

Newsstand 2008

Trend or Anomaly?

Magazine Performance Comparisons: 1998 to 2008

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Units											
Draw	4,959,024,868	4,665,181,767	4,538,062,495	3,999,652,195	3,955,691,911	4,234,075,380	4,174,346,736	3,999,394,976	4,002,693,727	3,817,597,157	3,615,810,957
Return	3,080,701,981	2,890,954,962	2,933,736,136	2,499,727,507	2,448,463,938	2,825,231,713	2,754,654,972	2,571,610,970	2,553,492,961	2,374,545,432	2,341,511,325
Sale	1,878,322,887	1,774,226,805	1,604,326,359	1,499,924,688	1,507,227,973	1,408,843,667	1,419,691,763	1,427,784,006	1,449,200,767	1,443,051,725	1,274,299,632
Sales Pct	37.88%	38.03%	35.35%	37.50%	38.10%	33.27%	34.01%	35.70%	36.21%	37.80%	35.24%
Dollars											
Draw	\$12,346,375,159	\$12,445,690,781	\$12,230,437,634	\$11,818,916,815	\$12,564,608,578	\$13,574,255,459	\$13,957,544,798	\$13,708,353,567	\$13,586,397,605	\$13,530,713,686	\$13,906,214,000
Return	\$7,819,617,001	\$7,832,701,089	\$7,798,863,000	\$7,438,533,061	\$7,868,928,578	\$9,023,690,414	\$9,291,692,325	\$8,896,721,465	\$8,734,033,006	\$8,537,880,336	\$9,071,757,455
Sale	\$4,526,758,158	\$4,612,989,693	\$4,431,574,634	\$4,380,383,754	\$4,695,680,000	\$4,550,565,045	\$4,665,852,473	\$4,811,632,102	\$4,852,364,599	\$4,992,833,350	\$4,834,456,544
Sales Pct	36.66%	37.06%	36.23%	37.06%	37.37%	33.52%	33.43%	35.10%	35.71%	36.90%	34.76%
Cov. Pri.	\$2.41	\$2.60	\$2.76	\$2.92	\$3.12	\$3.23	\$3.29	\$3.37	\$3.35	\$3.46	\$3.79
Top 25 Titles											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Units											
Draw	1,640,816,789	1,492,742,324	1,452,781,903	1,353,711,287	1,281,106,764	1,340,658,701	1,337,800,507	1,350,542,658	1,369,965,050	1,374,312,097	1,294,470,991
Return	841,574,931	761,519,837	770,800,199	713,635,621	683,391,700	769,858,434	763,410,964	762,666,169	782,941,310	795,788,696	795,132,055
Sale	799,241,858	731,222,487	681,981,704	640,075,666	597,715,064	570,800,267	574,389,543	587,876,489	587,023,740	578,523,401	499,338,936
Sales Pct	48.71%	48.99%	46.94%	47.28%	46.66%	42.58%	42.94%	43.53%	42.85%	42.10%	38.57%
Share	42.55%	41.21%	42.51%	42.67%	39.66%	40.52%	40.46%	41.17%	40.51%	40.09%	39.19%
Dollars											
Sale	\$1,497,800,907	\$1,503,151,751	\$1,524,653,488	\$1,542,443,824	\$1,523,804,793	\$1,543,959,548	\$1,644,241,022	\$1,680,718,984	\$1,679,195,386	\$1,729,021,810	\$1,711,051,307
Share	33.09%	32.59%	34.40%	35.21%	32.45%	33.93%	35.24%	34.93%	34.61%	34.63%	35.39%
Cov. Pri.	\$1.87	\$2.06	\$2.24	\$2.41	\$2.55	\$2.70	\$2.86	\$2.86	\$2.86	\$2.99	\$3.43
26 to 100 Titles											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Units											
Draw	647,286,570	614,739,704	552,653,457	601,786,135	582,171,592	615,165,077	577,677,065	534,315,688	524,839,655	528,981,720	563,718,768
Return	370,891,039	365,582,803	329,009,586	357,408,458	345,577,057	391,476,101	365,418,116	332,065,911	313,232,474	325,461,333	367,411,689
