



MEDIA & MARKETING INDUSTRY

FULL YEAR 2012 :: Mergers and Acquisitions Trend Report

2012 KEY HIGHLIGHTS

- The largest announced transaction in the Entertainment segment of the Media and Marketing Industry in 2012 was The Walt Disney Company's acquisition of Lucasfilm Ltd for \$4.10 billion.
- The segment with the largest disclosed median revenue multiple in 2012 was Exhibitions, Conferences, and Seminars at 2.3x revenue.
- There were 211 financially sponsored transactions with an aggregate value of \$28.37 billion, representing 13 percent of the total volume and 36 percent of the total value, respectively.

2012 KEY TRENDS

- Total transaction volume in 2012 increased by three percent over 2011, from 1,570 to 1,611.
- Total transaction value in 2012 increased by 17 percent over 2011, from \$65.41 billion to \$76.23 billion.
- The median revenue multiple declined from 1.8x in 2011 to 1.3x in 2012. The median EBITDA multiple fell from 9.8x in 2011 to 7.5x in 2012.
- In the Internet Media segment, there were four transactions that reached the \$1 billion threshold in 2012, compared to one such acquisition in 2011. This contributed to an 81 percent rise in the segment's transaction value from 2011 to 2012.

M&A MARKET OVERVIEW

Berkery Noyes tracked 4,500 transactions between 2010 and 2012, of which 1,328 disclosed financial terms, and calculated the aggregate transaction value to be \$143.50 billion. Based on known transaction values, we project values of 3,172 undisclosed transactions to be \$35.68 billion, totaling \$179.19 billion worth of transactions tracked over the past three years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 36 months were 1.6x revenue and 9.2x EBITDA.

The most active acquirer by volume in the Media and Marketing Industry, either directly or through an affiliated business between 2010 and 2012, was WPP Group, plc with 83 transactions. 42 of these occurred in 2012.

M&A Market Dynamics

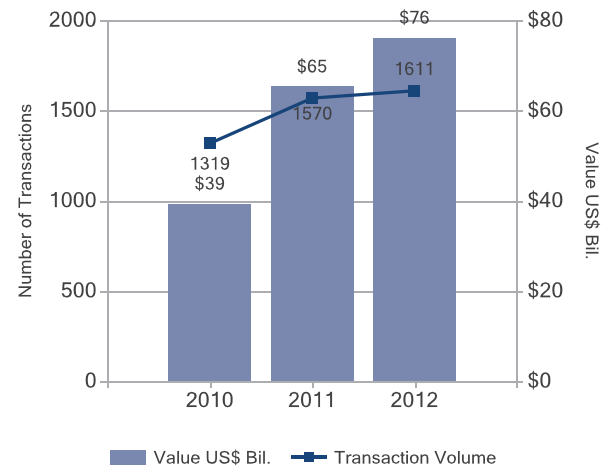


Figure 1. 2010-2012 value and volume comparison.

Median Enterprise Value Multiples

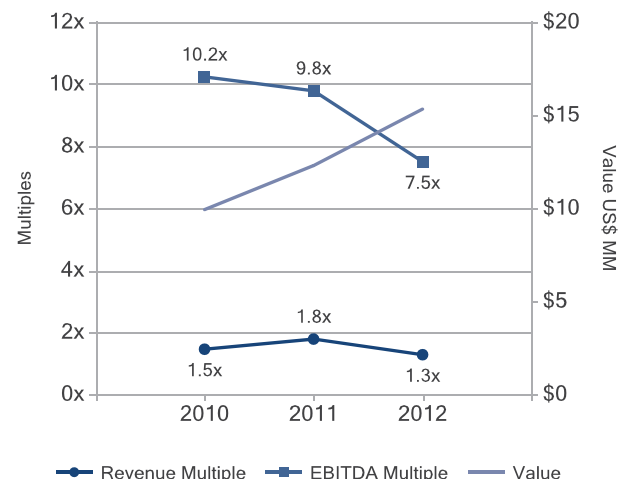


Figure 2. 2010-2012 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2012 – December 31, 2012

