

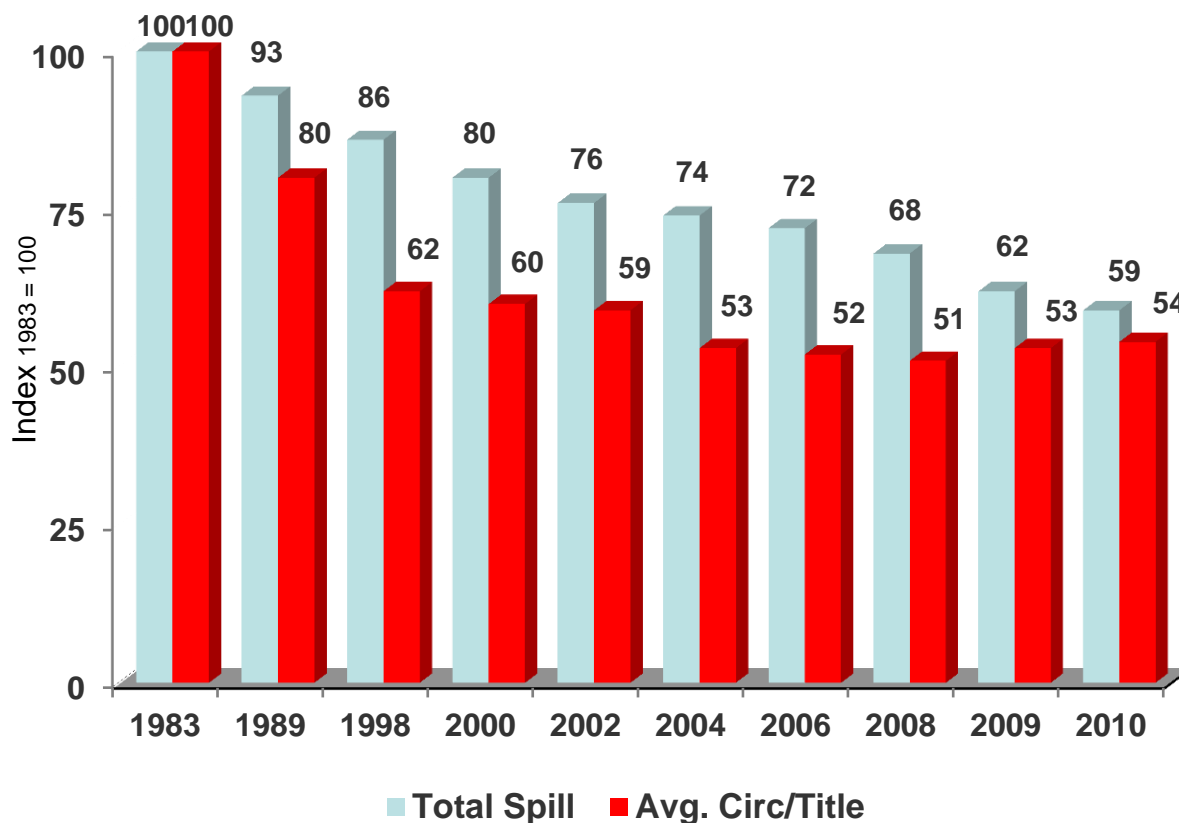
The background is a dark blue, textured map of North America. A bright, glowing yellow and orange spill is visible in the central United States, spreading towards the Canadian border. A grey silhouette of Alaska is positioned in the upper left corner. The map features a grid of latitude and longitude lines.