Sale	276,395,531	249,156,901	223,643,871	244,377,677	236,594,535	223,688,976	212,258,949	202,249,777	211,607,181	203,520,387	196,307,079
Sales Pct	42.70%	40.53%	40.47%	40.61%	40.64%	36.36%	36.74%	37.85%	40.32%	38.47%	34.82%
Share	14.72%	14.04%	13.94%	16.29%	15.70%	15.88%	14.95%	14.17%	14.60%	14.10%	15.41%
Dollars											
Sale	\$843,669,581	\$835,884,760	\$807,509,096	\$854,807,081	\$881,537,680	\$871,460,135	\$828,877,289	\$812,987,370	\$789,594,979	\$826,606,372	\$805,683,181
Share	18.64%	18.12%	18.22%	19.51%	18.77%	19.15%	17.76%	16.90%	16.27%	16.56%	16.67%
Cov. Pri.	\$3.05	\$3.35	\$3.61	\$3.50	\$3.73	\$3.90	\$3.91	\$4.02	\$3.73	\$4.06	\$4.10
Top 100 Titles											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Units											
Draw	2,288,103,359	2,107,482,028	2,005,435,360	1,955,497,422	1,863,278,356	1,955,823,779	1,915,477,573	1,884,858,347	1,894,804,705	1,903,293,817	1,858,189,760
Return	1,212,465,970	1,127,102,640	1,099,809,785	1,071,044,079	1,028,968,757	1,161,334,536	1,128,829,081	1,094,732,081	1,096,173,784	1,121,250,029	1,162,543,745
Sale	1,075,637,389	980,379,388	905,625,575	884,453,343	834,309,599	794,489,243	786,648,492	790,126,266	798,630,921	782,043,788	695,646,015
Sales Pct	47.01%	46.52%	45.16%	45.23%	44.78%	40.62%	41.07%	41.92%	42.15%	41.09%	37.44%
Share	57.27%	55.26%	56.45%	58.97%	55.35%	56.39%	55.41%	55.34%	55.11%	54.19%	54.59%
Dollars											
Sale	\$2,341,470,488	\$2,339,036,511	\$2,332,162,584	\$2,397,250,904	\$2,405,342,473	\$2,415,419,684	\$2,473,118,311	\$2,493,706,354	\$2,468,790,365	\$2,555,628,181	\$2,516,734,488
Share	51.73%	50.71%	52.63%	54.73%	51.22%	53.08%	53.00%	51.83%	50.88%	51.19%	52.06%
Cov. Pri.	\$2.18	\$2.39	\$2.58	\$2.71	\$2.88	\$3.04	\$3.14	\$3.16	\$3.09	\$3.27	\$3.62
Rest of the Line											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Units											
Draw	2,670,921,509	2,557,699,739	2,532,627,135	2,044,154,773	2,092,413,555	2,278,251,602	2,258,869,163	2,114,536,630	2,107,889,022	1,914,303,339	1,757,621,198
Return	1,868,236,011	1,763,852,322	1,833,926,351	1,428,683,428	1,419,495,181	1,663,897,178	1,625,825,892	1,476,878,889	1,457,319,176	1,253,295,402	1,178,967,580
Sale	802,685,498	793,847,417	698,700,784	615,471,345	672,918,374	614,354,424	633,043,271	637,657,740	650,569,846	661,007,937	578,653,617
Sales Pct	30.05%	31.04%	27.59%	30.11%	32.16%	26.97%	28.02%	30.16%	30.86%	34.53%	32.92%
Share	42.73%	44.74%	43.55%	41.03%	44.65%	43.61%	44.59%	44.66%	44.89%	45.81%	45.41%
Dollars											
Sale	\$2,185,287,670	\$2,273,953,182	\$2,099,412,050	\$1,983,132,850	\$2,290,337,527	\$2,135,145,362	\$2,192,734,162	\$2,317,925,748	\$2,383,574,234	\$2,437,205,169	\$2,317,722,056
Share	48.27%	49.29%	47.37%	45.27%	48.78%	46.92%	47.00%	48.17%	49.12%	48.81%	47.94%
Cov. Pri.	\$2.72	\$2.86	\$3.00	\$3.22	\$3.40	\$3.48	\$3.46	\$3.64	\$3.66	\$3.69	\$4.01