Bell Curve - Histogram

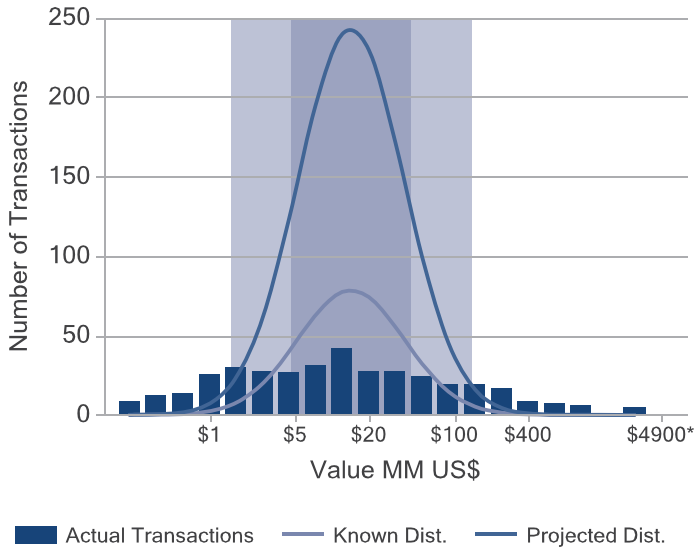


Figure 3. Shows distribution of transactions among Media and Marketing transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.0 million to \$244.7 million. Based on this data, we estimate total transaction value of deals done in 2012 at \$76.2 billion.

*Indicates largest industry transaction from Jan. 1, 2012 to Dec. 31, 2012.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	9	0	9	2 %	2 %
\$0.4	12	0	12	3 %	5 %
\$0.6	13	2	14	3 %	9 %
\$1.0	25	7	31	6 %	15 %
\$1.6	30	23	53	8 %	23 %
\$2.7	28	61	88	7 %	30 %
\$4.5	27	123	150	7 %	37 %
\$7.4	31	195	225	8 %	45 %
\$12.2	42	240	281	11 %	55 %
\$20.1	28	230	257	7 %	62 %
\$33.1	28	172	199	7 %	69 %
\$54.6	24	100	123	6 %	76 %
\$90.0	20	45	65	5 %	81 %
\$148.4	19	16	34	5 %	85 %
\$244.7	17	4	21	4 %	90 %
\$403.4	9	1	9	2 %	92 %
\$665.1	7	0	7	2 %	94 %
\$1,096.6	6	0	6	2 %	95 %
\$1,808.0	2	0	2	1 %	96 %
\$2,981.0	5	0	5	1 %	97 %
Total #	393	1218	1611		
Total \$ Value	\$58,722	\$17,510	\$76,232		
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

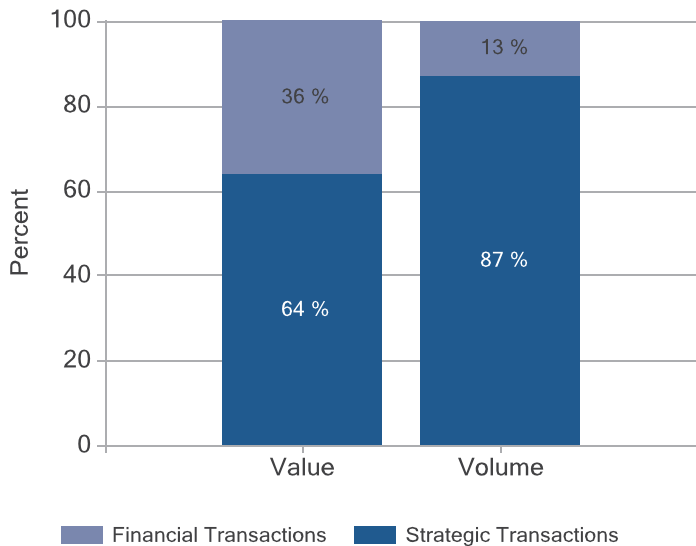


Figure 5. 2012 value and volume comparison by acquirer type.

