



## MEDIA & MARKETING INDUSTRY

### Full Year 2011 :: Mergers and Acquisitions Trend Report

#### 2011 KEY HIGHLIGHTS

- The largest announced transaction for 2011 was West Australian Newspapers' acquisition of Seven Media Group, a portfolio company of Kohlberg Kravis Roberts & Co., for \$4.15 billion.
- The segments with the largest disclosed median enterprise value multiples for 2011 were Broadcasting with 3.6x revenue and Internet Media at 17.5x EBITDA.
- There were 175 financially sponsored transactions with an aggregate value of \$13.60 billion, representing 12 percent of the total volume and 23 percent of the total value, respectively.

#### 2011 KEY TRENDS

- Total transaction volume in 2011 increased by 17 percent over 2010, from 1225 in 2010 to 1435 this year.
- Total transaction value in 2011 increased by 47 percent over 2010, from \$38.51 billion in 2010 to \$56.71 billion this year.
- The median revenue multiple rose from 1.5x in 2010 to 1.9x in 2011. The median EBITDA multiple moved slightly from 10.4x to 10.6x.
- The segment with the largest increase in volume in 2011 over 2010 was Marketing with a 31 percent increase from 332 transactions in 2010 to 435 transactions in 2011.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 3596 transactions between 2009 and 2011, of which 1029 disclosed financial terms, and calculated the aggregate transaction value to be \$121.70 billion. Based on known transaction values, we project the value of the 2567 undisclosed transactions to be \$25.23 billion, totaling \$146.93 billion worth of transactions tracked over the past three years.

The largest transaction tracked by Berkery Noyes between 2009 and 2011 was Comcast Corporation's acquisition of NBC Universal, a subsidiary of General Electric Company for \$22.85 billion, which was announced in 2009 and closed in 2011.

The most active acquirer by volume in the Media and Marketing industry between 2009 and 2011 was Publicis Groupe SA with 39 transactions, 22 of which were announced or closed in 2011.

#### M&A Market Dynamics



Figure 1. 2009 - 2011 value and volume comparison.

#### Median Enterprise Value Multiples

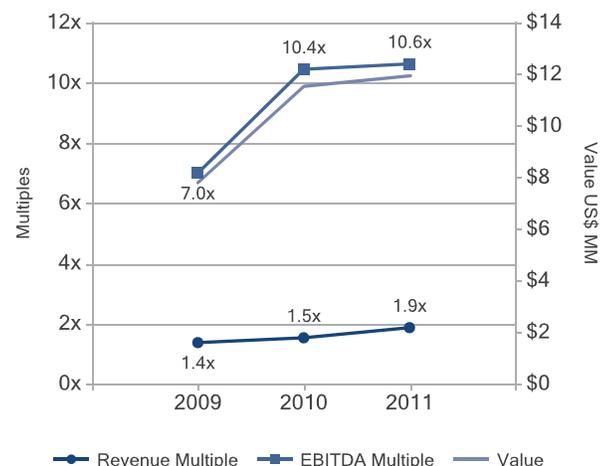


Figure 2. 2009 - 2011 median: revenue and EBITDA comparison.

# Transaction Analysis :: January 1, 2011 – December 31, 2011

**Bell Curve - Histogram**

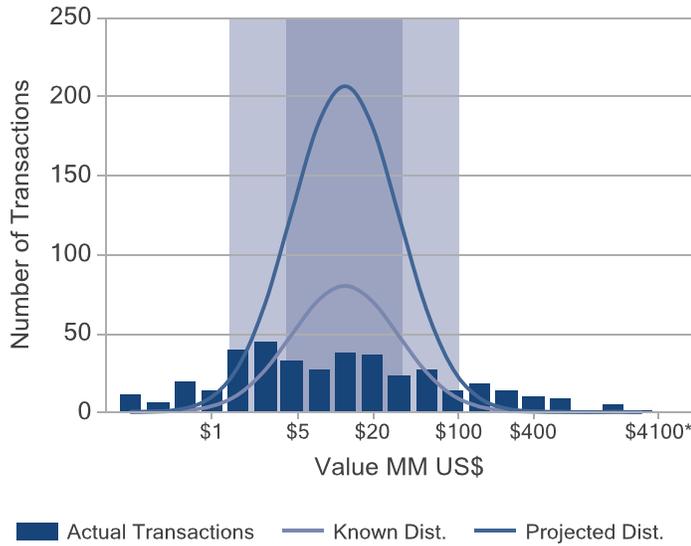


Figure 3. Shows distribution of transactions among Media and Marketing transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.6 million to \$244.7 million. Based on this data, we estimate total transaction value of deals done in 2011 at \$56.7 billion.

\*Indicates largest industry transaction from Jan. 1, 2011 to Dec. 31, 2011.