Key Industry Performance Figures

2008

All Magazines

<i>Dollar Sales</i>	<i>\$4.83 billion</i>	<i>Minus 3.2%</i>
<i>Unit Sales</i>	<i>1.27 billion</i>	<i>Minus 11.7%</i>

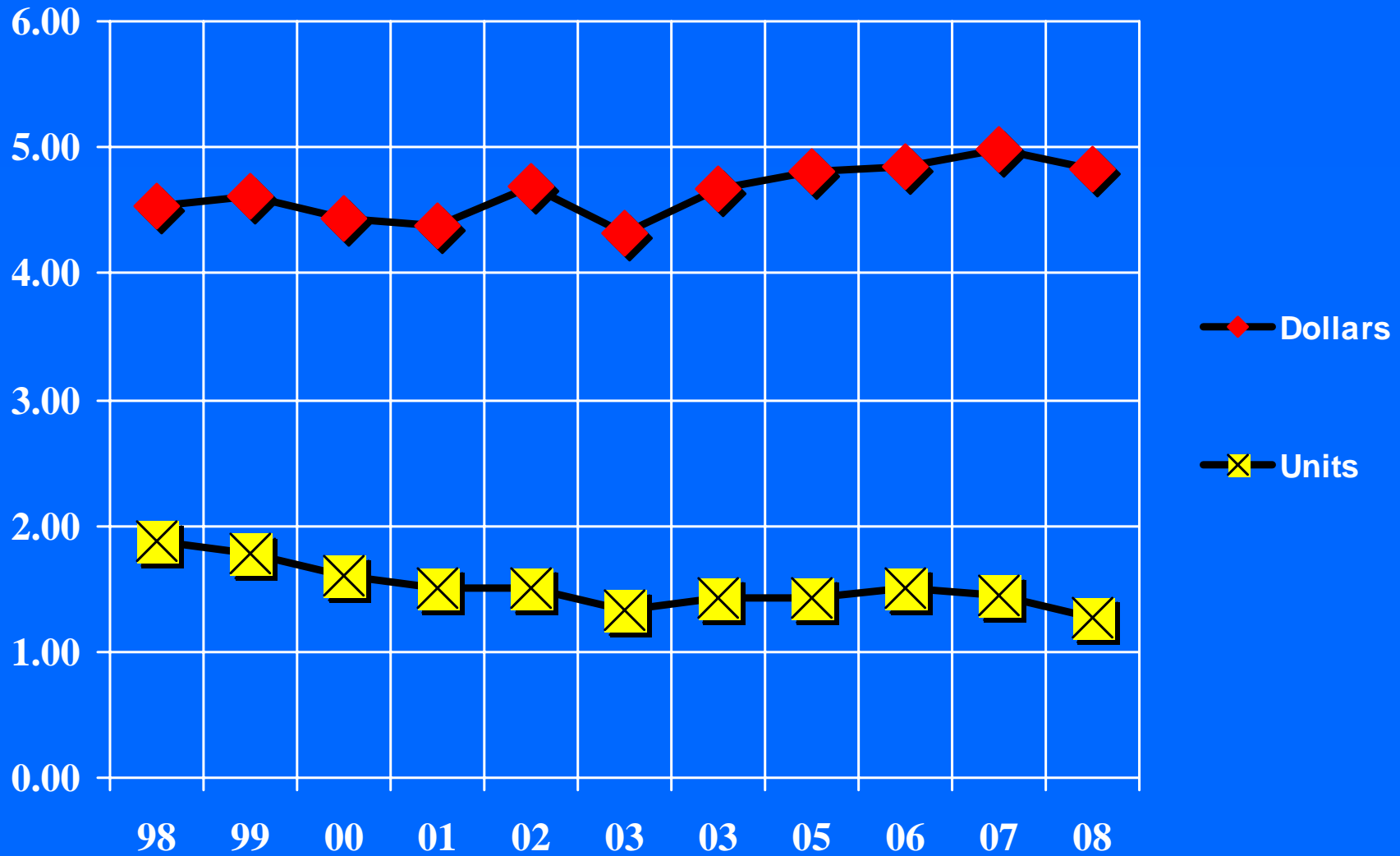
Audited Magazines Only (ABC and BPA)

<i>Dollar Sales</i>	<i>\$3.15 billion</i>	<i>Minus 0.6%</i>
<i>Unit Sales</i>	<i>831 million</i>	<i>Minus 11.3%</i>

<i>2008 Sales Efficiency</i>	<i>35.2%</i>
<i>2007 Sales Efficiency</i>	<i>37.2%</i>

