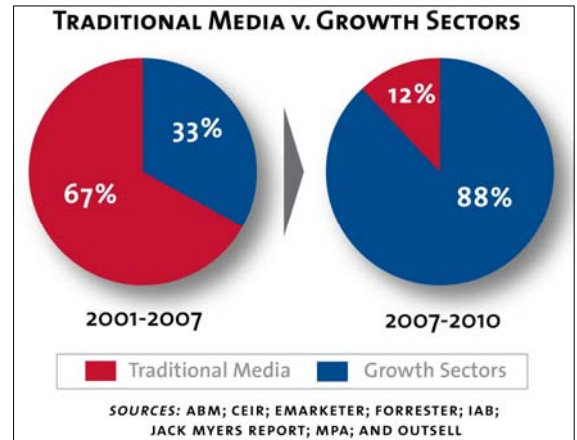


2008 – M&A Shift and Transformation Acceleration

Transformation of Media Industry Exemplified by Types of Deals Completed in 2008

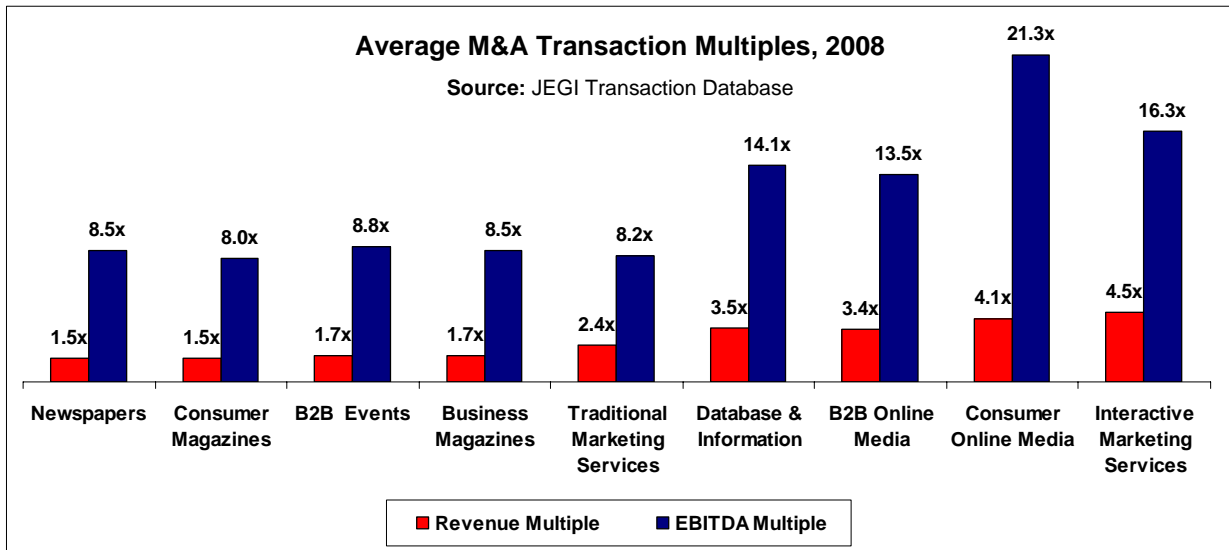
New York, NY January 6, 2009 – The projected shift in growth for the media industry over the next few years is stunning, with \$.88 of every dollar of industry revenue growth flowing to four growth sectors: Database & Information; B2B Online Media; Consumer Online Media; and Interactive Marketing Services, and only \$.12 flowing to traditional media. This compares to \$.67 of every incremental ad dollar flowing to traditional media sectors (newspapers; magazines; events; etc.) from 2001 to 2007, while only \$.33 went to these four growth sectors.



Effect on M&A

This transformative shift and retooling of the media industry from traditional businesses to digital and data-driven revenue streams, which began in earnest in 2007, is ongoing and continues to gain force. As a result, the number of M&A transactions was close in 2008 to 2007, but the “center of gravity” has shifted, from larger traditional media deals to mid-sized digital and data deals.