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

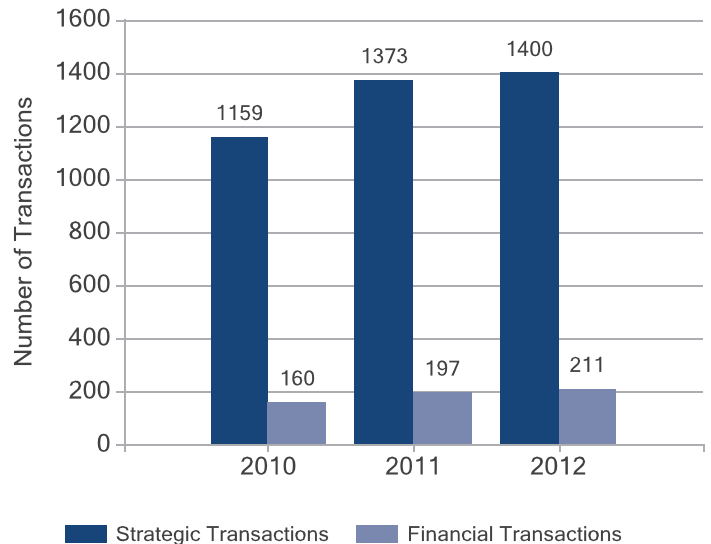


Figure 6. 2010 - 2012 acquirer type comparison.

Purchaser Analysis

Top Ten Notable Transactions 2012

Deal Date	Target Name	Buyer	Value MM US\$
07/12/12	Aegis Group PLC	Dentsu Inc.	\$4,859
10/30/12	Lucasfilm Ltd.	The Walt Disney Company	\$4,097
08/15/12	Getty Images, Inc.	Carlyle Group	\$3,300
02/17/12	TransUnion LLC	Advent International, GS Capital Partners	\$3,203
12/19/12	Focus Media Holding Limited	Carlyle Group, CITIC Capital, FountainVest Partners, CDH Investments, China Everbright Limited	\$3,023
11/26/12	McGraw-Hill Education	Apollo Global Management	\$2,621
06/20/12	Consolidated Media Holdings	News Limited	\$2,114
12/14/12	SBS Nordic Operations from ProSiebenSat.1	Discovery Communications	\$1,700
08/21/12	SuperMedia Inc.	Dex One Corporation	\$1,477
10/22/12	Ancestry.com	Permira	\$1,435
2012 Aggregate Transaction Value			\$76,232
Top 10 Aggregate Transaction Value			\$27,828
Top 10 Aggregate Value as a Percentage of All Transactions			37 %

Figure 7. Lists the top ten transactions for 2012 and calculates their aggregate transaction value as a percentage of the 2012 total aggregate transaction value as shown in Figures 1 & 4.

Note: Transaction data based on announced date. Deal value represents total consideration paid by the acquirer.

Median EV/Revenue Multiples By Size

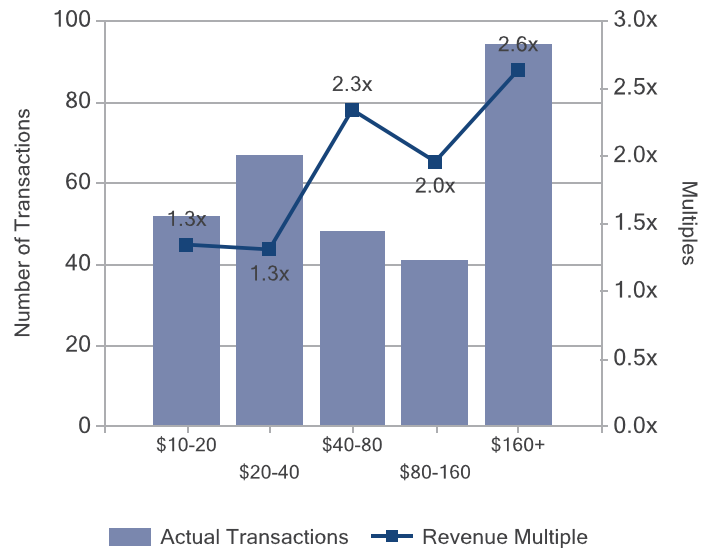


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from Jan. 1, 2010 to Dec. 31, 2012 based on publicly available data.

