PRIMEDIA INC
Form 10-K/A
September 23, 2004

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A
Amendment No. 1

**[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended: December 31, 2003**

OR

**[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File number: 1-11106

PRIMEDIA Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**13-3647573** (I.R.S. Employer Identification No.)
745 Fifth Avenue, New York, New York (Address of principal executive offices)	**10151** (Zip Code)

(212) 745-0100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $.01 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

[X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

Yes X No

The aggregate market value of the voting common equity of PRIMEDIA Inc. ("PRIMEDIA") which is held by non-affiliates of PRIMEDIA, computed by reference to the closing price as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2003, was approximately $303 million. The registrant has no non-voting common stock.

As of February 27, 2004, 259,916,007 shares of PRIMEDIA's Common Stock were outstanding.

The following documents are incorporated into this Form 10-K by reference: None.

PRIMEDIA INC.
FORM 10-K/A
INTRODUCTORY NOTE

We are filing this Amendment No. 1 to our annual report on Form 10-K for the year ended December 31, 2003 to insert the conformed signatures which inadvertently had been omitted from the signature lines contained on the "Signatures" page to our annual report on Form 10-K for the year ended December 31, 2003, which was originally filed on March 15, 2004 (the "Form 10-K").

In connection with the filing of this Amendment No. 1 and pursuant to the SEC rules promulgated pursuant to the Securities Exchange Act of 1934, as amended, we are including with this Amendment No. 1 a currently dated consent of independent registered public accounting firm and certain currently dated certifications. Except as described above, no other amendments are being made to the Form 10-K. This Amendment No. 1 does not reflect events occurring after the March 15, 2004 filing of the Form 10-K or modify or update the disclosure contained in the Form 10-K in any way other than as required to reflect the amendments discussed above and reflected below.

Table of Guarantors

Exact Name of Registrant as Specified in its Charter	State or other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
Canoe & Kayak, Inc.	Delaware	51112	41-1895510
Channel One Communications Corp.	Delaware	51312	13-3783278
Cover Concepts Marketing Services, LLC	Delaware	54189	04-3370389
CSK Publishing Company Inc.	Delaware	51112	13-3023395
Films for the Humanities & Sciences, Inc.	Delaware	51211	13-1932571
Go Lo Entertainment, Inc.	California	56192	95-4307031
Haas Publishing Companies, Inc.	Delaware	51113	58-1858150
Hacienda Productions, Inc.	Delaware	51211	13-4167234
HPC Brazil, Inc.	Delaware	51113	13-4083040
IntelliChoice, Inc.	California	51112	77-0168905
Kagan Media Appraisals, Inc.	Delaware	51112	77-0157500
Kagan Seminars, Inc.	Delaware	51112	94-2515843
Kagan World Media, Inc.	Delaware	51112	77-0225377
McMullen Argus Publishing, Inc.	California	51112	95-2663753
Media Central IP Corp	Delaware	551112	13-4199107
Motor Trend Auto Shows Inc.	Delaware	56192	57-1157124
Paul Kagan Associates, Inc.	Delaware	51112	13-4140957
PRIMEDIA Business Magazines & Media Inc.	Delaware	51112	48-1071277
PRIMEDIA Companies Inc.	Delaware	551112	13-4177687
PRIMEDIA Enthusiast Publications, Inc.	Pennsylvania	51112	23-1577768
PRIMEDIA Finance Shared Services, Inc.	Delaware	551112	13-4144616
PRIMEDIA Holdings III Inc.	Delaware	551112	13-3617238
PRIMEDIA Information Inc.	Delaware	51112	13-3555670
PRIMEDIA Leisure Group Inc.	Delaware	551112	51-0386031
PRIMEDIA Magazines Inc.	Delaware	51112	13-3616344
PRIMEDIA Magazine Finance Inc.	Delaware	51112	13-3616343
PRIMEDIA Special Interest Publications Inc.	Delaware	51112	52-1654079
PRIMEDIA Specialty Group Inc.	Delaware	551112	36-4099296
PRIMEDIA Workplace Learning LLC	Delaware	61143	13-4119787
PRIMEDIA Workplace Learning LP	Delaware	61143	13-4119784
Simba Information Inc.	Connecticut	51112	06-1281600
The Virtual Flyshop, Inc.	Colorado	51112	84-1318377

The address, including zip code, and telephone number, including area code, of each additional registrant's principal executive office is 745 Fifth Avenue, New York, New York 10151 (212-745-0100).

These companies are listed as guarantors of the debt securities of the registrant. The consolidating financial statements of the Company depicting separately its guarantor and non-guarantor subsidiaries are presented as Note 27 of the notes to the consolidated financial statements. All of the equity securities of each of the guarantors set forth in the table above are owned, either directly or indirectly, by PRIMEDIA Inc., and there has been no default during the preceding 36 calendar months with respect to any indebtedness or material long-term leases of PRIMEDIA Inc. or any of the guarantors.

PRIMEDIA Inc.

Annual Report on Form 10-K
December 31, 2003

PART I

ITEM 1. BUSINESS.

General

PRIMEDIA Inc. ("PRIMEDIA" or the "Company") is one of the largest targeted media companies in the United States. Our properties deliver content via print (magazines, books and directories), live events (trade and consumer shows), video, as well as the Internet and other marketing solutions in niche markets.

In October 2003, PRIMEDIA appointed Kelly P. Conlin as its President and Chief Executive Officer. Mr. Conlin is now PRIMEDIA's chief operating decision maker. After reviewing the Company's operations, Mr. Conlin and the executive team implemented a change in the Company's reportable segments effective in the fourth quarter of 2003 to conform with the way the Company's businesses are assessed and managed. As a result of this change in reportable segments, all prior periods were restated to conform with the new segment format.

The Company's newly designated segments are comprised of: Enthusiast Media, Consumer Guides, Business Information and Education and Training. The results of these newly established segments will, consistent with past practice, be regularly reviewed by the Company's chief operating decision maker and the executive team to determine how resources will be allocated to each segment and to assess the performance of each segment.

Enthusiast Media Segment

PRIMEDIA Enthusiast Media encompasses the Company's consumer magazines, their related Web sites and live events, and About.com ("About"). The Enthusiast Media segment includes 121 consumer magazine titles, is the third largest overall producer of magazine advertising pages in the U.S., according to Media Industry Newsletter, February 2, 2004, and has leading market positions in the Automotive, Outdoors, Action Sports, Crafts, History, Marine, Equine and Home Technology categories. Brands include *Automobile*, *Creating Keepsakes*, *Florida Sportsman*, *Hot Rod*, *In-Fisherman*, *Motor Trend*, *Power & Motoryacht*, *Super Street*, *Surfer*, *Stereophile* and *Truckin'*. About and the magazine-branded Web sites collectively are the 10th most visited collection of consumer Web sites in the U.S. as ranked by Nielsen/Net Ratings, and had an average of 29.6 million unique visitors each month in 2003.

Enthusiast Media Products

Group	Publications	Web Sites	Events	Representative Brands
Enthusiast Automotive	52	52	31	*Hot Rod*, *Truckin'*, *Super Street*, *Lowrider*, *Motorcyclist*, *Four Wheeler*, *Muscle Mustangs & Fast Fords*
Consumer Automotive	3	4	17	*Motor Trend*, *Automobile*, *Truck Trend*, *IntelliChoice*
Outdoors	16	17	17	*In-Fisherman*, *Game & Fish*, *Florida Sportsman*
Action Sports	10	11	25	*Surfer*, *Snowboarder*, *Slam*
Home Technology	7	5	3	*Stereophile*, *Home Theater*, *Shutterbug*, *PHOTOgraphic*
Lifestyles	33	21	14	*Creating Keepsakes*, *Power & Motoryacht*, *EQUUS*, *SAIL*, *Soap Opera Digest*, *American History*
Online Guides		450		About.com
Total	**121**	**560**	**107**	

For the year ended December 31, 2003, in the Enthusiast Media segment, 54% of revenues were from advertising, 38% from circulation and 8% from other sources.

The Company's consumer magazine circulation revenue is divided equally between retail sales (largely newsstand) and subscriptions. To acquire new subscribers, the Company solicits through direct mail, telemarketing, in-magazine promotions and the Internet, including the Company's Web sites.

Readers value enthusiast magazines for their targeted editorial content and also rely on them as primary sources of information in the relevant topic areas. This aspect makes the enthusiast magazines important media buys for advertisers. Advertising sales for the Company's enthusiast magazines are generated largely by in-house sales forces. The magazines compete for advertising on the basis of circulation and the niche markets they serve. Each of the Company's enthusiast magazines faces competition in its subject area from a variety of publishers and competes for readers on the basis of the high quality of its targeted editorial, which is provided by in-house and freelance writers.

