

For Immediate Release

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2007 Media & Information Industries M&A Overview

M&A Reaches Record Highs – 838 Transactions Totaling nearly \$110 Billion

New York, NY January 7, 2008 – Led by the online media and marketing services sectors, M&A for the media and information industries reached record highs in 2007. The 2007 market handily exceeded 2006 with 838 transactions and nearly \$110 billion in value for the year, up by 32% and 79% respectively over last year. To put the year into perspective, the approximately \$50 billion dollar lift in deals between 2006 and 2007 nearly matched total M&A transaction value for 2005. \$75 billion of the approximately \$110 billion total was reported in the first half of 2007, as M&A slowed in the last six months of the year, with the disruption in the credit markets. Nonetheless, while a few larger, high leverage deals stalled, middle-market transactions continued at a brisk pace for both strategic and private equity buyers.

Media and Information Industries M&A Activity January - December 2007 v. 2006

| Industry Sector | 2007 | | 2006 | | % Change | |
|---------------------------------------|--------------|----------------|--------------|---------------|--------------|--------------|
| | No. of Deals | Value (\$MM) | No. of Deals | Value (\$MM) | No. of Deals | Value |
| Business-to-Business Magazines | 38 | 3,165 | 42 | 6,015 | (9.5%) | (47.4%) |
| Consumer Books | 10 | 234 | 10 | 3,506 | 0.0% | (93.3%) |
| Consumer Magazines | 54 | 6,952 | 45 | 1,861 | 20.0% | 273.5% |
| Database Information Services | 27 | 21,481 | 41 | 1,892 | (34.1%) | NM |
| Directory & Reference Publishing | 12 | 3,211 | 18 | 5,843 | (33.3%) | (45.0%) |
| Educational & Professional Publishing | 23 | 15,021 | 12 | 3,756 | 91.7% | NM |
| Exhibitions & Conferences | 66 | 1,055 | 52 | 875 | 26.9% | 20.6% |
| Marketing & Interactive Services | 249 | 31,566 | 141 | 17,455 | 76.6% | 80.8% |
| Newsletter Publishing | 8 | 147 | 21 | 108 | (61.9%) | 36.1% |
| Newspaper Publishing | 45 | 13,840 | 74 | 10,355 | (39.2%) | 33.7% |
| Online Media | 306 | 11,889 | 181 | 8,945 | 69.1% | 32.9% |
| Total | 838 | 108,560 | 637 | 60,611 | 31.6% | 79.1% |

Source: JEGI Transaction Database. * Includes announced transactions through December 15.

Note: The May 2006 \$11 billion acquisition of VNU has been allocated (based on revenue generated by each division) across the following sectors: business-to-business magazines; exhibitions and conferences; and marketing and interactive services.

Continued Strength in Online Media & Marketing Services M&A

Online media and marketing services sectors led the charge with 555 transactions valued at \$43 billion for the year. Online advertising is projected to grow 20% in 2008, reaching 9.3% of total US ad spending, according to Universal McCann and eMarketer. In a recent poll by Crain's BtoB magazine, 79% of marketers plan to increase their online spending in 2008.



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The continued growth of online media has made ad networks particularly attractive. Each of the “Big Four” online media companies – AOL, Google, Microsoft, and Yahoo – acquired at least one ad network or ad delivery company in 2007, led by Microsoft’s \$5.7 billion acquisition of aQuantive and Google’s \$3.1 billion announced acquisition of DoubleClick. Yahoo and AOL each acquired several ad networks in 2007, including Blue Lithium for \$300 million and Tacoda for \$275 million, respectively. JEGI represented Gorilla Nation Media, the largest online ad sales representation firm, in a major financing.

