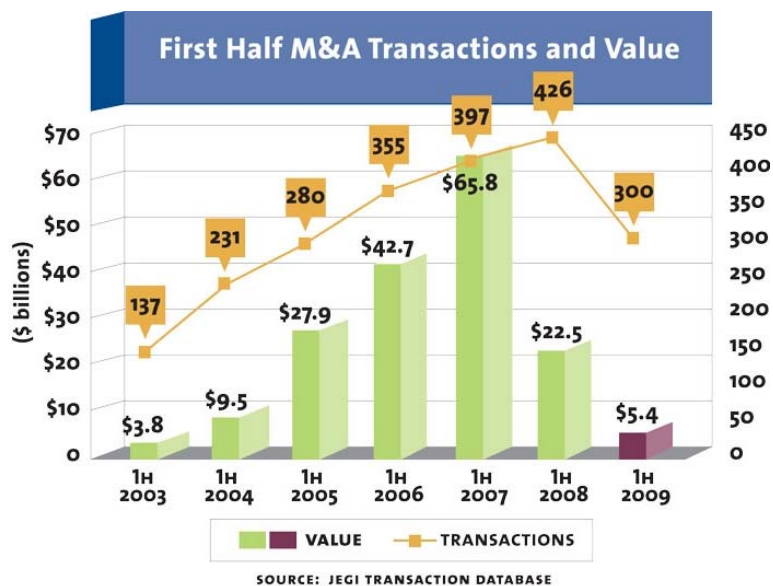


JEGI Press Release

First Half 2009 M&A Overview

Recent Uptick in M&A Activity, as Buyers Actively Look for Opportunities to Accelerate Growth

New York, NY July 1, 2009 – The M&A market remained moribund in Q2 2009, with 171 announced transactions valued at \$4.1 billion, across the media, information, marketing services and technology sectors tracked by The Jordan, Edmiston Group, Inc. (JEGI) (www.jegi.com). However, JEGI has seen a definite uptick in M&A activity over the past weeks, as sellers adjust expectations and buyers regain confidence. Strategic buyers in particular are swinging from defensive positions to looking for opportunities to accelerate growth and tap into new business models.



To gain market share and keep more revenue in-house, global media companies are focused on building integrated solutions across multiple media channels. Addressing the B2B market in particular, Phil Siegel, General Partner, Austin Ventures said, “We believe the B2B media world is coalescing around a multi-product strategy, creating vertical branded media properties that embed multiple touch points in the customer’s workflow.”

Media companies are embracing the evolution from a “publishing” model to a multi-channel, increasingly-digitized “consumer connection” model, delivering highly targeted, relevant content when and how consumers want to receive it. Additionally, in order to meet the evolving needs of CMOs, media companies are offering a complete advertising and marketing platform that combines marketing services, metrics and analytics. Measureable results to help clients build more meaningful relationships with customers and provide essential consumer data and intelligence are essential components, and this service-based revenue provides an important diversification for ad-driven models.

M&A Activity Strong in Certain Sectors

In the first half of 2009, the most active sectors for M&A remained Online Media & Technology and Marketing & Interactive Services, which together accounted for 50% of the total deals completed. Activity rose 46% in the Mobile Media & Technology sector, an increasingly active M&A market, with a dynamic and growing group of companies. Jack Myers predicts that mobile advertising will grow 28% in 2010 and 30% in 2011, and JEGI has completed two recent transactions in this segment.



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Additionally, M&A activity in the Education Information, Technology & Training sector increased 26% in the first half of 2009, over 2008 levels. Many of the global education companies, including McGraw-Hill, Pearson, and Reed Elsevier, are focused on making acquisitions and investing for growth in this market, which is being spurred by \$100 billion in planned US government spending. Media geared toward for-profit, post-graduate education and outsourced corporate training, as well as large scale technology adoptions in the K-12 market and the move to digital content across the board, are key drivers of growth.

According to Jeffrey Stevenson, Managing Partner, Veronis Suhler Stevenson (VSS's Cambium Learning recently announced the acquisition of Voyager Learning), "Education and training companies have the benefit of strong long-term secular trends and relative stability in economic downturns. Education is a priority for government spending..." Within the Education sector, JEGI recently assisted on the sale of Houghton Mifflin Harcourt's Harcourt Religion Publishers, a producer of religious education series.

JEGI has a robust pipeline and expects to close several noteworthy transactions in the second half of 2009. Overall, the M&A market has begun to turn, and JEGI anticipates healthier deal activity for the balance of the year.