The Company publishes 55 automotive magazines, including consumer automotive titles such as *Automobile* and *Motor Trend* which cater to the high-end and new car automotive market, as well as highly specialized enthusiast titles such as *Truckin'*, *Lowrider*, *Muscle Mustang & Fast Fords*, *Vette*, *Motorcyclist*, *Dirt Rider* and *Sport Compact Car*. The Company's 55 automotive magazines represent the largest portfolio of magazines in the enthusiast and the consumer automotive categories. Supplementing the print publications, PRIMEDIA has a strong presence on the Internet with a companion Web site to each publication or a presence for each publication on the About network. In the high-end and new car markets, PRIMEDIA's publications compete against *Car and Driver* and *Road and Track*, both owned by Hachette Filipacchi Media.

The Company is a leading publisher of magazines for outdoor and other enthusiast markets with such titles as *Fly Fisherman*, *Power & Motoryacht*, *EQUUS*, and *Creating Keepsakes*. The Company also publishes numerous magazines targeting action sports enthusiasts such as *Surfer*, *Surfing*, *Skateboarder* and *Snowboarder*. In the consumer technology market, the Company's publications include *PHOTOgraphic*, *Home Theater* and *Stereophile*. The Company's major competitors in the enthusiast market include the Time4Media division of Time Warner Inc., Hachette Filipacchi Media and Meredith Publishing, a subsidiary of Meredith Corporation. The Company also competes in individual enthusiast markets with a number of smaller, privately-owned or regionally-based magazine publishers.

PRIMEDIA publishes two leading soap opera magazines, *Soap Opera Digest* and *Soap Opera Weekly*. Both publications compete with Bauer Publishing.

The Company operates RetailVision, a specialty magazine distribution company, which distributes over 700 titles, including the titles of 80 other publishers, to over 50,000 independent niche retail locations such as auto parts retailers, craft shops, tackle shops, and music stores.

About is a leading producer of information and original content on the Internet. About generates revenue from two primary sources: brand advertising on the About network and auction-based pay per click classified advertising (both "search" and "contextual").

About consists of a network of 450 highly-targeted Web sites covering over 10,000 discrete topics. The information and original content on the Web sites are generated by experts known as "Guides." All Guides must successfully complete the About training program. In the fourth quarter of 2003, the Company entered into a four-year services agreement with Google Inc. under which Google is the exclusive provider of auction-based classifieds for the About network and most of the Company's other Enthusiast Media Web sites.

In the brand advertising arena, the About network competes with other large-scale Internet properties, such as America Online, Yahoo! and Microsoft Network, to sell display advertising to national advertisers and competes with many smaller targeted Web sites whose content overlaps the content on the individual guide sites.

Consumer Guides Segment

PRIMEDIA Consumer Guides includes the Company's *Apartment Guide, New Homes Guide*, their related Web sites and DistribuTech. PRIMEDIA is the largest publisher and distributor of rental apartment guides in the U.S. with 81 guides in 75 regional markets with a combined monthly circulation of 1.6 million. Most of the Company's apartment guide publications are distributed monthly and provide informational listings about featured apartment communities. Virtually 100% of *Apartment Guide* advertising revenue is generated by apartment community managers who need to fill vacant apartments. All of the Company's consumer guides are free to users.

Consumer Guides Products

Category	Northeast	Southeast	Midwest	West	TOTAL
Apartment Guide	25	23	14	19	**81**
New Homes Guide	5	4	5	3	**17**
DistribuTech Retail Locations	5,121	3,006	2,448	5,452	**16,027**
Major Markets	Washington D.C., Philadelphia, Baltimore, Chicago	Atlanta, Tampa, Orlando, Broward	Dallas-Fort Worth, Houston, Austin, Kansas City	Phoenix, Las Vegas, Los Angeles, San Francisco	

The Company is a leading provider of apartment listings due to the cost effectiveness of its products as measured by the cost per lease to the advertiser. The average number of monthly unique visitors to the Company's Web site, Apartmentguide.com, was approximately 1 million per month in 2003. Apartmentguide.com, which carries all of the listings included in the print products, plus listings for cities in which the Company has no publication, listed approximately 21,000 properties as of December 31, 2003. The Web site offers many premium features not provided by its print products including virtual tours and search functionality. Approximately $8.5 million of revenue was generated by the sale of these premium products during 2003. Through the print guides and the Apartmentguide.com Web site, the Company generated 5.8 million leads for apartment property managers in 2003. The majority of *Apartment Guide* customers purchase 12-month contracts, and, in 2003, approximately 90% of standard listing contracts were renewed when they expired. The total number of advertisers increased to approximately 23,000 in 2003 from 22,500 in 2002. Advertising in the consumer guides is generated by a 307 person sales force located throughout the United States. The Company's national competitors include Trader Publishing Company (publishers of *For Rent*) and Network Communications Inc. (publishers of *Apartment Finder*).

The Company's DistribuTech division is the nation's largest distributor of free publications, and distributes its own consumer guides and over 2,000 third-party titles. In 2003, publications were distributed to more than 16,000 grocery, convenience, video, drug stores, universities, military bases, major employers and other locations in 73 metropolitan areas. The majority of these locations have exclusive distribution agreements with DistribuTech. The guides are typically displayed in free-standing, multi-pocket racks. DistribuTech generates revenues by leasing rack pockets to other publications and ensuring that the publications are stocked in specific racks. The Company has approximately 300 drivers servicing all locations. These drivers service the racks at each location an average of 8.6 times per month. DistribuTech competes for third-party publication distribution primarily on the basis of its prime retail locations and its service. DistribuTech's principal competitor is Trader Distribution Services, a division of Trader Publishing Company.

The Company is a leader in new home guides with publications in 17 major markets including Denver, Phoenix, Dallas-Fort Worth and Philadelphia, and plans to launch in additional markets this year. Additionally, Consumer Guides will launch its first *Auto Guide* in Charlotte, North Carolina in March 2004 with other markets planned for 2004. The Company is building on its proprietary distribution channels and successful high margin business model to enter the substantial market for pre-owned vehicle advertising by auto dealers. The new *Auto Guide* will publish current auto dealer pre-owned car inventory in that market and also provide customer leads to dealers through its Web site, initially charlotteautoguide.com.

Business Information Segment

PRIMEDIA Business Information is a leading publisher of Business Information magazines, directories, data products, buyer's guides, Web sites and events that provide vital information to business professionals in more than a dozen industries. In 2003, over 80% of the Company's business information magazine titles ranked number one or number two in their category based on advertising pages as tracked by Inquiry Management Systems.

Business Information Products

Category	Publications	Directories, Data Products & Buyer's Guides	Web Sites	Events	Representative Brands
Transportation and Public Services	15	13	19	1	*Price Digests*, *AC-U-KWIK*, *Clymer Manuals*, *Ward's Auto World*, *American Trucker*, *Fire Chief*, *Waste Age*, *American School and University*
Entertainment and Media	13	11	17	4	*Broadcast Engineering*, *Electronic Musician*, *MIX*, *Video Systems*, *Millimeter*
Technology	7	7	9	2	*Electronics Source Book*, *Telephony*, *Paper Film and Foil Converter*
Energy and Construction	12	9	21	6	*Electrical Construction & Maintenance*, *Transmission and Distribution World*, *Concrete Products*, *Equipment Watch*, *Access Control and Security Systems*
Marketing and Meetings	11	7	15	6	*Meetings magazines*, *Special Events*, *American Demographics*
Financial Services and Real Estate	4	2	5		*Registered Rep.*, *Trusts and Estates*, *National Real Estate Investor*
Agribusiness and Textiles	14	2	17		*BEEF*, *Corn and Soybean Digest*, *Stitches*, *Modern Uniforms*
Fitness and Healthcare	2	2	5	4	*Club Industry*, *Homecare*
Total	**78**	**53**	**108**	**23**	

Each of the business information magazines is distributed almost exclusively to purchasing decision-makers in a targeted industry group, and provides a highly targeted advertising medium to that industry. These magazines compete for advertising on the basis of advertising rates, circulation, reach, editorial content and readership commitment. Advertising sales are made by in-house sales forces and are supplemented by independent representatives in selected regions and overseas.

The Company also publishes 53 products that provide in-depth data on selected markets. *Ward's Automotive Reports* is recognized as the authoritative source for industry-wide statistics on automotive production and sales. In addition, the Company publishes used vehicle valuation information in print and electronic formats including *Equipment Watch*. Other data based products include *The Electronics Source Book* and *AC-U-KWIK*.

The Company sponsors 23 conferences and trade shows, in most cases serving the advertisers and readers of the corresponding publications, including Waste Expo, Lighting Dimensions International, Promo Expo and Club Industry National.

The Company competes with large domestic and international competitors across the different business information markets that it serves. These competitors include Reed Business Information (owned by Reed Elsevier Group plc), VNU Business Media (owned by VNU NV) and Advanstar Communications.

In 2004, the Company will actively seek to further leverage Business Information's powerful brands, focusing on new revenue streams from ancillary products and outside alliances. The Company will also work to enhance existing marketing programs beyond print advertising, expanding the use of e-mail newsletters, Webcasts, market databases and other tools, to better identify prospects and deliver leads to customer sales organizations.

