



MEDIA & MARKETING INDUSTRY

1ST HALF 2013 :: Mergers and Acquisitions Trend Report

1ST HALF 2013 KEY HIGHLIGHTS

- The largest transaction for 1st Half 2013 was BC Partners' announced acquisition of Springer Science & Business Media for \$4.42 billion.
- The most active acquirer in the Media & Marketing Industry year-to-date was WPP Group, plc with nine transactions. Other active acquirers during 1st Half 2013 were Dentsu Inc. with eight transactions and Reed Elsevier Group plc with seven transactions.
- There were 67 financially sponsored transactions with an aggregate value of \$9.13 billion, representing eight percent of the total volume and 30 percent of the total value, respectively.

1ST HALF 2013 KEY TRENDS

- Total transaction volume in 1st Half 2013 decreased by less than one percent over 2nd Half 2012, from 800 to 794.
- Total transaction value in 1st Half 2013 fell by 37 percent over 2nd Half 2012, from \$47.37 billion to \$29.45 billion.
- There were six transactions above the \$1 billion threshold in both 1st Half 2013 and 1st Half 2012, compared to 11 such deals in 2nd Half 2012.
- The median revenue multiple increased from 1.6x in 2nd Half 2012 to 2.1x in 1st Half 2013. The median EBITDA multiple remained constant at 8.3x.
- The segment with the largest rise in volume in 1st Half 2013 over 2nd Half 2012 was Consumer Publishing with an increase of 21 percent, from 73 transactions in 2nd Half 2012 to 88 transactions in 1st Half 2013.

M&A MARKET OVERVIEW

Berkery Noyes tracked 4,044 transactions between 2011 and 1st Half 2013, of which 1,077 disclosed financial terms, and calculated the aggregate transaction value to be \$136.37 billion. Based on known transaction values, we project values of 2,967 undisclosed transactions to be \$36.41 billion, totaling \$172.78 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 1.8x revenue and 9.0x EBITDA.

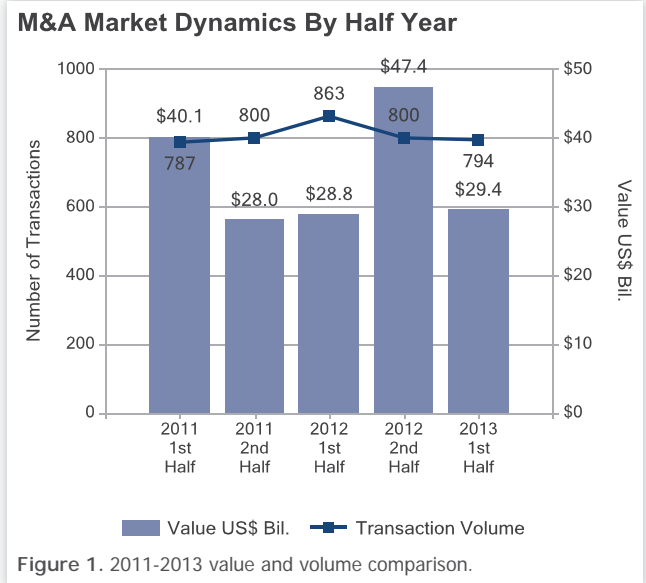


Figure 1. 2011-2013 value and volume comparison.

