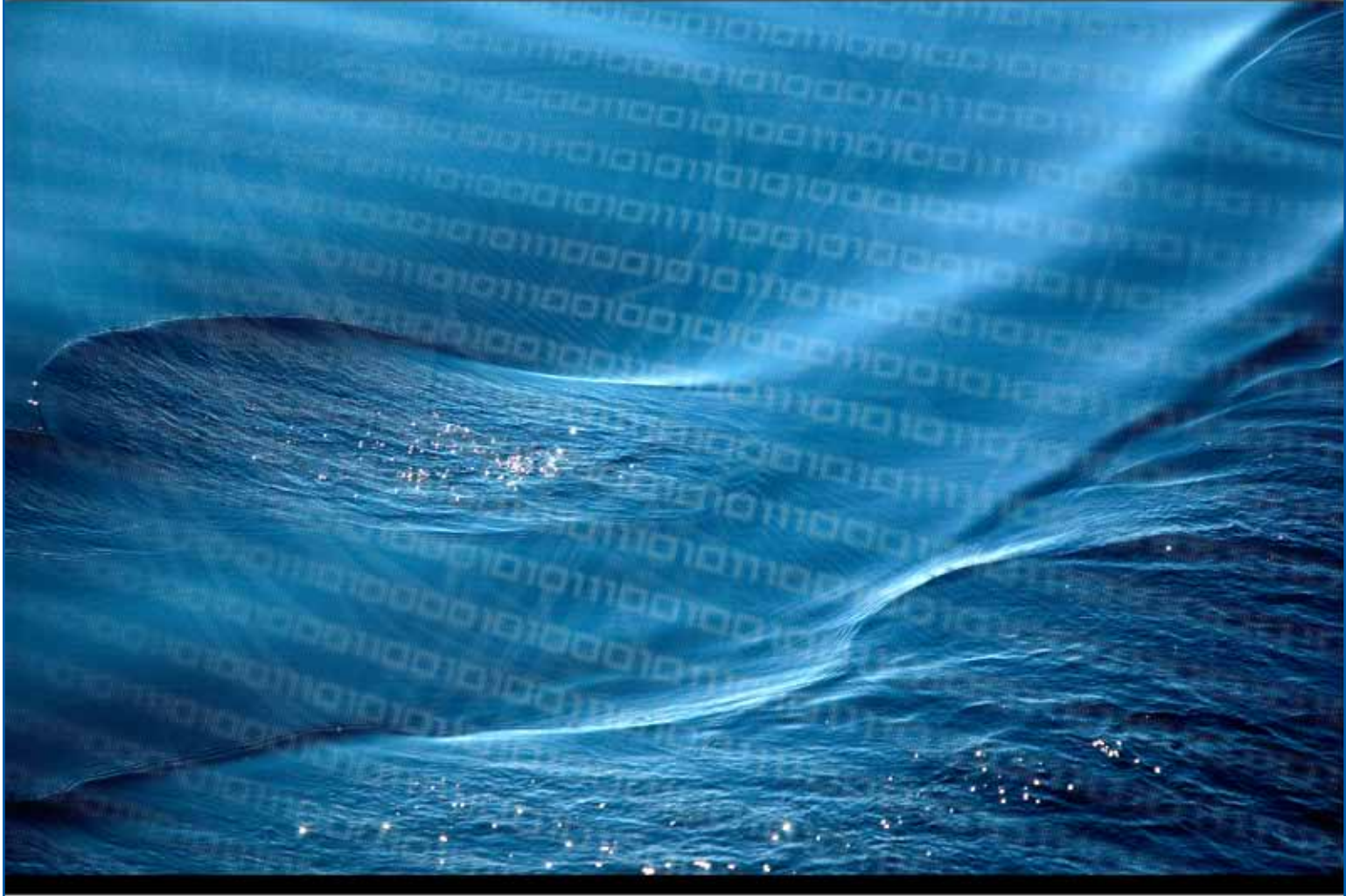




2009 Consolidated Financial Statements



Notice of Annual Meeting: The annual meeting of the Audit Bureau of Circulations will be held November 11, 2009. The treasurer's report is scheduled to take place at approximately 3:00 p.m. on the 15th floor of The New York Times building in New York. All members may attend the annual meeting.



ABC Focuses on Cost Reduction, Industry-Leading Multimedia Reporting Options and Canadian Autonomy

The last year's economy left many businesses facing challenging times and tough decisions; ABC is no exception. As a member organization, we've made every effort to cut and control our expenses so that we may pass these cost-savings on to you. This year, the ABC board took unprecedented steps to minimize and reduce audit fees and adopt new rules and reports that make way for a digital future.

Curtailing Audit Costs – For the third year in a row, the ABC board of directors agreed to freeze audit costs, guaranteeing that ABC members in 2010 will pay the same audit rates they've paid since Jan. 1, 2007.