Education and Training Segment

PRIMEDIA Education and Training is comprised of the businesses that provide content to schools, universities, government and other public institutions as well as training. This segment includes Channel One, Films for the Humanities and Sciences and Workplace Learning.

Education and Training Products

Business	Description	Key Brands/Markets
Channel One	Reaches nearly 8 million students, 350,000+ classrooms, and almost 12,000 schools across the U.S.	*Channel One News*
Films for the Humanities and Sciences	Distributes 2,900 owned products and 10,100 licensed products	Films for the Humanities, Cambridge, Meridian, and Curriculum Media Group
Workplace Learning	Creates, produces, and distributes proprietary content for employee training. Platforms include satellite programming, interactive multimedia, Internet, books, CDs, and videos	Banking, Government, Healthcare, Public & Private Security, Industrial

Channel One News is the highest rated teen television program, reaching nearly 8 million teens in over 350,000 classrooms across the U.S. and is the only daily, closed circuit television news program delivered to secondary school students in their classrooms. *Channel One News'* average teen audience is ten times larger than the average teen audience of the five cable news networks and the evening newscasts of ABC, CBS, and NBC combined, and is twenty times larger than MTV's average weekly teen audience.

Channel One generates the majority of its revenue by selling the two minutes of advertising shown during each 12-minute *Channel One News* daily newscast. *Channel One News* airs only during the school year, typically September to June. Accordingly, Channel One earns the largest share of its revenue in the beginning of the school year, the Company's fourth quarter. The *Channel One News* program does not air during the summer months and, accordingly, Channel One sees a seasonal revenue drop in the Company's third quarter each year.

Schools sign up for the Channel One service under a three-year contract. Channel One provides schools with a turnkey system of satellite dish, videocassette recorders and networked televisions. These products and services are provided to schools at no charge. In addition, *Channel One Connection*, a service of Channel One Network, provides to Channel One schools up to 120 minutes of additional educational programming per school day at no charge.

Channel One has a library of over 2,700 broadcasts including approximately 275 single subject series, 95 of which have been released as videos. The Company's channelone.com online network and its channeloneteacher.com Web site provide supplemental information to students and educators.

Films for the Humanities and Sciences is a leading distributor of videos, DVDs, and CD-ROMs to schools, colleges, and libraries in North America. Its products are sold mostly by direct mail to teachers, instructors and librarians and primarily serve students in grades 8 to 12 and in college. The major competitors are Discovery Communications, Inc. (which recently acquired United Learning), AIMS Multimedia, PBS Video and Schlessinger Media, a division of Library Video Company.

Workplace Learning, a leading provider of integrated training, information and communication solutions for improving employee performance, is a leader in such markets as fire and emergency services (Fire and Emergency Training Network) where it reached more than 250,000 fire and EMS personnel in 2003, industrial (PRIMEed, SafeStart), healthcare (Health and Sciences Television Network), pharmaceuticals (Interactive Medical Networks), police and first responders (Law Enforcement Training Network, Homeland One) and banking (Bankers Training and Consulting Company). The Company largely delivers its products via satellite, videotape, CD-ROM, live events and increasingly over the Internet.

Workplace Learning has numerous direct and indirect competitors, including General Physics Corporation and HealthStream, Inc. In addition, many potential customers do their own in-house training. Workplace Learning is focused on growing in profitable vertical markets where the Company has proprietary content and unique distribution advantages, including banking, healthcare and government.

Advertising

Approximately 62% of the Company's total revenue is derived from advertising. In general, the Company sells two types of advertising: lead generation advertising and brand awareness advertising. In a given media market in which the Company competes (e.g. fishing), lead generation advertising is purchased by advertisers who are "endemic" to that market (e.g. fishing rod manufacturers) and are seeking to trigger a direct, specific buying decision. The Company's Enthusiast Media, Consumer Guides and Business Information segments derive a majority of their revenue from this type of advertising.

In contrast, brand awareness advertising concentrates on introducing or reinforcing a product's brand image with the reader, user or viewer. The Company's larger circulation magazine properties, such as *Motor Trend*, and television properties, such as Channel One, generate more of their revenue from brand awareness advertising, primarily from the large automobile manufacturers, beverage, health and beauty, video game and telecommunications sectors.

PRIMEDIA's focus on lead generation advertising from endemic advertisers gives the Company a stable base of advertising revenue, less susceptible to the fluctuations of the business cycle than the brand advertising market. PRIMEDIA's divestitures in 2003 and early 2004 of large circulation magazine titles such as *Seventeen* and *New York*, has increased the percentage of its advertising revenues from endemic advertisers.

Divestitures

Historically, PRIMEDIA has actively sought to acquire magazines and other media properties to strengthen its competitive position in the segments and markets in which it competes. The Company has also traditionally managed its portfolio of media assets by opportunistically divesting assets no longer core to the Company's overall strategy. In 2003, PRIMEDIA continued to focus on reducing the amount of debt on its balance sheet through the divestiture of several large consumer magazine properties.

In 2003, the Company sold *Seventeen* magazine and its companion properties including a number of Seventeen branded assets, *Teen* magazine, seventeen.com, teenmag.com and Cover Concepts, an in-school marketing unit, to The Hearst Corporation for $182 million. Additionally, the Company sold Sprinks to Google and RealEstate.com to Lending Tree, Inc. for proceeds of $12 million and $15 million, respectively, in 2003.

In January 2004, the Company completed the sale of *New York* magazine to New York Media Holdings, LLC, an entity controlled by Wasserstein family trusts, for $55 million.

Financial results for these divestitures are reported in discontinued operations on the statements of consolidated operations.

As a result of these divestitures, the Company now is more focused on growing the revenues of its core businesses.

Production and Fulfillment

Virtually all of the Company's print products are printed and bound by independent printers. The Company believes that because of its buying power, outside printing services can be purchased at favorable prices. The Company provides most of the content for its Web sites but outsources technology and production.

The principal raw material used in the Company's products is paper which is purchased directly from several paper mills, including the industry's three largest paper mills. Paper prices increased in 2003 and the paper mills are expected to attempt to increase prices in 2004. The Company has used strategic sourcing principles to gain stable supplies at favorable prices.

The Company uses the U.S. Postal Service for distribution of many of its products and marketing materials and is therefore subject to postage rate changes. Many of the Company's products are packaged and delivered to the U.S. Postal Service directly by the printers. Other products are sent from warehouses and other facilities operated by the Company. While postal rates increased in 2002, there were no additional increases in 2003 and in April 2003, President Bush signed legislation that will hold postal rates stable until at least 2006.

In the future, the Company may be impacted by future cost increases, driven by inflation or market conditions in these categories.

Employees

During 2003, the Company's headcount declined primarily due to divestitures and consolidation of certain functions. As of December 31, 2003, the Company had approximately 4,700 full-time equivalent employees compared to approximately 5,100 at the end of 2002. None of its employees are union members. Management considers its relations with its employees to be good.

Company Organization

PRIMEDIA was incorporated on November 22, 1991 in the State of Delaware. The principal executive office of the Company is located at 745 Fifth Avenue, New York, New York, 10151; telephone number (212) 745-0100.

The Company holds regular meetings to inform investors about the Company. To obtain information on these meetings or to learn more about the Company please contact:

James Magrone
Senior Vice President, Investor Relations
Tel: 212-745-0634
Email: jmagrone@primedia.com

The 2004 PRIMEDIA Annual Meeting of Shareholders will be held on Wednesday, May 12, 2004 at 10:00 a.m., at the Four Seasons Hotel, 57 East 57th Street, New York, NY.

Available Information

The Company's Internet address is: www.primedia.com. The Company makes available free of charge through its Web site its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the Securities and Exchange Commission.

ITEM 2. PROPERTIES.

The following table sets forth certain information with respect to the Company's principal locations as of December 31, 2003. These properties were leased by the Company initially for use in its operations but as a result of divestitures and consolidations, certain of these properties are now leased to third party tenants. Of the total of approximately 2.5 million rentable square feet currently under lease, approximately 585,000 rentable square feet are either available for sublease or currently subleased to a third party. The locations presently used by the Company for its operations are considered adequate by the Company for its present needs.

