

**DEAL
NOTES**

M&A and Investments Review

Marketing, Media & Technology

■ **2012 Review of M&A and Investment Activity in the Marketing, Media & Technology Industries:**

2,433 Transactions Totaling a Reported \$58.7 Billion, including Eight +\$1 Billion Transactions During the Year

- Digital Media/Commerce was the Most Active and Highest Value Segment Overall in 2012 with 1,034 Transactions and a Reported \$24.8 Billion in Aggregate Deal Value
- Marketing Technology was the Second-Most Active Segment with 757 Deals Announced, of which 501 Reported Value Totaling \$11.3 Billion

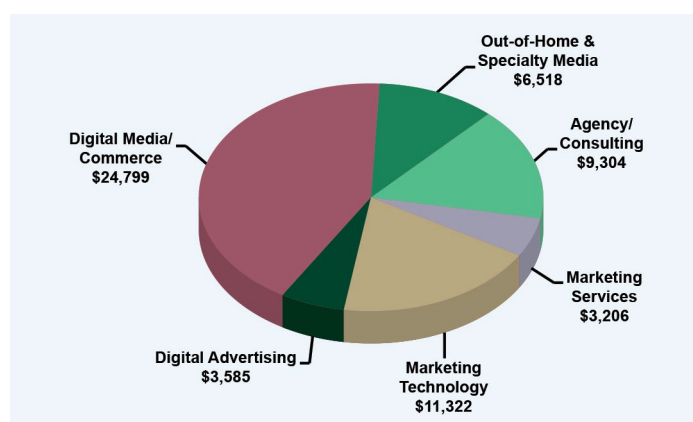
Overview	1
Segment Analysis	
Digital Media/Commerce	5
Digital Advertising	6
Marketing Technology	7
Agency/Consulting	8
Marketing Services	9
OOH & Specialty Media	10
Recent Transactions	11
About Petsky Prunier	12

During 2012, Petsky Prunier tracked 2,433 M&A and investment transactions for a total of \$58.7 billion across six broad segments: Digital Media/Commerce, Digital Advertising, Marketing Technology, Agency/Consulting, Marketing Services and Out-of-Home & Specialty Media. Digital Media/Commerce was the most active segment with 1,034 transactions, of which 711 reported value totaling \$24.8 billion. Of eight +\$1 billion transactions during the year, three acquisitions worth \$6.5 billion were reported in the Digital Media/Commerce segment. [\[continued on page 2\]](#)

Marketing, Media & Technology Industries
4Q11–4Q12 M&A and Investment Activity
(\$ in Billions)



Marketing, Media & Technology Industries
2012 M&A and Investment Activity
(\$ in Millions)



M&A Activity

There were 1,103 mergers and acquisitions in 2012, accounting for 45 percent of aggregate deal volume. Of those deals, 298 reported \$44.9 billion in total deal value. Digital Media/Commerce was the most active M&A segment with 356 transactions announced, of which 102 reported \$16.5 billion in aggregate deal value. eCommerce was the most active and highest value subsegment, with 74 acquisitions announced, of which 26 reported \$7.4 billion in total deal value. In comparison to 2011, reported M&A value in the eCommerce subsegment rose 19 percent, while activity was flat. Another active subsegment was Vertical Search, in which M&A activity increased 70 percent from 2011. Excluding Priceline's pending cash-and-stock deal for newly-public Kayak Software for \$1.6 billion (net of cash and debt), aggregate reported deal value in the subsegment increased from \$17 million in 2011 to \$1.8 billion in 2012. In addition to The Carlyle Group's \$3.3 billion acquisition of stock photography company Getty Images, the largest deals in the Digital Media/Commerce segment during the second half of the year included:

- Permira's \$1.6 billion acquisition of genealogy website Ancestry.com, at an enterprise value of \$1.5 billion and a valuation of 3.5x revenue and 10.5x EBITDA
- NEXON's \$468 million acquisition of Gloops, a Japan-based Web and mobile gaming company, at a valuation of 1.5x revenue and 12.2x EBITDA
- IAC/InterActiveCorp's \$300 million acquisition of About.com, which offers an online information service, which was valued at 2.7x revenue and 7.4x EBIT

Marketing Technology was the second-most active M&A segment in 2012 with 293 transactions announced, of which 82 reported \$7.2 billion in aggregate deal value. Activity in the segment during 2012 was driven by heightened competition among technology and software companies that are building diversified analytics, production and workflow management stacks. Transactions announced during the second half of the year included:

- Oracle's planned purchase of newly-public Eloqua, which provides SaaS-based B-to-B marketing automation solutions focused on demand generation and lead management, for \$810 million, valuing the company at \$871 million net of cash, or 9.7x revenue

- Sony's \$775 million acquisition of So-net Entertainment, a Japan-based Internet service provider, at a valuation of 1.6x revenue and 10.6x EBITDA
- Cisco Systems' acquisition of ThinkSmart Technologies, an Ireland-based software company that delivers location data analysis using Wi-Fi technology

The third most active M&A segment in 2012 was Agency/Consulting with 244 transactions announced, of which 49 reported \$9.2 billion in total deal value. Digital Agency was the most active subsegment with 99 deals announced, of which 19 reported \$7 billion in aggregate deal value, up 715 percent from the reported figure in 2011. With \$468 million and \$115 million in reported value, the Public Relations and General Agency subsegments also accounted for a large portion of the increase in deal value in the segment, up from \$17 million and \$41 million, respectively, in reported deal value in 2011. In addition to Dentsu's \$4.9 billion acquisition of Aegis Group, notable deals in the Agency/Consulting segment during the second half of the year included:

