



***prime* MEDIA**

annual report **2003**

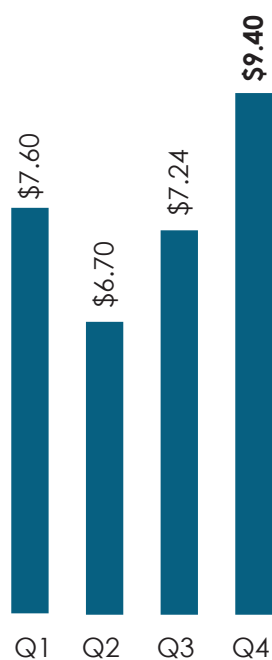
Financial Highlights

	Q1	Q2	Q3	Q4
Revenue	7,601,487	6,700,646	7,244,617	9,404,777
Proforma net loss*	(4,711,206)	(4,724,102)	(3,944,920)	(2,148,332)
Proforma EPS*	(0.12)	(0.12)	(0.10)	(0.05)
Cash, cash equivalents and marketable securities	\$ 93,511,421	\$ 88,173,232	\$ 75,806,512	\$ 64,114,939
Working capital	88,628,720	84,424,131	50,034,138	47,249,362
Total assets	117,473,263	111,211,686	129,156,805	117,174,953
Total stockholders' equity	104,534,151	100,320,822	93,191,283	91,471,772

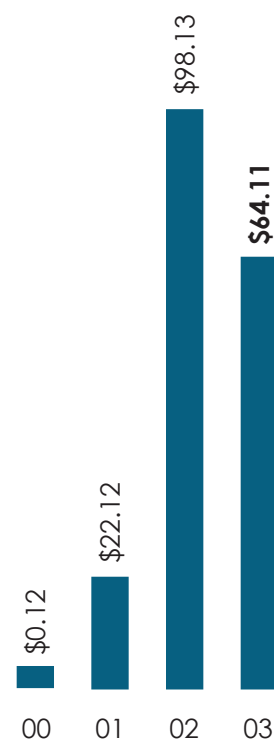
*Refer to Annual Report form 10k



Annual Revenue
in millions



Quarterly Revenue
in millions



Cash, Cash
Equivalents
and Marketable
Securities
in millions

Overview

2003 was another year of success and innovation for primeMedia. Our financial performance continued to improve and was characterized by revenue growth despite less-than-ideal market conditions. Our revenue grew by 42% to \$31.0 million on a GAAP basis, compared with \$21.9 million in 2002. We successfully completed the acquisition of Stockpoint, dramatically increasing our penetration into the Financial Services market. Assuming primeMedia and Stockpoint were combined for the full year, our revenues would have been \$44.0 million. We continued expanding our enterprise customer base; at the end of the fourth quarter, 78% of contract value was from medium and large enterprises customers. We continued managing for profitability, streamlining operations and reducing our EBITDA loss and cash burn rate. We expanded our product portfolio from delivering customized news feeds for websites to providing information management products and services to the enterprise. We signed some of the largest contracts in our corporate history in strategic markets, such as Financial Services and Access Platforms, which include wireless and web portals, interactive TV service, and kiosk or telematic applications. We formed important technology partnerships with industry leaders to further promote our products in our target markets. We continued to establish our company as an essential partner to enterprises seeking increased revenue and efficiency through the delivery of mission-critical information to employees, partners and customers.

2003

IN 2003, SCREAMING MEDIA REACHED SOME CRITICAL MILESTONES:

Stockpoint Acquisition: Completing the immediately accretive acquisition of Stockpoint, Inc., a global provider of financial applications and market data to brokerages, commercial and investment banks, mutual fund companies and 401K providers, proved to be a strategic complement to our existing products and allowed us to expand our presence in the high-growth Financial Services market. The synergies resulting from the Stockpoint acquisition enabled us to streamline operations, enhance our product set to include mission-critical applications and significantly increase our average contract value. As a result, at the end of the year, Financial Services revenues accounted for approximately 50% of primeMedia's revenue stream.

"REVENUE
GROWTH
DESPITE
LESS-THAN-IDEAL
MARKET
CONDITIONS."