Location	Principal Use	Approximate Rentable Square Feet(rsf)	Type of Ownership Expiration Date of Lease
New York, NY 745 Fifth Ave	Executive and administrative offices (Corporate)	81,041	Lease expires in 2008, 25,697 rsf sublet
New York, NY 249 W. 17th Street	Executive and administrative offices (Enthusiast Media)	79,000	Lease expires in 2007
New York, NY 1440 Broadway	Executive and administrative offices (Corporate, Education and Training)	206,801	Lease expires in 2015, 183,406 rsf available for sublease or currently under sublease
New York, NY 200 Madison Ave	Executive and administrative offices (Enthusiast Media)	45,480	Lease expires in 2006
New York, NY 260 Madison Ave	Executive and administrative offices (Enthusiast Media)	33,208	Lease expires in 2008
New York, NY 261 Madison Ave	Executive and administrative offices (Enthusiast Media)	40,324	Lease expires in 2008, 8,869 rsf sublet
Lawrenceville, NJ 2572 Brunswick Pike	Printing and Video Duplication (Education and Training)	54,000	Lease expires in 2013
Anaheim, CA 2400 Katella Ave.	Executive and administrative offices (Enthusiast Media)	33,522	Lease expires in 2008
Los Angeles, CA 6420 Wilshire Blvd.	Executive and administrative offices (Enthusiast Media)	207,469	Lease expires in 2009, 77,840 rsf available for sublease or currently under sublease
Los Angeles, CA 5300 Melrose Avenue	Executive and administrative offices and broadcast production (Education and Training)	24,320	Lease expires in 2005
Harrisburg, PA, 6385 & 6405 Flank Drive (combined)	Executive and administrative offices (Enthusiast Media)	43,309	Lease expires in 2009
Overland Park, KS 9800 Metcalf Avenue	Executive and administrative offices (Business Information)	85,648	Lease expires in 2006, 5,962 rsf sublet
Stamford, CT 11 Riverbend Drive	Executive and administrative offices (Business Information)	62,751	Lease expires in 2006, 8,000 rsf available for sublease
Norcross, GA 3119-3139 Campus Drive	Executive and administrative offices (Consumer Guides)	50,100	Lease expires in 2009
Norcross, GA 3159 Campus Drive	Executive and administrative offices (Consumer Guides)	20,200	Lease expires in 2004
Carrolton, TX 4101 International Parkway	Executive and administrative offices, small printing and video duplication (Education and Training)	205,750	Lease expires in 2014

ITEM 3. LEGAL PROCEEDINGS.

There are no material pending legal proceedings to which the Company is or was a party.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no matters submitted to a vote of security holders during the fourth quarter of 2003.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Market Information

PRIMEDIA Common Stock is listed on the New York Stock Exchange, under the ticker symbol "PRM". As of February 27, 2004, there were 415 holders of record of PRIMEDIA Common Stock. The Company has not paid and has no present intention to pay dividends on its Common Stock. In addition, the Company's bank credit facility and Senior Notes impose certain limitations on the amount of dividends permitted to be paid on the Company's Common Stock. See Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Financing Arrangements." High, low and closing sales prices for 2003 and 2002 were as follows:

	2003 Sales Price		
Quarters Ended	**High**	**Low**	**Close**
March 31	$3.05	$1.87	$2.45
June 30	$3.78	$2.03	$3.05
September 30	$3.99	$2.33	$2.85
December 31	$3.45	$2.58	$2.83

	2002 Sales Price		
Quarters Ended	**High**	**Low**	**Close**
March 31	$4.60	$2.10	$3.17
June 30	$3.25	$1.00	$1.22
September 30	$1.59	$0.76	$1.39
December 31	$3.50	$1.11	$2.06

The closing stock price increased by 37.4% from December 31, 2002 to December 31, 2003. From January 1, 2004 through March 12, 2004, the high price for the stock was $3.06, the low price was $2.42 and the closing price on March 12, 2004 was $2.68.

Equity Compensation Plan Information

Information required by this item with respect to equity compensation plans of the Company is included in Part III, Item 12 of this Form 10-K under the caption "Equity Compensation Plan Information."

Recent Sales of Unregistered Securities

In November 2003, the Company issued 78,000 shares of its unregistered Common Stock to Paul Kagan as deferred purchase price payable in connection with the acquisition by the Company in November 2000 of the assets of Paul Kagan Associates, Inc. and the stock of certain of its affiliated companies. The aggregate purchase price paid by the Company in connection with the transaction was 1,190,000 shares of the Company's Common Stock, of which 390,000 shares are payable in five equal annual installments of 78,000 shares on each annual anniversary of the closing date of the transaction. The issuance to Paul Kagan was made by the Company in reliance on Section 4(2) of the Securities Act of 1933, as amended.

During the three months ended December 31, 2003, the Company issued 832,627 shares of its unregistered Common Stock in exchange for outstanding preferred stock of the Company in reliance on Section 3(a)(9) of the Securities Act of 1933, as amended. The Company subsequently repurchased these 832,627 shares of Common Stock for $2.95 per share or approximately $2,456,250.

ITEM 6. SELECTED FINANCIAL DATA.

The selected consolidated financial data were derived from the audited consolidated financial statements of the Company as of December 31, 2003 and 2002 and for the years ended December 31, 2003, 2002 and 2001. The data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the related notes thereto included elsewhere herein. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), the Company has reclassified the results of *Seventeen* magazine and related teen properties, Simba, Federal Sources, *CableWorld*, Sprinks and RealEstate.com, which were all sold in 2003, as discontinued operations for the periods prior to their respective divestiture dates. During 2003, the Company initiated a plan to sell Kagan World Media and, during January 2004, the Company sold *New York* magazine. The Company has reclassified the results of *New York* and Kagan World Media for all periods presented and as of December 31, 2003 has classified the assets and liabilities of each as held for sale on the Company's consolidated balance sheet.

PRIMEDIA INC. AND SUBSIDIARIES

	Years Ended December 31,				
	2003	**2002**	**2001**	**2000**	**1999**
	(dollars in thousands, except per share amounts)				
Operating Data:					
Revenues, net(1)	$ 1,345,622	$ 1,412,552	$ 1,377,774	$ 1,337,052	$ 1,396,900
Depreciation of property and equipment (2)	55,887	68,881	75,714	49,675	44,833
Amortization of intangible assets, goodwill and other (3)(7)	75,953	208,238	677,776	108,765	430,325
Other (income) charges (4)	29,827	67,418	43,125	41,570	(213,580)
Operating income (loss)	82,397	(100,316)	(651,320)	(3,367)	16,542
Provision for impairment of investments (5)	(8,975)	(19,045)	(106,512)	(188,526)	
Interest expense	(124,528)	(139,878)	(145,928)	(143,933)	(164,867)
Loss from continuing operations before income tax expense (12)	(79,572)	(257,696)	(950,265)	(342,773)	(151,361)
Income tax expense (6)	(12,220)	(46,356)	(135,000)	(41,200)	(6,500)
Loss from continuing operations	(91,792)	(304,052)	(1,085,265)	(383,973)	(157,861)
Discontinued operations	130,664	93,137	(26,376)	37,147	37,748
Cumulative effect of a change in accounting principle (7)		(388,508)			
Net income (loss)	38,872	(599,423)	(1,111,641)	(346,826)	(120,113)
Preferred stock dividends and related accretion, net (8)(12)	(41,853)	(47,656)	(62,236)	(53,063)	(53,062)
Loss applicable to common shareholders	(2,981)	(647,079)	(1,173,877)	(399,889)	(173,175)
Basic and diluted income (loss) applicable to common shareholders per common share (9):					
Loss from continuing operations	$ (0.51)	$ (1.39)	$ (5.30)	$ (2.71)	$ (1.45)
Discontinued operations	0.50	0.37	(0.12)	0.23	0.26
Cumulative effect of a change in accounting principle (7)		(1.53)			
Net loss	$ (0.01)	$ (2.55)	$ (5.42)	$ (2.48)	$ (1.19)
Basic and diluted common shares outstanding	259,230,001	253,710,417	216,531,500	161,104,053	145,418,441
Balance Sheet Data:					
Cash and cash equivalents	$ 8,685	$ 18,553	$ 33,588	$ 23,690	$ 28,661
Working capital deficiency (10)	(205,300)	(248,280)	(221,047)	(346,447)	(200,458)
Other intangible assets and Goodwill, net	1,178,941	1,323,560	2,029,727	1,647,592	1,835,356
Total assets	1,636,121	1,835,620	2,731,219	2,677,479	2,714,552
Long-term debt (11)	1,562,441	1,727,677	1,945,631	1,503,188	1,732,896
Shares subject to mandatory redemption (Exchangeable preferred stock) (12)	474,559	484,465	562,957	561,324	559,689

	Years Ended December 31,				
Total shareholders' deficiency	(1,013,255)	(1,043,798)	(480,592)	(236,026)	(144,238)

(see notes on the following page)

Notes to Selected Financial Data

(1)

As a result of divestitures made in 2003 and the related requirements of SFAS 144, the Company reclassified amounts from revenues, net, to discontinued operations for the years ended December 31, 2002, 2001, 2000, and 1999 as follows:

	Years Ended December 31,			
	2002	2001	2000	1999
Revenues, net (as reported in 2002 Form 10-K)	$ 1,587,564	$ 1,578,357	$ 1,547,491	$ 1,587,879
Less:				
Effect of SFAS 144 for 2003 divestitures	175,012	200,583	210,439	190,979
Revenues, net (as reclassified)	$ 1,412,552	$ 1,377,774	$ 1,337,052	$ 1,396,900

(2)

Includes an impairment of long-lived assets of $9,739 for the year ended December 31, 2002.

