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In Down Times, a Publication for Living Rich

From the upscale Robb Report, it would seem the reading wealthy are weathering this uncertain climate just fine.

Regarding Media

By TIM RUTTEN
TIMES STAFF WRITER

Faith is easily shaken; hope fades; charity, sadly, is forever in short supply.

But *Schadenfreude*—that quiet glee in the misfortune of others—is always with us.

So, with stocks groping for a bottom, bonds wallowing and the

dollar falling, it seems like the right moment to check in on the reading rich. And there probably isn't a better place to do that than at the Malibu-based Robb Report, whose slightly more than 100,000 monthly readers have an average annual income of \$1.2 million. Thick, glossy and pricey, the magazine is dedicated to the proposition that the good life, if not entirely about things, is mostly so.

How are the Robb Report and its acquisitive readers doing?

Never better and just fine, according to William J. Curtis, president and chief executive of CurtCo Robb Media, which in partnership with Toronto Dominion Capital, acquired the magazine "for the

luxury lifestyle" a little more than a year ago.

"Cartier and Patek Philippe are not going out of business because of what's happening in the market," he said. "But what they and other manufacturers of luxury products and services are being forced to do is to focus their marketing on those people who can afford to pull the trigger on a purchase, even in this market. In this difficult climate, image advertising—the sort aimed at the wannabes making \$100,000 a year—falls away a bit, and advertising that results in sales survives."

Actually, the Robb Report—however rarified its readership—represents a return to form for a little-noticed publishing success

story that Curtis, a onetime ad salesman for the Financial Times, planted in Malibu more than a decade ago. Over the succeeding years, he and a small group of associates launched or acquired 26 specialty publications focused on home theaters, computing and mobile computing, particularly in the business-to-business sector. "Sales Force Automation Magazine was one of our titles," Curtis quipped. "There's something you'd want to curl up with by the fire on a cold night."

Those titles were all sold off by 1999 to become an e-commerce firm.

"At the time," Curtis recalled, "it was everybody's obligation to find a way to lose money. So, like every-

body else, we started a business that wasn't really a business. It was called Small Office.com, and I lost \$10 million on it.

"We learned our lesson from the dotcom and, at the end of 2000, began the complicated process of acquiring this magazine, which I love and have read for the last decade. We paid \$35 million, and I'm like a pig in heaven because I'm really into this stuff."

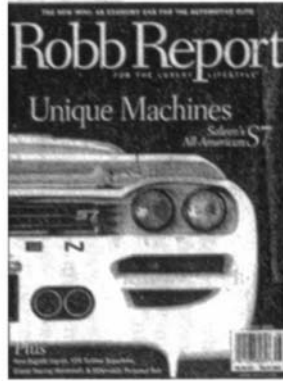
Curtis describes the Robb Report, which since its purchase has undergone a redesign and major editorial expansion, as "nicely profitable." Renewals have increased, and newsstand sales have increased by 25% to 47,000—"and this is a book with an \$8 to \$10

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cover price. This is not a \$2 magazine. Overall, we're going to make a couple of million dollars more than we projected this year." As a privately held company, CurtCo does not publish financial projections.

Now, though Curtis and his associates believe the current upheaval in the markets may last for another two years, they plan to use the magazine—which is filled with lavishly illustrated pieces on hotels, restaurants, cars, boats, jewelry, watches, cigars and wine—as the launching pad for an array of publications geared to high-end consumerism. "I would very much like to acquire a home design and furniture title," he said, "because our readers' second homes have an average value of \$2.5 million."



Having undergone a recent redesign, the magazine is "nicely profitable," says its president.