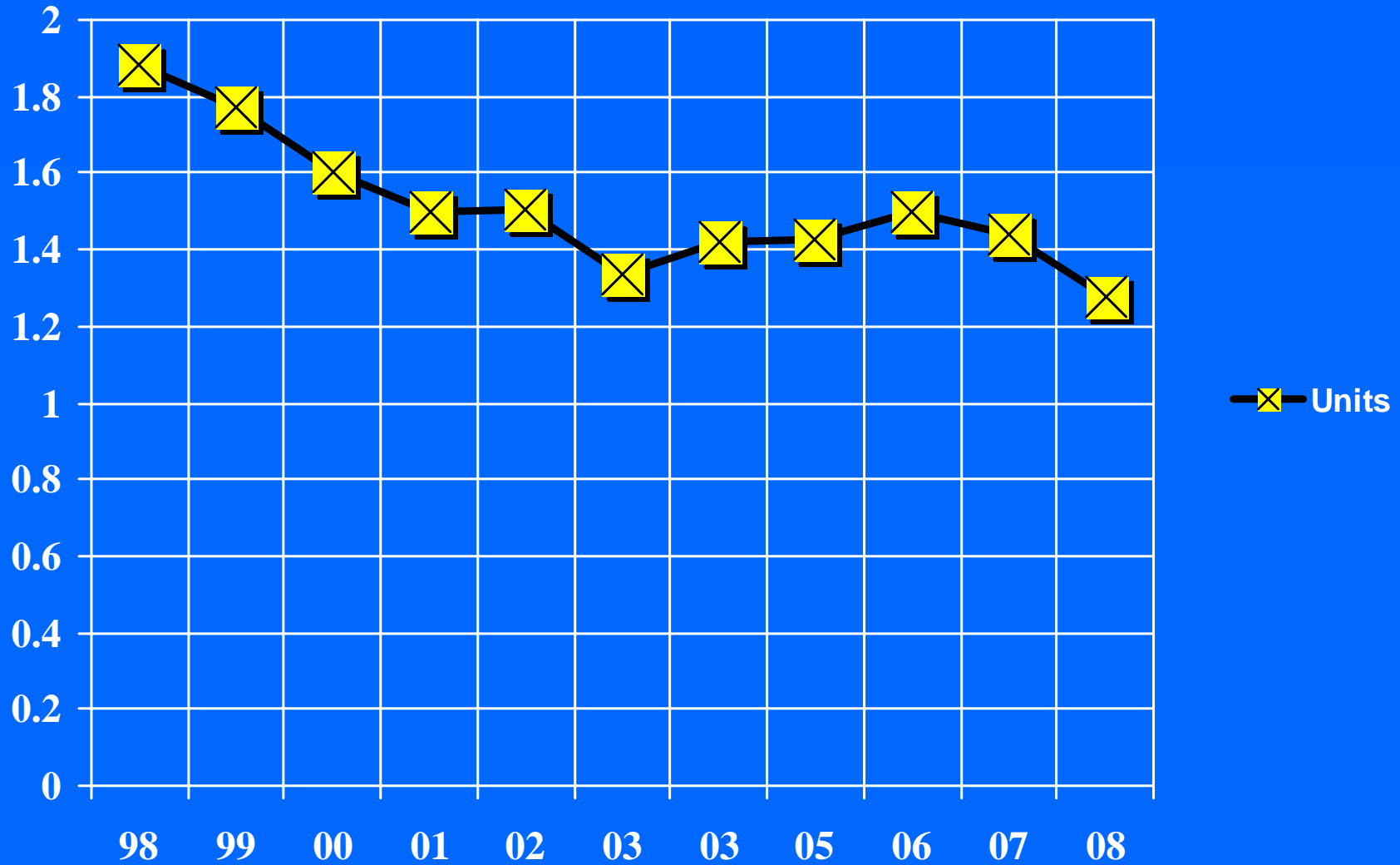
Magazine Retail Performance: '98 to '08

(billions of dollars and units)



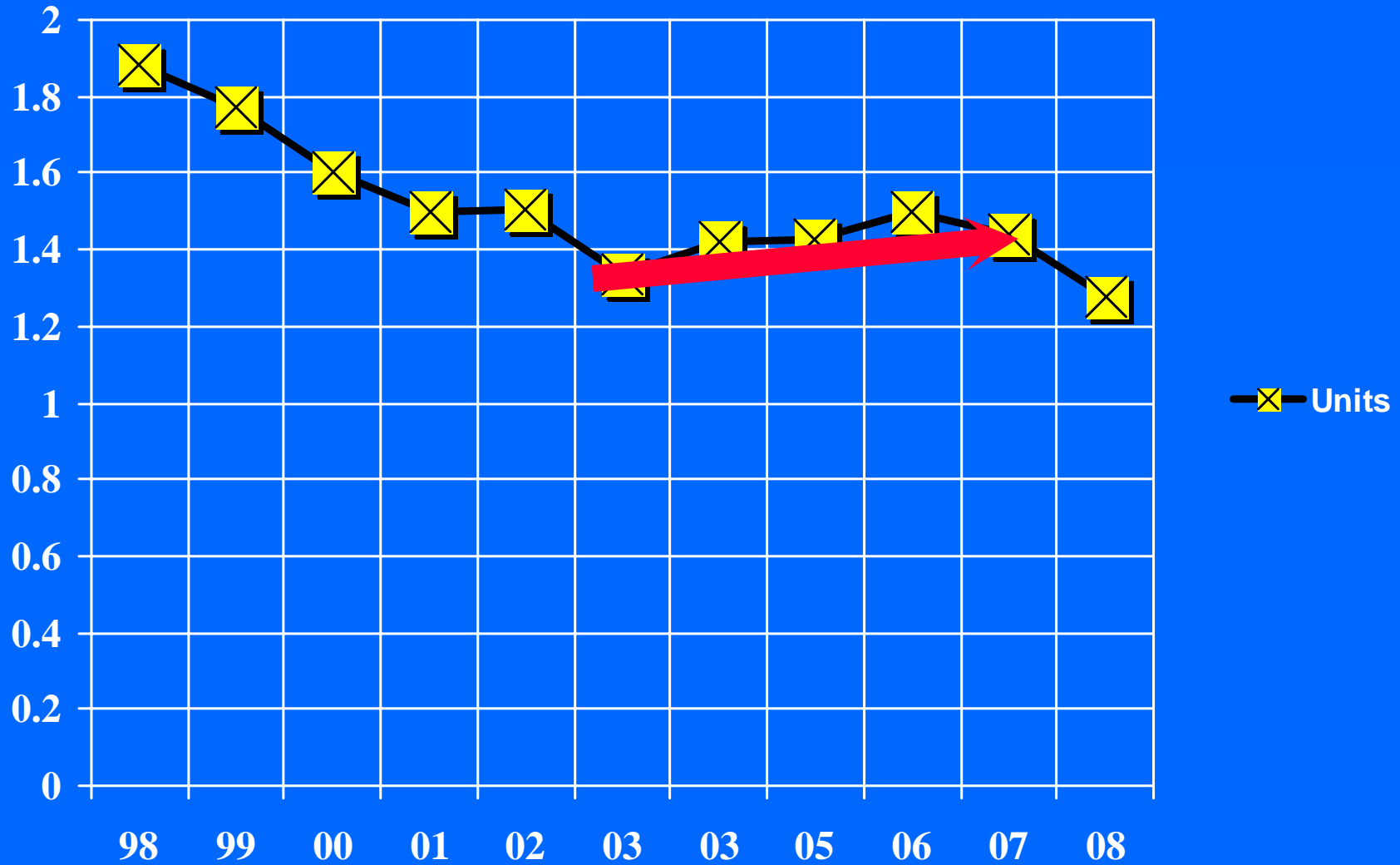
Magazine Retail Performance: '98 to '08

(billions of and units)