- Alliance Data Systems' \$460 million acquisition of Hyper Marketing, one of the largest, privately-held digital marketing services groups in the U.S., valuing the company at slightly more than 9.0x EBITDA
- Gresham Private Equity's \$40 million acquisition of Investis, a UK-based online corporate communications services provider

There were 101 acquisitions announced in the Digital Advertising segment, of which 26 reported \$2.5 billion in aggregate deal value. Digital Video was the highest value subsegment, accounting for 48 percent of the segment's M&A value and recording a 142 percent increase in reported M&A value from 2011. Mobile Marketing was the most active subsegment with 28 deals announced. Transactions in the segment during the second half of the year included:

- DealerTrack's \$49 million acquisition of ClickMotive, a provider of interactive marketing solutions for the automotive retailing industry, valuing the company at more than 3.0x revenue
- Definition 6's \$25 million acquisition of Synaptic Digital, which operates as a multichannel video creation and distribution company that helps brands tell their stories across earned, owned and paid media

2012 Most Active Strategic Buyers by Number of Transactions

Buyer	Number of Transactions	Representative Targets
Publicis Groupe	17	Bartle Bogle Hegarty, Indigo Consulting, LBi International, MarketGate, Pixelpark
WPP Group	16	AKQA, CarnationGroup, EffectiveUI, IDEA, OOO Jvision, Predictys, TCP Printing
Dentsu	13	Aegis Group, Catch Stone Advertising, IQ Mobile, ML Rogers, Netsociety, Roundarch
Google	10	BufferBox, Frommer's Travel Guides, Meebo.com, Sparrow, Wildfire Interactive
Omnicom Group	8	Adam & Eve Group, Medical Collective Intelligence, NIM Digital, Philippe Becker Design
Facebook	7	Face.com, GazeHawk, Glancee, Instagram, Karma Science, Lightbox, TagTile
IBM	6	Butterfly Software, OutStart, Red Bend Software, TeaLeaf Technology, Worklight
Twitter	6	Hotspots.io, Posterous, RestEngine, Sense Networks, Summify, Vine
Gannett Company	5	BLiNQ Media, Fantasy Sports Ventures, Mobestream Media, Quickish, Rovion
Havas	5	Boondoggle, Creative Lynx, Ignition, Snapworx Mobile, Victors & Spoils
Groupon	5	DITTO.ME, FeeFighters, Kima Labs, Savored, UpTake Networks

Investment Activity

Investments accounted for 55 percent of overall volume and 24 percent of reported deal value in 2012, with 1,181 investments reporting \$13.8 billion in aggregate deal value. Digital Media/Commerce was the most active and highest value segment with 678 deals announced, of which 609 reported \$8.3 billion in aggregate deal value. The three most active subsegments were eCommerce, Social Media/Apps and Mobile Content/Apps, together accounting for 68 percent of investments in the segment. Digital Media/Commerce investments during the second half of the year included:

- The \$105 million Andreessen Horowitz-led investment in Fab.com, a design-focused flash sales company, at a \$600 million valuation
- The \$78 million Rho Capital Partners-led investment in JustFabulous, which provides a subscription-based fashion brand and retail site
- The \$55 million Institutional Venture Partners-led investment in Care.com, which operates as an online marketplace connecting people seeking care services

Marketing Technology was the second most actively invested segment, with 464 announced deals, 419 of which reported \$4.1 billion in total deal value. Volume in the segment increased 19 percent from 2011. Content Management was the most active subsegment in 2012 with 89 investments announced, of which 81 reported \$850 million in total deal value. Investments in the CRM subsegment increased 88 percent from 2011, while reported value rose 255 percent to \$159 million. Investments in the segment during the second half of the year included:

- The \$85 million investment in Evernote, which operates a personal data and productivity management application for the Web and mobile devices, from m8 Capital, Valiant Capital and T. Rowe Price, at a \$2 billion valuation
- The \$60 million Redpoint Ventures-led investment in Zendesk, a customer services company offering Web-based SaaS-delivered help desk/support
- The SoftBank Capital-led \$39 million investment in retargeter Criteo at a valuation of \$800 million

Buyer & Investor Activity

Strategic buyers announced 1,041 transactions, of which 262 reported \$35.4 billion in aggregate deal value. Reported deal value rose 35 percent in 2012 despite a 15 percent decrease in activity from 2011. Sixty percent of the acquisitions by strategics occurred within the Digital Media/Commerce and Marketing Technology segments, while another 22 percent were announced within the Agency/Consulting segment.

Buyout firms announced 62 acquisitions, of which 36 reported \$9.5 billion in aggregate deal value. Twenty-nine of those transactions were in the Digital Media/Commerce and Agency/Consulting segments, accounting for 47 percent of buyout volume and 65 percent of reported value. Buyout transactions announced during the second half of the year included:

- Onex' \$810 million buyout of SGS International, which provides digital design-to-print graphic services to the consumer products packaging market, valuing the company at \$1.1 billion, or 2.7x revenue and 12.5x EBITDA
- Compass Investment Partners' \$129 million acquisition of PSC Info Group, a provider of multichannel customer communication solutions that facilitate billing, payments and revenue acceleration, to be incorporated into its portfolio company DANTOM Systems
- Catterton Partners' \$100 million buyout of ePrize, a provider of digital engagement solutions specializing in mobile, social and Web campaigns
- H.I.G. Capital's buyout of Womensforum.com, an online community for women, baby boomers, teens and girls

Compared to 2011, investment transaction volume was up three percent, while reported value decreased 40 percent. Venture and growth capital investors announced 1,330 transactions, of which 1,181 reported \$13.8 billion in aggregate deal value. Google Ventures, 500 Startups and Andreessen Horowitz were the most active investors, with 22, 19 and 18 investments, respectively, during 2012.