In addition to freezing costs, ABC has also taken steps to reduce the costs publishers incur when preparing for and hosting an ABC audit. In the last year, we implemented Audit Fast Track, a new approach to our traditional circulation audit that maximizes technological advances to enhance the efficiency of the audit process and moves the field auditor out of the publisher's office to an ABC-managed location.

ABC also introduced a new Community Newspaper Audit program, which promises to significantly lower costs for newspapers with less than 25,000 total paid circulation. The program is set to launch Jan. 1, 2010, and has already received phenomenal feedback from the small newspaper community, with more than 150 newspapers already enrolled.

We've also worked to lower the costs of other ABC audit programs. By streamlining workflow procedures and uncovering new efficiencies, ABC has slashed the cost of a typical IVS audit by 20 percent. Coupled with a new three-year shelf life for the IVS audit reports, the program is increasingly becoming an affordable, must-have audit for newspapers with heavy Sunday insert distribution.

Evolving ABC Rules – New rules for U.S. and Canadian newspapers also present opportunities for reduced audit costs. This year the first set of these sweeping rule changes became effective and in 2010 the changes will be complete. In addition to reducing and containing certain audit costs, the new rules will also provide newspapers with greater pricing and marketing flexibility.

Newspapers aren't the only group of ABC members looking for greater flexibility. Consumer magazines are also flexing their digital strategies and seeking new ways to expand their publications beyond the print product. To allow for greater innovation, ABC broadened its consumer magazine digital edition guidelines to include content published via any digital means, not just an exact electronic copy.

Promoting Publishers' Multimedia Brands – In ABC's recent survey, "Going Mobile: How Publishers Are Preparing for the Burgeoning Mobile Market," nearly 70 percent of newspaper and magazine respondents said mobile—including smartphones and e-readers—is receiving more attention at their publication this year than last.

The survey results are certainly reflected in recent additions to ABC's membership and reporting options. This year ABC welcomed several new members to our roster whose primary focus is on the digital market, including Bite Sized Candy, PixelMags, Plastic Logic, ScrollMotion and Sony Electronics. These companies join other ABC associate members involved in digital publishing, including Amazon.com, Texterity Inc. and Zinio.

ABC has also worked diligently to expand our portfolio of reporting options. New innovative reports encourage publishers to promote their entire media footprint. *Chicago Tribune* was the first newspaper to release a consolidated media report that featured a variety of print and online products for the Tribune Media Group. Business publications also jumped on the opportunity to report expanded audience metrics, with *ENR*, *Architectural Record*, *Floor Covering Weekly*, *Electronic Products* and *Nation's Restaurant News* all issuing multimedia Publisher's Statements in 2009.

Strengthening Canadian Autonomy – ABC also took steps to recognize the evolution taking place in the Canadian market. A new ABC Canada Board Committee was formed to enlarge our Canadian representation and ensure that we address the unique needs of the Canadian market. One of the first tasks of the committee was to expand ABC's current rulebook to house U.S. and Canadian-specific rules.

Looking Toward the Future - New technologies are constantly expanding and proliferating, offering ABC publisher members an infinite number of opportunities for content distribution and ABC buyer members

an equal number of choices for reaching their target audiences. For instance, in 2009 ABC Interactive audited the delivery and open rates for *Advertising Age's* seven e-newsletters, accredited the technologies that AdJuggler Inc. uses to serve ads, and verified the traffic of nearly 200 newspaper Web sites via the Audience-FAX program. As these new technologies gain traction, ABC is ready to offer buyers and sellers the inscrutable accountability and transparency it has provided for more than 90 years.



A handwritten signature in black ink that reads "Merle K. Davidson".

Merle K. Davidson
Chairman of the ABC Board
Market Media Director, Strategic Marketing/
Media Services, JCPenney Co., Inc.



A handwritten signature in black ink that reads "Michael J. Lavery".

Michael J. Lavery
President and Managing Director
Audit Bureau of Circulations

**Consolidated Statements
of Financial Position**August 31, 2009 and
2008 (in thousands)

	2009	2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,533	\$ 3,614
Investments, at fair value	12,068	12,785
Accounts receivable, net of allowance for doubtful accounts 2009 \$44; 2008 \$58	2,046	2,302
Other	340	667
Total current assets	16,987	19,368
Prepaid Pension Expense	-	1,941
Property and Equipment, net	6,267	6,434
Total assets	\$ 23,254	\$ 27,743

LIABILITIES AND NET ASSETS**Current liabilities:**

Accounts payable	\$ 1,087	\$ 1,377
Accrued liabilities	1,779	2,228
Member deposits and advance payments	16,294	16,060