Enterprise Customer Base: We dramatically increased the number of large enterprises in our customer base by focusing on the Financial Services, Business Information and Access Platforms markets. At the end of the year, we had some of the most reputable names in each of these markets on our client roster. In the Financial Services market, we signed Barclays Global Investors, Brown & Company (a division of J.P. Morgan Chase), Principal Financial Group and Deutsche Bank; in the Access Platforms market, Boeing, AT&T, Verizon and Knology; and in the Business Information market, Compaq, McKinsey & Company, Procter & Gamble and Schering-Plough. As a result, at the end of 2003, our average contract value was \$82,000, a 182% increase compared with 2002.

Letter to the Shareholder

Products that solve business problems: In 2003, we focused our research and development efforts on creating breakthrough products that will help accelerate our corporate evolution. At the beginning of 2003, we launched our first enterprise software product line, Actrellis™ and our first integrated corporate portal product, Business Tracker™.

Actrellis™ is information management software that provides enterprises with easy access to mission-critical information. The Actrellis product suite includes Actrellis Integration Server, which consolidates and normalizes information from multiple sources, transforms it into a common format and deposits it into appropriate repositories; Actrellis Financial Applications, which present proprietary and third - party market data to end users in the form of interactive charts, scrolling tickers or personalized portfolio trackers; and Actrellis Alerts Server, which powers on-demand information services, taking in real-time information feeds and serving them to end users as custom alerts.

We see a growing opportunity for the Actrellis product suite, as the integration of applications, information and data sources is fast becoming a business imperative for enterprises looking to strengthen customer and partner relationships, increase employee productivity and create new business opportunities.

Business Tracker™, our corporate portal solution, combines primeMedia's rich business information and hosted applications, enabling large enterprises to deliver business intelligence to employees. The product facilitates the research and tracking of critical market and competitive information across industries and is expected to become an indispensable tool for research professionals, corporate strategists and marketing and sales departments.

Technology Partnerships: In 2003, we launched integration kits with leading technology companies such as Sun Microsystems, BEA, Oracle, IBM, Plumtree and Citrix. The integration of our technology into our partners' platforms allows us to deliver joint customers a superior information aggregation technology and the most comprehensive content network in the market. We expect our partnerships to become an increasingly important component of our business.

Leadership Succession: In May 2003 we announced our Leadership Succession Plan and embarked on a national search for a president and CEO. We completed our search toward the end of the year and appointed Kirk Douglas president and CEO in January 2003.



A handwritten signature in blue ink, appearing to read 'Kirk Douglas', located below the portrait of Kirk Douglas.

Kirk Douglas
Chairman of the Board

"WE FOCUSED
OUR RESEARCH
AND
DEVELOPMENT
EFFORTS ON
CREATING
BREAKTHROUGH
PRODUCTS."

"LEADERSHIP IN INFORMATION MANAGEMENT AND BUSINESS INFORMATION SOLUTIONS."

Kirk is a valuable addition to our management team and brings to primeMedia two decades of experience in the technology field, including several senior management positions at Apple Computer and Silicon Graphics.

Our Advantage

The primeMedia advantage lies in the superior set of information management and financial products, our relentless commitment to the improvement of our products, our utmost attention to customer satisfaction, our world-class management team and board members, and ultimately our employees, who are passionate about innovation. While our solution set is unmatched in the industry, our competitive advantage goes beyond our technology and extends into the personalized attention we give to our customers, striving to bring solutions that meet their specific business needs.

Our broad set of solutions allows us to solve a variety of business problems. That's why the world's leading financial institutions, such as Barclays Global Investors, HSBC and J.P. Morgan, turn to us to empower their customers with mission-critical analysis tools and real-time information. It's also why companies like Verizon, BP, AT&T and Scientific Atlanta turn to us to deliver their customers personalized information via a variety of platforms, including wireless applications, kiosks, gas pumps, interactive TV and other devices. With our innovative products, our leading list of customers and a management team that is focused on execution, primeMedia is well poised to extend our leadership in information management and business information solutions.