2012 Most Active Investors by Number of Transactions

Buyer	Number of Transactions	Representative Targets
Google Ventures	22	Adelphic Mobile, ClearStory Software, DocuSign, Machinima, Pocket Change, Roqbot
500 Startups	19	955 Dreams, biNu, Compstak, LocBox Labs, Love With Food, Mile High Organics, PealTix
Andreessen Horowitz	18	AgLocal, Belly, DogVacay, Firespotter Labs, Jumio, Kynetic, Mixpanel, NationBuilder
Accel Partners	17	Avito.ru, BaubleBar, BeachMint, DragonPlay, Dropcam, Endorse, HouseTrip, Trifacta
New Enterprise Associates	17	Bedrocket, BloomReach, CareZone, Compass Labs, Freshplum, Lithium Technologies
Atlas Venture	13	DraftKings, Flashnotes, Heavy Bits, InsightSquared.com, Lookout Gaming, LuckyLabs
Battery Ventures	13	Modria, Neolane, Platfora, RelayFoods.com, Sosh, Sprinklr, Streak, SumAll, Tealium
Benchmark Capital	13	1stdibs.com, Archify, Elasticsearch, MedicAnimal.com, NaturalMotion, ResearchGate
Intel Capital	12	BrightEdge, CashStar, Eruditor Group, Indisys, Mural.ly, Rancard Solutions, Spealtoit
General Catalyst Partners	11	BigCommerce, ClassDojo, CoachUp, JAND, Locu, StyleSaint, This Technology, Yottaa
Crosslink Capital	10	500friends, Affine, Flit, Flurry, GraphDive, InboundWriter, Pearl.com, RichRelevance
Foundry Group	10	Attachments.me, Betabrand, BigDoor Media, DataHero, FullContact, isocket, Jirafe
Index Ventures	10	Amen, Brit Media, Farfetch.com, PeoplePerHour, Secret Escapes, Tripbirds, Snapchat
Kleiner Perkins Caufield & Byers	10	Airtime Media, Dollar Shave Club, Drawbridge, I-Media, Lockerz, SoundCloud, Wello
Norwest Venture Partners	10	Act-On Software, Elemental Technologies, Extole, Komli Media, Manta Media, ModCloth

IPO Activity

There were 18 IPOs in the Marketing, Media & Technology industries in 2012. Five of these were done in the second half of the year, including Eloqua, Fleetmatics Group, Shutterstock and Trulia, which priced at the high-end or above their initial filing ranges, and YY, which priced at the low-end of its range. Of all the companies to go public in 2012, only Acquity Group, Demandware, Eloqua, Fleetmatics, Kayak, Shutterstock, Synacor, VIPshop and YY closed 4Q12 trading above their first trading day closing price. Exponential Interactive and Professional Diversity Network filed to go public in 2012 but have yet to price.

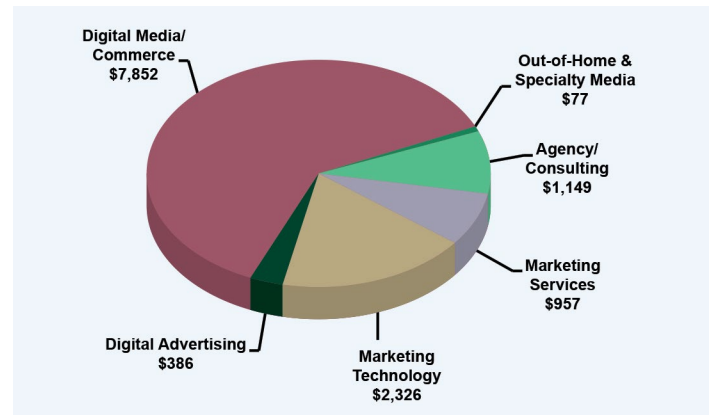
4Q12 M&A and Investment Summary

In 4Q12, Petsky Prunier tracked 613 M&A and investment transactions, of which 379 reported \$12.7 billion in aggregate deal value. As in previous quarters, Digital Media/Commerce was both the most active and highest value segment, accounting for 44 percent of all deals announced and 62 percent of aggregate reported deal value. The largest deal in both the segment and the quarter was Priceline's pending acquisition of newly-public Kayak Software for \$1.6 billion (net of cash and debt). Priceline's offer of \$40 a share in cash and stock was a 29 percent premium to Kayak's closing price on the day of the announcement and 54 percent higher than its recent IPO price. The next most active segment was Marketing Technology with 190 transactions, of which 123 reported \$2.3 billion in total deal value. The largest acquisition during the quarter in the Marketing Technology segment was Oracle's announcement of its pending purchase of newly-public Eloqua for \$810 million in an all-cash deal.

