

JEGI Press Release

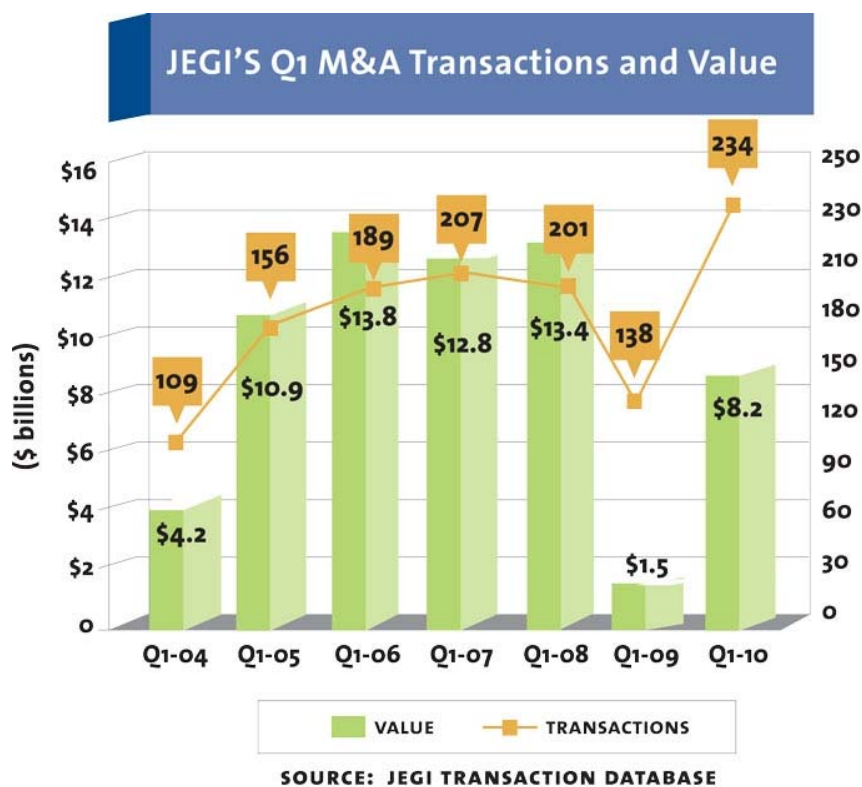
M&A Recovery in Full Swing in Q1 2010

Deal Activity Up 70% and Transaction Value Rises More Than 400% over Q1 2009

New York, NY April 1, 2010 After a dramatic decline over late 2008 through mid-2009, the M&A market continues to recover. In Q1 2010, the number of deals announced increased 70% and overall transaction value rose to over five times the Q1 2009 levels, across the 10 media, information, marketing services and technology sectors tracked by The Jordan, Edmiston Group, Inc. (JEGI) (www.jegi.com), the premier independent investment bank covering these core markets. JEGI completed 13 transactions in the past six months, including six in the first quarter of 2010.

Compared to Q4 2009, the first quarter of 2010 saw 58% more M&A deals, but transaction value fell (43%). There were no sizable transactions to match the two large deals announced in Q4 2009 – the sale of Springer Science to EQT Partners for \$3.4 billion, and the sale of IMS Health to TPG Capital and CPP Investment Board for \$5.2 billion.

The strong rise in year-over-year M&A activity (Q1 2010 versus Q1 2009) was driven by six sectors: B2B Online Media (number of deals up 12x), B2C Online Media (+79%), Business-to-Business Media (up nearly 5x), Database & Information Services (+200%), Marketing & Interactive Services (+41%), and Mobile Media & Technology (+300%).



Interactive media continues to propel deal flow, as the B2B and B2C Online Media, Marketing & Interactive Services, and Mobile sectors accounted for 74% of total deal activity in Q1 2010. Many of the large interactive media and marketing companies were active in the quarter, including Aegis, AOL, Apple, comScore, Dentsu, Facebook, Google, Monster, and News Corp. The three largest interactive deals were Apple's acquisition of mobile ad network Quattro Wireless for \$275 million, Monster's acquisition of online recruiter HotJobs from Yahoo! for \$225 million, and Dentsu's acquisition of digital agency Innovation Interactive from ABS Capital Partners and management for \$220 million.



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Q1 2010 saw two \$1+ billion transactions and ten \$100+ million deals. The largest deals in the quarter included MSCI's acquisition of risk management and corporate governance services provider RiskMetrics Group for \$1.6 billion, and the acquisition by a consortium of private equity firms of e-learning provider Skillsoft for \$1.1 billion. Another prominent transaction announced in the quarter was CCMP's acquisition of database and list manager InfoGroup for \$635 million.