(3)

Includes an impairment of intangible assets, goodwill and other, of $35,253, $146,064, $427,016 and $275,788 for the years ended December 31, 2003, 2002, 2001 and 1999, respectively.

(4)

Represents severance related to separated senior executives of $9,372 for the year ended December 31, 2003, non-cash compensation and non-recurring charges of $11,184, $10,502, $56,679 and $35,210 for the years ended December 31, 2003, 2002, 2001 and 2000, respectively, provision for severance, closures and restructuring related costs of $8,673, $49,669, $43,679, $20,798 and $22,000 for the years ended December 31, 2003, 2002, 2001, 2000 and 1999, respectively, and loss (gain) on the sale of businesses and other, net, of $598, $7,247, ($57,233), ($14,438) and ($235,580) for the years ended December 31, 2003, 2002, 2001, 2000, and 1999, respectively.

The Company adopted SFAS 123 "Accounting for Stock-Based Compensation" in the fourth quarter of 2003 and began recording employee stock-based compensation under the fair value method effective January 1, 2003. The adoption resulted in a non-cash compensation charge of $5,980.

(5)

Represents impairments of the Company's investment in CMGI, Inc. of $7,029 and $155,474 for the years ended December 31, 2001 and 2000, respectively, the Company's investment in Liberty Digital of $658 and $21,869 for the years ended December 31, 2001 and 2000, respectively, the Company's investments in various assets-for-equity transactions of $8,975, $10,783 and $83,959 for the years ended December 31, 2003, 2002 and 2001, respectively, and various other PRIMEDIA investments of $8,262, $14,866 and $11,183 for the years ended December 31, 2002, 2001 and 2000, respectively.

(6)

Historically, the Company did not need a valuation allowance for the portion of the tax effect of net operating losses equal to the amount of deferred income tax liabilities related to tax-deductible goodwill and trademark amortization expected to occur during the carryforward period of the net operating losses based on the timing of the reversal of these taxable temporary differences. As a result of the adoption of SFAS 142, "Goodwill and Other Intangible Assets", the Company records a valuation allowance in excess of its net deferred tax assets to the extent the difference between the book and tax basis of indefinite-lived intangible assets is not expected to reverse during the net operating loss carryforward period. With the adoption of SFAS 142, the Company no longer amortizes the book basis in the indefinite-lived intangibles, but will continue to amortize these intangibles for tax purposes. For 2003 and 2002, income tax expense primarily consists of deferred income taxes of $11,864 and $49,500, respectively, related to the increase in the Company's net deferred tax liability for the tax effect of the net increase in the difference between the book and tax basis in the indefinite-lived intangible assets. The income tax expense recorded in 2003 and 2002 is net of tax refunds received. During 2001 and 2000, the Company increased its valuation allowance due to continued historical operating losses and the impairment of long-lived assets, primarily goodwill and investments, resulting in a net provision for income taxes of $135,000 and $41,200, respectively. At December 31, 1999, the Company's management determined that no adjustment to net deferred income tax assets was required. In 1999, the Company recorded income tax expense of $6,500 related to a provision for current state and local taxes incurred as a result of the gain on the sale of the Supplemental Education Group. At December 31, 2003, the Company had aggregate net operating and capital loss carryforwards of $1,760,785 which will be available to reduce future taxable income.

(7)

In connection with the adoption of SFAS 142 on January 1, 2002, the Company recorded an impairment charge related to its goodwill and certain indefinite lived intangible assets as a cumulative effect of a change in accounting principle. Additionally, SFAS 142 prohibited the amortization of goodwill and indefinite lived intangible assets, effective January 1, 2002. Amortization expense for goodwill and certain trademarks which ceased being amortized under SFAS 142 (excluding provisions for impairment) was $186,422, $36,904 and $59,799 for the years ended December 31, 2001, 2000 and 1999, respectively.

(8)

Includes gain on exchanges of the Series D Exchangeable Preferred Stock, Series F Exchangeable Preferred Stock and Series H Exchangeable Preferred Stock of $944 and $32,788 in 2003 and 2002, respectively, and the issuance of warrants valued at $5,891 and $498 to KKR 1996 Fund during 2002 and 2001, respectively, in connection with the EMAP acquisition.

(9)

Basic and diluted income (loss) per common share, as well as the basic and diluted common shares outstanding, were computed as described in Note 16 of the notes to the consolidated financial statements included elsewhere in this Annual Report.

(10)

Includes current maturities of long-term debt and net assets held for sale, where applicable. Consolidated working capital reflects certain industry working capital practices and accounting principles, including the expensing of certain editorial and product development costs when incurred and the recording of deferred revenue from subscriptions as a current liability. Advertising costs are expensed when the promotional activities occur except for certain direct-response advertising costs which are capitalized and amortized over the estimated period of future benefit.

(11)

Excludes current maturities of long-term debt.

(12)

The Company adopted SFAS 150 "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity", prospectively, effective July 1, 2003, which requires the Company to classify as long-term liabilities its Series D Exchangeable Preferred Stock, Series F Exchangeable Preferred Stock and Series H Exchangeable Preferred Stock and to classify dividends from preferred stock as interest expense. Such stock is now described as shares subject to mandatory redemption and dividends on these shares are now described as interest on shares subject to mandatory redemption, whereas previously they were presented below net income (loss) as preferred stock dividends. The adoption of SFAS 150 increased the loss from continuing operations for the year ended December 31, 2003 by $22,547 which represents primarily interest on shares subject to mandatory redemption and amortization of issuance costs which are included in the amortization of deferred financing costs on the accompanying statement of consolidated operations. If SFAS 150 was adopted on July 1, 2002, July 1, 2001, July 1, 2000 and July 1, 1999, loss from continuing operations, in each year, would have increased by $19,763, $27,345, $27,348 and $27,627, respectively. The 2002 increase to loss from continuing operations was reduced by a net gain of $4,488 on exchanges of the Exchangeable Preferred Stock.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS).

Introduction

The following discussion and analysis summarizes the financial condition and operating performance of the Company and its business segments and should be read in conjunction with the Company's historical consolidated financial statements and notes thereto included elsewhere in this Annual Report.

Executive Summary

Our Business

The Company's revenues are generated from advertising, circulation (subscriptions and single copy sales) and other sources (events, list rental, third party distribution, training services, sales of books and directories, and other sources). PRIMEDIA's largest operating expenses are cost of goods sold (including paper and printing); marketing and selling; distribution, circulation and fulfillment; editorial; and other general and corporate administrative expenses (collectively referred to as "operating expenses").

Background

Historically, PRIMEDIA was a broad based media enterprise built primarily from a series of acquisitions and comprised of numerous disparate assets. The most recent significant acquisitions were About.com ("About") and the EMAP properties in 2001. During 2001 and 2002, the Company integrated those properties into its operating units. Additionally, during the past few years, the Company sold a number of properties, including Bacon's, The Modern Bride Group, the American Baby Group, *Seventeen* and *New York* magazines and other properties, in order to better focus the Company on its core businesses and reduce debt. As a result of recent divestitures, the Company has transformed itself into a highly focused targeted media company. To counter the effects of the weakness in the overall advertising environment, the Company has aggressively controlled its costs. These cost initiatives have resulted in charges for severance, closures and restructuring related costs to integrate Company operations and consolidate many back office functions and facilities, resulting in a significant reduction in the number of employees and office space required. These actions have resulted in a stronger balance sheet, improved liquidity and a more efficient and better focused organization. The asset divestiture and cost reduction programs are essentially complete and the Company is now focused on growing organically.

Company Strategy

In October 2003, PRIMEDIA appointed Kelly P. Conlin as President and CEO. Mr. Conlin and the executive team reviewed the Company's operations and formulated a strategy to enable the Company to capitalize on the full potential of its businesses and maximize its operating performance. That review resulted in a redesigned operating structure with four reportable segments to better enable the Company to execute key investment and organic growth initiatives. Those four principal segments are: Enthusiast Media, Consumer Guides, Business Information, and Education and Training. Accordingly, the Company has reclassified prior year results to reflect this redesigned operating structure with four reportable segments.

The Company's strategy is to focus on its core enthusiast media businesses and grow through maximizing and expanding its market-leading brands. Actions the Company is taking to organically grow revenues include expanding into new markets, introducing new products and improving existing ones, enhancing the capabilities of its sales force, broadening its advertiser base, optimizing distribution, and leveraging its well known brands through licensing and merchandising arrangements.

General Business Trends

In 2003, many of PRIMEDIA's products continued to grow, while others were affected by external pressures and actions the Company took to improve profitability. The Company has capitalized on the general trend of marketers seeking to better target their advertising, the growth of free publications, the aggressive marketing and new product introductions in the automotive industry and the growing popularity of personal hobbies and leisure activities, as the Company has a large presence in those sectors. The Company's revenues continue to be adversely affected by the weakness in the overall advertising environment, particularly in business-to-business markets, the industry-wide trend of declining single copy sales of consumer magazines, cutbacks in the demand for training services, particularly industrial videotape sales and satellite based training for healthcare professionals, and budgetary constraints in the education markets. Additionally, high apartment vacancy rates have pressured the advertising budgets of property managers, which has constrained the growth in the Company's *Apartment Guide*. The Company has taken certain actions to lower costs and improve profitability which has also negatively affected revenues, including reducing the rate base for the soap opera magazine titles, and consolidating or shutting down certain properties.

