

**“The three industries of most concern to Americans in 2009 were health care, automotive and financial services. They happen to be three core industries Hearst Business Media operates within.”**

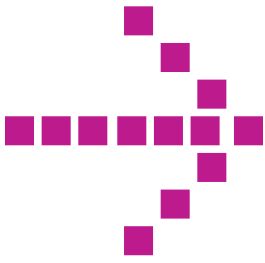
# **WE ARE SUPPORTING OUR CLIENTS’ OPERATIONS AS THEY WORK TO CUT COSTS,**

**while expanding our own operations and seeding innovations that will resonate with businesses for years to come.”**



**HEARST** *business media*

**RICHARD MALLOCH**  
President  
Hearst Business Media



# AS EACH DAY'S HEADLINES BROUGHT MORE DISCOURAGING ECONOMIC NEWS IN 2009, HEARST BUSINESS MEDIA

responded to the business needs of the industries most affected by the recession and the subsequent turbulence of global markets. Innovation thrived as the Group applied strategic information and analysis solutions to meet clients' evolving challenges. The result: double-digit growth in an otherwise shrinking economy.

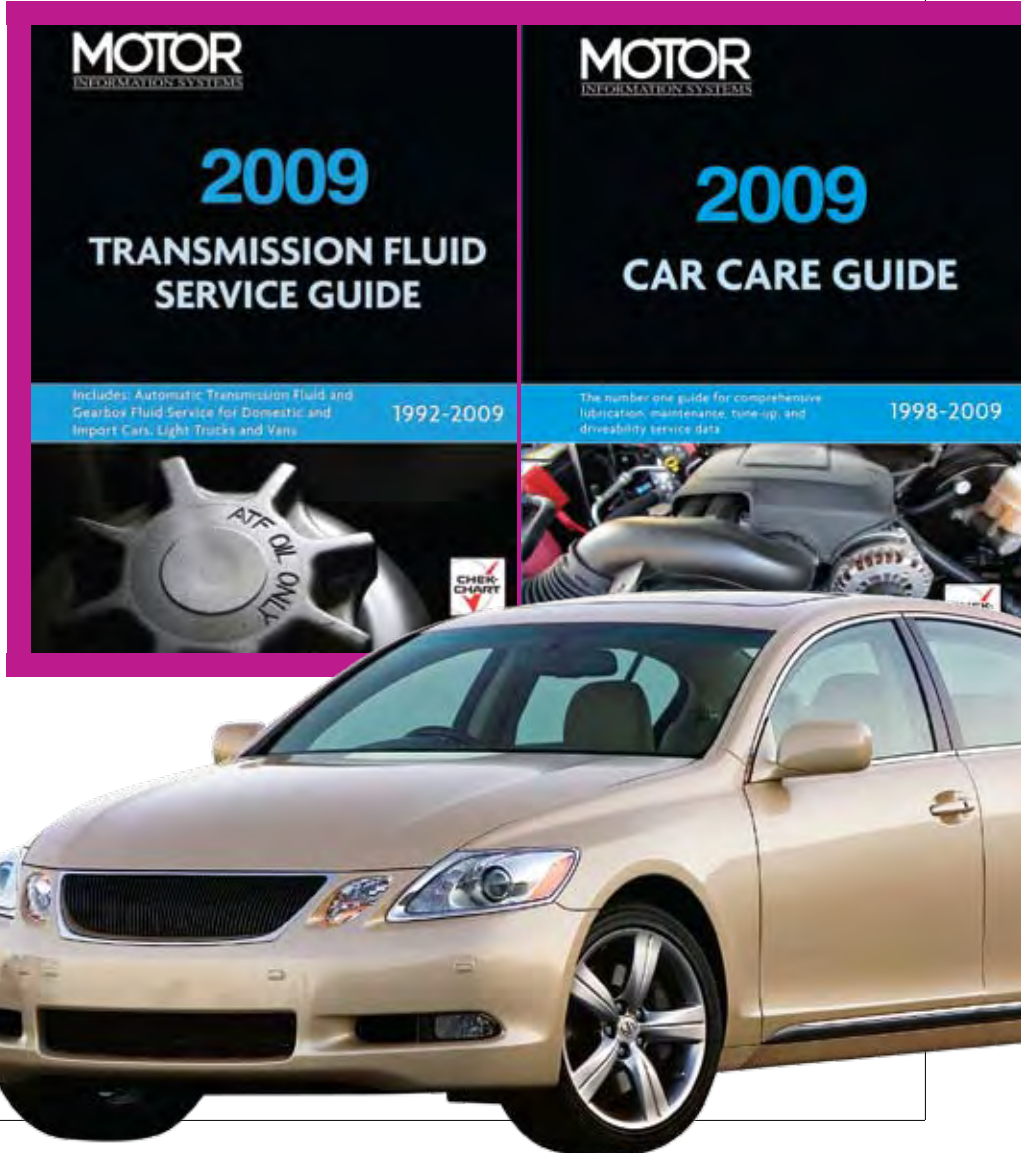


**In automotive, MOTOR's core businesses remained solid in**

**2009 as the company continued to solidify its position as the industry's premier provider of parts and service repair data.** MOTOR's growth was fueled by the heavy truck segment of its business, FleetCross, which yielded strong revenue and profits, reflecting the trucking industry's focus on fleet maintenance.

However, MOTOR's database licensing business was flat in 2009 as the economy forced potential customers to postpone numerous projects. New opportunities materialized toward the year's end as Activant, the automotive aftermarket's leading parts cataloging company, committed to including MOTOR data in its cataloging system.

Reflecting the general magazine market, *MOTOR Magazine* was the hardest hit portion of MOTOR's business, as automotive aftermarket advertising expenditures plunged 35 percent in 2009 from already depressed levels. Aggressive cost reduction, however, effectively minimized the magazine's negative effect on MOTOR's overall performance.