Strategic Buyers Continue to Lead M&A Charge

Of 234 transactions announced in Q1 2010 for a combined value of \$8.2 billion, only 32, or 14%, were led by Private Equity firms or PE-backed companies. Two-thirds of these PE-led deals were within "traditional" media markets, including b2b and consumer magazines, tradeshow, database and information services, as well as education. These businesses tend to trade at multiples that are financeable and fit within current PE platform models. In contrast, PE firms or their portfolio companies were the acquirers on only 11 of the 177 interactive media deals announced in Q1 2010.

| Media, Information, Marketing Services & Related Technology M&A Activity | | | | | | |
|--|----------------------------|------------------|----------------------------|------------------|--------------|-------------|
| Industry Sector | Q1-2010 January - March | | Q1-2009 January - March | | % Change | |
| | No. of Deals | Value (millions) | No. of Deals | Value (millions) | No. of Deals | Value |
| B2B Online Media & Technology | 36 | \$407 | 3 | \$16 | n.a. | n.a. |
| B2C Online Media & Technology | 61 | \$705 | 34 | \$349 | 79% | 102% |
| Business-to-Business Media | 14 | \$71 | 3 | \$5 | n.a. | n.a. |
| Consumer Magazines | 3 | \$18 | 17 | \$75 | (82%) | (76%) |
| Database & Information Services | 21 | \$3,154 | 7 | \$79 | 200% | n.a. |
| Education Information, Technology & Training | 13 | \$1,804 | 20 | \$355 | (35%) | n.a. |
| Exhibitions & Conferences | 7 | \$35 | 8 | \$38 | (13%) | (9%) |
| Marketing & Interactive Services | 48 | \$1,156 | 34 | \$437 | 41% | 165% |
| Mobile Media & Technology | 28 | \$728 | 7 | \$68 | 300% | n.a. |
| Newspaper Publishing | 3 | \$74 | 5 | \$108 | (40%) | (32%) |
| Total | 234 | \$8,151 | 138 | \$1,530 | 70% | 433% |

Source: JEGI Transaction Database



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M&A Highlights

- With 36 transactions at a total value of \$407 million, the **b2b online media and technology** sector was one of the most active in Q1 2010. Small transactions dominated the sector, with average deal size of only \$11 million, compared with an average deal size of \$150 million for the database and information services sector. Notable transactions in the quarter included Shanda Games' acquisition of Mochi Media, an online gaming tools and services provider, for \$80 million, and AOL's acquisition of StudioNow, a platform to create online video and animation, for \$36.5 million.
- The **b2c online media and technology** sector continues to be the most active sector covered by JEGI, with 61 transactions in the first quarter of 2010. Once again, small transactions were prevalent in this sector, with average deal size of \$12 million for the quarter. The largest b2c online media transaction in Q1 was Monster's acquisition of HotJobs from Yahoo! for \$225 million, followed by Google's purchase of Aardvark, a social search engine, for \$50 million, and Key Brand Entertainment's acquisition of Broadway.com for \$45 million.
- The number of M&A transactions and transaction value for the **business-to-business media** sector increased sharply in Q1 2010 over Q1 2009, as Reed Elsevier continued to divest US print and related online media assets, as it unwinds Reed Business Information-US. Several other large global corporations divested b2b media assets in the quarter, including The Economist Group, which sold CFO, and Nielsen, which sold its Retail and Travel Groups. PE firms returned as buyers of b2b media assets, as Seguin Partners bought CFO from The Economist Group, Canon Communications/Apprise Media (backed by Spectrum Equity) acquired four b2b media assets from RBI-US, Media Source (backed by Riverside) purchased library assets from RBI-US, Sandow Media (backed by Veronis Suhler Stevenson) picked up eight commercial and residential design and home furnishings and accessories assets from RBI-US, and NorthStar Travel Media (backed by Boston Ventures) acquired Nielsen Business Media's Travel Group.
- The M&A market for **consumer magazines** was almost non-existent in the first quarter of 2010, as only three transactions were announced for a total of \$18 million in value. The most notable transaction of the quarter was the acquisition by Active Interest Media (backed by Wind Point Partners) of equine-related assets from Source Interlink Media.
- The number of M&A transactions and transaction value increased significantly in Q1 2010 for the **database and information services** sector, as 21 deals were announced for a total of \$3.2 billion in value, compared to only seven deals for a total value of \$79 million in Q1 2009. Notable deals in the quarter included MSCI's acquisition of RiskMetrics Group for \$1.6 billion, CCMP's acquisition of InfoGroup for \$635 million, CME Group's purchase of Dow Jones Indexes for \$608 million, Gartner's acquisition of Burton Group, and Bain Capital Venture's \$12 million investment of growth capital in Edgar Online.