2003 Summary Consolidated Results

In 2003, revenues were $1,345,622, down 4.7% compared to 2002. Growth in the Consumer Guides segment was offset by the continuing weakness in the Business Information and Education and Training segments, and growth in advertising in the Enthusiast Media segment was offset by the effect of the rate base reduction at the soap opera titles and continuing weakness in single copy magazine sales. In 2003, operating expenses were $1,101,558, down 5.7% compared to 2002. Costs declined in nearly every expense category, due to lower levels of business and the aggressive cost actions implemented by the Company. In 2003, operating income was $82,397, improved from an operating loss of $100,316 in 2002. The improvement was due primarily to lower restructuring and non-cash impairment charges taken in 2003 compared to 2002. Net income was $38,872 in 2003 compared to a net loss of $599,423 in 2002. The improvement was due primarily to the net increase in operating income, the cumulative effect of a change in accounting principle (from the adoption of SFAS 142) of $388,508, recorded in 2002, and the decrease in related non-cash deferred income tax expense.

2003 Summary Segment Results

The following segment results discussion reflects Continuing Businesses (as defined below).

The Enthusiast Media segment produces and distributes content through magazines and via the Internet to consumers in various niche and enthusiast markets. It includes the Company's consumer magazine brands, their related Web sites and live events, as well as About. In 2003, revenues for the Enthusiast Media segment were $725,892, down 2.0%, and Segment EBITDA (as defined below) was $146,939, up 11.4%, compared to 2002. The Company intends to grow this segment by improving its products, investing in its sales capabilities, improving its circulation management, and leveraging its well-known brands. For example, during the fourth quarter of 2003, PRIMEDIA increased its distribution points by several thousand for a number of enthusiast titles offered at Kroger, Food Lion, Albertson's, Auto Zone, Pep Boys and other key retail outlets. In addition, the Company has put into place a plan to use more sophisticated statistical modeling to manage print order and draw allotment to improve efficiency and profitability of this important distribution channel.

The Consumer Guides segment is the nation's largest publisher and distributor of free publications, including *Apartment Guide* and *New Homes Guide*. In 2003, revenues for the Consumer Guides segment were $276,639, up 3.5%, and Segment EBITDA was $83,163, up 13.4%, compared to 2002. The Company intends to grow this segment by launching *Auto Guide* in 2004, expanding *New Homes Guide* into new markets, adding to its *Apartment Guide* sales force to deepen its market penetration, and continuing to expand third party distribution.

The Business Information segment includes the Company's business-to-business targeted publications, Web sites and events, with a focus on bringing sellers together with qualified buyers in numerous industries. In 2003, revenues for the Business Information segment were $228,784, down 11.7%, and Segment EBITDA was $34,197, down 10.8%, compared to 2002, which was the result of the severe advertising recession which has particularly affected the business-to-business markets. The Company believes there are many opportunities to enhance marketing programs beyond print advertising by expanding the use of email, newsletters, Webcasts, market databases and other tools to provide marketing programs that identify prospects and deliver leads to customer sales organizations.

The Education and Training segment is comprised of the businesses that provide content for schools, universities, government and other public institutions as well as corporate training initiatives. It includes Channel One, Films for the Humanities and Sciences and Workplace Learning. In 2003, revenues for the Education and Training segment were $119,778, down 18.3%, and Segment EBITDA was $5,674, down 83.7%, compared to 2002. The Company intends to improve the performance of this segment by expanding the number of Channel One advertisers, migrating the products of Films for the Humanities and Sciences to digital delivery, and exploring joint venture opportunities and focusing on the profitable verticals for Workplace Learning.

Forward-Looking Information

PRIMEDIA, in its fourth quarter 2003 earnings conference call with investors and related earnings release on February 5, 2004, indicated that it expected revenues to grow in the low single digit percentage range and Segment EBITDA for PRIMEDIA's four business segments, after Corporate Overhead, to grow in the mid single digit percentage range in 2004 as compared to 2003.

The Company has assumed improving industry fundamentals as 2004 progresses for consumer magazine advertising growth and expects single copy sales of consumer magazines to continue to face challenges, especially in the first half of 2004. Growth at Consumer Guides is expected to gain momentum in the second half of 2004 as its entry into new markets begins to show results. Trade advertising and trade shows are expected to stabilize in 2004. Education and Training is expected to improve as 2004 progresses.

The Company expects to show Segment EBITDA growth primarily in the second half of 2004, with performance during the first half affected by soft industry fundamentals. The Company plans to continue to control operating costs in 2004 and expects new investments and its strategic initiatives early in 2004 to show results in the second half of the year.

The Company's 2004 guidance follows a 2003 in which PRIMEDIA created a new strategic operating structure that it believes provides well-defined platforms for growth as well as greater clarity and visibility into the Company's businesses. The Company believes 2004 will be a year of investing in its businesses and building on its platforms for growth.

This Annual Report contains certain forward-looking statements concerning the Company's operations, economic performance and financial condition. These statements are based upon a number of assumptions and estimates, which are inherently subject to uncertainties and contingencies, many of which are beyond the control of the Company, and reflect future business decisions, which are subject to change. Some of the assumptions may not materialize and unanticipated events may occur which can affect the Company's results.

Why We Use Segment EBITDA

Segment EBITDA represents each segment's earnings before interest, taxes, depreciation, amortization and other charges (income) ("Segment EBITDA"). Other charges (income) include severance related to separated senior executives, non-cash compensation and non-recurring charges, provision for severance, closures and restructuring related costs and (gain) loss on sale of businesses and other, net. PRIMEDIA believes that Segment EBITDA is the most accurate indicator of its segments' results, because it focuses on revenue and operating cost items driven by operating managers' performance, and excludes non-recurring items and items largely outside of operating managers' control. Internally, the Company's chief operating decision maker and the executive team measure performance primarily based on Segment EBITDA.

Segment EBITDA is not intended to represent cash flows from operating activities and should not be considered as an alternative to net income or loss (as determined in conformity with accounting principles generally accepted in the United States of America), as an indicator of the Company's operating performance, or to cash flows as a measure of liquidity. Segment EBITDA may not be available for the Company's discretionary use as there are requirements to redeem preferred stock and repay debt, among other payments. Segment EBITDA as presented may not be comparable to similarly titled measures reported by other companies since not all companies necessarily calculate Segment EBITDA in an identical manner, and therefore, it is not necessarily an accurate measure of comparison between companies. See reconciliation of Segment EBITDA to operating income (loss) for the Company's four segments in their respective segment discussions below.

Intersegment Transactions

The information presented below includes certain intersegment transactions and is, therefore, not necessarily indicative of the results had the operations existed as stand-alone businesses. Intersegment transactions represent intercompany, advertising and other services which are billed at what management believes are prevailing market rates. These intersegment transactions, which represent transactions between operating units in different business segments, are eliminated in consolidation.

Non-Core Businesses

Management believes a meaningful comparison of the results of operations for 2003, 2002 and 2001 is obtained by using the segment information and by presenting results from continuing businesses ("Continuing Businesses") which exclude the results of businesses classified as non-core ("Non-Core Businesses"). The Non-Core Businesses are those businesses that have been divested, discontinued or that management was evaluating for turnaround or shutdown. The Non-Core Businesses include QWIZ, Inc. (divested in April 2001), Bacon's (divested in November 2001) and certain other titles of the Enthusiast Media, Consumer Guides and Business Information segments that were discontinued or divested. In addition, the Company restructured or consolidated other media properties, whose value could only be realized through the far greater efficiency of having select functions absorbed by the core operations and has included these properties in Non-Core Businesses. In the ordinary course of business, corporate administrative costs of approximately $1,900 and $9,900 were allocated to the Non-Core Businesses during 2002 and 2001, respectively. The Company believes that most of these costs, many of which are volume driven, such as the processing of payables and payroll, were permanently reduced due to the shutdown or divestiture of the Non-Core Businesses. Since June 30, 2002, the Company has not classified any additional businesses as Non-Core Businesses nor have any additional balances been allocated to the Non-Core Businesses.

Reclassifications due to Discontinued Operations

In accordance with Statement of Financial Accounting Standards ("SFAS") 144, "Accounting for the Disposal of Long-Lived Assets", the Company's results have been reclassified to reflect *Seventeen* and its companion teen properties ("Seventeen"), Simba Information, Federal Sources, *CableWorld,* Sprinks, and RealEstate.com as discontinued operations for the periods prior to their respective divestiture dates.

In 2003, the Company also reclassified the results of *New York* magazine, which was sold in January 2004, and Kagan World Media for which the Company has initiated plans to sell, to discontinued operations for all periods presented.