## National Auto Research enjoyed its 17<sup>th</sup> consecutive year of record profits.

### NATIONAL AUTO RESEARCH

National Auto Research (NAR) experienced its 17<sup>th</sup> consecutive year of record profits, reporting an 87 percent increase over the previous year in the number of valuations generated on its business-to-business Web site and third-party Web portals. Sales of printed products declined in a difficult year, particularly for smaller independent car dealers, but licensing revenue from value-added resellers, which primarily focus on larger new and used car franchises, increased 20 percent as their customers demanded timely, independent and accurate Black Book information.

NAR's 2009 product enhancements included the launch of published wholesale values going as far back as 1981, resulting in 63 percent more published values. New product innovations included advanced Web services, daily values for the Canadian market and a new universal API, which allows vehicle identification number access to all of Black Book's information (new, used, motorcycle, heavy truck, U.S. and Canada) through a single user-friendly interface.

# ARE YOU READY FOR CASH FOR CLUNKERS?

MAKE IT WORK BEST  
FOR YOU...

[click here](#)



*Hearst Business Media worked with its automotive customers to capitalize on the federal "cash for clunkers" program, which offered \$3,500 to \$4,500 to people who traded in an old car for a new one with higher fuel economy.*

### VERETECH

Veretech grew its top-line revenue by more than 20 percent, achieving year-over-year pre-tax income growth in excess of 157 percent in its third year as a Hearst Business Media company. Veretech's impressive growth is primarily attributable to significant increases in dealer customers, which totaled more than 3,600 by year's end. Placement on portals such as AOL Autos and Consumer Guide, along with expanded services to 28 auto manufacturer brands, including GM, Ford and Nissan, contributed significantly to Veretech's strong performance.

Despite an unprecedented drop in auto sales and a retrenchment in dealer numbers, the company continued to expand its dealer customer base by promoting services that optimize Web traffic. Dealers and manufacturers used Veretech's growing number of Black Book-branded appraisal tools and features to increase Web site leads and drive more sales. The lead volume generated exceeded 2 million auto shoppers last year and resulted in more than 150,000 incremental vehicle sales for Veretech's satisfied customers.