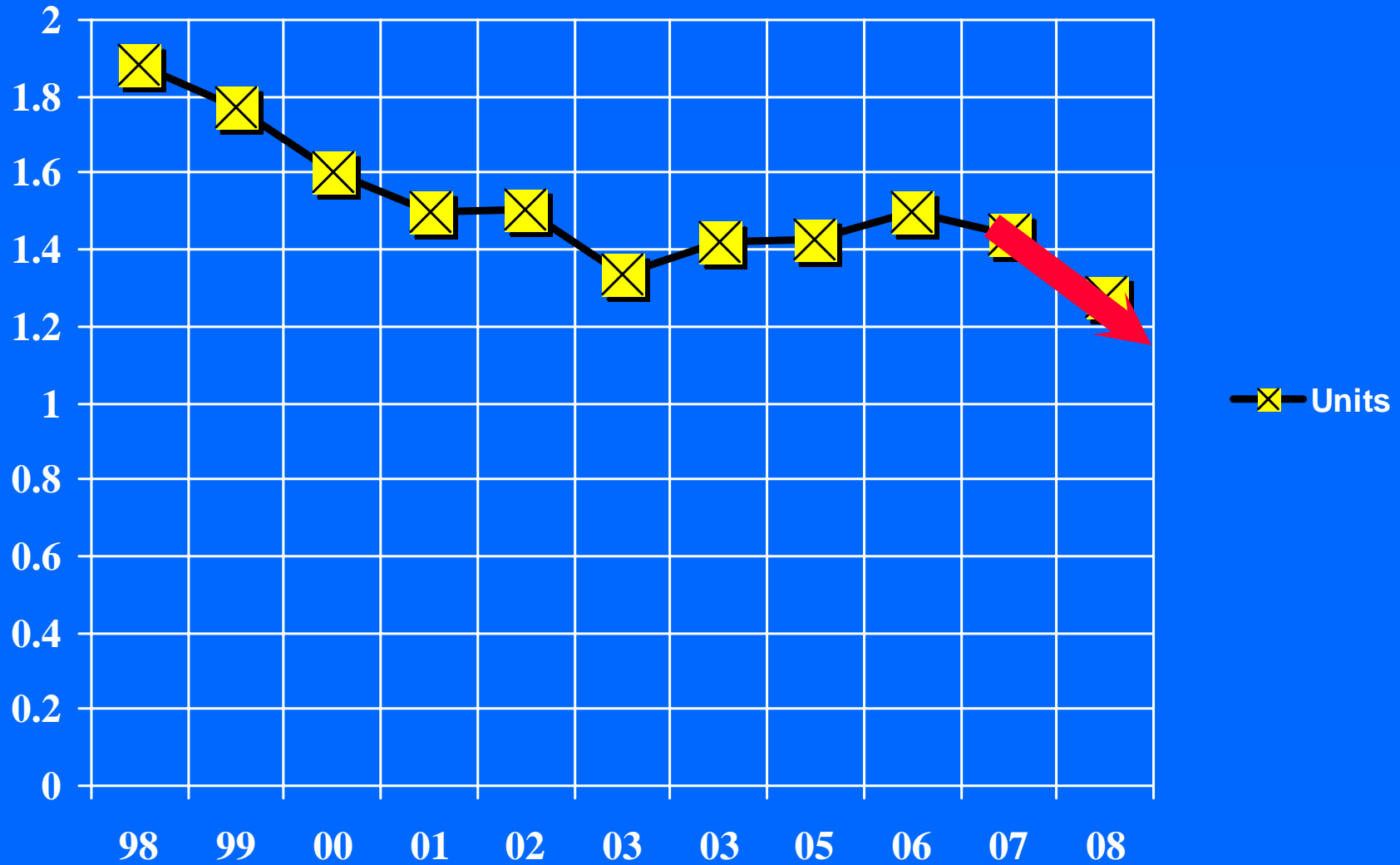
Magazine Retail Performance: '98 to '08

(billions of and units)



