

W WHITESTONE COMMUNICATIONS, INC.

WHO'S BUYING WHOM[®]

THIRD QUARTER 2002 VERSUS SECOND QUARTER 2002

OCTOBER 2002

News on mergers and acquisitions in the publishing, information and training markets from Whitestone Communications, Inc., a leading M&A advisory firm. For a complimentary valuation of your business, or to learn more about how Whitestone can help your company meet its strategic goals, please contact Whitestone Managing Director Sharon Sevrens at 212-957-7100, ext. 210, or email "ssevrens@whitestonecommunications.com."

WEAKENING DEAL PACE FOR PUBLISHING, INFORMATION AND TRAINING COMPANIES—THE BAD NEWS CHARTS

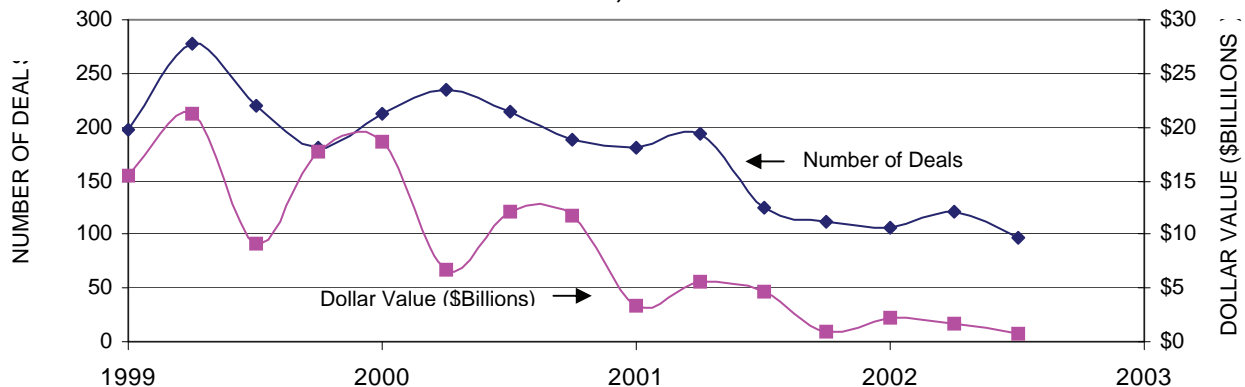
New York, N.Y., October 22, 2002—For the first time, investment bank Whitestone Communications has charted, for multi-year comparison, the extensive data that it has been collecting on transactions—acquisitions and investments—since 1999 on the publishing, information and training fields. The result is not a pretty picture (see charts below).

The number and dollar value of transactions has declined year by year and now are at all-time lows for

the charted period. Whitestone collects this information as part of its research for its annual reference, Who's Buying Whom, the most complete report on acquisitions and investments in the publishing, information and training fields.

(The charts show deal activity in the three fields combined as well as separately for the magazine and training fields.)

TOTAL NUMBER AND DOLLAR VALUE OF DEALS* IN THE PUBLISHING, INFORMATION AND TRAINING INDUSTRIES BY QUARTER, 1999-2002 Q3



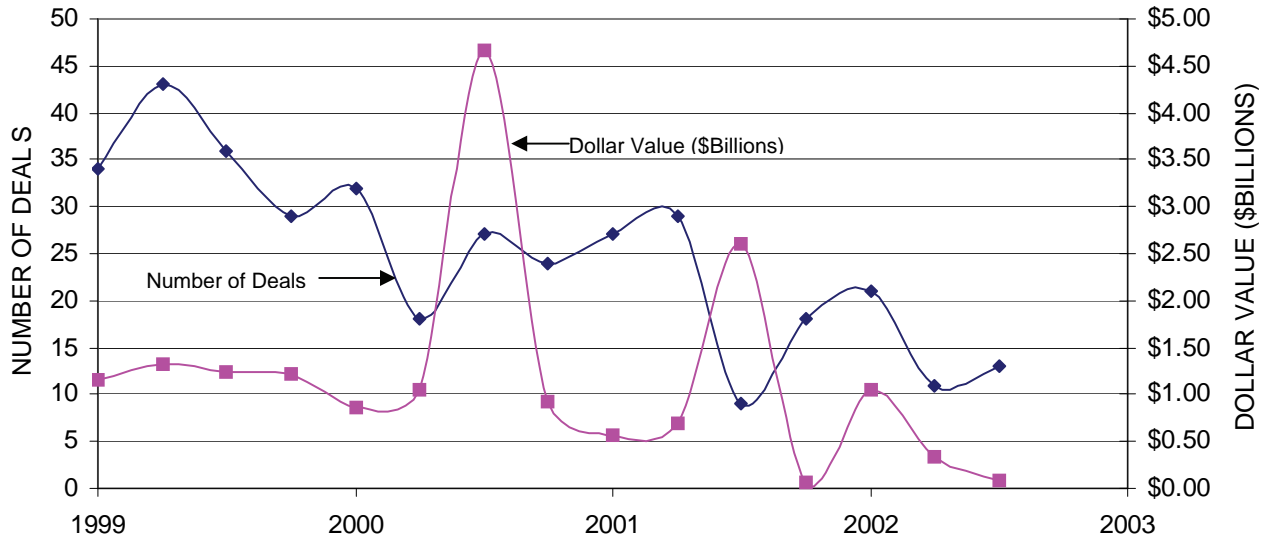
* Deals— Acquisitions and investments.