**Distribution Table**

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	11	0	11	3 %	3 %
\$0.4	6	0	6	1 %	4 %
\$0.6	20	2	22	5 %	9 %
\$1.0	14	9	23	3 %	13 %
\$1.6	40	29	68	10 %	23 %
\$2.7	45	68	113	11 %	34 %
\$4.5	33	127	159	8 %	42 %
\$7.4	27	183	210	7 %	49 %
\$12.2	37	206	243	9 %	58 %
\$20.1	36	181	216	9 %	67 %
\$33.1	23	123	146	6 %	73 %
\$54.6	27	66	92	7 %	80 %
\$90.0	14	27	41	3 %	83 %
\$148.4	18	9	26	4 %	88 %
\$244.7	13	2	15	3 %	91 %
\$403.4	10	0	10	2 %	93 %
\$665.1	9	0	9	2 %	96 %
\$1,096.6	1	0	1	0 %	96 %
\$1,808.0	5	0	5	1 %	97 %
\$2,981.0	1	0	1	0 %	97 %
<b>Total #</b>	<b>401</b>	<b>1034</b>	<b>1435</b>		
<b>Total \$ Value</b>	<b>\$44,297</b>	<b>\$12,416</b>	<b>\$56,712</b>		
<b>Middle 3rd of Industry</b>		<b>Middle 2/3rds of Industry</b>			

Figure 4. Presents the data depicted in the bell curve histogram.

Note: The projected number column is rounded as a result of the projection and may produce insignificant errors in the total sum.

## Strategic vs. Financial Comparison

**M&A Dynamics By Transaction Type**

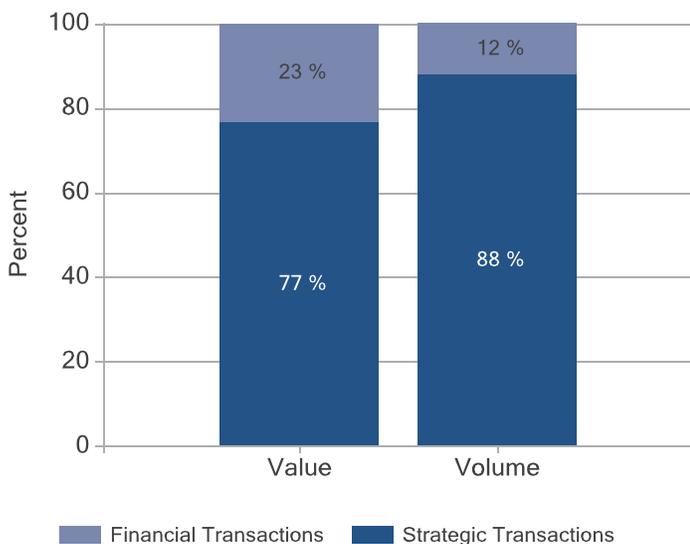


Figure 5. 2011 value and volume comparison by acquirer type.

Note: Financially sponsored transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

**Transaction Type**

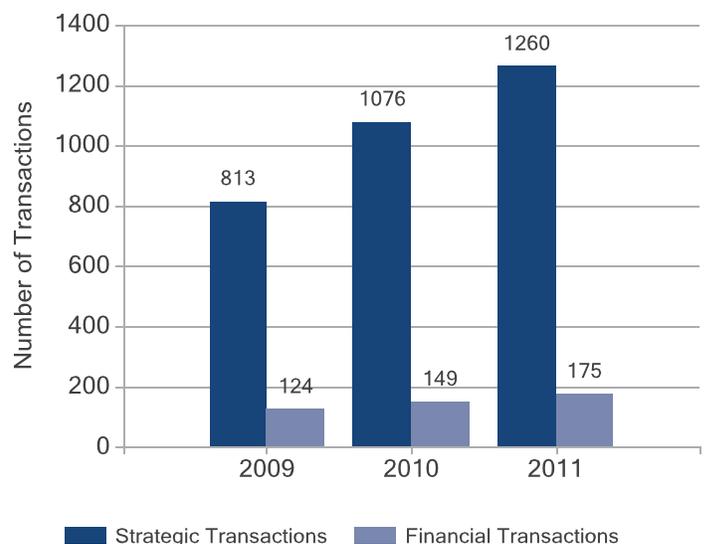


Figure 6. 2009 - 2011 acquirer type comparison.