Total current liabilities

19,160	19,665
---------------	--------

Noncurrent liabilities

Accrued pension liability	3,640	-
Other noncurrent liabilities	894	813

Total noncurrent liabilities

4,534	813
--------------	-----

Net assets (deficit)

Unrestricted	9,173	10,942
Foreign currency translation adjustments	(412)	(451)
Pension adjustments	(9,201)	(3,226)

(440)	7,265
--------------	-------

Total liabilities and net assets

\$ 23,254	\$ 27,743
------------------	------------------

**Consolidated Statements
of Activities**Years ended August 31, 2009
and 2008 (in thousands)

	2009	2008
Revenues:		
Audit services	\$ 18,836	\$ 23,346
Report services	3,982	4,629
Dues	1,621	1,699
Other income	97	97
Total revenues	24,536	29,771
Auditors' expenses:		
Auditors' salaries	5,591	7,002
Auditors' expenses	2,856	4,423
	8,447	11,425
Other expenses:		
Salaries	8,527	9,178
Employee benefits (including auditor benefits)	4,767	5,026
Member services, including materials and supplies	1,608	1,921
Building and equipment	1,682	1,640
Legal and other consulting fees	573	664
Insurance	233	238
Travel	212	508
Bad debt	32	(6)
Other	159	270
	17,793	19,439
Total expenses	26,240	30,864
Decrease in net assets from operating activities	(1,704)	(1,093)
Investment loss	(65)	(841)
Decrease in net assets from operating activities after investment loss	(1,769)	(1,934)
Pension-related changes other than net periodic pension cost	(5,975)	(2,372)
Change in foreign currency translation adjustment	39	(23)
Decrease in net assets	(7,705)	(4,329)
Net assets:		
Beginning	7,265	11,594
Ending	\$ (440)	\$ 7,265

The financial statements of the organization are audited by an independent public accounting firm.

ABC's complete 2009 audited financial statements are available at www.accessabc.com/aboutabc/annualreport.htm.

Board of Directors

as of August 31, 2009



Officers

Board Chair

Merle K. Davidson
JCPENNEY CO. INC.

Vice Chairs

David W. Leckey
AMERICAN MEDIA INC.

Charles B. Rutman
MPG

Brian Segal
ROGERS MEDIA

Secretary

Vikki Schwartzman
LOREAL USA

Treasurer

Dennis Skulsky
CANWEST

Advertiser Directors

Christopher L. Black
SEARS HOLDINGS
CORPORATION

Ed Cicale
AUTONATION INC.

Brett N. Dennis
T-MOBILE

Irene Grieco
UNILEVER

Mark A. Kaline
KIMBERLY-CLARK
CORPORATION

Christina Meringolo
SCHERING-PLOUGH
CONSUMER HEALTHCARE
PRODUCTS

Bill Stabile
SIEMENS CORPORATION

Advertising Agency Directors

Sunni Boot
ZENITHOPTIMEDIA
CANADA INC.

Bruce Claassen
AEGIS MEDIA CANADA/
GENESIS-VIZEUM INC.

Suzanne Silber
OPTIMEDIA

Robin Steinberg
MEDIAVEST USA

Robert Troutbeck
TROUTBECK-CHERNOFF

Judy Vogel
PHD USA

David S. Walker
NSA MEDIA

Brenda White
STARCOM WORLDWIDE

Newspaper Directors

Kirk A. Davis
GATEHOUSE MEDIA INC.

Caroline Diamond Harrison
STATEN ISLAND ADVANCE, NY

Scott Heekin-Caney
THE NEW YORK TIMES

Evan Ray
GANNETT CO. INC.

Steven B. Rossi
CALIFORNIA NEWSPAPERS
PARTNERSHIP

Howard G. Sutton
THE PROVIDENCE JOURNAL
COMPANY

Frank R.J. Whittaker
THE McCLATCHY COMPANY

Periodical Directors

Lorelei Calvert
EMMIS PUBLISHING, L.P./
TEXAS MONTHLY

Rob Fisher
AMERICAN CITY BUSINESS JOURNALS

Jack Griffin
MEREDITH CORPORATION

John Q. Griffin
NATIONAL GEOGRAPHIC SOCIETY

James H. McGraw IV
THE MCGRAW-HILL COMPANIES

Lindsay Valk
HEARST MAGAZINES

Gary L. Vorpahl
W.D. HOARD & SONS COMPANY



Headquarters Office: 900 N. Meacham Road, Schaumburg, IL 60173-4968

T: 847.605.0909 ■ F: 847.605.0483

New York Office: 122 East 42nd Street, Suite 807, New York, NY 10168-0899

T: 212.867.8992 ■ F: 212.867.8947

Canadian Office: 151 Bloor Street West, Suite 850, Toronto, ON M5S 1S4

T: 416.962.5840 ■ F: 416.962.5844