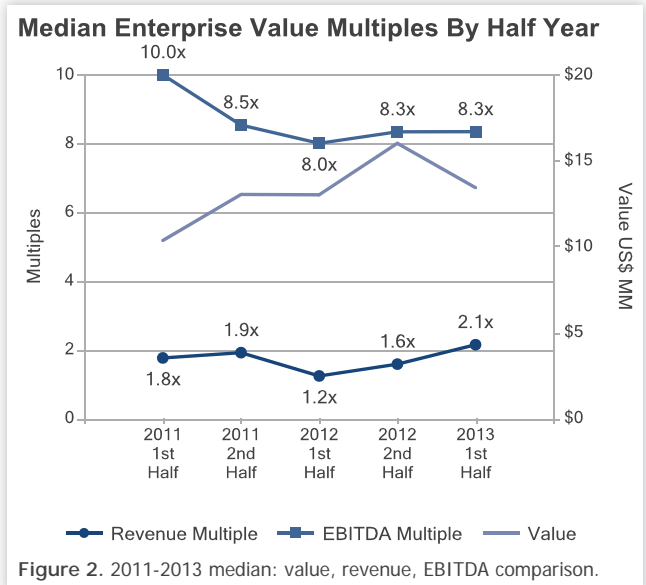


Figure 2. 2011-2013 median: value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2013 – June 30, 2013

Bell Curve - Histogram - 1st Half

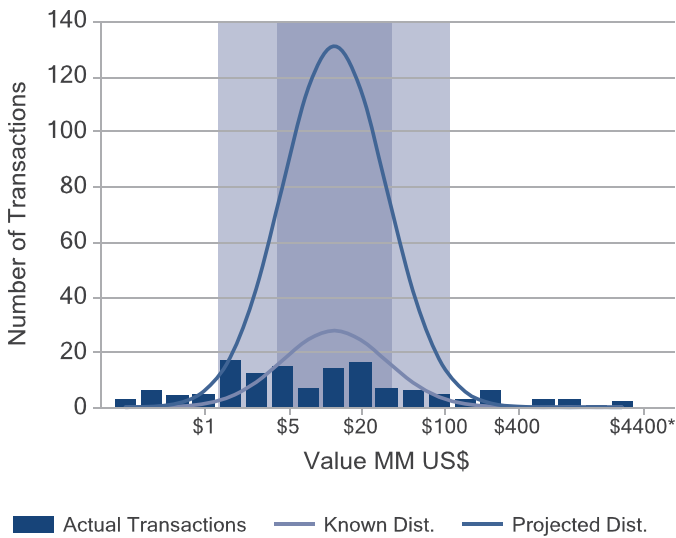


Figure 3. Shows the distribution of Media and Marketing transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.0 million to \$244.7 million. Based on this data, we estimate total transaction value of deals done in the 1st Half of 2013 at \$29.4 billion.

* Indicates largest industry transaction from Jan. 1, 2013 to June 30, 2013.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	3	0	3	2 %	2 %
\$0.4	6	0	6	4 %	6 %
\$0.6	4	1	5	3 %	9 %
\$1.0	5	6	10	4 %	13 %
\$1.6	17	18	34	12 %	25 %
\$2.7	12	43	54	9 %	34 %
\$4.5	15	80	94	11 %	45 %
\$7.4	7	116	122	5 %	50 %
\$12.2	14	131	144	10 %	60 %
\$20.1	16	115	131	12 %	71 %
\$33.1	7	79	85	5 %	76 %
\$54.6	6	42	48	4 %	81 %
\$90.0	5	18	22	4 %	84 %
\$148.4	3	6	8	2 %	86 %
\$244.7	6	1	7	4 %	91 %
\$403.4	1	0	1	1 %	91 %
\$665.1	3	0	3	2 %	94 %
\$1,096.6	3	0	3	2 %	96 %
\$1,808.0	1	0	1	1 %	96 %
\$2,981.0	2	0	2	1 %	98 %
Total #	139	655	794		
Total \$ Value	\$21,504	\$7,943	\$29,447		
Middle 3rd of Industry		Middle 2/3rds of Industry			