Excludes unusually large transactions— AOL Time Warner merger in Q1 2000 valued at \$106 billion; and United News & Media's acquisition of Carlton Communications for \$12 billion in Q4 1999.

Source: Whitestone Communications, Inc.

◆ Number of Deals
■ Dollar Value

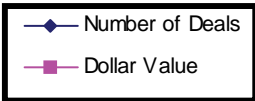
TOTAL NUMBER AND DOLLAR VALUE OF MAGAZINE DEALS * BY QUARTER, 1999-2002 Q3



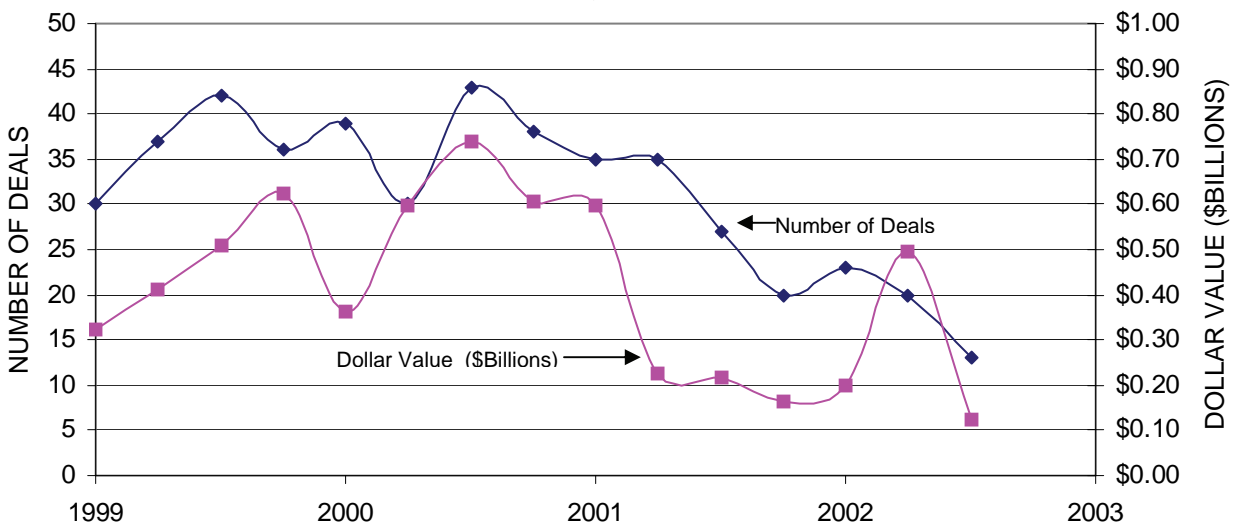
*Deals— Acquisitions and investments.

Excludes unusually large transactions— AOL Time Warner merger in Q1 2000 valued at \$106 billion; United News & Media's acquisition of Carlton Communications and Gemstar International's acquisition of TV Guide valued at \$12 billion and \$9.2 billion, respectively, in Q4 1999.

Source: Whitestone Communications, Inc.



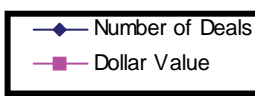
TOTAL NUMBER AND DOLLAR VALUE OF TRAINING COMPANY DEALS* BY QUARTER, 1999-2002 Q3



* Deals— Acquisitions and investments.

Excludes one unusually large transaction— Computer Associates acquisition of Platinum Technology in Q2 1999 for \$3.5 billion.

Source: Whitestone Communications, Inc.



Third Quarter 2002 Transaction Activity Down

New York, N.Y., October 22, 2002—The pace of acquisitions and investments in the publishing, information and training fields for the third quarter 2002 was down compared to the second quarter 2002, reported Whitestone Communications.

"The much rumored economic recovery still remains mostly a rumor," noted Whitestone Managing Director Sharon Sevrens. "We saw deal activity appear to start to rebound earlier this year but the third quarter proved the rebound a mirage. We are going to have to wait for improved general business conditions to see deal-making move to higher ground—and the \$64,000 question is: When will the economic rebound come?"

The number and dollar volume of transactions was down significantly in the third quarter—the number of deals down from 121 in the second quarter of 2002 to 97, the dollar volume off from \$1.7 billion to \$771 million. Separately, acquisitions were down from 91 to 87, dollar volume was off more than half from \$1.3 billion to \$664 million. Investments also declined from 30 to 10 and their value declined from \$385 million to \$107 million for the same period.

The largest acquisitions in the third quarter included: Bowne & Co. paying \$75 million for translation services business Berlitz GlobalNet in a purchase from Berlitz International; SCT buying college web business Campus Pipeline for \$42 million; and the Tribune Company picking up Chicago

Magazine for \$35 million from Primedia. Two of the largest investments were in school providers: Merrill Lynch and School Services, Inc., put \$40 million into Edison Schools while National City Corp., Comerica and others invested \$25 million in charter school manager National Heritage Academies.

