999  |
| D. CFO                                   | A. Consumer  | D. 75,000 to 199,999   |
| E. VP/Senior Executive                   | B. B-to-B/Trade  | E. 200,000 to 750,000  |
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