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 - 1st Half

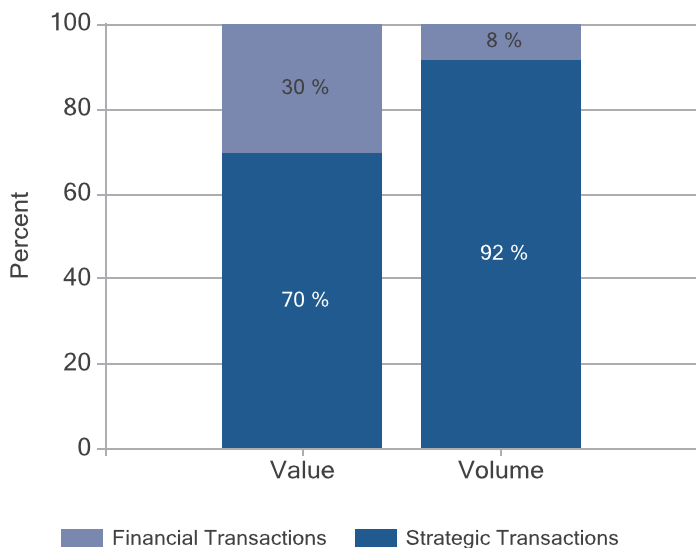


Figure 5. 1st Half 2013 value and volume comparison by transaction type.

Note: Financial 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 By Half Year

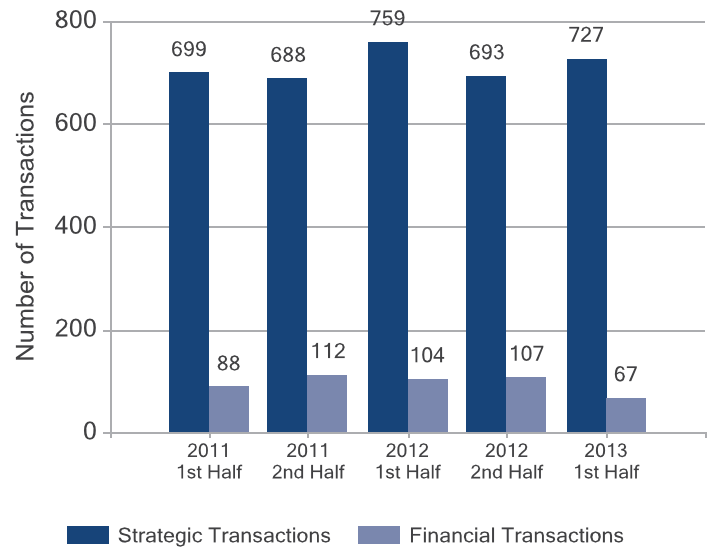


Figure 6. 2011-2013 acquirer type comparison by half year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2013

Deal Date	Target Name	Buyer	Value MM US\$
06/19/13	Springer Science & Business Media	BC Partners	\$4,423
06/27/13	Astral Media Inc.	Bell Media	\$3,200
06/13/13	Belo Corp.	Gannett Co., Inc.	\$2,171
01/02/13	Cerved Group SpA	CVC Capital Partners	\$1,476
06/10/13	R. L. Polk & Co	IHS, Inc.	\$1,400
05/20/13	Tumblr, Inc.	Yahoo! Inc.	\$1,100
05/06/13	Nielsen Expositions	Onex Corporation	\$950
04/01/13	American Greetings Corporation	American Greetings Corporation	\$878
02/07/13	Parlophone Label Group	Warner Music Group	\$767
01/03/13	Current TV, LLC	Al Jazeera Media Network	\$500
2013 Aggregate Transaction Value			\$29,447
Top 10 Aggregate Transaction Value			\$16,865
Top 10 Aggregate Value as a Percentage of All Transactions			57 %

Figure 7. Lists the top ten transactions for 1st Half 2013 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

Note: Transaction data based on announced date.