# Purchaser Analysis

## Top Ten Notable Transactions

Deal Date	Target Name	Buyer	Value MM US\$
02/21/11	Seven Media Group	West Australian Newspapers Limited	\$4,149
05/06/11	Warner Music Group	Access Industries	\$2,891
03/10/11	Citadel Broadcasting Company	Cumulus Media Inc.	\$2,443
11/11/11	EMI Music Publishing	Sony/ATV Music Publishing, GSO Capital Partners LP, Mubadala Development Company	\$2,200
01/05/11	Acosta, Inc.	Thomas H. Lee Partners, L.P.	\$2,000
11/11/11	EMI Music	Universal Music Group, Inc.	\$1,923
03/15/11	bwin Interactive Entertainment AG	PartyGaming Plc	\$1,537
04/19/11	Austereo Group Ltd.	Southern Cross Media Group	\$979
08/25/11	BNA, Inc.	Bloomberg L.P.	\$963
01/31/11	International Press and Magazine Business from Lagardère SCA	The Hearst Corporation	\$898
2011 Aggregate Transaction Value			\$56,712
Top 10 Aggregate Transaction Value			\$19,983
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>35 %</b>

## Median EV/Revenue Multiples By Size

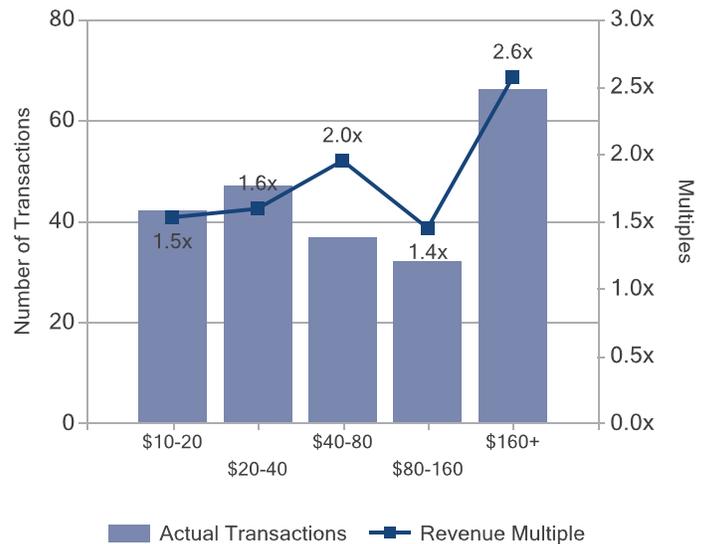


Figure 7. Lists the top ten transactions for 2011 and calculates their aggregate transaction value as a percentage of the 2011 total aggregate transaction value as shown in Figures 1 & 4.

Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from 2009 to 2011 based on publicly available data.

Note: Transaction data based on announced date.

# Transaction Volume by Segment :: January 1, 2009 – December 31, 2011

## Transactions By Market Segment

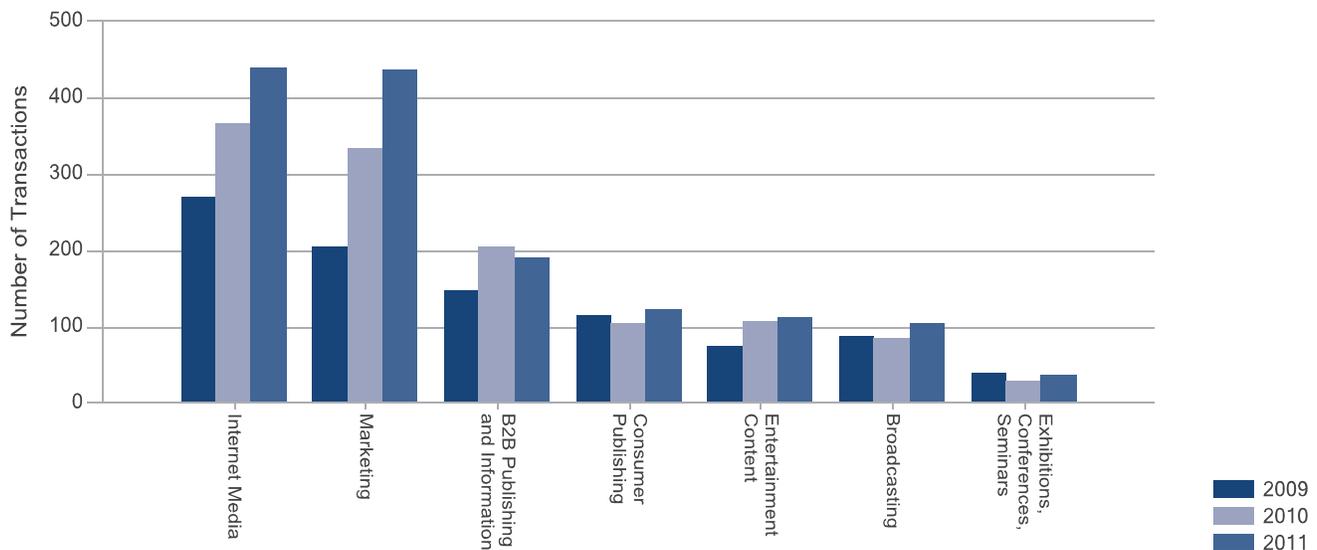


Figure 9. Presents transaction volume by target segment within the Media and Marketing Industry from 2009 - 2011.

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The DNA of M&A

All charts in this report are based on data gathered by Berkery Noyes research department. All time period statistics are based on the transaction announcement date.

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## RECENT MEDIA & MARKETING TRANSACTIONS