Marketing, Media & Technology Industries

4Q12 M&A and Investment Activity

(\$ in Millions)



Digital Media/Commerce

M&A and Investment Activity

In 2012, Petsky Prunier tracked 1,034 transactions (356 acquisitions and 678 investments) in the Digital Media/Commerce segment, of which 711 reported value totaling \$24.8 billion. Despite a robust year, fourth-quarter activity and value increased just six percent and 13 percent, respectively, from 3Q12. eCommerce was the leading subsegment in 2012, with 272 transactions announced (74 acquisitions and 198 investments), followed by Social Media/Apps and Mobile Content/Apps, which together accounted for 36 percent and 14 percent of the segment's total activity and reported value for the year. Deals announced in 2012 were completed at mean multiples of 3.0x revenue and 14.3x EBITDA. Transactions announced during the second half of the year included:

- Time Warner Group's \$175 million acquisition of sports-focused digital media company Bleacher Report at 5.8x revenue
- Burda Digital's \$171 million acquisition of a 61 percent stake in Germany-based XING, which operates an online professional network website, at 3.2x revenue and 10.2x EBITDA
- j2 Global Communications' \$167 million acquisition of Ziff Davis, a technology-focused digital media company, at 2.8x revenue

There were also a number of high-value investments announced in 2012, including:

- The \$100 million investment in Spotify, an Internet music services company, from multiple investors including Goldman Sachs Group, at a valuation of approximately \$3 billion
- The \$85 million Andreessen Horowitz-led investment in flash sales site operator Zulily, at a \$1 billion valuation

Most Active Digital Media/Commerce Subsegments

Subsegment	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
eCommerce	70	4,630	69	2,604	272	11,377	13%	(5%)
Social Media/Apps	49	316	55	683	215	2,340	(13%)	(46%)
Mobile Content/Apps	38	230	48	143	158	1,209	21%	78%
Gaming	38	532	29	704	124	2,975	(12%)	(14%)
Niche Content	19	845	17	197	77	1,150	(43%)	12%
Classifieds/Auctions/P-to-P	18	108	18	149	69	1,043	15%	(46%)
Digital Promotion/Coupon	6	158	3	37	32	350	(72%)	(87%)
Vertical Search	6	29	12	3,077	37	3,594	106%	4,864%
Local Search	4	84	17	256	32	456	28%	41%
Comparison Shopping	4	15	1	2	12	281	(54%)	(57%)
Web Search/Portals	0	0	0	0	4	4	(71%)	(99%)
Domain Portfolio/Marketplace	0	0	0	0	1	15	(91%)	(18%)
Virtual Goods	1	5	0	0	1	5	NM	NM
Total	253	6,951	269	7,852	1,034	24,799	(11%)	(10%)

Buyer & Investor Activity

During the year, Groupon and Facebook were the most active strategic buyers in the segment, announcing five and four deals, respectively. The most active investors in the segment were Accel Partners, Andreessen Horowitz, 500 Startups and Google Ventures, which led 15, 13, 12, and 11 investments, respectively, in 2012. In the fourth quarter, reported strategic deal value more than tripled, while volume was flat from 3Q12. Private equity acquisitions were up 133 percent in the fourth quarter compared to 3Q12, while venture and growth capital investors announced 14 additional deals.

Digital Media/Commerce Transactions by Type of Buyer/Investor

Buyer Type	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Strategic	84	1,528	82	4,644	340	11,079	(24%)	19%
Private Equity - Buyout	3	3,305	7	1,842	16	5,456	0%	134%
Private Equity - VC/Growth Capital	166	2,119	180	1,366	678	8,264	(03%)	(48%)
Total	253	6,951	269	7,852	1,034	24,799	(11%)	(10%)

Digital Advertising

M&A and Investment Activity

There were 222 transactions (101 acquisitions and 121 investments) announced in the Digital Advertising segment in 2012, of which 135 reported value totaling \$3.6 billion. Mean EV/revenue and EV/EBITDA in 2012 were 3.9x and 18.0x, respectively. Compared to 3Q12, volume and value in the fourth quarter increased six percent and 12 percent, respectively.

With continued increases in mobile engagement and growing mobile advertising spending, Mobile Marketing was the most active subsegment throughout 2012 with 63 transactions (28 acquisitions and 35 investments) announced. Digital Video was also active with 14 acquisitions and 41 investments announced for a total of 55 transactions, reflecting buyers' efforts to leverage increasingly important and comparatively high CPM ad units. Transactions announced in the second half of the year from these leading subsegments included:

- The \$40 million investment in Russia-based Ivi.ru, which operates an online portal with free video content, led by private equity firm Baring Vostok. The funds will be used to build out the company's technology and content catalog, amid rumors that Hulu and Netflix are considering expansion into the Russian market
- The \$25 million Crosslink Capital-led investment in Flurry, a provider of mobile advertising and analytics solutions, bringing the company's total funding to more than \$50 million

Additional transactions from the second half of the year included:

- MediaPost Communications' \$43 million acquisition of a 64 percent stake in Adverline, a France-based media group engaged in the sale of ad space and publishing of Internet content, at 2.0x revenue and 18.4x EBITDA
- The \$28 million Keating Capital-led investment in mobile advertising network JumpTap