Segment Data

Segment data for the Company, based on its redesigned operating structure, is presented below for all periods.

	Years Ended December 31,		
	2003	2002	2001
Revenues, net:			
Continuing Businesses:			
Enthusiast Media	$ 725,892	$ 740,400	$ 572,196
Consumer Guides	276,639	267,166	255,391
Business Information	228,784	259,030	322,976
Education and Training	119,778	146,586	165,295
Intersegment Eliminations	(5,471)	(14,121)	(11,619)
Subtotal	1,345,622	1,399,061	1,304,239
Non-Core Businesses		13,491	73,535
Total	$ 1,345,622	$ 1,412,552	$ 1,377,774
Segment EBITDA (1):			
Continuing Businesses:			
Enthusiast Media	$ 146,939	$ 131,879	$ 69,492
Consumer Guides	$ 83,163	$ 73,338	$ 58,657
Business Information	$ 34,197	$ 38,349	$ 58,212
Education and Training	$ 5,674	$ 34,821	$ 28,117
Corporate Overhead	$ (25,909)	$ (30,913)	$ (32,308)
Non-Core Businesses	$	$ (3,253)	$ (28,340)
Depreciation, amortization and other charges (2):			
Continuing Businesses:			
Enthusiast Media	$ 43,245	$ 127,257	$ 572,651
Consumer Guides	$ 11,834	$ 15,199	$ 18,760
Business Information	$ 18,630	$ 78,603	$ 49,197
Education and Training	$ 59,823	$ 107,648	$ 67,164

	Years Ended December 31,		
Corporate	$ 28,135	$ 12,747	$ 31,709
Non-Core Businesses	$	$ 3,083	$ 65,669

	Years Ended December 31,		
	2003	2002	2001
Operating income (loss):			
Continuing Businesses:			
Enthusiast Media	$ 103,694	$ 4,622	$ (503,159)
Consumer Guides	71,329	58,139	39,897
Business Information	15,567	(40,254)	9,015
Education and Training	(54,149)	(72,827)	(39,047)
Corporate	(54,044)	(43,660)	(64,017)
Subtotal	82,397	(93,980)	(557,311)
Non-Core Businesses		(6,336)	(94,009)
Total	82,397	(100,316)	(651,320)
Other income (expense):			
Provision for impairment of investments	(8,975)	(19,045)	(106,512)
Interest expense	(124,528)	(139,878)	(145,928)
Interest on shares subject to mandatory redemption (3)	(21,889)		
Amortization of deferred financing costs	(3,462)	(3,469)	(10,947)
Other, net	(3,115)	5,012	(35,558)
Loss from continuing operations before income tax expense	(79,572)	(257,696)	(950,265)
Income tax expense	(12,220)	(46,356)	(135,000)
Loss from continuing operations	(91,792)	(304,052)	(1,085,265)
Discontinued operations (4)	130,664	93,137	(26,376)
Cumulative effect of a change in accounting principle (from the adoption of SFAS 142)		(388,508)	
Net income (loss)	$ 38,872	$ (599,423)	$ (1,111,641)

(1) Segment EBITDA represents the segments' earnings before interest, taxes, depreciation, amortization and other charges (income) (see Note 2 below). Segment EBITDA is not intended to represent cash flows from operating activities and should not be considered as an alternative to net income or loss (as determined in conformity with generally accepted accounting principles), as an indicator of the Company's operating performance or to cash flows as a measure of liquidity. Segment EBITDA is presented herein because the Company's chief operating decision maker evaluates and measures each business unit's performance based on its Segment EBITDA results. PRIMEDIA believes that Segment EBITDA is the most accurate indicator of its segments' results, because it focuses on revenue and operating cost items driven by operating managers' performance, and excludes non-recurring items and items largely outside of operating managers' control. Segment EBITDA may not be available for the Company's discretionary use as there are requirements to redeem preferred stock and repay debt, among other payments. Segment EBITDA as presented may not be comparable to similarly titled measures reported by other companies since not all companies necessarily calculate Segment EBITDA in an identical manner, and therefore, is not necessarily an accurate measure of comparison between companies. See reconciliation of Segment EBITDA to operating income (loss) for the years ended December 31, 2003, 2002 and 2001 for the each of the Company's segments in their respective segment discussions below. Segment EBITDA excludes $8,535 of additional restructuring related costs included in general and administrative expenses for the year ended December 31, 2001.

(2) Depreciation for the years ended December 31, 2003, 2002 and 2001 was $55,887, $68,881 and $75,714, respectively, and includes an impairment of long-lived assets of $9,739 in 2002. Amortization for the years ended December 31, 2003, 2002 and 2001 was $75,953, $208,238 and $677,776,

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respectively. Amortization includes an impairment of intangible assets, goodwill and other of $35,253, $146,064 and $427,016 for the years ended December 31, 2003, 2002 and 2001, respectively. Other charges (income) include severance related to separated senior executives of $9,372 for the year ended December 31, 2003, non-cash compensation and non-recurring charges of $11,184, $10,502 and $56,679 for the years ended December 31, 2003, 2002 and 2001, respectively, provision for severance, closures and restructuring related costs of $8,673, $49,669 and $43,679 for the years ended December 31, 2003, 2002 and 2001, respectively, and (gain) loss on sale of businesses and other, net, of $598, $7,247 and ($57,233) for the years ended December 31, 2003, 2002 and 2001, respectively. Other charges (income) include $8,535 of additional restructuring related costs included in general and administrative expenses for the year ended December 31, 2001.

(3) Effective July 1, 2003, the Company prospectively adopted SFAS 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity," which requires the Company to classify as long term liabilities its Series D Exchangeable Preferred Stock, Series F Exchangeable Preferred Stock and Series H Exchangeable Preferred Stock and to classify dividends from this preferred stock as interest expense. Such stock is now collectively described as shares subject to mandatory redemption and dividends on these shares are now included in loss from continuing operations and described as interest on shares subject to mandatory redemption, whereas previously they were presented below net income (loss) as preferred stock dividends. The adoption of SFAS 150 increased the loss from continuing operations for the year ended December 31, 2003 by $22,547 which represents primarily interest on shares subject to mandatory redemption and amortization of issuance costs which are included in the amortization of deferred financing costs on the accompanying statement of consolidated operations. If SFAS 150 was adopted on July 1, 2002 and July 1, 2001 loss from continuing operations, in each year, would have increased by $19,763 and $27,345, respectively. The 2002 increase to loss from continuing operations was reduced by a net gain of $4,488 on exchanges of the Exchangeable Preferred Stock.

(4) Discontinued operations includes gains on sale of businesses, net of tax, of $125,247 and $111,449 in 2003 and 2002, respectively.

Results of Operations

2003 Compared to 2002

Consolidated Results:

Revenues, Net

Consolidated revenues from Continuing Businesses decreased 3.8% to $1,345,622 in 2003 from $1,399,061 in 2002:

	Years Ended December 31,		
	2003	**2002**	**Percent Change**
Revenues, net:			
Continuing Businesses:			
Advertising	$ 832,085	$ 857,288	(2.9)
Circulation	321,751	342,057	(5.9)
Other	191,786	199,716	(4.0)
Subtotal	1,345,622	1,399,061	(3.8)
Non-Core Businesses		13,491	(100)
Total	$ 1,345,622	$ 1,412,552	(4.7)

Advertising revenues decreased by $25,203 in 2003 compared to 2002 due to declines of $27,850 and $5,514 at the Business Information and Education and Training segments, respectively, partially offset by increases in 2003 of $4,547 and $3,614 at the Consumer Guides and Enthusiast Media segments, respectively. Circulation revenues decreased $20,306 in 2003, principally driven by an $18,669 decline in revenues at the Enthusiast Media segment due primarily to the impact of the rate base reduction at the soap opera titles implemented early in 2003 and to a lesser extent weakness in single copy sales. Other revenues decreased in 2003 compared to 2002 due to a $13,518 decline at the Education and Training segment partially offset by an increase at Consumer Guides of $5,841 due to the continued growth of its third party distribution business. Revenue trends within each segment are further detailed in the segment discussions below.

Operating Income (Loss)

Operating income from Continuing Businesses was $82,397 in 2003 compared to an operating loss of $93,980 in 2002. This increase was predominantly due to the net decrease of $120,550 in non-cash impairment charges taken in 2003 versus 2002. For the year ended December 31, 2003, the Company recorded an impairment charge of $35,253 in amortization under SFAS 142 and SFAS 144 related to goodwill and intangibles. The total impairment charge recorded in depreciation and amortization primarily under SFAS 142 and SFAS 144 for the year ended December 31, 2002 was $155,803 related to goodwill, intangibles and other assets. Also, the provision for severance, closures and restructuring related costs decreased by $40,996 in 2003 to $8,673 from $49,669 in 2002.

Total operating income (loss), including Continuing Businesses and Non-Core Businesses, was $82,397 in 2003 compared to ($100,316) in 2002.

