

DEAL NOTES

M&A and Investments Review

# Marketing, Media, and Technology Industries

■ **2013 Review of M&A and Investment Activity in the Marketing, Media, and Technology Industries:**

## 2,470 Transactions Totaling a Reported \$68.9 Billion; 16 +\$1 Billion Transactions During the Year

- Digital Media/Commerce and Marketing Technology were the Most Active Segments in 2013 for Both M&A and Investment Activity with a Combined Total of 1,689 Transactions and \$38.4 Billion in Reported Deal Value

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During 2013, Petsky Prunier tracked 2,470 M&A and investment transactions for a total of \$68.9 billion across five broad segments: Digital Media/Commerce, Digital Advertising, Marketing Technology, Agency & Marketing Services, and Traditional Media. Digital Media/Commerce and Marketing Technology were the most active segments for both M&A and investments, together accounting for 51 percent of acquisitions and 82 percent of capital raises. Across the two segments, there were a total of 572 acquisitions worth \$24.3 billion in aggregate reported value. Of the 16 +\$1 billion transactions announced during the year, four acquisitions worth \$5.7 billion were reported in the Digital Media/Commerce segment and another four worth \$7.4 billion were reported in the Marketing Technology segment. The highest value segment was Traditional Media with 244 transactions, of which 100 were reported at \$22.3 billion. [\[continued on page 2\]](#)

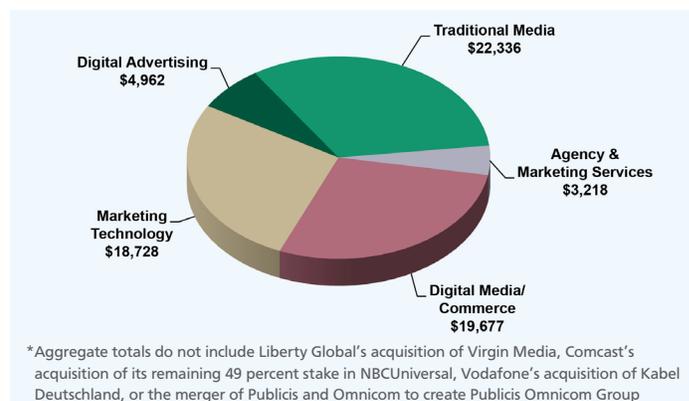
### Marketing, Media, and Technology Industries 4Q12–4Q13 M&A and Investment Activity

(\$ in Billions)



### Marketing, Media, and Technology Industries 2013 M&A and Investment Activity

(\$ in Millions)



## M&A Activity

There were 1,115 mergers and acquisitions in 2013, accounting for 45 percent of aggregate deal volume. Of those deals, 306 had a reported \$47.7 billion total deal value. Marketing Technology and Digital Media/Commerce were the most active M&A segments, with 291 and 281 transactions, respectively. Transactions in the Digital Media/Commerce segment during the second half of the year included:

- Deutsche Telekom's \$2 billion divestiture of its 70 percent equity stake in Germany-based online marketplace Scout24 to Hellman & Friedman
- SOFTBANK's \$1.5 billion acquisition of Finland-based online gaming company Supercell, valuing the company at 4.2x revenue and 7.2x EBITDA

Reported M&A value in the Marketing Technology segment was up 121 percent from 2012, largely driven by nine Email/Messaging Software transactions, of which five were reported worth \$4 billion. Analytics & Reporting was the most active subsegment during the year with 33 acquisitions, of which seven were reported at \$523 million in aggregate value. Transactions in the Marketing Technology segment during the second half of the year included:

- Baidu's \$1.9 billion acquisition of China-based Android app distribution platform 91 Wireless from NetDragon Websoft
- Oracle's pending purchase of Responsys, a provider of on-demand email and marketing automation software, valuing the company at 7.7x revenue
- Digital Generation's \$485 million divestiture of its advertising distribution business VisionFusion, to Extreme Reach

Traditional Media was the highest value M&A segment in 2013 with 211 transactions, of which 73 were reported at \$17.9 billion in aggregate value. Fifty-two percent of reported value in the segment was from the Broadcast Television subsegment with 32 acquisitions, of which 19 were worth \$9.3 billion. In addition to Tribune Company's \$2.7 billion purchase of television station operator Local TV, the largest acquisitions in the segment included:

- Harland Clarke's pending \$1.8 billion acquisition of marketing services company Valassis Communications, at a reported valuation of more than \$1.8 billion or 0.9x revenue
- AMC Networks' \$1 billion acquisition of Chellomedia, the international content division of Liberty Global that produces and distributes TV channels offering digital services to other channel operators
- Sinclair Broadcast Group's \$985 million purchase of eight Allbritton Communications television stations

Agency & Marketing Services was also an active segment among strategic and private equity buyers with 190 acquisitions, of which 38 were worth a total of \$3 billion. Digital Agency was the most active subsegment, accounting for 39 percent of the segment's M&A volume. Transactions during the second half of the year included:

- Silver Lake Partners' and talent agency William Morris Endeavor Entertainment's \$2.3 billion purchase of global sports, fashion, and media business IMG Worldwide, reportedly valued at 13.0x EBITDA
- Publicis' acquisition of digital and social marketing agency Engauge Marketing (note, a Petsky Prunier-led transaction)

Transaction activity in the Digital Advertising space was flat versus 2012, with a total of 323 transactions in 2013. Local Search, with 53 transactions, was the most active subsegment, while Digital Video, with an aggregate reported transaction value of \$1.4 billion, was the highest value subsegment. Digital Advertising transactions in the second half of 2013 included:

- AOL's \$405 million acquisition of video advertising platform Adap.tv
- Millennial Media's \$225 million acquisition of mobile ad network JumpTap
- Tiger Global Management's \$50 million investment in online real estate brokerage Redfin, valuing the company at a reported \$500 million

2013 Most Active Strategic Buyers by Number of Transactions

Buyer	Number of Transactions	Representative Targets
Yahoo	18	Alike, Bignoggins, GhostBird, GoPollGo, Hitpost, Jybe, Lexity, Loki Studios, LookFlow
WPP	15	Biggs/Gilmore Communications, Bottle Rocket Apps, Group SJR, Okam
Omnicom	8	Brandzeichen, Bruce Clay Australasia, Capstrat, Consultech
Publicis	8	Convonix, Engauge Marketing, Espalhe, ETO Groupe
Facebook	7	Atlas Advertiser Suite, Luma, Mobile Technologies, Osmeta, Storylane
Dentsu	6	Beijing Wonder Advertising, Kinecto, Media Vision, Simple Agency
Groupm	6	Blink, Boomerang, Glassmap, TicketMonster
SFX Entertainment	6	Arc90, Beatport, Arc90, Beatport, Fame House, Made Event

## Investment Activity

Capital raises accounted for 55 percent of overall volume and 31 percent of reported deal value in 2013, with 1,355 investments, of which 1,233 were reported to total \$21.2 billion in value. Eighty-two percent of investment deals were in the Digital Media/Commerce and Marketing Technology segments. Digital Media/Commerce was also the highest value segment among investors with 577 investments, of which 530 were reported at \$9.3 billion in aggregate deal value. eCommerce, Mobile Content/Apps, and Social Media/Apps, together, accounted for 77 percent of investments in the Digital Media/Commerce segment. Investments in the segment during the second half of the year included:

- The \$448 million Tencent Holdings-led investment in China-based Sogou, the online search unit of Sohu.com, reportedly at a \$1.2 billion valuation
- The \$361 million Google Ventures-led investment in on-demand car service Uber
- The \$250 million Technology Crossover Ventures-led investment in UK-based digital music provider Spotify

Marketing Technology was the most active investment segment, with 540 deals, of which 495 were worth \$4.7 billion in aggregate reported value. Volume and reported value in the segment increased 15 percent and 14 percent, respectively, from 2012. Investment activity in the segment was led by the Content Management subsegment with 69 investments, of which 63 were reported to total \$415 million in value. Investment activity increased by the greatest percentage in the BI Tools and CRM subsegments with 44 and 35 investments, respectively. Investments in Marketing Technology during the second half of the year included:

- The \$165 million investment led by Insight Venture Partners in HootSuite Media, a provider of Web-based social media management solutions for businesses and organizations
- Summit Partners' \$80 million investment in Clarabridge, a company that provides customer experience analytics software that enable customers to integrate and analyze customer feedback
- A \$50 million investment led by a group of private investors in Lithium Technologies, a provider of enterprise-wide social customer experience solutions

## Buyer & Investor Activity

Strategic buyers announced 1,042 transactions in 2013, of which 278 were reported totaling \$40.5 billion in value. Fifty-two percent of acquisitions by strategic buyers occurred within the Digital Media/Commerce and Marketing Technology segments, while another 17 percent were within the Agency & Marketing Services segment. The most active buyers across all segments were Yahoo and WPP, with 18 and 15 acquisitions, respectively, during the year.