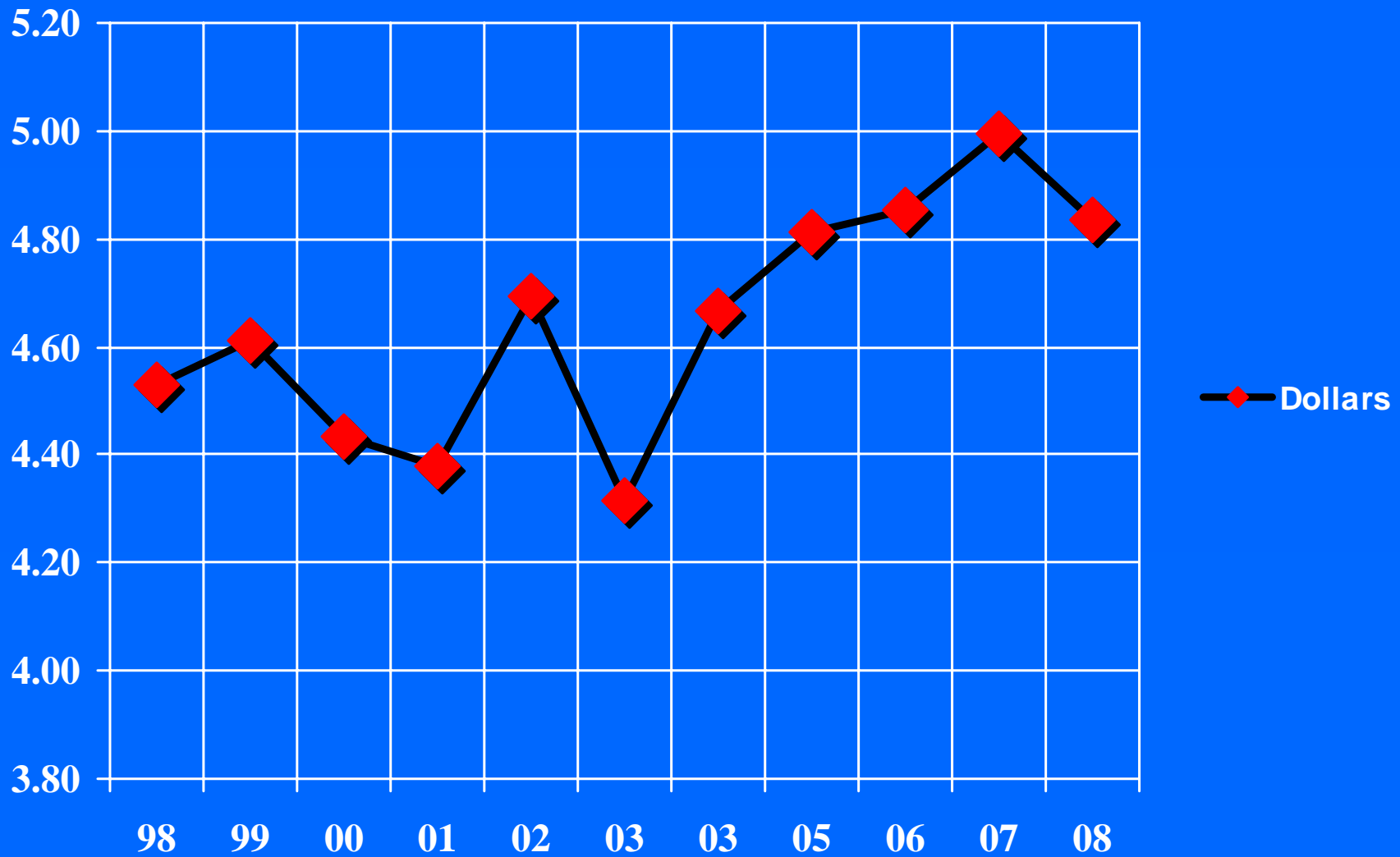
Magazine Retail Performance: '98 to '08

(billions of and units)



Magazine Retail Performance: '98 to '08

(billions of dollars)



Newsstand 2008
Trend or Anomaly?

Issues: Newsstand 2008

- *Economy*
 - *Pricing*
 - *Efficiencies*
 - *Retail Categories*
- *Title categories*
 - *Influence of top titles and their pricing*
 - *Checkout/mainline*
 - *Subscription/newsstand*
- *Use of data*

Newsstand 2008
Trend or Anomaly?

The Economy

- *Store traffic down*
- *More careful shoppers*
- *Most general merchandise categories down*
- *Would you like to be selling cars?*
- *Unprecedented national recession*
- *“We don’t know!” - Sansolo*

*Newsstand 2008
Trend or Anomaly?*

***Average Pricing – Audited Publications
2004–2008***

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Checkout Titles	\$2.97	\$2.98	\$2.97	\$3.08	\$3.43
Mainline Titles	\$4.58	\$4.63	\$4.70	\$4.82	\$5.00
All Audited Titles	\$3.40	\$3.39	\$3.38	\$3.48	\$3.81

