

Jordan, Edmiston Provides Top 10 Reasons Why M&A Will Be Stronger in 2009 (Than Most People Think)

New York, NY February 25, 2009 – M&A for the media and information industry will be stronger in 2009 than recent headlines suggest. As the market tests new bottoms, the natural inclination is to project the bad news out in a straight line – down – in a mirror image of the bubble thinking that saw values only going up. But that ignores some powerful drivers of why companies will sell – and be bought – even in a tough year. That's according to The Jordan, Edmiston Group, Inc. (JEGI) of New York, NY (www.jegi.com), the leading provider of independent investment banking services for media, information, marketing services and related technologies. JEGI presented the following list of top 10 reasons why M&A will be stronger in 2009 (than most people think):

Diversified Media, Marketing, and Technology Companies:

- 1) **Pruning the Portfolio** Diversified media companies are analyzing their portfolios and making decisions to trim non-core assets with an eye on strengthening operating performance, building cash reserves, and providing liquidity to make acquisitions of high-growth, new businesses.
- 2) **The Re-Tooling Imperative** For diversified media and marketing companies, pressure on core traditional businesses means retooling for digital is no longer an “extra credit” project, but an imperative, and they must look to acquire high-growth, new businesses.
- 3) **Investing in the Value Chain** Technology companies are pushing to participate more in the media value chain – from content creation to distribution to optimization to monetization.
- 4) **IPO Window Nailed Shut** Privately-held companies that had hoped to tap the public markets as a way to provide liquidity for shareholders are finding the IPO option is currently non-existent. So, these companies are turning to M&A to gain shareholder liquidity.
- 5) **Public Companies Going Private** Given low stock prices and valuations, some public companies will consider going private again. For many, being a public company in current market conditions can be a distraction, and management needs to focus on running their businesses and strengthening their competitive positions.

Private Equity Firms:

- 6) **Pent-up Market Demand** Private equity capital overhang – swelling pools of private equity capital have begun to put pressure on PE firms to become more acquisitive and build their portfolios.



- 7) **Dealing with Distressed Assets** Over-leveraged PE-backed companies are forced to sell assets, and/or recapitalize, to avoid bankruptcy.
- 8) **Prime Time for Newer PE Firms** PE funds, especially those not distracted by legacy assets, see current buy-low market opportunities offering the perfect entry point to the media, information, marketing services and related technology markets.

Venture Capital Firms:

- 9) **Merge to Survive** Online media and advertising technology categories that were subject to “me too” venture investing are fragmented and ripe for consolidation.
- 10) **Scarcity of Next-Round Funding** Given the lack of liquidity in the market, VC-backed businesses will have difficulty raising new rounds of investment capital and will instead need to find buyers.

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 being founded in 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. 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, information, marketing services and related technology sectors that JEGI serves. For more information, visit www.jegi.com.

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