Private equity buyout firms completed 73 acquisitions, 28 of which were reported for a total of \$7.1 billion. Forty-eight percent of those transactions were in the Traditional Media segment, with 30 buyouts, of which 12 were worth \$3.5 billion in aggregate deal value. In addition to Hellman & Friedman's \$2 billion purchase of Scout24, the largest buyout, private equity transactions during the second half of the year included:

- Platinum Equity's \$225 million acquisition of CBS Outdoor International, an outdoor media company with a significant share of the European billboard business
- Fortress Investment Group's \$87 million acquisition of 33 News Corp. publications
- Palatine Private Equity's \$26 million purchase of UK-based Icelolly, which provides a holiday price comparison website offering more than 40 million holiday packages

Venture and growth capital investors announced 1,355 transactions, of which 1,233 were reported at \$21.2 billion in aggregate deal value. Sequoia Capital and Andreessen Horowitz were the most active investors, with 19 and 18 investments, respectively, during the year.

2013 Most Active Investors by Number of Transactions

Investor	Number of Transactions	Representative Targets
Sequoia Capital	19	App Annie, Birst, Chartboost, Ele.me, Girnar, Zomato Media
Andreessen Horowitz	18	500px, Caviar, CrowdMed, FiftyThree, Namo Media, Spinnaker
500 Startups	16	15Five, BabyList, BarkBox, Bluefields, The Muse, ToutApp
Battery Ventures	14	BoostCTR, FTBpro, Gainsight, GoEuro, Pursway, Yesware
Atlas Venture	14	AngelList, DataXu, Privy, SimpleTuition, Snapguide, ZappRX
Accel Partners	13	BEBB, HasOffers, Hotel Tonight, Hotel Tonight, Nomi, Vox Media
Google	13	Flurish, Homejoy, Moonfrye, Nifti, Uber, VEVO
Intel Capital	11	500friends, Goldbely, HookLogic, iStreamPlanet, Movable Ink, Prism SkyLabs
Benchmark Capital	10	Euclid, Optimizely, Rentify, Sailthru, Snapchat, Swifto
Bessemer Venture Partners	10	Anaqua, Blue Apron, Convertro, Dynamic Yield, Mind Pirate, Qwilt, Wandera

## IPO Activity

There were 18 IPOs in the Marketing, Media, and Technology industries in 2013. Nine of these were completed in the second half of the year, including Chegg, Forgame Holdings, Criteo, Rocket Fuel, SFX Entertainment, Twitter, Wix.com, Sungy Mobile, and Zulily. All but Sungy Mobile priced at the high-end or above their initial filing ranges. Of all the companies to go public in 2013, six closed 4Q13 trading above their first day closing price: Forgame Holdings, Criteo, Rocket Fuel, Sungy Mobile, Twitter, and Zulily. Autohome also filed to go public in 2013 but has yet to price.

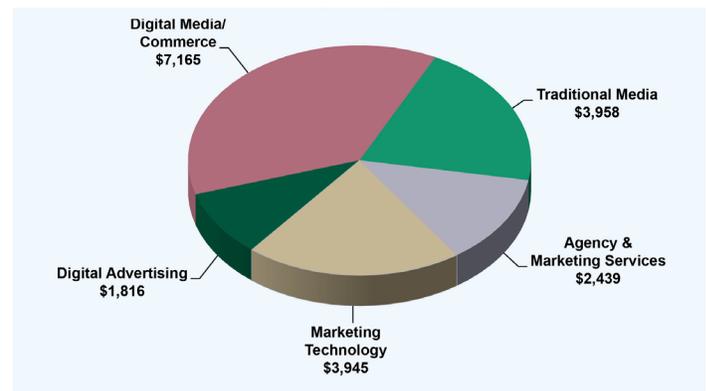
## 4Q13 M&A and Investment Summary

In 4Q13, Petsky Prunier tracked 553 M&A and investment transactions, of which 381 were reported to total \$19.3 billion in value. Digital Media/Commerce was both the most active and highest value segment, accounting for 37 percent of aggregate reported deal value. The largest deal in the quarter was the acquisition of IMG Worldwide by Silver Lake Partners and William Morris Endeavor for a reported \$2.3 billion. The next most active segment was Marketing Technology with 191 transactions, of which 139 were reported at \$3.9 billion in aggregate deal value. The largest transaction during the quarter in the Marketing Technology segment was Oracle's \$1.5 billion pending purchase of Responsys, a provider of on-demand email and marketing automation software.