Most Active Digital Advertising Subsegments

Subsegment	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Mobile Marketing	14	90	14	88	63	644	(23%)	3%
Digital Video	12	136	14	102	55	1,537	8%	23%
Ad Networks/Exchanges	7	53	9	52	33	321	(42%)	(71%)
Online Lead Generation	8	66	5	29	30	290	(50%)	(46%)
Search Marketing	6	0	5	61	16	126	(16%)	(76%)
Affiliate/CPA Network	1	0	3	15	14	610	40%	752%
Game Advertising	2	0	2	9	6	14	100%	(82%)
Email Services	0	0	1	30	5	44	(55%)	156%
Total	50	345	53	386	222	3,585	(24%)	(15%)

Buyer & Investor Activity

Strategic buyers accounted for 44 percent of all 2012 deals in the segment. The aggregate reported deal volume and value by strategics in 4Q12 increased four percent and five percent, respectively, from the previous quarter. There were 121 venture and growth capital investments announced in 2012, of which 29 were announced in the fourth quarter. In 2012, private equity firms announced three deals in the segment, for \$73 million in aggregate reported deal value.

Digital Advertising Transactions by Type of Buyer/Investor

Buyer Type	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Strategic	23	110	24	116	98	2,385	(32%)	20%
Private Equity - Buyout	2	20	0	0	3	73	50%	13%
Private Equity - VC/Growth Capital	25	215	29	270	121	1,128	(18%)	(47%)
Total	50	345	53	386	222	3,585	(24%)	(15%)

Marketing Technology

M&A and Investment Activity

A total of 757 deals (293 acquisitions and 464 investments) were announced in the Marketing Technology segment in 2012, of which 501 reported value totaling \$11.3 billion. The fourth quarter slowed compared to 3Q12, with a nine percent and 10 percent drop in volume and reported value, respectively. Content Management was the most active subsegment in 2012, with 133 announced transactions, of which 95 reported \$1.3 billion in aggregate deal value. Compared to 2011, volume and reported value in the subsegment each increased more than 70 percent. Content Management transactions in the second half of the year included:

- Perion Network's \$41 million acquisition of SweetIM Technologies, an instant messaging technology development company offering an emoticon and Internet chat add-on, valuing the company at 1.4x revenue and 4.6x EBITDA
- Markets.com's \$37 million acquisition of Crossrider, an Israel-based company operating a platform that enables Web developers to make extensions that work across various browsers
- Brightcove's \$30 million acquisition of Zencoder, an audio and video encoding/transcoding SaaS company, which was completed at 15.0x the company's expected year-end revenues

Investment activity during 4Q12 was led by the Content Management and Social Technology subsegments, which accounted for 31 percent of total investments announced in the segment. Compared to the third quarter, combined reported investment value across these subsegments increased 60 percent in 4Q12, while activity declined 20 percent. The largest investment in the segment during the second half of the year was the \$85 million investment in Evernote from m8 Capital, Valiant Capital and T. Rowe Price, at a \$2 billion valuation. Additional investments in the segment included:

- The \$62 million growth capital investment in Mimecast, a provider of cloud-based email management solutions, led by Insight Venture Partners
- Sequoia Capital's \$35 million investment in Medallia, which provides SaaS customer experience and enterprise feedback management solutions to financial services, retail, B-to-B and hotel companies

Most Active Marketing Technology Subsegments

Subsegment	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Content Management	46	153	28	340	133	1,316	71%	70%
Social Technology	23	359	21	50	115	1,902	(4%)	3%
Analytics & Reporting	21	97	19	65	76	281	23%	(63%)
Mobile Technology	13	46	15	136	56	764	(35%)	(35%)
Online Targeting/Optimization	14	133	10	164	47	422	21%	(58%)
Commerce Management	17	207	11	43	45	385	(36%)	(90%)
BI tools	7	48	13	440	39	986	63%	(35%)
MRM/Workflow Management	8	24	13	82	31	268	72%	541%
SFA/Lead Management	7	78	11	791	28	963	115%	321%
Email/Messaging Software	6	72	6	38	26	783	18%	163%
CRM	5	71	6	29	25	1,124	(19%)	(28%)
Ad Serving	5	13	4	11	20	198	33%	10%
Subtotal	172	1,302	157	2,187	641	9,393	11%	(29%)
Other	36	1,280	33	138	116	1,929	(21%)	(71%)
Total	208	2,582	190	2,326	757	11,322	4%	(43%)

"Other" includes Content Delivery Network, Creative Production Platform, Data Quality, Internet Service Providers, Market Research Technology, Marketing Asset Management, Media Management System, Product/Price Software, Search & Discovery, Segmentation/Data Mining, SEM/SEO Tools, Teleservices/eServices, Web to Print and Website Creation/Hosting

Buyer & Investor Activity

The most active strategic buyers in the segment during 2012 were Google and IBM, which announced six and five acquisitions, respectively. Compared to 3Q12, venture and growth capital investment activity in the fourth quarter fell eight percent, while strategic buyer activity fell seven percent.

Marketing Technology Transactions by Type of Buyer/Investor

Buyer Type	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Strategic	75	741	69	1,431	281	5,955	(10%)	(51%)
Private Equity - Buyout	3	100	2	0	11	493	(52%)	(86%)
Private Equity - VC/Growth Capital	130	1,741	119	895	465	4,874	19%	14%
Total	208	2,582	190	2,326	757	11,322	4%	(43%)

Agency/Consulting

M&A and Investment Activity

There were 275 transactions recorded (244 acquisitions and 31 investments) in the Agency/Consulting segment in 2012, of which 65 reported \$9.3 billion in aggregate deal value. Transaction activity in the fourth quarter increased three percent, while value dropped 80 percent in comparison to 3Q12, during which Dentsu announced its \$4.9 billion acquisition of Aegis Group. Digital Agency was the most active subsegment in 2012 with 109 deals announced, of which 24 reported \$7 billion in aggregate deal value.