Multiples Not surprisingly, the stark differences in current and projected growth rates for traditional and digital businesses are reflected in M&A multiples. The four growth categories saw average revenue and EBITDA multiples range from 3.4x to 4.5x and 13.5x to 21.3x, respectively, in 2008, as compared to 1.5x to 2.4x and 8.0x to 8.5x, respectively, for traditional media sectors.



Top 10 Transactions Additionally, nine of the top 10 M&A transactions by size for 2008 were within the growth categories, including three in each of Database Information Services; Marketing & Interactive Services; and Online Media & Technology, with the largest being Reed Elsevier's \$4.1 billion acquisition of ChoicePoint in February. The only outlier was Cablevision's \$650 million acquisition of Newsday from Tribune.

Top 10 M&A Transactions, 2008

#	Date	Buyer	Seller	Property Description	Industry Sector	Value (\$ millions)
1	Feb-08	Reed Elsevier	ChoicePoint	Delivers comprehensive credentialing, background screening, authentication, direct marketing and public records services.	Database Information Services	4,100
2	Oct-08	WPP	Taylor Nelson Sofres	Global market research company that researches specific industry sectors to improve the understanding of consumer behavior.	Marketing & Interactive Services	3,100
3	Feb-08	Hellman & Friedman	Getty Images	Creates and distributes one of the world's best and broadest imagery collections.	Database Information Services	2,400
4	May-08	CBS Corporation	CNET Networks	A global interactive media company that attracts more than 160 million people each month, making it the 10th largest Internet network on the Web.	Online Media & Technology	1,700
5	Oct-08	eBay	Bill Me Later	Pioneered the next generation of online payments via enabling purchases on the web, without using a credit card.	Marketing & Interactive Services	945
6	Mar-08	AOL (Time Warner)	Bebo	A global social media network that combines community, self-expression and entertainment.	Online Media & Technology	850
7	May-08	Cablevision	Newsday (Tribune)	A daily New York-based newspaper.	Newspaper Publishing	650
8	Sep-08	Telvent GIT	Data Transmission Network Corporation	Engages in the production and delivery of news and information via Internet, satellite, and direct data feed.	Database Information Services	445
9	Aug-08	Microsoft	Greenfield Online	Serves the online data collection needs of the largest research companies and gathers consumer feedback via surveys and panels.	Marketing & Interactive Services	421
10	Oct-08	eBay	Den Bla Avis and BilBasen	A leading classified advertising business based in Denmark that operates the web sites dba.dk and bilbasen.dk.	Online Media & Technology	390

Source: JEGI Transaction Database

M&A Deal Activity and Transaction Value In the fourth quarter, upheaval in the overall economy and financial markets, in combination with dire advertising market forecasts for 2009, muted the M&A market, as deal count and value declined 35% and 58%, respectively, in Q4 2008 versus Q4 2007. For the full-year, deal count was down 13% and deal value declined a significant 68% from 2007 highs.

Further reflecting the shift in growth for the media industry, and its accelerating transformation and retooling, M&A activity was led by the growth sectors of Marketing & Interactive Services, Online Media & Technology, and Database Information Services. Combined these three sectors accounted for 74% of total deals completed and a whopping 90% of transaction value in 2008.

Media, Information, Marketing Services & Related Technologies M&A Deal Activity & Transaction Value, 2008 v. 2007

Industry Sector	2008		2007		% Change	
	January - December No. of Deals	Value (\$MM)	January - December No. of Deals	Value (\$MM)	No. of Deals	Value
Business-to-Business Magazines	22	417	41	5,175	(46.3%)	(91.9%)
Consumer Books	6	53	10	234	(40.0%)	(77.5%)
Consumer Magazines	42	192	56	6,962	(25.0%)	(97.2%)
Database Information Services	46	8,831	26	21,471	76.9%	(58.9%)
Directory & Reference Publishing	8	311	12	3,211	(33.3%)	(90.3%)
Educational & Professional Publishing	17	336	23	15,021	(26.1%)	(97.8%)
Exhibitions & Conferences	50	739	69	1,069	(27.5%)	(30.8%)
Marketing & Interactive Services	258	12,261	262	24,437	(1.5%)	(49.8%)
Newsletter Publishing	12	158	9	149	33.3%	5.9%
Newspaper Publishing	39	967	49	14,396	(20.4%)	(93.3%)
Online Media & Technology	258	9,049	315	12,298	(18.1%)	(26.4%)
Total	758	33,313	872	104,423	(13.1%)	(68.1%)