Marketing, Media, and Technology Industries

## 4Q13 M&A and Investment Activity

(\$ in Millions)



# Digital Media/Commerce

## M&A and Investment Activity

In 2013, Petsky Prunier tracked 858 transactions (281 acquisitions and 577 investments) in the Digital Media/Commerce segment, of which 611 were reported at \$19.7 billion in aggregate value. Reported value in the fourth quarter increased 64 percent from the previous quarter, while activity was flat. eCommerce was the most active subsegment in 2013, with 286 transactions (80 acquisitions and 206 investments), followed by Mobile Content/Apps and Social Media/Apps, which together accounted for 41 percent and 33 percent of the segment's total activity and reported value, respectively. Transactions during the second half of the year included:

- The \$300 million co-led investment from Summit Partners and TA Associates in Answers Corporation, a community-generated Q&A search engine, and Answers' subsequent acquisition of "customer experience analytics" company ForeSee, at a reported price of more than \$200 million
- Alibaba's \$206 million minority stake purchase of ShopRunner, a provider of a site that aggregates offers from retail partners
- The \$250 million investment in Spotify led by Technology Crossover Ventures, at a reported valuation of \$4 billion
- The \$225 million Fidelity Investments-led investment in social scrapbooking site Pinterest, at a reported \$3.8 billion valuation
- HomeAway's \$198 million acquisition of Australia-based Stayz Group, an online vacation rental marketplace

## Most Active Digital Media/Commerce Subsegments

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value	Number of Transactions	Reported Value (\$MM)
eCommerce	78	2,137	50	3,007	286	7,662	2%	(37%)
Mobile Content/Apps	43	724	50	334	189	2,622	17%	73%
Social Media/Apps	26	81	37	1,024	163	3,802	(21%)	56%
Niche Content	27	365	24	249	83	859	2%	(26%)
Gaming	12	521	26	1,835	77	2,806	(39%)	(23%)
Classifieds/Auctions/P-to-P	14	46	14	291	50	992	(28%)	(3%)
Web Search/Portals	3	508	2	424	7	932	75%	23,193%
Virtual Goods	1	0	0	0	2	0	100%	(100%)
<b>Total</b>	<b>204</b>	<b>4,382</b>	<b>204</b>	<b>7,165</b>	<b>858</b>	<b>19,677</b>	<b>(8%)</b>	<b>(11%)</b>

## Buyers

Strategic buyers accounted for 32 percent of transactions in the segment, with 272 deals worth \$8.3 billion in aggregate reported value. Yahoo was the most active strategic in the segment, announcing 18 deals in 2013. In the fourth quarter, reported strategic deal value and volume were effectively flat from 3Q13. Private equity investors completed nine acquisitions in 2013, including Hellman & Friedman's \$2 billion acquisition of Scout24 for a 70 percent stake, which was announced in the fourth quarter.

## Digital Media/Commerce Transactions by Type of Buyer/Investor

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value	Number of Transactions	Reported Value (\$MM)
Strategic	59	2,226	57	2,291	272	8,324	(7%)	2%
Private Equity - Buyout	2	1	2	2,000	9	2,023	(36%)	(65%)
Private Equity - Venture Capital	143	2,155	145	2,874	577	9,329	(7%)	15%
<b>Total</b>	<b>204</b>	<b>4,382</b>	<b>204</b>	<b>7,165</b>	<b>858</b>	<b>19,677</b>	<b>(8%)</b>	<b>(11%)</b>

# Digital Advertising

## M&A and Investment Activity

There were 323 transactions (142 acquisitions and 181 investments) in the Digital Advertising segment in 2013, of which 201 were reported at \$5 billion in aggregate value. Compared to 3Q13, volume decreased 11 percent, while value increased 14 percent, respectively.