Transaction Volume by Segment :: January 1, 2010 – December 31, 2012

Transactions By Market Segment

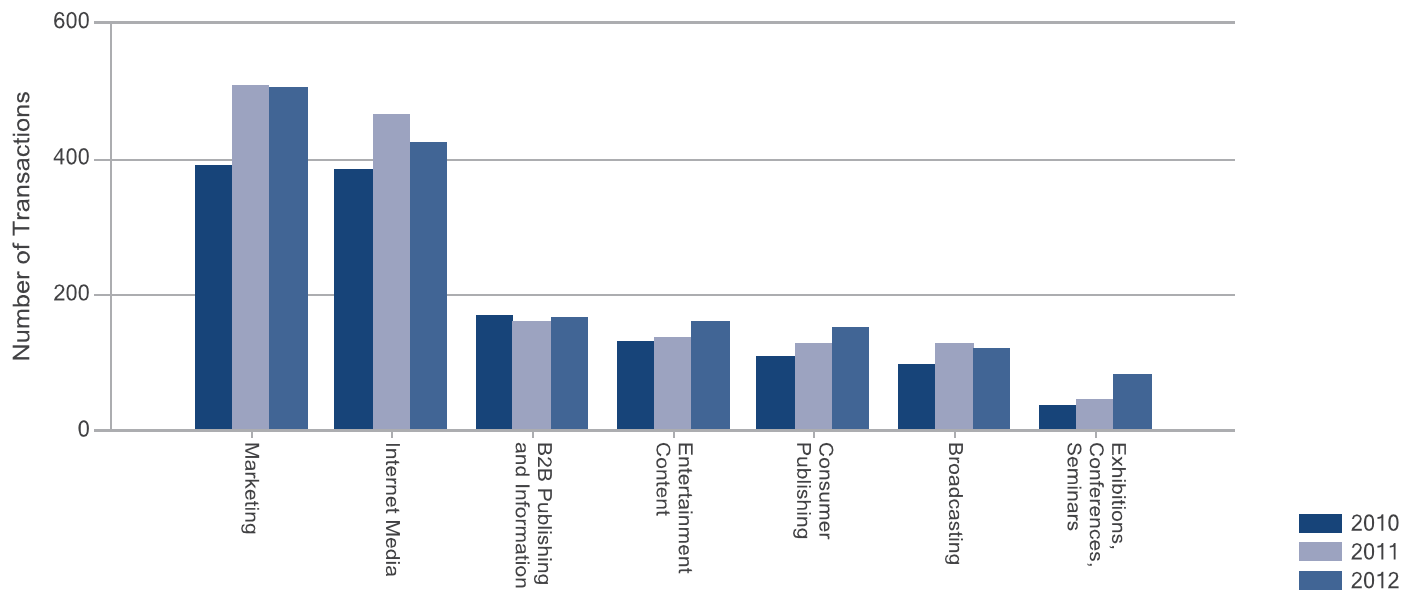


Figure 9. Presents transaction volume by target segment within the Media and Marketing Industry from Jan. 1, 2012 through Dec. 31, 2012.

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Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, and technology industries. The firm has initiated, managed, and closed more than 475 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, education, and entertainment markets.

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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

ADVANSTAR
HAS ACQUIRED



REGAL ENTERTAINMENT GROUP

HAS ACQUIRED

The Great Escape ...escape into a movie today!

HealthcareSource
A PORTFOLIO COMPANY OF
INSIGHT VENTURE PARTNERS

HAS ACQUIRED

NetLearning

A BUSINESS OF

CENGAGE Learning

GLM

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PROVIDENCE EQUITY
HAS ACQUIRED THE EVENTS BUSINESS

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