VERETECH CONTINUED TO EXPAND ITS DEALER  
CUSTOMER BASE BY PROMOTING SERVICES THAT  
OPTIMIZE WEB TRAFFIC.

# HEARST'S PRIME- A-PUMP INNOVATION SUPPLIES THE GUIDANCE TO CONFIGURE SETTINGS ON PUMPS, including information not only from manufacturers, but from textbooks and peer-reviewed MEDICAL LITERATURE.

IN 2009, HEARST BUSINESS MEDIA BEGAN DEVELOPMENT OF A NEW CONTENT INNOVATION CALLED PRIME-A-PUMP. Designed for use by pharmacists, nurses and physicians, Prime-A-Pump is a Web-based tool that provides the recommendations and information necessary for setting safe dose limits in pump devices that administer medications. While there is a growing trend in hospitals today to use so-called "smart" pumps that warn of possible dangerous doses, the industry lacks the dose information to program the pumps. Right now, the pumps are only as smart as the threshold of information that has been put into them—information that can require significant research and analysis.

Hearst's Prime-A-Pump innovation supplies the guidance to configure settings on pumps, including information not only from manufacturers, but from textbooks and peer-reviewed medical literature.

*Continued on next page*



First DataBank and First DataBank International both set all-time-high revenue and profit records in 2009, fueled by expanding relationships with existing customers and maximizing new business opportunities in all sectors around the world. Focusing heavily on aggressive international expansion efforts, which are yielding impressive results, the company achieved a 60 percent increase in revenue in international markets through growth in the Asia Pacific region, the Middle East and Europe.

Domestically, **Hearst Business Media maximized opportunities presented by the American Recovery and Reinvestment Act (ARRA), which in part directs funding toward health-care information technology.** First DataBank has a strong market share and long-standing relationships with electronic medical records companies, hospitals and physicians' practices, all of which are benefiting from ARRA funding. The company expects continued strong revenue growth in 2010 and beyond.

As the movement toward digitizing health-care delivery takes hold around the globe and the appetite for specialized information and applications grows, First DataBank is at the forefront. The company has launched global products that facilitate drug information interoperability across disparate clinical applications. Three data terminology integration products were launched—in the U.S., the U.K. and Australia—that not only enable interoperability among clinical systems across a variety of health-care settings, but also provide clinical decision support using international standards.

# PRIME-A-PUMP WILL BE THE FIRST OF SEVERAL CONTENT INNOVATIONS FOR HEARST IN THE MEDICAL DEVICE FIELD.

## INNOVATION CONTINUED

Prime-A-Pump can significantly decrease the time required to research, build and maintain “smart” pumps with up-to-date drug dose information. It is fully customizable, allowing users to edit and manage their libraries of drugs—and to communicate with other practitioners in an intuitive, interactive and secure social Web environment.

The plan is to beta-test the product in early 2010 while continuing to build out the drug information, and begin to market and sell Prime-A-Pump shortly thereafter. Hearst Business Media believes that Prime-A-Pump will not only significantly help improve patient safety, but will also be the first of several commercially successful content innovations for Hearst in the medical device field.

## Zynx Health

Zynx Health, the world leader in evidence-based health care, saw significant revenue growth in 2009 over the previous year. Zynx Health’s client base also grew, with an increase in the number of hospital sites and outpatient physician clientele. Zynx Health clients have customized more than 5.7 million “order sentences” in the effort to integrate information into clinical workflows.

In addition to U.S. market growth, Zynx Health expanded internationally with its first installations of Zynx Health solutions in the United Arab Emirates at Sheikh Khalifa Medical City in Abu Dhabi and American Hospital Dubai, while establishing a new Middle East data center to support the IT infrastructure needs of the region’s promising market.

## map of medicine®

Following Hearst’s 2008 acquisition of Map of Medicine, the company has focused on enhancing the value of its product in the U.K. market while developing other international opportunities. It moved to new offices in London, providing a base for both Map of Medicine and Zynx Health businesses in the U.K.