Local Search and Vertical Search were the most active subsegments in 2013 with a combined total of 100 transactions (28 acquisitions and 72 investments). Digital Video had 17 acquisitions and 26 investments for a total of 43 transactions, reflecting marketers' continued efforts to create original, targeted digital advertising. Transactions in the second half of the year from these active subsegments included:

- AOL's \$405 million acquisition of video advertising platform Adap.tv
- Blinkx' \$65 million acquisition of mobile video ad platform Rhythm NewMedia, at a reported valuation of 2.6x revenue
- The \$50 million Zillow purchase of real estate listing site StreetEasy

Additional transactions from the second half of the year included:

- Dealertrack Technologies' \$1 billion acquisition of Dealer.com, which offers a suite of Web-based marketing solutions
- Baidu's \$94 million purchase of a 59 percent equity stake in China-based group-buying site Nuomi Holdings, at a reported valuation of \$160 million

## Most Active Digital Advertising Subsegments

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Local Search	9	31	5	61	53	216	71%	(23%)
Vertical Search	8	68	13	96	47	315	42%	(72%)
Digital Video	12	840	10	106	43	1,416	(19%)	(2%)
Ad Networks/Exchanges	4	84	4	14	32	460	3%	79%
Digital Promotion/Coupon	7	105	5	264	29	566	(12%)	62%
Online Lead Generation	4	44	6	60	29	153	(6%)	(47%)
Mobile Marketing	7	275	6	79	27	409	(54%)	(32%)
Comparison Shopping	10	108	7	126	26	300	53%	(87%)
Search Marketing	8	31	6	1,002	21	1,035	40%	1,249%
Affiliate/CPA Network	2	0	3	3	9	67	(31%)	(88%)
Email Services	3	16	0	0	5	17	0%	(62%)
Game Advertising	0	0	1	7	2	8	(71%)	(40%)
<b>Total</b>	<b>74</b>	<b>1,600</b>	<b>66</b>	<b>1,816</b>	<b>323</b>	<b>4,962</b>	<b>(2%)</b>	<b>(33%)</b>

## Buyers

Strategic buyers accounted for 43 percent of all acquisitions in the segment during the year, with 138 acquisitions, of which 32 were worth \$2.4 billion in aggregate reported value. Activity among strategic buyers between the third and fourth quarters fell 16 percent while value increased 199 percent, respectively. There were 181 venture and growth capital investments in 2013, 35 of which were in the fourth quarter.

## Digital Advertising Transactions by Type of Buyer/Investor

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	37	479	31	1,429	138	2,350	(5%)	(56%)
Private Equity - Buyout	1	27	0	0	4	181	(20%)	(27%)
Private Equity - Venture Capital	36	1,095	35	387	181	2,431	2%	29%
<b>Total</b>	<b>74</b>	<b>1,600</b>	<b>66</b>	<b>1,816</b>	<b>323</b>	<b>4,962</b>	<b>(2%)</b>	<b>(33%)</b>

# Marketing Technology

## M&A and Investment Activity

A total of 831 deals (291 acquisitions and 540 investments) were completed in the Marketing Technology segment in 2013, of which 575 were reported at \$18.7 billion in aggregate value. Acquisition activity was led by the Analytics & Reporting and Content Management subsegments, with 33 and 31 transactions, respectively. Marketing Technology M&A in the second half of the year included:

- Apple's \$200 million acquisition of Topsy Labs, a social media analytics firm that tracks trending topics on Twitter and other social media networks
- Go Daddy's \$70 million acquisition of Locu, a platform that helps merchants manage listing data regarding their businesses on search engines and local review sites, valuing the company at nearly 4x revenue
- Yahoo's acquisition of Xobni, a plug-in for Microsoft Outlook that helps users organize their inboxes, reportedly valued at more than \$60 million

Analytics & Reporting and Content Management were also the most invested subsegments for 2013, together accounting for one-quarter of total investments in the segment. Compared to the third quarter, combined reported investment value across these subsegments increased 47 percent in 4Q13, while activity was down nine percent. The largest investment in the segment during the second half of the year was the \$165 million investment in HootSuite Media from Insight Venture Partners, at a reported \$500 million valuation. Additional investments in the segment included:

- Summit Partners' and General Catalyst Partners' \$80 million investment in Clarabridge, which provides customer experience analytics software enabling customers to integrate and analyze customer feedback
- The \$50 million financing of cloud-based commerce management solution Zuora co-led by Next World Capital and Vulcan Capital

