



Annual Report 2006-2007 Chairman's Message

Dear BPA Worldwide Member:

Fiscal year 2006-2007 has been one marked by major initiatives and a number of significant advancements for BPA Worldwide.

As always, our initiatives have been driven and informed by the realities of continual change within the worldwide environment in which BPA operates: economies adjusting to shifting social and political climates; technologies dramatically facilitating the exchange of information; media owners modifying their formats, delivery mechanisms, content and marketing methods to meet the needs of their audiences; advertisers and media buyers honing their marketing strategies and integrated media mixes; supplier partners responding with upgraded systems and services for both media owners and the advertising community.

To maintain our position as the world's leading independent media auditor, BPA seeks not only to stay abreast of all of these developments, but to anticipate and respond proactively to changing industry needs. The commitment, dedication and foresight of BPA's board members, support committees and staff form the foundation for achieving this mission.

For the year ending June 30, 2007, BPA's notable initiatives and achievements include:

- A consulting agreement with motum b2b (Toronto) in which we have initiated an Advertiser/Agency outreach program and tactics for increasing communication to media buyers and marketers. The goal of the program is to solidify these groups' use of audited media and discourage investing in un-audited media, whether print, online or face-to-face events.
- Further growth for both BPA and Exhibit Surveys, Inc. as a result of our joint agreement to offer Event InsightsSM. The number of BPA-audited events should continue to increase both domestically and abroad. The staff is also working to encourage exhibitors to ask for audits for the events they attend. [Click here](#) for the Events Audit Year in Review.
- The staff is currently evaluating market opportunities to determine the best methodology to take advantage of the anticipated increased demand for interactive audits. We are exploring new technologies that will make the audit process more efficient and deliver results on a more timely basis.
- Our new in-house production system—NextGen—will be capable of yielding a database made up of members' circulation statistics and other data that can be mined and monetized. Importantly, NextGen will improve the statement filing process and improve production times.
- The [BPA website](#) continues to transition from its role in BPA's 2004 branding initiative to increasing its functionality as a data tool for members, media buyers and advertisers.

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- BPA will continue to seek both new business and expansion opportunities around the world in existing and untried markets. Existing markets in which we are currently exploring further growth include China, Central Eastern Europe, Greece, India, Thailand and UAE.
- Maintenance of industry-leading audit completion rates, with 95%-plus of all audits completed within six months of the end of a reporting period.

Overall, 2006-2007 represented a continued focus on the business fundamentals that position BPA for ongoing success, including the commitment of human and financial resources to the delivery of innovative products and highly efficient customer service for all BPA members.

In addition, I wanted to thank BPA's members, staff and board for their support these last two years as I served as Chairman of the Board for BPA Worldwide and the last six I have served on the Board. I am extremely proud of the accomplishments the team has had over this time and very bullish on the years ahead for BPA Worldwide. To name a few key milestones:

- The significant turnaround financially from deficits to surpluses, from the lowest of the low to improving the sound financial condition of BPA and achieving a revenue level which is the highest in the company's 75-year history.
- The strengthening of the BPA brand image in the marketplace.
- The movement to new markets and the introduction of new offerings.
- The investment and payoff of key strategic initiatives including shifting the headquarters, production system investments, events audit investments, movements into China and the Middle East, to name a few.
- Adding to the management strength of the BPA staff worldwide.
- The development of new compensation systems creating incentives for all levels of BPA employees to participate in its success today and in the future.
- And of course the further strengthening of the highest integrity audit processes in the industry.

All told it has been an honor and a pleasure to work with all of you—BPA members, the BPA staff and the Board these last six years and the last two as Chairman. I very much look forward to the next year as Immediate Past Chairman and will be sad to leave as my term comes to an end.

Thank you for allowing me to be part of history.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Kahan', written in a cursive style.

John Kahan
General Manager
Global Relationship Marketing Group
Microsoft Corporation
and Immediate Past Chairman, BPA Worldwide

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Annual Report 2006-2007

Treasurer's Report

Each year, when developing BPA Worldwide's Strategic Plan for the succeeding three-year period, we establish objectives to maintain the organization's financial stability.

Revenue opportunities and expense control objectives are regularly reviewed by the Board of Directors and Executive Committee, to monitor progress.

