

Dow Jones	Down
Indust	100.85
Avg	9,777.93

Business

BRILL'S BLOODBATH

Inside mag to shutter, up to 50 to be axed

By KEITH J. KELLY

Brill Media Holdings unveiled its deal to absorb Powerful Media and its inside.com media Web news service at a morning press conference — and no sooner did it end than the axings began.

In all, at least 50 people —

MEDIA CITY

some 30 percent of the combined staff of 150 people of Powerful Media and Brill's Media Holdings — will soon be out of work.

Inside magazine will cease publication immediately. Brill's Content will put out a June issue and skip the July/August double issue.

It will be relaunched in September with a new name, Inside Content, and will also cease to be a media watchdog.

"It's going to be a high-end business magazine for the new leaders in the media world," said Brill, who is positing the new entity as a print company with a strong Web stable.

Among those getting the ax at Inside magazine: Sarah Bartlett, editorial director; Richard Balestrino, managing editor; Robert Newman, design director, along with most of the business side.

Richard Siklos, editor of



THREE'S COMPANY: Brill Media, which is 49-percent owned by Primedia, will absorb Powerful Media and launch a combined magazine: Inside Content. Announcing the deal were (left to right) Primedia's Tom Rogers, Steven Brill and Powerful Media co-founder Kurt Andersen, who will stay on board as vice chairman.

Marion Curtis/DML

Inside magazine, said he's been asked to remain but not to run the new mag.

Powerful Media co-founders Kurt Andersen and Michael Hirschorn will stay on board as vice chairmen of the new entity. Deanna Brown, a Powerful co-founder and president, will leave after a three-month transition period.

Andersen said he will help with the new title as well as work on a new TV project. Hirschorn is expected to remain as editorial director of Inside.com. Yesterday, Hirschorn was en route to

the Los Angeles office, where he was expected to cut Chris Petrikun and Kim Masters.

At Brill's Content, 12 of about 30 people were let go on the editorial side.

"It's sad; it sucks," said one Inside insider. "It was handled about as well as it could be, but it's like breaking up a family."

Powerful Media will have an equity stake in Brill Media Holdings, headed by CEO Steve Brill. The Wall Street Journal valued the paper transaction as a \$25 million to \$30 million deal.

But no cash changed hands, and Brill gets access to the unspent venture money left on the table at Powerful Media — some \$10 million.

Sources at a late afternoon staff meeting said Brill likened the new magazine to Fast Company or Forbes for the media world.

And he expects most of the inside.com news service to become a paid service that will be fed syndication-style to Primedia's Media Central portal. Media Central is an umbrella that includes a Web site and small trade titles such as Folio,

Cable World and Book Publishing Report.

Primedia has a 49 percent stake in Brill Media Holdings and Steve Brill is CEO of Media Central.

Said one media observer, "There is no way to view Powerful Media as anything less than a colossal failure. Brill is essentially getting paid to take this thing over. He gets to spend the venture capitalists' \$10 million."

Not surprisingly, Brill, Andersen and Hirschorn insisted otherwise.

"This is a next generation Internet play," said Brill.