## Most Active Marketing Technology Subsegments

Subsegment	3Q13		4Q13		2013		2013 vs 2012	
	Number of Transactions	Reported Value (\$MM)						
Analytics & Reporting	11	36	26	580	101	1,059	31%	174%
Content Management	34	241	17	166	100	595	(28%)	(57%)
Social Technology	22	328	19	100	87	730	(24%)	(62%)
Mobile Technology	22	1,967	27	343	86	2,703	46%	115%
CRM	18	218	13	37	64	1,367	129%	42%
BI Tools	14	120	18	192	62	672	63%	(8%)
Online Targeting/Optimization	20	484	12	248	47	852	(4%)	158%
Commerce Management	16	170	10	62	45	1,915	13%	700%
Media Management System	8	106	6	25	27	182	59%	(46%)
SFA/Lead Management	7	10	4	407	27	505	0%	(52%)
<b>Subtotal</b>	<b>172</b>	<b>3,679</b>	<b>152</b>	<b>2,159</b>	<b>646</b>	<b>10,579</b>	<b>10%</b>	<b>23%</b>
Other	45	1,984	39	1,786	185	8,148	9%	333%
<b>Total</b>	<b>217</b>	<b>5,663</b>	<b>191</b>	<b>3,945</b>	<b>831</b>	<b>18,728</b>	<b>10%</b>	<b>78%</b>

*"Other" includes Ad Serving, Content Delivery Network, Creative Production Platform, Email/Messaging Software, Market Research Software, Marketing Asset Management, MRM/Workflow Management, Product/Price Software, Search & Discovery, Segmentation/Data Mining, SEM/SEO Tools, Teleservices/eServices, Web to Print, and Website Creation/Hosting*

## Buyers

The most active strategic buyers in the segment during 2013 were IMS Health and Yahoo, which each completed four acquisitions. Compared to 3Q13, venture and growth capital investment activity in the fourth quarter fell 17 percent, while strategic buyer activity was flat.

## Marketing Technology Transactions by Type of Buyer/Investor

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	65	3,672	66	2,912	272	12,508	(3%)	103%
Private Equity - Buyout	7	668	5	0	19	1,476	111%	717%
Private Equity - Venture Capital	145	1,323	120	1,033	540	4,744	15%	14%
<b>Total</b>	<b>217</b>	<b>5,663</b>	<b>191</b>	<b>3,945</b>	<b>831</b>	<b>18,728</b>	<b>10%</b>	<b>78%</b>

# Agency & Marketing Services

## M&A and Investment Activity

There were 214 transactions (190 acquisitions and 24 investments) in the Agency & Marketing Services segment in 2013, of which 52 were worth \$3.2 billion in aggregate reported value. Digital Agency was the most active subsegment in 2013 with 78 deals, of which 16 were reported at \$436 million in aggregate deal value.

Transactions in the segment during the second half of the year included:

- Silver Lake Partners' and talent agency William Morris Endeavor Entertainment's \$2.3 billion purchase of global sports, fashion, and media business IMG Worldwide, reportedly valued at 13.0x EBITDA
- The 49 percent equity stake taken by William Morris Endeavor in creative agency Droga5 for a reported \$115 million, valuing the company at \$235 million
- Chime Communications' \$72 million acquisition of India-based motorsports marketing services agency Just Marketing
- Publicis' acquisition of Engauge Marketing, a full-service digital and social marketing agency (note, a Petsky Prunier-led transaction)
- WPP's acquisition of mobile app developer Bottle Rocket

## Most Active Agency & Marketing Services Subsegments

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Digital Agency	16	62	19	12	78	436	(28%)	(93%)
Public Relations	9	9	4	72	24	110	(25%)	42%
Social Agency	4	0	8	10	15	10	7%	104%
Marketing Consulting	2	0	0	0	14	52	180%	(94%)
Loyalty/Retention	4	5	1	0	10	32	(33%)	(65%)
Database/Analytics	2	0	1	0	8	64	100%	(87%)
Healthcare Agency	3	15	2	0	8	15	(33%)	4%
Experiential Marketing	2	0	2	2	7	2	(53%)	(90%)
General Agency	2	115	0	0	6	122	(77%)	6%
Ad Specialty/Premiums	2	0	1	0	5	0	0%	(100%)
<b>Subtotal</b>	<b>46</b>	<b>206</b>	<b>38</b>	<b>95</b>	<b>175</b>	<b>843</b>	<b>(26%)</b>	<b>(90%)</b>
Other	9	28	11	2,344	39	2,374	(44%)	83%
<b>Total</b>	<b>55</b>	<b>234</b>	<b>49</b>	<b>2,439</b>	<b>214</b>	<b>3,218</b>	<b>(30%)</b>	<b>(67%)</b>

*"Other" includes Branded Communications, Channel Services, Design Agency, DM Agency, Ethnic/Multicultural Agency, Lettershop, List Broker/Manager, Media Planning/Buying, Performance/Contract Sales, Promotion Agency, Retail Services, and Specialty Agency*

## Buyers

Agency & Marketing Services was an active segment among strategic buyers during the year with 179 acquisitions. The most active buyers in the segment in 2013 were WPP and Omnicom with 12 and seven acquisitions, respectively, followed by Dentsu, Match Marketing Group, and Publicis with a combined total of 15 acquisitions.