Median EV/Revenue Multiples By Size

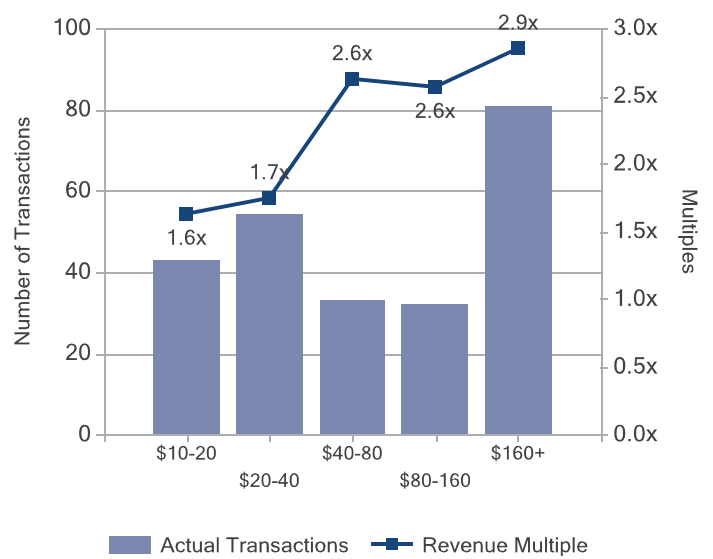


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from Jan. 1, 2011 to June 30, 2013 based on publicly available data.

Transaction Volume by Segment :: January 1, 2011 – June 30, 2013

Transactions By Market Segment By Half Year

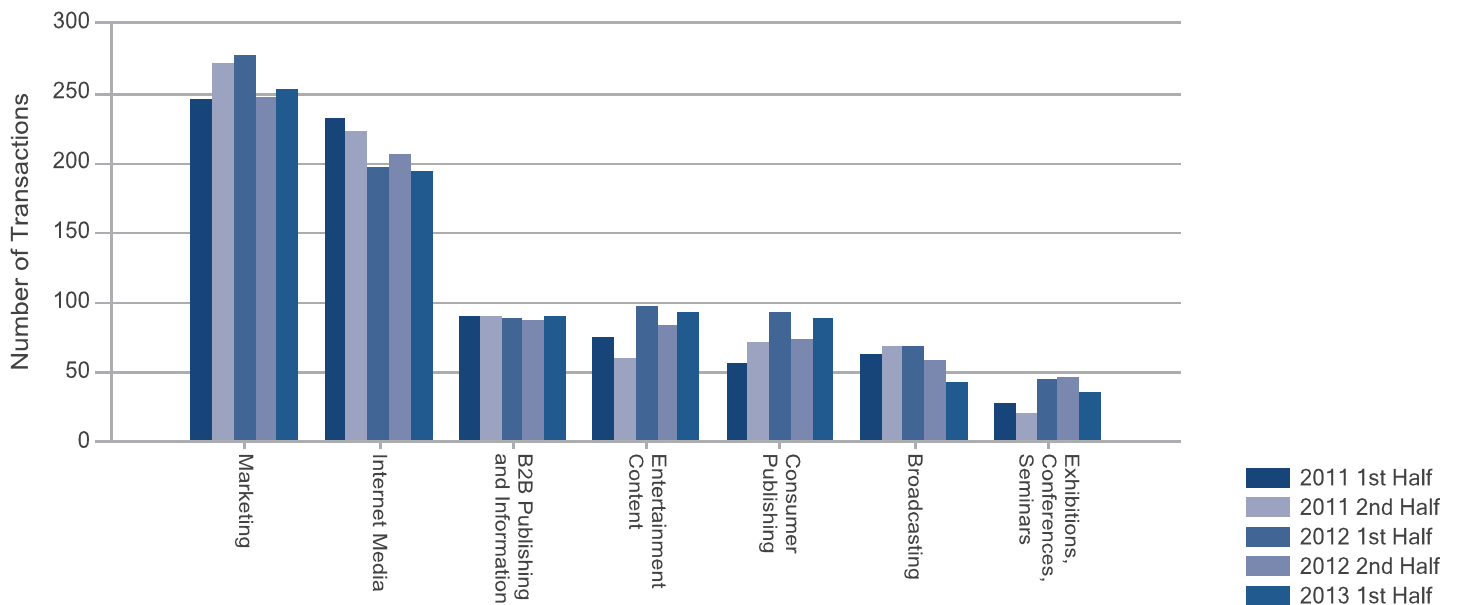


Figure 9. Presents transaction volume by market segment within the Media and Marketing Industry from January 1, 2011 through June 30, 2013.

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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

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