Because Map of Medicine solutions do not require automated health-care information technology, they can have maximum impact on the health and safety of populations worldwide. The company builds localized checklists and care maps that can be made to fit a range of different health-care systems regardless of the community’s available technology.

In 2009, product usage increased 24 percent, while the number of local “pathways” created by customers jumped from 44 to 236. Map of Medicine’s product achieved 100 percent adoption in northwest England, covering 24 health communities and a population of 5 million. Thirty pathways were accredited by Royal Colleges, establishing them as “best practice” in the U.K.



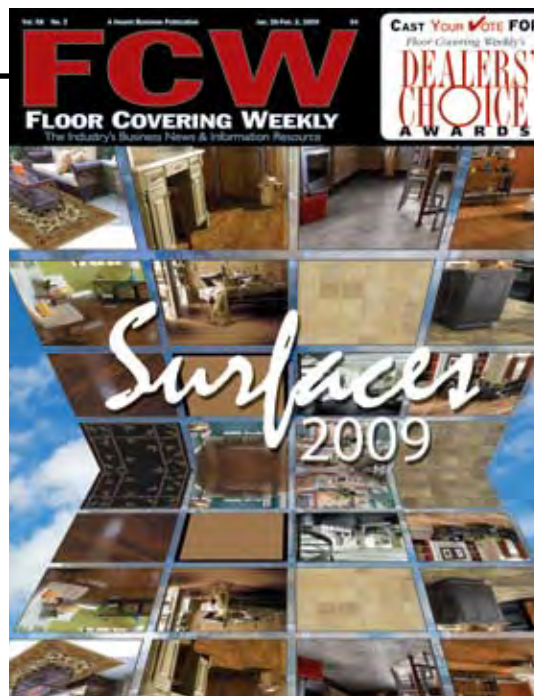
# HEARST INCREASED ITS STAKE IN FITCH GROUP FROM 20% TO 40%.

## UNITED TECHNICAL PUBLISHING

In 2009, United Technical Publishing (UTP) transitioned *Electronic Engineers Master* from a print catalog to a multimedia Web site. The company launched its inventory tool in China, bringing the industry's first authorized distribution inventory aggregated in one place to that market. On the print side, UTP's ability to grow market share was a bright spot. *Electronic Products* was the No. 1 publication in its category for the first time in the magazine's 30-plus-year existence. Online business remained steady, despite a general market decline; it now represents approximately 45 percent of the company's overall revenue.

## FCW FLOOR COVERING WEEKLY

In 2009, *Floor Covering Weekly* announced the winners of its first annual GreenStep Award program, which supports and promotes environmental sustainability initiatives throughout the flooring industry. **GreenStep is the industry's first environmental awards and recognition program.** An outgrowth of 2008's green issue, this program provides an industry forum for all participating manufacturers, recognizes leadership in the critical areas of product, process and promotion, and includes the Pinnacle Award for environmental leadership.



**"We're pleased that we could support so many customers and industries that felt the worst effects of the global economy in 2009," Malloch says. "And we will continue to be just as vital to their businesses as they recover."**

## Fitch Ratings KNOW YOUR RISK

In the financial sector, Hearst increased its stake in Fitch Group from 20 percent to 40 percent in late 2009. Fitch Group's primary subsidiary, Fitch Ratings, is a leading global provider of credit ratings and research for the world's capital markets.

Throughout the financial crisis, Fitch published numerous key research reports and commentary pieces on its rating actions that were well received by investors despite the continuing negative headlines regarding credit rating agencies.

Revenues for Fitch showed a modest decline in light of the difficult conditions in global credit markets, which were somewhat offset by the advent of a variety of government support programs. Fitch Group's other major subsidiary, Algorithmics, the leading provider of enterprise risk management solutions, also saw a modest revenue decline in 2009. Signs of improvement in the level of global debt issuance, the primary driver of Fitch's revenues, are becoming visible as the global economy begins to recover.