## Agency & Marketing Services Transactions by Type of Buyer/Investor

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	47	113	41	2,386	179	2,954	(26%)	(65%)
Private Equity - Buyout	2	0	2	2	11	2	(42%)	(100%)
Private Equity - Venture Capital	6	121	6	52	24	262	(45%)	7%
<b>Total</b>	<b>55</b>	<b>234</b>	<b>49</b>	<b>2,439</b>	<b>214</b>	<b>3,218</b>	<b>(30%)</b>	<b>(67%)</b>

# Traditional Media

## M&A and Investment Activity

A total of 244 transactions (211 acquisitions and 33 investments) were reported among traditional media companies in 2013. Of these deals, 100 were reported at \$22.3 billion in aggregate deal value. Traditional Media transactions during the second half of the year included:

- Tribune's \$2.7 billion acquisition of Local TV, an owner and operator of 19 television stations
- Harland Clarke's pending \$1.8 billion acquisition of marketing services company Valassis Communications, at a reported valuation of more than \$1.8 billion or 0.9x revenue
- AMC Networks' \$1 billion purchase of Chellomedia, a producer and distributor of TV channels
- Sinclair Broadcast Group's \$985 million acquisition of eight Allbritton Communications television stations, at a reported valuation of 4x revenue
- Onex Partners-backed Emerald Expositions' pending \$335 million purchase of tradeshow company George Little Management from Providence Equity Partners, at a valuation of 4.2x revenue and 11.2x EBITDA

Entertainment Media was the most active subsegment in 2013 with 51 deals, of which 27 were reported at \$3 billion in aggregate value. There was a 57 percent increase in the subsegment's deal activity from the third to the fourth quarters. Transactions included:

- Modern Times Group's \$114 million acquisition of TV content production company Nine Entertainment, at a reported valuation of 12.4x EBITDA
- Global Eagle Entertainment's \$36 million purchase of UK-based in-flight video content provider Travel Entertainment Group

Of the 33 Traditional Media investments in 2013, 27 were worth \$4.5 billion in aggregate reported deal value. Investments in the fourth quarter included:

- Brookside Mezzanine Partners' investment in Stagnito Media, a provider of B-to-B trade publications for food, gourmet, and convenience store retailers
- Canada-based Blue Ant Media's \$4.8 million sale of an 11 percent equity stake to venture capital firm Difference Capital Funding, valuing the company at \$43.5 million.

## Most Active Traditional Media Subsegments

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Entertainment Media	7	244	11	36	51	2,999	(69%)	(76%)
Broadcast Television	8	3,913	7	1,667	34	9,942	(73%)	(11%)
Newspaper Publishing	6	407	0	0	28	409	(71%)	(53%)
B-to-B Media	8	61	6	355	26	1,408	(13%)	143%
Radio	5	653	7	31	25	887	(75%)	(21%)
Consumer Magazine Publishing	7	0	4	0	24	30	(82%)	(98%)
Cable & Satellite Television	2	0	0	0	16	4,406	(73%)	(65%)
Consumer Book Publishing	0	0	1	0	15	62	(81%)	(98%)
Digital Place-Based Media	3	0	2	0	14	75	(22%)	(98%)
Traditional Outdoor	2	225	3	67	6	292	(57%)	(92%)
Shopper/Trader/Coupons	1	23	2	1,802	3	1,825	NM	NM
Yellow Pages	1	0	0	0	2	0	(85%)	(100%)
<b>Total</b>	<b>50</b>	<b>5,526</b>	<b>43</b>	<b>3,958</b>	<b>244</b>	<b>22,336</b>	<b>(71%)</b>	<b>(60%)</b>

## Buyers

Strategic buyers accounted for 74 percent of deal activity and 64 percent of reported deal value in the segment in 2013, of which 33 were in the fourth quarter. Sinclair Broadcast Group and ITV were the most active strategic buyers in the segment, with five and three acquisitions, respectively.