U.S. Spill into Canada

U.S. Circulation in Canada in Long Term Decline

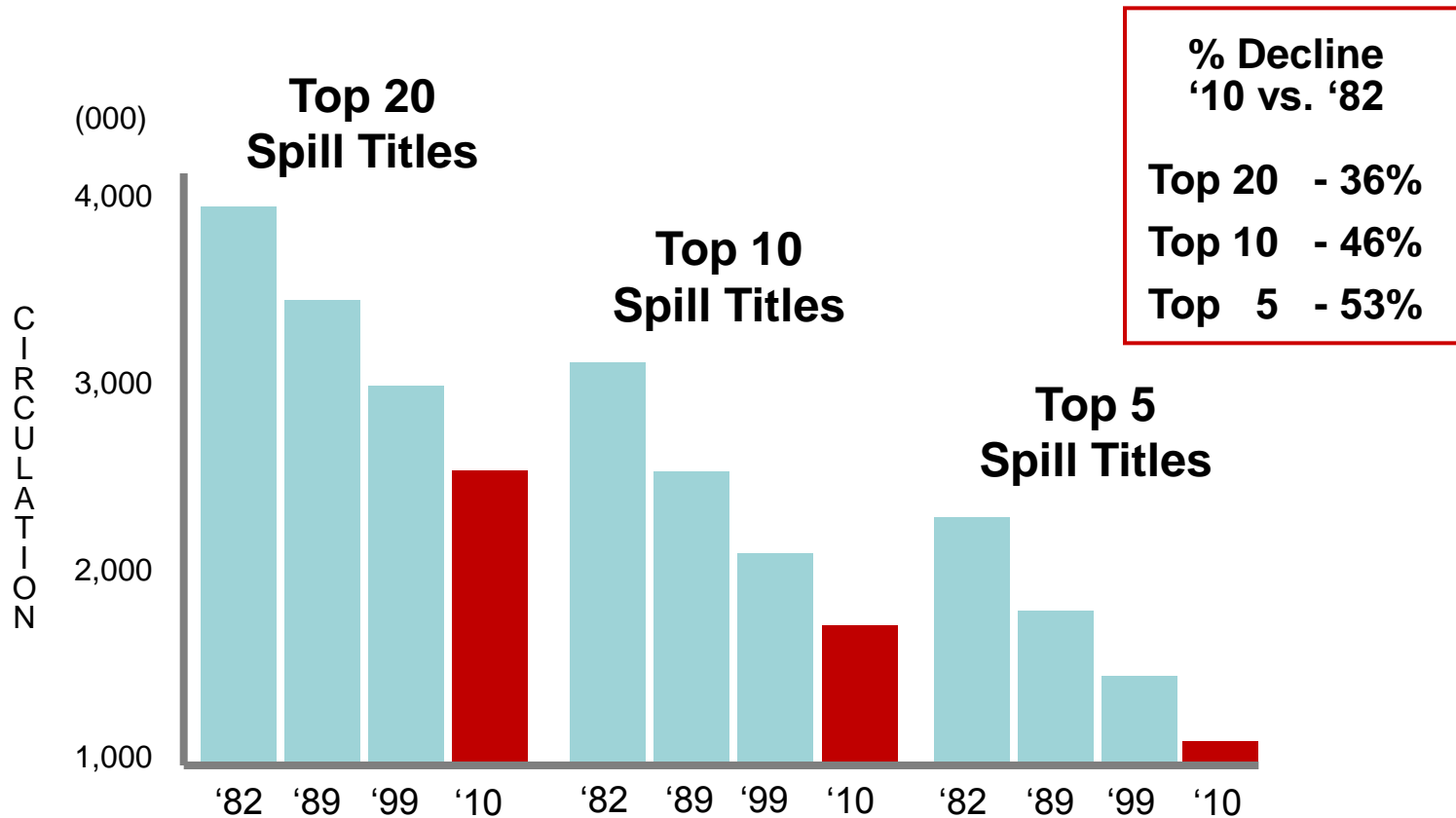
U.S. Spill Continues Decline

U.S. spill circulation is in long term decline as Canadian publications repatriate readership



3 U.S. spill titles in Canada's Top 100

Circulation of Top U.S. Spill Magazines in Canada is in Long Term Decline



**% Decline
'10 vs. '82**

Top 20 - 36%

Top 10 - 46%

Top 5 - 53%

**Three
U.S. Spill Titles
in
Canada's Top 100
Circulation**

Three U.S. Spill Titles in Canadian Top 100

2010

Titles *(Ranking)*

National Geographic (35)

Cosmopolitan (53)

People (79)

Tax Deductability

Advertisers in foreign-based magazines with less than
80% original Canadian content (as above)
may only deduct 50% of advertising expenses.

Advertisers in magazines with 80%+ original Canadian content may deduct 100%.

Circulation of Foreign Content Titles into Canada Continues to Decline

U.S. Titles	% Change 1993 to 2010
Newsweek	- 81%
Playboy	- 79%
Good Housekeeping	- 63%
Better Homes and Gardens	- 59%
National Geographic	- 50%

The Strength of Canadian Magazine Titles

2010

Top Canadian Titles

	Circulation (000 ^s)
Chatelaine	514
Canadian Living	500
Report On Business Mag	256
Financial Post Business Mag	166
Westworld	1,294
Reader's Digest	723
Maclean's	362

Top U.S. Titles

	Circulation (000 ^s)
Cosmopolitan	245
O Oprah	144
The Economist	82
Fortune	25
National Geographic	342
Prevention	128
Newsweek	10

Why?

- **More and more great Canadian titles**
- **Editorial and advertising content created specifically for Canadian readers**

Canadian Content Magazines Provide Relevant Editorial & Advertising Content for Canadians

- **92% agree that Canadian magazines play a significant role in informing Canadians about each other**
- **88% feel it is personally important that a magazine have editorial content created specifically for Canadian readers**
- **90% feel that U.S. titles don't effectively cover Canadian issues.**

Attitudes Towards Spill Advertising

How do Canadian consumers view ads that appear in U.S. magazines?

Statement 1:

I am more inclined to look for information in Canadian magazines than U.S. magazines when I am in the market to purchase a product.

Agree
Disagree

Total
77
23

Statement 2:

Advertisements in Canadian magazines are more relevant to me than advertisements in U.S. magazines.

Agree
Disagree

Total
83
17

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