Media, Information, Marketing Services & Related Technologies						
M&A Deal Activity & Transaction Value, 1H-2009 v. 1H-2008						
Industry Sector	1H-2009		1H-2008		% Change	
	No. of Deals	Value (\$MM)	No. of Deals	Value (\$MM)	No. of Deals	Value
Business-to-Business Media	6	17	11	347	(45.5%)	(95.0%)
Consumer Books	3	15	2	14	50.0%	7.1%
Consumer Magazines	24	112	18	90	33.3%	24.7%
Database & Information Services	20	327	18	7,313	11.1%	(95.5%)
Directory & Reference Publishing	2	20	4	90	(50.0%)	(77.8%)
Education Information, Technology & Training	48	2,321	38	1,966	26.3%	18.0%
Exhibitions & Conferences	20	78	28	447	(28.6%)	(82.6%)
Marketing & Interactive Services	66	877	139	5,437	(52.5%)	(83.9%)
Mobile Media & Technology	16	148	11	107	45.5%	38.4%
Newsletter Publishing	3	6	5	29	(40.0%)	(79.3%)
Newspaper Publishing	8	114	17	901	(52.9%)	(87.3%)
Online Media & Technology	84	1,323	135	5,739	(37.8%)	(76.9%)
TOTAL	300	5,357	426	22,479	(29.6%)	(76.2%)

Source: JEGI Transaction Database

¹ JEGI has begun tracking Mobile Media & Technology transactions separately, primarily affecting Marketing & Interactive Services and Online Media & Technology.

² The Education sector has been broadened to include Technology & Training transactions for both 2008 and 2009.

³ Five transactions valued at \$2.3 billion were canceled after 1H 2008 data were published, including TNS's acquisition of Gfk and the sale of Entrepreneur Media.



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M&A Highlights

- The **business-to-business media** sector saw only six deals completed in the first half of 2009, and no significant transactions. However, Jim Casella's Asset International, backed by Austin Ventures, was active with the acquisition of The Trade. Other deals completed were for small groups of magazines, such as Scranton Gillette's acquisition of *Imaging Technology News* and *Diagnostic Invasive Cardiology* from Reilly Communications Group.
- Deal activity has been steady at lower levels in the **consumer magazine** sector, which saw 24 deals valued at \$112 million in the first half of the year, accounting for gains of 33% and 25%, respectively, over 1H 2008. Following the downturn in the advertising market and the ongoing shift of ad dollars from print to digital media, there have been a number of opportunistic acquisitions in this market, including Bonnier's purchase of five enthusiast titles from Hachette Filipacchi, and Clarity Media's acquisition of the *Weekly Standard* from News Corporation.
- The **database and information services** sector saw 20 transactions completed in the first half of 2009, an 11% increase over 2008 levels. However, deal value for this sector fell sharply as there were no transactions of size to offset the multi-billion dollar transactions that took place in the first half of 2008, such as Reed Elsevier's \$4.1 billion purchase of Choicepoint.
- The **education information, technology and training** sector saw strong deal activity in the first half of 2009, with 48 transactions valued at \$2.3 billion. Besides the Harcourt Religion and Cambium Learning transactions mentioned previously, other significant transactions in the second quarter included Apollo Group's \$530 million acquisition of professional and academic education provider BPP Holdings, the sale of Reader's Digest's library and classroom books publisher Gareth Stevens, and Blackboard's \$95 million acquisition of e-learning software provider ANGEL Learning
- The **exhibitions and conferences** sector remained active, with 20 deals in the first half of 2009. Transaction sizes were small, totaling \$78 million. In May, JEGI represented dmg world media, a division of Daily Mail & General Trust, in its sale of California Gift Show to Merchandise Mart Properties. Also in the quarter, Access Intelligence, a VSS company, acquired RETECH, and a group of former top executives of dmg acquired three American SOFA fairs from their former company.
- **Marketing and interactive services** was the second most active sector in the first half of 2009, with 66 transactions valued at \$877 million. However, deal value was a small fraction of 1H 2008 levels, as there were no multi-hundred million dollar transactions. A few of the noteworthy transactions in Q2 2009 included ZM Capital and Palladium Equity's acquisition of Canella Response Television, Sapient's \$50 million acquisition of Nitro Group, and Microsoft's \$40 million sale of Greenfield Online's Internet Survey Solutions to Toluna.



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- The **mobile media and technology** sector is seeing an increase in activity, with 16 deals announced in the first half of 2009, a 46% increase over 1H 2008 levels. Currently, deal activity is dominated by strategic buyers. For example, in Q2 2009, IAC and Amazon made investments in iPhone applications, Amazon also acquired SnapTell, a mobile marketing and advertising solutions company, and Boku, a mobile payments solutions provider, made two acquisitions of mobile payment companies. Mobile social networking and mobile content are other key areas of investment.
- **Online media and technology** was the most active sector for M&A in the first half of 2009, with 84 transactions valued at \$1.3 billion. Both major media companies and financial firms were active in acquiring online media content, social networking, gaming, job portals, e-commerce, and enabling technologies. On the strategic side, Walt Disney Company acquired a 27% stake in Hulu and also acquired Kaboose, and AOL acquired two local online content players, Patch Media and Going. On the financial side, Spectrum Equity and Bain Capital acquired Survey Monkey, which provides enabling technology for survey solutions, and Florida Merchant Capital acquired WorkTree.com, a job portal.

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. For more information, visit www.jegi.com.

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