Going Forward

2004 will be another year of important milestones for PrimeMedia as we continue to focus on areas that are critical to delivering value to our shareholders. Our top goals for the year will be:

- > Further penetration into our key markets, especially Financial Services
- > Increasing the adoption of our enterprise information management solutions
- > Continuing to lead with innovation and development of new products and services
- > Delivering superior customer service
- > Moving towards EBITDA profitability

At primeMedia, there has never been a better time to pursue our goals and reach for new heights. We look forward to sharing more exciting news with our shareholders in the coming years.



Kevin Simpson

President and Chief Executive Officer

In 2002, PrimeMedia continued to be the information-management services provider of choice for leading enterprises that use timely, targeted information to sharpen their competitive edge. Companies such as Bristol-Myers Squibb and BP have made PrimeMedia a cornerstone of their content infrastructure investments, recognizing that the right information, deployed efficiently, creates positive ROI and measurable improvements to employee productivity, customer management and the bottom line.

primeMedia in recent years has concentrated its focus on developing a flexible technology platform to power industry-leading information management applications. The effort took a major leap forward in early 2003 with the release of the Actrellis™ platform, which supports our first enterprise software products for information management, investment research and analysis, and personalized, multiplatform alerting. Actrellis also drives functionality within Business Tracker™, PrimeMedia's new turnkey corporate portal solution, which enables companies to deliver real-time business intelligence through customized "portlets." Actrellis-based applications can integrate directly into an enterprise's existing infrastructure, dovetailing with leading content-management, personalization and portal systems.

"PRIMEMEDIA IS THE ONLY COMPANY WITH THE TECHNOLOGY INFORMATION ASSETS AND EXPERTISE TO CREATE COMPLETE CUSTOMIZED SOLUTIONS."

Built on open standards to be device-agnostic, our platform has proved ideal for players in the lucrative access market, such as Verizon Wireless and AT&T WorldNet, which are using primeMedia's technology to power their information channels. We are uniquely positioned to help wireless carriers, ISPs, interactive TV service providers and kiosk operators offer the information, personalization and functionality that reduce subscriber churn and boost average revenue per user. Our offerings for access providers include web and messaging portal solutions, multiplatform alerting, information-management applications, mobile-ready information and professional services.

Whether an enterprise is looking to put decision-driving data at employees' fingertips, to populate a corporate portal with relevant news, features and utilities, or to enhance the user experience on any device, primeMedia is the only company with the technology, information assets and expertise to create complete, customized solutions.

Directors and Officers

Board of Directors

Jay Chiat
Chairman Emeritus

Kevin Simpson
Chairman of the Board

Alan Ellman
Founder and Vice Chairman

Kirk Douglas
President and Chief Executive Officer

James Robinson
Co-Founder and General
Partner of RRE Ventures

David Hodgson
Managing Member of General
Atlantic Partners, LLC

Kevin O'Connor
Chairman of DoubleClick Inc.

Michael Jordan
Former Chairman and CEO,
CBS Corporation

John Sculley
Former CEO of Apple Computer Inc.

Executive Officers

Kirk Douglas
President and CEO

David Obstler
Chief Financial Officer

David Tamburri
Executive Vice President,
Operations

Luan Cox
Executive Vice President, Sales

William Staib
Executive Vice President,
Technology and Product

Steven Spencer
Executive Vice President,
Access Platforms Group

Stockholder Information

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Two World Financial Center
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Stock Listing

primeMEDIA is listed on
the Nasdaq National Market
under the symbol **SCRM**

Annual Meeting

June 11, 2004

The matters discussed in this report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. We may identify these statements by the use of words such as "believe," "expect," "anticipate," "intend," "plan" and similar expressions. These forward-looking statements involve several risks and uncertainties. Our actual results may differ materially from those set forth in these forward-looking statements as a result of a number of factors, including those described under the caption "Risk Factors" in our Form 10K annual report as filed with the United States Securities and Exchange Commission. These forward-looking statements speak only as of the date of this report, and we caution you not to rely on these statements without also considering the risks and uncertainties associated with these statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis, judgment, belief, or expectation only as of the date here of. The Company under takes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date here of.

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