## Traditional Media Transactions by Type of Buyer/Investor

Subsegment	3Q13		4Q13		2013		2013 vs 2012 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	38	4,756	33	3,675	181	14,388	(74%)	(60%)
Private Equity - Buyout	7	655	6	281	30	3,472	(44%)	(79%)
Private Equity - Venture Capital	5	115	4	2	33	4,476	(60%)	61%
<b>Total</b>	<b>50</b>	<b>5,526</b>	<b>43</b>	<b>3,958</b>	<b>244</b>	<b>22,336</b>	<b>(71%)</b>	<b>(60%)</b>

# Selected Recent Transactions

 <p>one of the largest independent in-store media companies in the U.S.</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a Berlin-based worldwide travel solution provider for premium transportation</p> <p>has received a double-digit million Euro investment led by</p>  <p>PetskyPrunier ALTUM</p>	 <p>a technology company delivering highly targeted programmatic marketing solutions using unstructured data</p> <p>has received a \$16MM Series B investment led by</p>  <p>PetskyPrunier</p>	 <p>a leading provider of transaction-based media cost databases and software for television, radio, and digital advertising cost analysis</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a leading provider of online customer acquisition services to the insurance industry</p> <p>has been sold to</p>  <p>(NYSE: RATE)</p> <p>PetskyPrunier</p>
 <p>a leading provider of data-driven enrollment marketing solutions to higher education institutions</p> <p>has acquired select assets of</p>  <p>PetskyPrunier</p>	 <p>a leading UK-based supplier of healthcare software and IT services</p> <p>a portfolio company of</p>  <p>has been sold to</p>  <p>(AIM: EMIS)</p> <p>PetskyPrunier ALTUM</p>	 <p>a premier global provider of SaaS-based online brand protection and domain recovery solutions</p> <p>a portfolio company of</p>  <p>has been sold to</p>  <p>Corporate Legal Services (Euronext Amsterdam: WKL)</p> <p>PetskyPrunier</p>	 <p>one of the largest digital agencies</p> <p>has been sold to</p>  <p>(ENXTPA: PUB)</p> <p>PetskyPrunier</p>	 <p>a leading developer of popular real-money and social gaming</p> <p>has been sold to</p>  <p>(Nasdaq: RNWK)</p> <p>PetskyPrunier</p>
 <p>a leading provider of social software solutions and digital marketing services for some of the world's largest brands, one of just thirteen Facebook Strategic Preferred Marketing Developers (sPMD)</p> <p>has received a \$68MM minority investment from</p>  <p>PetskyPrunier</p>	 <p>the largest provider of cloud-based SaaS tools for printing signs, labels, and tags, and publishing digital displays for retailers</p> <p>has been sold to</p>  <p>a unit of</p>  <p>(NYSE: LXX)</p> <p>PetskyPrunier</p>	 <p>a leading multiplatform travel and lifestyle media company</p> <p>has been sold to</p>  <p>a subsidiary of</p>  <p>PetskyPrunier</p>	 <p>has sold</p>  <p>a provider of online travel guides for top destinations around the world</p> <p>to</p>  <p>(NYSE: GCI)</p> <p>PetskyPrunier</p>	 <p>has sold</p>  <p>along with digital subsidiary</p>  <p>specializing in retail, digital, shopper marketing, and consumer services to</p>  <p>PetskyPrunier</p>
 <p>a leading digital advertising monetization and shopper marketing partner for eCommerce retailers</p> <p>a portfolio company of</p>  <p>has been sold to</p>  <p>with financing from</p>  <p>PetskyPrunier</p>	 <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>LINKSHARE™ (JASDAQ: 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>Alcentra</p> <p>PetskyPrunier</p>	 <p>a portfolio company of Union Capital</p> <p>has sold its</p> <p>Sports Marketing Print Division to</p>  <p>Marketing Communications</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</p> <p>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 \$66MM investment from</p>  <p>PetskyPrunier</p>	 <p>a provider of a cloud-based integration platform for the digital marketing industry</p> <p>has received \$15MM 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>and</p>  <p>a leading provider of services for domain name registration, acquisition, brokerage and sales</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>

## About Petsky Prunier LLC

Petsky Prunier is one of the leading investment banks in the technology, media, marketing, eCommerce, and healthcare industries. 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. In addition, we offer international reach through our partnership with Altium. Established for more than 20 years and privately owned, Altium is an international investment bank operating from eight offices across Europe. Securities transactions are processed through Petsky Prunier Securities LLC, member of FINRA/SIPC.

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