Percentage Price Increases

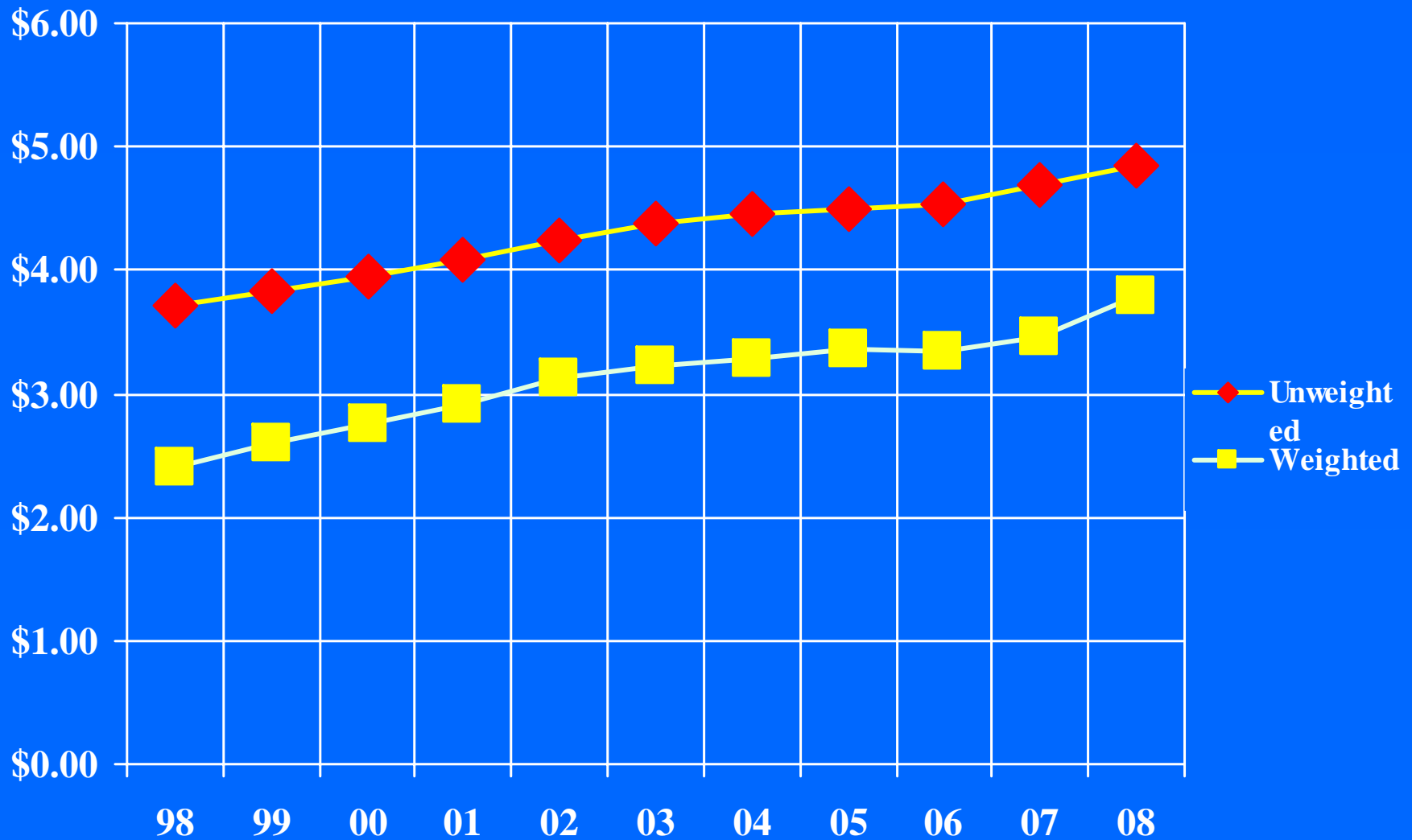
'04 to '08

Checkout Titles - 15.5%
Mainline Titles - 9.2%
All Titles -12.1%

'07 to '08:

Checkout titles - 11.4%
Mainline Titles - 3.7%
All Titles - 9.5

Magazine Cover Prices: 1998 to 2008



Newsstand 2008
Trend or Anomaly?

Sell-Through Trend

	<u>1998</u>	<u>2003</u>	<u>2008</u>
<i>All Titles</i>	37.9%	33.3%	35.2%
<i>Top 25</i>	48.7%	42.6%	38.6%
<i>26 to 100</i>	42.7%	36.4%	32.9%
<i>Rest</i>	30.1%	36.4%	34.8%

Magazine Retail Class of Trade Breakdown - 2008

	<u>Dollar Sales</u>	<u>Share</u>	<u>Unit Sales</u>	<u>Share</u>	<u>Cov Price</u>
<i>Supermarkets</i>	\$1,627,411,061	33.7%	466,972,958	36.6%	\$3.49
<i>Supercenters</i>	\$644,946,155	13.3%	188,637,380	14.8%	\$3.42
<i>Bookstores</i>	\$621,328,163	12.9%	116,653,332	9.2%	\$5.33
<i>Drugstores</i>	\$513,387,896	10.6%	141,833,110	11.1%	\$3.62
<i>Discount Stores</i>	\$332,707,072	6.9%	98,035,298	7.7%	\$3.39
<i>Terminals</i>	\$254,220,903	5.3%	64,399,064	5.1%	\$3.95
<i>Convenience</i>	\$279,641,867	5.8%	67,139,324	5.3%	\$4.17
<i>Newsstands</i>	\$82,518,867	1.7%	19,945,371	1.6%	\$4.14
<i>Club-Bargain</i>	\$141,622,520	2.9%	37,061,898	2.9%	\$3.82
<i>Others</i>	\$336,672,040	7.0%	73,621,898	5.8%	\$4.57
<i>Grand Total</i>	\$4,834,456,544	100%	1,274,299,632	100.0%	\$3.79

*Newsstand 2008
Trend or Anomaly?*

***Sales for the Three Major Title Categories
2nd H 2003 Vs 2nd H 2008***

*Celebrity/Tabloid, Woman's Life Style, Woman's Service
(in '000's)*

	<u>2nd Half 2003</u>			<u>2nd Half 2008</u>			<u>% +/-</u>	
	<u>Units</u>	<u>Revenue</u>	<u>Avg Price</u>	<u>Units</u>	<u>Revenue</u>	<u>Avg Price</u>	<u>Units</u>	<u>Revenue</u>
<i>Celebrity/Tab</i>	139.7	\$392.9	\$2.81	145.1	\$530.1	\$3.65	+3.9 %	+34.9%
<i>Woman's Serv</i>	80.0	\$157.8	\$1.97	62.6	\$134.1	\$2.14	-21.8 %	-15.0%
<i>Wom Life Style</i>	46.1	\$175.3	\$3.80	40.0	\$167.6	\$4.19	-13.2 %	+4.4%
<i>Total</i>	265.8	\$726.0	\$2.73	247.7	\$831.8	\$3.36	-6.8%	+14.6%