Source: JEGI Transaction Database

M&A Highlights

- With the largest transaction for the year at less than \$200 million (the purchase of Randall-Reilly by Investcorp) the **business-to-business magazine** sector saw modest deal activity in 2008. Number of deals fell 46% to 22 total transactions for the full year, with only two deals in Q4, while total value declined 92% in 2008 versus 2007.
- Activity in the **consumer magazine** sector was slow as well, with 42 mostly smaller transactions, representing 25% fewer than in 2007. There were no substantial transactions for the year compared to last year's sales of Emap, Gemstar and Primedia's Enthusiast unit.
- The **database information services** sector saw a 77% increase in number of deals in 2008 over 2007 with 46 total deals announced. Deal value nearly tripled for this sector in 2008 to \$8.8 billion, from \$3.2 billion in 2007, excluding the \$18.3 billion acquisition of Reuters by Thomson in 2007. The most notable deal in the fourth quarter was Getty Images' acquisition of JupiterImages for \$96 million.
- There was little activity in 2008 in the **educational and professional publishing** sector, which showed decreases of 26% in deal count and generally smaller transactions for the year versus 2007. The most notable transaction in this sector was the sale of CQ Press to SAGE in May.
- The **exhibitions and conferences** sector was the third most active M&A sector behind marketing services and online media, with 50 transactions in 2008. However, the sector showed declines of 28% and 31% in deal count and transaction value, respectively, compared to 2007. The two most



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significant deals of the year were VSS's acquisition of Clarion events in February and Marketplace Event's acquisition of dmg world media's North American Consumer Home Shows in July.

- **Marketing and interactive services** was once again an M&A leader, generating about the same number of transactions in 2008 as in 2007 and totaling a healthy \$12.3 billion for the year, although this was off 50% from 2007 levels. Among the sectors JEGI covers, we are especially bullish on marketing services and anticipate that the advertising slowdown will dramatically alter marketer spending patterns and surface many viable and compelling M&A opportunities, as well as unexpected buyers. This was evident in the fourth quarter with WPP's announced buyout of TNS for \$3.1 billion, Akamai's \$95 million acquisition of acerno, and Crain Communications' acquisition of Staffing Industry Analysts.
- The **newsletter** sector saw deal activity rise 33% and deal value increase slightly by 6% in 2008 versus 2007, albeit off a small number of deals. One of the most notable transactions for the year was Haymarket Media's acquisition of Compliance Week in July.
- With 258 transactions worth \$9.1 billion, the **online media and technology** sector continued to remain very active in 2008, even though the sector saw a 18% decline in number of deals and a 26% decrease in deal value in 2008 versus 2007's hectic deal pace. Major strategic buyers such as eBay, Gannett and Monster were active during the fourth quarter, acquiring companies to complement their current offerings. Additionally, Waterfront Media, an online health and self-help publisher, merged with consumer health online information company Revolution Health Network to create the largest online health group by audience.

JEGI completed 17 transactions in 2008, including three in Q4: the sale of online behavioral targeting network acerno to Akamai for \$95 million; the sale of Staffing Industry Analysts to Crain Communications; and the sale of BZ Media's Software Test & Performance business to Redwood Collaborative Media. Nearly all of JEGI's 2008 assignments were sell-side, and many of them found strategic buyers, such as the sale of acerno to Akamai, Money Media to Pearson, M:Metrics to comScore, Staffing Industry Analysts to Crain Communications, Compliance Week to Haymarket, CQ Press to SAGE, Becker Group to Viad, and both Think Service and Gartner's Vision Events to United Business Media.

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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