In 2006-2007, planned investments were made including an agency outreach program to discourage the trend of advertisers investing in unaudited media; growth of the Events Audit sector of the business both domestically and abroad; evaluating market opportunities to determine the best methodology to take advantage of the anticipated increased demand for interactive audits; BPA's new in-house production system that will be capable of yielding a database made up of members' circulation statistics and other data that can be mined and monetized; the continued development of the BPA website as a functional and valuable tool for both members and staff; and ongoing membership expansion worldwide.

With careful planning and execution, BPA achieved or advanced these objectives and met its financial goals, ending the year with a net gain from operations.

Looking forward, we are confident that our commitment to providing quality products and services of high value to our members will ensure that BPA remains a strong and vibrant organization.

Niel Hiscox
Treasurer

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Annual Report 2006-2007 Membership Summary

While the B-to-B and consumer publications industries continue to face heightened competition from online and wireless media and face-to-face events, BPA Worldwide's total media-property membership for the 2006-2007 fiscal year increased (1.5%), to 2,547. When coupled with our media buyer membership, we maintain our position as the auditor of media with the world's largest membership.

The increasing diversity of our media-owner membership confirms the viability of third-party verification audits within all arenas of media measurement:

- 1,900 business publications
- 424 consumer magazines
- 109 newspapers
- 54 events/expositions
- 26 interactive firms
- 34 additional audits of other media platforms

Two critical indicators of BPA's health, initial audits and applications, continued a recent trend of strong years:

- 261 applicants completed their initial audits and were inducted as new members (surpassing the fiscal goal of 259, as well as the previous year's 208 actual);
- 259 media owners applied for membership, assuring continued membership gains for the near future.

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Annual Report 2006-2007 Events/Achievements in Review

BPA set ambitious goals and strategic initiatives for fiscal 2006-2007. These objectives, and more, were accomplished. Below are highlights of events and achievements, organized chronologically, by membership region.

United States

- 144 US-based media owners applied for BPA membership. Notable titles included *Orlando Magazine*, *Travel Weekly*, *Washington CEO*, *Greenwich Magazine* and *Highlights High Five*.
- 140 applicants in the US completed their initial audits and were voted into membership this year. Among the new members in fiscal 2006-2007 were *Relish*, *Corvette Quarterly*, *Business Traveler* and *Cycle News*.
- BPA's Events Audit team welcomed a total of 30 new US members as the result of completed audits. Included were Interop Las Vegas 2006, ASIS International and LinuxWorld San Francisco.
- BPA approved a new consumer magazine reporting format (effective with the June 2007 circulation statement) with much clearer reporting of Public Place copies.
- Rules regarding continuous/non-continuous service were revised allowing circulation to be identified as continuous with at least three months of consecutive service; up to 5% of total qualified circulation may be served less than three months service without further disclosure.
- Membership Benefit source rules were amended so that a publication need not be the "official" publication of an association to qualify as a benefit of membership.
- BPA announced its Interactive Accreditation, which will be achieved by all participants who successfully complete certification for an ad server system.

Canada

- The Canadian Association of Events Management (CAEM) recognized BPA/CCAB as a certified events audit organization and continue to work with BPA to create guidelines for event audits in Canada.
- BPA/CCAB completed an Events Audit for InfoSecurity Canada and recently welcomed them as a new member.
- **A number of communications initiatives took place this year, including: presentations to advertising agencies throughout Canada designed to reinforce the value of audited media; hosting sessions at Magazine's University; presenting at the CAN/CCMA Newspaper Conference and the Flyer Distribution Standards Association; and participating at Magazines Canada MagNet.**

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Annual Report 2006-2007 Events/Achievements in Review

China/Asia Pacific

- BPA presented at the plenary session of the third China Expo Forum for International Cooperation in Shanghai China in January 2007.
- BPA sponsored and attended the Media Work III program in Bangkok, Thailand in March 2007 where more than 140 media planners received training in effectively evaluating media.
- In cooperation with Thailand Convention and Exhibition Bureau, BPA conducted the first event audit, VIV ASIA 2007, in Bangkok, Thailand in April 2007.
- BPA moderated a panel on audits and research at the 36th FIPP World Congress in Beijing, China in May 2007.