Among all Agency/Consulting transactions in 2012, mean EV/revenue and EV/EBITDA multiples were 1.6x and 7.9x, respectively. In addition to Alliance Data Systems' \$460 million acquisition (at more than 9.0x EBITDA) of Hyper Marketing, highly-valued transactions in the segment during the second half of the year included:

- Publicis Groupe's \$539 million acquisition of LBi International, a Netherlands-based marketing and technology agency, at a valuation of 2.6x revenue and 14.7x EBITDA, and its acquisition of the remaining 51 percent stake in Bartle Bogle Hegarty, a full-service agency, which reported \$164 million in global annual revenues
- Aegis Group's \$86 million acquisition of Catch Stone Advertising, a China-based digital media planning and buying agency, valuing the company at 4.0x revenue

Most Active Agency/Consulting Subsegments

Subsegment	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Digital Agency	24	5,566	24	662	109	7,035	20%	615%
Public Relations	10	37	8	430	33	468	14%	2,619%
General Agency	5	0	3	24	25	116	(17%)	24%
Experiential Marketing	1	0	4	0	18	29	20%	17%
Social Agency	5	0	2	0	14	5	(26%)	(96%)
Branded Communications	3	15	5	0	12	137	100%	(79%)
Healthcare Agency	1	0	3	3	12	14	(20%)	(86%)
DM Agency	1	0	4	21	9	221	0%	(43%)
Design Agency	3	0	1	0	9	10	(36%)	(96%)
Promotion Agency	2	134	0	0	8	134	100%	NM
Specialty Agency	0	0	2	0	7	1	(22%)	(100%)
Marketing Consulting	1	0	1	0	6	923	(73%)	178%
Subtotal	56	5,752	57	1,141	262	9,093	(0%)	139%
Other	3	2	4	8	13	211	(32%)	(24%)
Total	59	5,754	61	1,149	275	9,304	(2%)	128%

"Other" includes B-to-B Agency, DR Media Buying and Management Consulting

Buyer & Investor Activity

In 2012, the most active buyers in the segment were Publicis Groupe and WPP Group with 16 and 13 acquisitions, respectively, followed by Dentsu, Interpublic Group of Companies and Omnicom with a combined total of 25 acquisitions announced. These holding companies focused on targets outside the U.S., with 52 deals announced in other countries – the most active of which were China, India, and the UK. While the major holding companies were active buyers throughout the year, 78 percent of the segment's transactions were done by other buyers, many from adjacent industries looking to add strategic services to their existing offerings.

Agency/Consulting was an active segment among private equity buyers in 2012, with 13 buyout deals announced. Four of those deals were announced in 4Q12, up from one in the previous quarter, including Baird Capital Partners' \$24 million buyout of PARTNERS+simons, an agency specializing in the healthcare and financial services industries.

Agency/Consulting Transactions by Type of Buyer/Investor

Buyer Type	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Strategic	51	5,584	51	948	231	8,477	(01%)	321%
Private Equity - Buyout	1	100	4	188	13	700	(41%)	(58%)
Private Equity - VC/Growth Capital	7	70	6	12	31	127	19%	(68%)
Total	59	5,754	61	1,149	275	9,304	(2%)	128%

Marketing Services

M&A and Investment Activity

A total of 87 transactions were announced in the Marketing Services segment in 2012, of which 42 reported \$3.2 billion in aggregate deal value. Retail Services was the most active subsegment in 4Q12 with six deals announced (five of which were acquisitions), while Printing Services was the highest value subsegment in 4Q12 with five deals announced for \$601 million in deal value. Mean EV/revenue and EV/EBITDA multiples in the segment were 1.3x and 9.6x, respectively. Transactions in these subsegments during the second half of the year included:

- Onex' \$810 million acquisition of SGS International, a provider of graphics services to branded consumer products companies and retailers, valuing the company at \$1.1 billion, or 2.7x revenue and 12.5x EBITDA
- Quad/Graphics' \$259 million acquisition of Vertis Communications, a provider of retail advertising inserts, direct marketing and in-store marketing solutions, at a valuation of 4.3x EBITDA

During 2012, there were 14 transactions announced in the Logistics subsegment, of which eight reported \$426 million in aggregate deal value. Four of those deals were announced in the fourth quarter, including:

- Google's \$17 million acquisition of Canada-based BufferBox, which provides a service for delivering eCommerce goods to physical kiosks in grocery and convenience stores

Most Active Marketing Services Subsegments

Subsegment	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Printing Services	9	1,095	5	601	32	1,697	33%	1,315%
Logistics	4	42	4	20	14	426	40%	(19%)
Loyalty/Retention	4	33	4	12	14	93	8%	(9%)
Retail Services	1	0	6	323	11	754	57%	(68%)
Fulfillment	1	60	1	0	4	60	(20%)	(54%)
Data Processing/Enhancement	1	129	0	0	3	130	0%	278%
Database/Analytics	1	15	1	0	3	21	(75%)	(53%)
Ad Specialty/Premiums	2	5	0	0	2	5	(60%)	(61%)
Lettershop	2	20	0	0	2	20	(50%)	NM
Subtotal	25	1,400	21	957	85	3,206	2%	(3%)
Other	0	0	0	0	2	0	(60%)	(100%)
Total	25	1,400	21	957	87	3,206	(1%)	(6%)