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- The **education information, technology and training** sector saw a (35%) dip in the number of transactions, but a sharp increase in transaction value in the first quarter of 2010 to \$1.8 billion, led by a PE consortium acquisition of Skillsoft for \$1.1 billion, and BC Partners' acquisition of ATI Career Training Centers from Riverside Company for \$500 million. Other notable deals in Q1 included the acquisition by Kaplan (a unit of The Washington Post Company) of collaborative e-learning software provider Atlantic Link, and Reed Elsevier's purchase of NurseSquared, an electronic health record training product.
- In Q1 2010, the **exhibitions and conferences** sector remained on par with Q1 2009 M&A activity and value, as only seven transactions were announced for a total value of \$35 million. In the quarter, Northstar Travel Media (backed by Boston Ventures) acquired The Original Home Based Travel Agent Show and Conference from Real Trade Shows, United Business Media bought Sign China, and WebMediaBrands acquired 3rd Power, a social media trade show company.
- **Marketing and interactive services** was the second most active sector for M&A in Q1 2010, with 48 transactions at a total value of \$1.2 billion. The sector showed strong gains of 41% and over 165% in number of deals and transaction value, respectively, versus Q1 2009. Notable transactions in Q1 2010 included the acquisition by Dentsu, the largest Japanese advertising agency, of Innovation Interactive from ABS Capital Partners and management for \$220 million, TA Associate's purchase of email service provider eCircle for \$88 million, and the acquisition by Ipsos of OTX, an online consumer and market research provider, for \$71 million.
- The **mobile media and technology** sector was once again a leader in M&A activity, with 28 announced transactions for the quarter at a total value of \$728 million. Notable Q1 deals included Apple's acquisition of mobile ad network Quattro Wireless for \$275 million, Amdocs' acquisition of multimedia messaging provider MX Telecom for \$104 million, Nuance's purchase of voice-to-text specialist SpinVox for \$103 million, Blackboard's acquisition Saf-T-Net, provider of AlertNow mobile messaging technology, for \$33 million, and the purchase by Amobee of RingRing Media, a mobile advertising agency, for \$20 million.
- The **newspaper publishing** sector continues to be quiet on the M&A front, with only three Q1 2010 deals announced at a total value of \$74 million, as compared to five announced transactions at a total value of \$108 million in Q1 2009. The most notable transaction of the quarter was the acquisition by Trinity Mirror of Guardian Media's GMG Regional Media group of 32 newspapers for \$70 million.



M&A Outlook

JEGI expects the M&A market for both traditional and interactive media to continue to accelerate in 2010 for the following key reasons:

- **Strong Buyer Pool** Large, global corporations are holding unprecedented levels of cash and equivalents on their balance sheets – the S&P 500 companies have nearly \$800 billion. The top 10 technology companies, including Cisco, Microsoft, Google, and Apple, are holding \$210 billion themselves, while PE firms are sitting on nearly \$500 billion of cash. Together, this creates a formidable group of buyers that are looking to put capital to work and grow through acquisitions. In addition, lenders are expected to be more cooperative in helping PE firms finance and leverage their deals.
- **Ongoing Divestiture of Non-Core Assets** Large, global corporations have not finished divesting media assets that don't fit within core markets/sectors and will continue to tap the M&A market for buyers of these assets.
- **Private Companies Coming to Market** Privately held companies – whether owned by entrepreneurs, venture capital groups or PE firms – that have been sitting on the sidelines should come to market, as valuations improve and the buyer pool increases in line with a stronger economy. The expected increase in capital gains taxes in January 2011 is adding additional impetus, as are expected changes in the taxation of carried interests for private equity and hedge fund managers.

Recent M&A Activity

So far this year, JEGI has completed six transactions, including The Economist Group's sale of CFO to Seguin Partners, the sale of Burton Group to Gartner, a \$12 million growth capital investment for Edgar Online by Bain Capital Ventures, and three divestitures of groups of print and online media assets for Reed Business Information-US.

JEGI has a growing pipeline of new clients and expects to remain very active on the M&A front in 2010.

About JEGI

The Jordan, Edmiston Group, Inc. (JEGI) of New York, NY is the leading provider of independent investment banking services for media, information, marketing services and related technologies. Since 1987, JEGI has completed nearly 500 high-profile M&A transactions for global and emerging companies; entrepreneurial owners; and private equity and venture capital funds. The firm's executive team of investment bankers has over 200 years of combined experience across the media, information, marketing services and related technology sectors that JEGI serves. For more information, visit www.jegi.com.

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