Europe/Middle East/Africa

- BPA sponsored the Association of Indian Magazines conference in October 2006. BPA staff attended the event and participated in a discussion panel on how the world views the opportunities in the Indian magazine market.
- In November 2006, BPA was named to the e-Marketing Review Panel of the Arab Internet Standards Organization (Interstandards), whose mission it is set of quality standards for the region's internet industry.
- Several media properties around the region sought to become new BPA members, including *Akhbar Al Arab* (UAE); *Bahrain This Month* (Bahrain); *Forbes Arabia* (UAE); *The Week* (Oman); and *Zaman* (Turkey).
- BPA's first Middle East Advisory Board convened in October 2006 with its second meeting in April 2007.
- In January 2007, BPA staff attended the UFI conference in Oman with the emphasis on promoting event auditing in Middle East.
- BPA in March 2007 completed the Ad Server Certification for Adtech.de, a major online ad network based in Germany. Adtech.de was then purchased by AOL.
- In April 2007, BPA ran its first Circ Day Dubai, a training course in circulation and auditing.
- BPA retained Cross Border Media Inc. in May 2007 to facilitate its entry into the key Indian market as part of BPA's growing media membership around the world.
- In June 2007, Computerwoche, from IDG in Germany, applied for BPA membership.
- BPA received an application for its first consumer magazine audit in Greece—CAR Magazine.

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Annual Report 2006-2007

Events/Achievements in Review

United Kingdom

- In October 2006, BPA staff attended the IFABC global conference in London, UK.
- BPA gained AEO approval in February 2007, such that trade show organizers now have greater choice to provide verified, qualitative information regarding their show attendees.
- BPA completed its first Event + Research audit in May 2007 in conjunction with Vivid Interface for *Internet World*.

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Annual Report 2006-2007 Commitments to Stakeholders

BPA serves many stakeholders, with varying needs and interests. As we look toward the opportunities and tasks before us, BPA will continually reinforce our commitment to working with our stakeholders in a climate of mutual respect, recognizing their needs and their critical roles in the attainment of our vision and objectives.

To our members, we promise to...

- continue to provide verified audience data of the highest integrity and accuracy in a timely manner;
- provide faster, easier access to audience data;
- provide new, innovative and enhanced products that meet the changing needs of the buyers and sellers of media;
- implement positive changes that facilitate and complement changes in the marketplace;
- invest in our staff and technology to facilitate exemplary customer service;
- provide educational forums for the media industry; and
- add value to your businesses.

To our employees, we promise to...

- provide competitive compensation and benefits;
- provide a secure, stable, challenging and rewarding work environment with advancement opportunities;
- foster a culture of educational and career development;
- cultivate you as knowledge brokers; and
- add value to your careers.

To our board/committees, we promise to...

- operate the business in a professional and ethical manner;
- not become a commodity traded on price;
- follow direction and implement initiatives;
- provide information regarding operation and market trends;
- continue/expand our commitment to education for all sectors of membership; and
- add value to your time commitment to BPA.

To our advertisers/agencies, we promise to...

- continue to provide verified audience data of the highest integrity and accuracy in a timely manner;
- provide faster, easier access to audience data;
- provide new, innovative and enhanced products that meet the changing needs of the buyers and sellers of media;
- implement constructive changes that facilitate and complement changes in the marketplace;
- invest in our staff and technology to facilitate exemplary customer service;
- provide educational forums for the media industry; and
- add value to your process of assessing accountability.

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Annual Report 2006-2007 Commitments to Stakeholders

To suppliers to the industry, we promise to...

- provide constant information on activities and developments;
- exchange ideas in areas of mutual interest;
- collaborate to establish efficiencies, which benefit all parties; and
- add value to your business.

To suppliers to BPA Worldwide, we promise to...

- provide clear, concise directions and objective feedback;
- pay a fair price for goods and services; and
- add value to your businesses.

To the press, we promise to...

- provide timely, immediate industry information;
- facilitate interview opportunities with experts in the media industry;
- be the industry's first choice for verified audience data; and
- add value to your content.

To circulation professionals, we promise to...

- provide training and instruction on circulation matters;
- be responsive in addressing circulation issues; and
- add value to your careers through professional development.