**Other* includes Channel Services and List Broker/Manager*

Buyer & Investor Activity

In the fourth quarter, activity across the segment was split fairly evenly between strategic buyers and venture and growth capital investors, with ten and seven deals announced, respectively. Private equity firms announced 13 acquisitions in 2012. Transactions announced in the fourth quarter included:

- Court Square Capital Partners' \$300 million buyout of Vestcom International, a shopper marketing company specializing in shelf-edge price labels and ad signs for retailers
- NCS Fulfillment's acquisition of Starr Fulfillment, a Web-based fulfillment services provider serving both paid and controlled magazines
- The \$10 million strategic investment in loyalty marketing services company China Rewards, from Aimia, a Canada-based loyalty marketing company, and Points International, a Canada-based provider of eCommerce and technology services to loyalty program operators

Marketing Services Transactions by Type of Buyer/Investor

Buyer Type	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Strategic	10	138	10	299	47	769	(16%)	18%
Private Equity - Buyout	6	1,233	4	643	13	2,279	(19%)	(11%)
Private Equity - VC/Growth Capital	9	29	7	15	27	157	69%	(12%)
Total	25	1,400	21	957	87	3,206	(1%)	(6%)

Out-of-Home & Specialty Media

M&A and Investment Activity

Petsky Prunier tracked 58 transactions (49 acquisitions and nine investments) among Out-of-Home & Specialty Media companies in 2012. Of these deals, 25 reported \$6.5 billion in aggregate deal value. Activity in the fourth quarter increased 19 percent compared to 3Q12. Sizable transactions announced during the second half of the year included:

- Dex One's \$1.5 billion acquisition of SuperMedia, a yellow pages directory publisher, valuing the company at 1.0x revenue and 2.7x EBITDA
- Outdoor Media Operations' \$120 million acquisition of Eye Corp, an Australia-based out-of-home media company providing multiformat advertising solutions

B-to-B Media was the most active subsegment in 2012 with 26 deals announced, of which 10 reported total deal value of \$427 million. There was a 67 percent increase in the subsegment's deal activity from the third to the fourth quarters. Transactions included:

- Leeds Equity Partners' \$94 million acquisition of Evanta, a provider of peer-to-peer networking platforms for business executives, and Sports Leadership, which offers leadership forums for professional and collegiate sports team executives
- Informa's \$53 million acquisition of MMPI Canada, a Canadian producer of trade shows, conferences and consumer shows, valuing the company at 2.2x revenue

Investment activity was flat in 2012, with nine deals announced for \$56 million in aggregate reported deal value. Four of those deals were announced in the fourth quarter, which included:

- ITE International's \$22 million investment in Asian Business Exhibition and Conferences, the largest private sector exhibition and conference organizer in the Indian exhibition market, at a valuation of \$80 million

Most Active Out-of-Home & Specialty Media Subsegments

Subsegment	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
B-to-B Media	6	217	10	51	26	427	37%	127%
Digital Place-Based Media	4	50	5	24	16	80	(33%)	(64%)
Traditional Outdoor	5	120	4	2	13	3,781	44%	1,642%
Yellow Pages	1	1,477	0	0	3	2,231	200%	325%
Total	16	1,864	19	77	58	6,518	9%	465%

Buyer & Investor Activity

Strategic buyers accounted for 74 percent of deal activity and 92 percent of reported deal value in 2012, of which 15 were announced in the fourth quarter. Of the nine investments announced in 2012, five were among companies operating in the Digital Place-Based Media subsegment, where companies continue to innovate their technologies and expand geographically to create maximum brand exposure for their clients.

Out-of-Home & Specialty Media Transactions by Type of Buyer/Investor

Buyer Type	3Q12		4Q12		2012		2012 vs 2011 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Strategic	12	1,675	15	52	43	5,996	8%	5,345%
Private Equity - Buyout	2	164	0	0	6	466	100%	(46%)
Private Equity - VC/Growth Capital	2	25	4	25	9	56	(10%)	(68%)
Total	16	1,864	19	77	58	6,518	9%	465%