Net Income (Loss)

The Company had net income in 2003 of $38,872 compared to net loss of $599,423 in 2002. The increase in net income from 2002 was primarily due to the increase in operating income as discussed above and the Company's initial adoption of SFAS 142 in 2002. In connection with the adoption of SFAS 142 effective January 1, 2002, the Company recorded an impairment charge related to its goodwill and certain indefinite lived intangible assets of $388,508, as a cumulative effect of a change in accounting principle. In addition, the Company recorded $49,500 of non-cash deferred income tax expense in 2002 as a result of the adoption of SFAS 142, compared to $11,864 recorded in 2003.

Interest expense also decreased $15,350, or 11.0% in 2003 to $124,528 from $139,878 in 2002. The decrease in interest expense is due to the Company's reduction of long-term debt, including current maturities, lower interest rates and the Company's refinancing of its highest cost debt at lower interest rates.

Effective July 1, 2003, the Company prospectively adopted SFAS 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity", which requires dividends on the Company's Series D Exchangeable Preferred, Series F Exchangeable Preferred and Series H Exchangeable Preferred Stock (such stock is now collectively described as shares subject to mandatory redemption in the Company's financial statements) to be included in net income (loss) as interest on shares subject to mandatory redemption, whereas previously they were presented below net income (loss) as preferred stock dividends. The adoption of SFAS 150 increased the loss from continuing operations for the year ended December 31, 2003 by $22,547 which represents primarily interest on shares subject to mandatory redemption and amortization of issuance costs which are included in the amortization of deferred financing costs on the accompanying statement of consolidated operations. If SFAS 150 was adopted on July 1, 2002 loss from continuing operations would have increased by $19,763, net of a gain of $4,488 on exchanges of the Exchangeable Preferred Stock.

SFAS 144 requires sales or disposals of long-lived assets that meet certain criteria to be classified on the statement of consolidated operations as discontinued operations and to reclassify prior periods accordingly. During 2002, the Company completed the sale of the Modern Bride Group, ExitInfo, *Doll Reader, Chicago, Horticulture, IN New York* and the American Baby Group and, as a result of adopting SFAS 144, reclassified the financial results of these divested units into discontinued operations on the statement of consolidated operations for the year ended December 31, 2002.

During 2003, the Company completed the sales of Seventeen, Simba Information, Federal Sources, *CableWorld,* Sprinks and RealEstate.com and during January 2004, the Company sold *New York* magazine. In addition, the Company initiated a plan to sell Kagan World Media in 2003. In accordance with SFAS 144, the financial results of these operations have been reclassified into discontinued operations on the statements of consolidated operations for the years ended December 31, 2003 and 2002.

For the years ended December 31, 2003 and 2002, discontinued operations includes net gains on sale of businesses of $125,247 and $111,449, respectively.

Segment Results:

The results of the Company's four reportable segments are discussed below. All amounts are from Continuing Businesses unless otherwise specified.

Enthusiast Media Segment (includes consumer magazines, their related Web sites and events, and About)

Revenues, Net

Enthusiast Media revenues were $725,892 or 53.9% and $740,400 or 52.9% of the Company's consolidated revenues for 2003 and 2002, respectively. Enthusiast Media revenues decreased $14,508 or 2.0% in 2003 compared to 2002 as follows:

	Years Ended December 31,		
	2003	**2002**	**Percent Change**
Revenues, net:			
Advertising	$ 390,941	$ 387,327	0.9
Circulation	274,173	292,842	(6.4)
Other	58,796	57,010	3.1
Intersegment revenues	1,982	3,221	(38.5)
Total	$ 725,892	$ 740,400	(2.0)

Advertising revenues increased $3,614 or 0.9% in 2003. Enthusiast Media's strongest advertising gains were at *Motor Trend,* automotive enthusiast, outdoor and crafts titles, with 2003 continuing base title increases of 17.6%, 4.3%, 3.7% and 3.3%, respectively. For the year ended December 31, 2003, PRIMEDIA's enthusiast magazines advertising pages at continuing base titles fell by 1.0%, the same decrease as the overall industry average, as reported by the Publishers Information Bureau. Advertising revenues at About increased $1,606 in 2003 compared to 2002, primarily due to increases in contextual advertising. Enthusiast Media advertising revenue increases were partially offset by approximately $4,600 in decreased advertising revenue compared to 2002 due to the rate base reduction at the soap opera titles implemented in the first quarter of 2003 which lowered product cost and improved profitability. In addition, approximately $7,200 of advertising revenue was lost in 2003 due to product shutdowns. Excluding the revenue drop attributable to the soap opera titles' rate base reduction and normalizing for product shutdowns, advertising revenues at the consumer magazines continuing titles and their related Web sites increased approximately $13,800 in 2003 versus 2002.

Contributing to the overall decrease in revenues at Enthusiast Media was a decline in circulation revenues of $18,669 or 6.4% for the year ended December 31, 2003. Lost circulation revenue related to the rate base reduction at the soap opera titles accounted for $15,600 of the decline. In addition, single copy sales were negatively affected by the strike at approximately 860 Southern California grocery stores that began in October 2003 and was ongoing at December 31, 2003. Southern California is a large market for the Company's automotive enthusiast and outdoor sports magazines. Single copy units for Enthusiast Media magazines declined 5.3% for the year ended December 31, 2003, compared to the industry average decline of 13.1%, as reported by the International Periodical Distributors Association.

Other revenues for Enthusiast Media, which include licensing, list rental, events and other, increased $1,786, or 3.1%, in 2003 compared to 2002.

Segment EBITDA

Enthusiast Media Segment EBITDA increased 11.4% to $146,939 in 2003 from $131,879 in 2002. This increase in Segment EBITDA was due to cost initiatives, including savings in paper, production, headcount and group overhead. Other actions included the elimination of the Company's stand-alone, company-wide sales group with its responsibilities passed to smaller more focused sales groups. In addition, the rate base reduction implemented at the soap opera titles led to decreased revenues accompanied by lower product costs which improved profitability. Enthusiast Media operating expenses declined by approximately $29,600 in 2003 compared to 2002. In 2003, operating expenses included approximately $2,300 of costs related to the settlement of certain lawsuits resulting from pre-acquisition About contracts. As a result of these factors, Segment EBITDA margin increased to 20.2% in 2003 from 17.8% in 2002.

Below is a reconciliation of Enthusiast Media Segment EBITDA to operating income for the years ended December 31, 2003 and 2002:

	Years Ended December 31,	
	2003	**2002**
Segment EBITDA	$ 146,939	$ 131,879
Depreciation of property and equipment	21,507	18,879
Amortization of intangible assets and other	17,379	59,969
Non-cash compensation and non-recurring charges		3,365
Provision for severance, closures and restructuring related costs	4,617	40,360
(Gain) loss on sale of businesses and other, net	(258)	4,684
Operating income	$ 103,694	$ 4,622

Operating Income (Loss)

Operating income was $103,694 in 2003 compared to $4,622 in 2002, an increase of $99,072. The increase is primarily related to decreases in impairment charges and in the provision for severance, closures and restructuring related costs. During 2002, the Company recorded impairment charges of $37,335 in depreciation and amortization primarily related to goodwill and trademarks under SFAS 142 and related to property, equipment and certain finite lived intangible assets under SFAS 144. In 2003, as a result of the Company's annual impairment testing required under SFAS 142, the Company recorded an impairment related to trademarks in amortization of $2,337. The decrease in severance, closures and restructuring related costs of $35,743 is a result of the termination of certain real estate lease obligations related to office closures in 2002.

Discontinued Operations

In accordance with SFAS 144, the operating results of the Modern Bride Group, *Doll Reader*, *Chicago*, *Horticulture*, the American Baby Group, *IN New York*, Seventeen and Sprinks have been reclassified to discontinued operations on the statements of consolidated operations for the periods prior to their respective divestiture dates. In addition, the Company has reclassified the results of *New York* magazine, which was sold during January 2004, into discontinued operations for the years ended December 31, 2003 and 2002.

Enthusiast Media revenues exclude revenues from discontinued operations of $103,747 and $226,033 for years ended December 31, 2003 and 2002, respectively. Enthusiast Media segment operating income excludes operating income from discontinued operations of $124,087 and $113,615 for years ended December 31, 2003 and 2002, respectively. For 2003 and 2002, discontinued operations includes a net gain on sale of businesses of $113,227 and $106,847, respectively.

Consumer Guides Segment (includes *Apartment Guide* and *New Homes Guide,* their Web sites and DistribuTech)

Revenues, Net

Consumer Guides revenues were $276,639 or 20.6% and $267,166 or 19.1% of the Company's consolidated revenues for 2003 and 2002, respectively. Consumer Guides revenues increased $9,473 or 3.5% in 2003 compared to 2002 as follows:

	Years Ended December 31,		
	2003	**2002**	**Percent Change**
Revenues, net:			
Advertising	$ 234,352	$ 229,805	2.0
Other	42,277	36,436	16.0
Intersegment revenues	10	925	(98.9)
Total	$ 276,639	$ 267,166	3.5