JEGI has been very active in broader marketing services and online media sectors in 2007. In B2B, JEGI represented Reed Business in its acquisition of BuyerZone, Cymfony in its sale to Taylor Nelson Sofres, VentureDirect in its sale to PlattForm (Arlington Capital Partners), Circles in its sale to Sodexo, KnowledgeStorm in its sale to TechTarget, and online ad network Seevast in the sale of Moniker to Oversee.net. For B2C, in addition to Gorilla Nation Media, JEGI sold iParenting to The Walt Disney Company, Healia to Meredith, and TechGuide.com to TechTarget.

M&A Highlights

Business-to-Business Magazines

The business-to-business magazine sector slowed with four fewer deals in 2007 and 47% lower transaction value for the year compared to 2006. Even with several noteworthy transactions, such as Incisive Media’s (Apax Partners) \$630 million acquisition of ALM (Wasserstein) in July, 2007 transactions did not match the acquisition of VNU in May 2006.

Consumer Magazines

Led by the fourth quarter announced sales of Gemstar to Macrovision and Emap’s consumer magazine division to Heinrich Bauer Verlag, transaction value for the consumer magazine sector more than tripled in 2007 over 2006 levels. The 54 transactions completed in 2007 included significant private equity activity, such as the sale of Dennis Publishing to Quadrangle and Primedia’s enthusiast group to Source Interlink Companies.

Database Information Services

M&A in the database information sector was dominated by the announced \$18 billion sale of Reuters to Thomson in the first half of the year, by itself roughly ten times total 2006 deal value for the sector. Noteworthy fourth quarter transactions included the acquisition of All Media Guide by Macrovision and the sale of NavTech to Cambridge Information Group, in conjunction with Externalis and ABRY Partners.

Directory & Reference Publishing

Both number of deals and value declined for the directory and reference publishing sector in 2007, by 33% and 45%, respectively. There were no transactions of comparable size to the \$4.1 billion sale of Telefonica in 2006.

Educational & Professional Publishing

M&A activity and value grew sharply for the educational and professional publishing sector, driven by the sale of units of Harcourt to Houghton Mifflin and Pearson, and the acquisition of Thomson Learning by Apax Partners and OMERS Capital Partners.

Exhibitions & Conferences

The exhibitions and conferences sector continued to see healthy deal flow in 2007, with 66 deals worth just over \$1 billion. Deal value was up 21% over 2006, driven by the fourth quarter acquisition by dmg world media of the remaining 51% of George Little Management for \$155 million.

Marketing & Interactive Services

The marketing and interactive services sector continued to outpace the overall media M&A market, with number of deals and value increasing 77% and 81%, respectively, in 2007. Fourth quarter deal activity was led by AOL's \$340 million purchase of Quigo Technologies, Omniture's \$394 million purchase of Visual Sciences, and the sale of Circles to Sodexo and Seevast's Moniker to Oversee.net.

Newspaper Publishing

Major deals in the newspaper sector lifted deal value by 34% in 2007, led by the just completed sale of Dow Jones to News Corporation for \$5.6 billion and Sam Zell's announced takeover of Tribune. However, there were fewer mid-market transactions, with 45 total deals for the year compared to 74 in 2006.

Online Media

Leading all sectors with 306 transactions in 2007, online media saw a 69% increase in number of deals and a 33% rise in value over 2006 levels. M&A in the online media sector was driven by both B2B and consumer media transactions. For B2B in the fourth quarter, KnowledgeStorm was sold to TechTarget for \$58 million, while on the consumer side iParenting was sold to The Walt Disney Company, Spectrum Equity Investors acquired The Generations Network for \$300 million, and HowStuffWorks was acquired by Discovery Communications for \$250 million.

About JEGI

The Jordan, Edmiston Group, Inc. (JEGI) of New York, NY is a leading provider of independent investment banking services for the media and information industries. As a leading M&A advisor to media and information companies, JEGI has closed numerous high-profile transactions for: Global Media and Information Companies; Entrepreneurial Owners; and Private Equity and Venture Capital Funds. JEGI has established an impeccable reputation in the marketplace, which reflects its superior performance on behalf of its clients. The firm's executive team of investment bankers has over 200 years of combined experience across the media and information market sectors that JEGI serves.

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