Recent Transactions

 <p>a leading provider of in-store and shopper marketing signage to major North American retailers</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a real-time behavioral advertising company</p> <p>has been acquired by</p>  <p>(NYSE: AOL)</p> <p>PetskyPrunier</p>	 <p>a leading provider of digital production services to brands and agencies</p> <p>has been sold to</p>  <p>(NYSE: ACN)</p> <p>PetskyPrunier</p>	 <p>a dynamic display media and retargeting company</p> <p>has been acquired by</p>  <p>(NASDAQ: 4755)</p> <p>PetskyPrunier</p>	 <p>a leading provider of transportation-based digital media networks</p> <p>has received a mezzanine debt investment from</p>  <p>PetskyPrunier</p>
 <p>a leading digital direct marketing company utilizing a proprietary database to provide customer acquisition solutions for major brands</p> <p>has received an equity investment from</p>  <p>with debt financing from Madison Capital Funding LLC</p> <p>PetskyPrunier</p>	 <p>a leader in technology and global in-app advertising for Facebook, Apple (iOS), and Android developers</p> <p>has received a \$66M investment from</p>  <p>PetskyPrunier</p>	 <p>a provider of a cloud-based integration platform for the digital marketing industry</p> <p>has received \$15M financing led by</p>  <p>PetskyPrunier</p>	 <p>a leader in multichannel retail, eCommerce and loyalty marketing services</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a leader in global healthcare, primary market research and influence network mapping</p> <p>has been sold to</p>  <p>a portfolio company of</p>  <p>PetskyPrunier</p>
 <p>the top independent direct-to-consumer marketer of dental savings plans</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>has sold</p>  <p>a leading provider of services for domain name registration, acquisition, brokerage and sales</p> <p>to</p>  <p>PetskyPrunier</p>	 <p>a leading data management and audience optimization platform (DMP) company</p> <p>has been sold to</p>  <p>a global digital marketing agency</p> <p>a unit of</p>  <p>PetskyPrunier</p>	 <p>a leading provider of taxi-based outdoor media</p> <p>has been sold to</p>  <p>(NYSE: PAY)</p> <p>PetskyPrunier</p>	 <p>has sold</p>  <p>a leading provider of integrated data, technology and analytics solutions</p> <p>to</p>  <p>PetskyPrunier</p>
 <p>has acquired</p>  <p>a pioneer in measuring the impact of promotion on physician prescribing behavior</p> <p>PetskyPrunier</p>	 <p>has sold</p>  <p>a premier provider of affinity programs for universities and colleges</p> <p>to</p>  <p>PetskyPrunier</p>	 <p>a leading advertising technology company</p> <p>has been sold to</p>  <p>(Xetra: DPW.DE)</p> <p>PetskyPrunier</p>	 <p>(TSX: PTO)</p> <p>a leading shopper marketing execution company</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a portfolio company of Vestar Capital Partners</p> <p>has sold</p>  <p>to</p>  <p>PetskyPrunier</p>
 <p>has merged with</p>  <p>a portfolio company of Parthenon Capital Partners</p> <p>PetskyPrunier</p>	 <p>one of North America's largest mobile marketing and gateway solution providers</p> <p>has been sold to</p>  <p>a portfolio company of KRG Capital Partners</p> <p>PetskyPrunier</p>	 <p>the leader in attribution management and online advertising analytics</p> <p>has been sold to</p>  <p>(Nasdaq: GSIC)</p> <p>PetskyPrunier</p>	 <p>a rapidly growing provider of online and offline performance-based customer acquisition solutions to a number of the largest suppliers of home services in the U.S.</p> <p>has received a majority investment from</p>  <p>PetskyPrunier</p>	 <p>a leading online video advertising network</p> <p>has received a growth capital investment from</p>  <p>PetskyPrunier</p>
 <p>a provider of multichannel marketing software services</p> <p>has been sold to</p>  <p>(Nasdaq: RRD)</p> <p>PetskyPrunier</p>	 <p>a digital communications agency with a proprietary software platform serving biopharmaceutical companies</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a division of</p>  <p>has acquired</p>  <p>PetskyPrunier</p>	 <p>a premier provider of benchmark-based advisory services to the pharmaceutical and biotech industry</p> <p>has been acquired by</p>  <p>PetskyPrunier</p>	 <p>a leading digital content marketing agency</p> <p>refinancing of debt facilities</p> <p>PetskyPrunier</p>

About Petsky Prunier LLC

Petsky Prunier is one of the leading investment banks in the technology, media, marketing and healthcare industries. We work with a wide-range of growth-oriented businesses focused on:

- Digital Media/eCommerce and Digital Advertising/Marketing
- Technology and, specifically, Marketing Tech
- Agency and Marketing Services
- Out-of-Home and Specialty Media
- Software and Communications
- Information and Businesses Services
- Vertical expertise in healthcare technology, media and marketing

Our firm's mergers and acquisitions and private placements advisory services reflect a unique blend of product specialization and industry expertise. Together with strategic consulting firm Winterberry Group, a Petsky Prunier company, our organization represents one of the largest industry-specific advisors providing strategic and transactional services. Securities transactions are processed through Petsky Prunier Securities LLC.

PetskyPrunier
INVESTMENT BANKERS

Expertise. Commitment. Results.

New York
Palo Alto
Las Vegas
Chicago
Tampa

www.petskyprunier.com

Michael Petsky
Partner
212.842.6001
mpetsky@petskyprunier.com

Sanjay Chadda
Partner & Managing Director
212.842.6022
schadda@petskyprunier.com

Christopher French
Managing Director
212.842.6033
cfrench@petskyprunier.com

Jed Laird
Managing Director
212.842.7120
jlaird@petskyprunier.com

John Sternfield
Managing Director
650.320.1650
jsternfield@petskyprunier.com

Matthew Kratter
Senior Vice President
212.842.6024
mkratter@petskyprunier.com

John Prunier
Partner
212.842.6021
jprunier@petskyprunier.com

Norm Colbert
Partner & Managing Director
702.990.3280
ncolbert@petskyprunier.com

Amy LaBan, CFA
Managing Director
212.842.7126
alaban@petskyprunier.com

Seth Rosenfield
Managing Director
212.842.6018
srosenfield@petskyprunier.com

Scott Wiggins
Managing Director
212.842.6028
swiggins@petskyprunier.com

Securities offered through Petsky Prunier Securities, LLC, member FINRA/SIPC