

For Immediate Release

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Q3 2007 Media and Information Industries M&A Overview

M&A Achieves Record Highs – 637 Transactions Totaling over \$95 Billion in Value

New York, NY October 2, 2007 – The M&A market for media and information companies in the most recent quarter was clouded by credit market disruption and concerns for a potential advertising and broader economic slowdown. While a large number of transactions were announced, the pace slackened and some notable previously announced deals stalled. Nonetheless, M&A for the media and information industries scaled to record highs in the first three quarters of the year. Through September, 637 transactions were announced totaling over \$95 billion in value, as tracked by JEGI across 11 media and information sectors (see chart below). Deal value in the first nine months of 2007 has already far exceeded the records of full-year 2006.

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

Industry Sector	2007		2006		% Change	
	January - September No. of Deals	Value (\$MM)	January - September No. of Deals	Value (\$MM)	No. of Deals	Value
Business-to-Business Magazines	31	3,129	30	3,717	3.3%	(15.8%)
Consumer Books	8	220	8	1,086	0.0%	(79.7%)
Consumer Magazines	46	3,271	37	1,798	24.3%	81.9%
Database (Business) Information Services	22	21,287	35	1,503	(37.1%)	NM
Directory & Reference Publishing	10	2,747	14	4,753	(28.6%)	(42.2%)
Educational & Professional Publishing	20	14,239	11	387	81.8%	NM
Exhibitions & Conferences	51	733	35	636	45.7%	15.3%
Marketing & Interactive Services	182	27,580	123	15,626	48.0%	76.5%
Newsletter Publishing	4	139	20	103	(80.0%)	35.0%
Newspaper Publishing	31	13,358	68	9,758	(54.4%)	36.9%
Online Media	232	8,350	136	5,777	70.6%	44.5%
Total	637	95,053	517	45,144	23.2%	110.6%

Source: JEGI Transaction Database.

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

Once again, media and information M&A was dominated by an extraordinary number of transactions in two sectors – marketing services and online media, which together accounted for 414 transactions valued at \$36 billion, or 65% of total deals announced and 38% of total deal value.



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Online advertising is projected to reach nearly \$22 billion in 2007, growing 28% over 2006, according to research provided by eMarketer at a recent Online Publishers Association (OPA) event. The robust growth in Internet advertising spend has made online ad networks and technology providers attractive growth acquisitions, and a number of them changed hands in 2007, led by the \$5.7 billion acquisition of aQuantive by Microsoft and the \$3.1 billion announced acquisition of DoubleClick by Google, as well as Yahoo's \$300 million acquisition of Blue Lithium, and the \$275 million purchase of Tacoda by AOL.

JEGI has also been active in ad networks and targeted advertising providers with the arrangement of a \$50 million investment for Gorilla Nation Media, the largest online advertising rep sales firm, the sale of Healia, a health focused search engine, to Meredith, and the sale of online lead generation firm VentureDirect to Plattform (with support from Arlington Capital Partners).

M&A Highlights

Business-to-Business Magazines

The business-to-business magazine sector saw about the same number of transactions in the first three quarters of 2007, compared with the same period of 2006, but deal value was 16% lower. Only one multi-hundred million dollar transaction was completed in Q3 2007 – Incisive Media's \$630 million acquisition of ALM from Wasserstein. This compared to three \$400+ million transactions in the third quarter of 2006.

Consumer Magazines

In the consumer magazine sector, 46 deals were completed totaling \$3.3 billion in value through the first nine months of the year, up 24% and 82%, respectively, over the same period of 2006. Following a very robust first half of the year that saw the sales of Dennis Publishing to Quadrangle and Primedia Enthusiast Group to Yucaipa, the third quarter slowed somewhat, led by the sale of North American Membership Group by Doughty Hanson to Pilot Group.

Database Information Services

M&A for the database information services sector was dominated by the \$18+ billion acquisition of Reuters by Thomson. Overall, there were fewer transactions, as deal activity fell 37% through Q3 2007, as compared to the same period of 2006.

Educational & Professional Publishing

Led by the sale of Harcourt Education for \$4 billion to Houghton Mifflin in July, Q3 2007 M&A activity for the educational and professional publishing sector far surpassed 2006 levels. With the earlier \$7.75 billion sale of Thomson Learning to Apax Partners, the number of deals nearly doubled and deal value rose exponentially through the first nine months of 2007, compared to 2006.

Exhibitions & Conferences

M&A for the exhibitions and conferences sector continued to be healthy in 2007, with 51 deals valued at \$733 million, representing 46% and 15% respective increases over 2006 levels. Although there were no particularly large transactions in the third quarter, the sector saw steady deal flow from several leading event companies, including Reed Exhibitions, United Business Media, Tarsus Group, E.J. Krause and others.

Marketing & Interactive Services

The marketing and interactive services sector continued to thrive, as the number of deals increased 48% and deal value rose 76% in the first three quarters of 2007 vs. 2006. Online ad network transactions (mentioned above) surged as buyers reached for new growth. Other notable transactions in the third quarter included the sale of Accretive Commerce to GSI Commerce for \$91 million, Plattform Holdings' acquisition of VentureDirect, and CBS's acquisition of SignStorey for nearly \$75 million.

Newspaper Publishing

The confirmed \$5.6 billion sale of Dow Jones to News Corporation in Q3 2007 was the M&A highlight for the newspaper sector, driving deal value up 37% for the first three quarters of the year.

Online Media

M&A activity for the online media sector continued its rapid pace during the first three quarters of 2007, with 232 transactions totaling over \$8 billion in value, accounting for respective 71% and 44% increases over 2006. The third quarter saw the \$345 million sale of Business.com to R.H. Donnelley, Club Penguin's sale to Walt Disney for \$350 million plus earn-out, and the sale of RealAge and UGO Networks to Hearst for undisclosed amounts.

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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