MAGAZINES

Magazine Deals In the Doldrums

New York, N.Y., October 22, 2002—Magazine and trade show deal activity continued to be in the doldrums through the third quarter of this year, according to investment bank Whitestone Communications. The number of deals was up slightly over the second quarter while the deal value of these transactions was significantly below the already-depressed second quarter levels.

"We are not out of the woods yet," noted Whitestone Managing Director Sharon Sevrens. "We thought with the uptick in the economy earlier this year that we would be seeing a pick-up in transaction activity, but as the economic recovery has teetered, so has the deal pace."

Comparing the third quarter of this year to the second quarter, Whitestone reports:

The number of acquisitions and investments in the third quarter was 13 versus 11 in the second quarter. Deal value shrunk over 75% from \$333 million to just \$77 million.

As to how far the pace of deals

has declined, Whitestone noted that about 30-40 deals were being done each quarter in 1999 and then 20-30 deals each quarter in 2000 and 2001 until the World Trade Center tragedy. Also over these years, the value of deals was typically \$500 million to \$1.5 billion per quarter.

Both categories of magazines tracked by Whitestone—trade and consumer—were at depressed levels in the third quarter 2002 although the trade magazine category managed to increase the number of deals done from four in the second quarter to eight in the third quarter.

The largest deal of the quarter was Primedia's sale of Chicago Magazine to the Tribune Company for \$35 million.

EDUCATION/ REFERENCE

COMPANY DEAL PACE TREADING WATER

New York, N.Y., October 22, 2002—Transaction activity—acquisitions and investments—among publishing and information companies in the education, reference and technical areas remained about the same in the third quarter 2002 versus the second quarter, reported investment bank Whitestone Communications.

"While treading water, the Education/Reference segment did better than most segments of the publishing/information field, which saw declines in transaction activity," Whitestone President Baran Rosen noted. "The dollar volume on acquisitions and investments actually increased,

indicating continued commitment to these sectors by corporations and financial players.”

The statistics are:

Acquisitions:	3Q 2002	2Q 2002	% Change
Number of Deals	9	10	-10%
Dollar Value (\$MM)	\$125	\$87	44%
Investments:	3Q 2002	2Q 2002	% Change
Number of Deals	2	3	-33%
Dollar Value (\$MM)	\$65	\$46	41%

The largest acquisition in the third quarter was School Specialty's acquisition of ABC School Supply for \$43 million. Large investments included a \$40 million investment in Edison Schools by Merrill Lynch and School Services and a \$25 million investment by National City Corp., Comercia and others in National Heritage Academies, the latter an operator of 25 charter schools.

according to investment bank Whitestone Communications.

“The economic recovery appears to be missing in action,” noted Whitestone Associate Jenifer Lindenman. “If the economy picks up, newsletter and directory publishers will start to see improved bottom lines, leading more of them to consider selling.”

The number of deals in the third quarter was five compared to seven in the second quarter. Activity in both these quarters was below the approximate 10 deals per quarter that were being done in 2001 and 10-20 deals per quarter in 2000.

The value of acquisitions was about \$21 million in the third quarter 2002 compared to \$12 million in the third quarter. The largest deals were two acquisitions by infoUSA as it bought Hill-Donnelly Directory Co. and City Publishing Company—both cross-reference directory publishers.

the already-depressed second quarter levels, according to investment bank Whitestone Communications.

“As training company revenues faltered with the recession, so has the pace of deals,” noted Whitestone Managing Director Gene Gartlan. “We had thought we would see a pick-up in activity by the end of the year, but that now is doubtful.”

While the number of acquisitions remained at nine in the third quarter—the same as the second quarter—the dollar volume dropped dramatically. The statistics on acquisitions and investments are:

Acquisitions:	3Q 2002	2Q 2002	% Change
Number of Deals	9	9	0%
Dollar Value (\$MM)	\$68	\$329	-79%
Investments:	3Q 2002	2Q 2002	% Change
Number of Deals	3	11	-73%
Dollar Value (\$MM)	\$24	\$168	86%

The largest deal of the third quarter was Sylvan Learning Systems' \$39.6 million acquisition of Glion Group in Switzerland. Glion is a hotel school and had 2001 revenue of \$20.3 million and earnings before interest, taxes, depreciation and amortization of \$3.7 million. ■

**NEWSLETTERS/
DIRECTORIES**

**NEWSLETTER
ACQUISITION DEAL
ACTIVITY ANEMIC IN
THIRD QUARTER**

New York, N.Y., October 22, 2002, —Newsletter/directory merger and acquisition activity continued to be anemic in the third quarter of 2002,

TRAINING

**TRAINING COMPANY
TRANSACTIONS
DECLINE IN THIRD
QUARTER**

New York, N.Y., October 22, 2002— Training company transactions— acquisitions and investments— dipped in the third quarter 2002 from

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