*Newsstand 2008
Trend or Anomaly?*

Impact of the Largest Titles

<u><i>Top 25</i></u>	<u><i>1998</i></u>	<u><i>2008</i></u>
<i>Dollars</i>	<i>\$1.498 B</i>	<i>\$1.711 B (+14.2%)</i>
<i>Share</i>	<i>33.1%</i>	<i>35.4%</i>
<i>Units</i>	<i>799 Mill</i>	<i>499 Mill (-37.5%)</i>
<i>Share</i>	<i>42.6%</i>	<i>39.2%</i>

*Newsstand 2008
Trend or Anomaly?*

Impact of the Largest Titles

2nd Half 2000 vs. 2nd Half 2008

1. <u>People</u>	\$112.2	1. <u>People</u>	\$156.5
2. <u>TV Guide</u>	\$82.9	2. <u>Us</u>	\$82.6
3. <u>Nat' Enqu'</u>	\$80.0	3. <u>In Touch</u>	\$64.8
4. <u>Star</u>	\$62.2	4. <u>Star</u>	\$64.0
5. <u>Woman's Wor'</u>	\$49.6	5. <u>Woman's Wor'</u>	\$57.2
6. <u>Cosmo'</u>	\$38.1	6. <u>Nat' Enq'</u>	\$56.3
7. <u>Globe</u>	\$31.0	7. <u>Cosmo'</u>	\$46.6
8. <u>Soap Op' Dig'</u>	\$26.4	8. <u>OK!</u>	\$40.3
9. <u>Woman's Day</u>	\$26.0	9. <u>Life & Style</u>	\$35.9
10. <u>Fam' Circ</u>	\$24.8	10. <u>Globe</u>	\$29.6
	\$533.5		\$634.0

Pct. of Total Checkout: ***2000 – 53.6%*** ***2008 – 59.6%***

Pct. of Total Audited ***2000 – 33.3%*** ***2008 – 40.4 %***

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***Mainline & Checkout Trends, Audited Titles
2nd Half 2008 vs. 2nd Half 2007
(000)***

	<u>2nd Half '08</u>			<u>2nd Half '07</u>			<u>%+/-</u>		
	<i>Units</i>	<i>Revenue</i>	<i>Avg Price</i>	<i>Units</i>	<i>Revenue</i>	<i>Avg Price</i>	<i>Units</i>	<i>Rev</i>	<i>Avg Price</i>
<i>Mainline Titles</i>	<i>100.7</i>	<i>\$504.7</i>	<i>\$5.01</i>	<i>106.8</i>	<i>\$516.6</i>	<i>\$4.84</i>	<i>-5.6%</i>	<i>-2.3%</i>	<i>3.5%</i>
<i>Checkout Titles</i>	<i>304.1</i>	<i>\$1,064.6</i>	<i>\$3.50</i>	<i>370.1</i>	<i>\$1,162.6</i>	<i>\$3.14</i>	<i>-17.8%</i>	<i>-8.4%</i>	<i>11.5%</i>
<i>All Audited Titles</i>	<i>404.8</i>	<i>\$1,569.3</i>	<i>\$3.88</i>	<i>476.9</i>	<i>\$1,679.2</i>	<i>\$3.52</i>	<i>-15.1%</i>	<i>-6.5%</i>	<i>10.2%</i>

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Newsstand to Total Circ Comparisons
Audited Magazines 2002 to 2008
Average Cover Price & Average SubPrice

	<u>Avg N/S</u>	<u>% Change</u>	<u>Avg Sub</u>	<u>% Change</u>	<u>Ratio N/S to Sub</u>
2002	\$3.13		\$1.13		2.77
2008	\$3.81	+21.7%	\$1.08	-4.4%	3.53

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Newsstand as a Percentage of Total Paid/Verified Circulation

(in '000's)

	N/S Circ	Total Paid/V Circ	N/S % Tot Circ
2002	57.2	293.9	19.5
2003	54.2	288.3	18.8
2004	53.2	287.7	18.5
2005	50.8	285.2	17.8
2006	50.0	280.8	17.8
2007	48.7	276.7	17.6
2008	45.4	274.9	16.5
Percent Decline	21.4%	6.6%	

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Data

- *“A lot of data that’s not being utilized.” - Mike Duloc*
- *“We’re not good at data analysis.” - Ron Clark*
- *There is more data available than ever before.*
- *More accessible.*
- *No excuses.*
- *Opportunities for tough times!*

Newsstand 2008
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There are Successes!

- *People - \$300 million at retail!*
- *Cosmopolitan – A record November*
 - *The Economist – Long period of growth*
 - *Vanity Fair – Consistent winners*
- *Obama issues – Retail works!*