

DEAL
NOTES

M&A and Investments Review

Marketing, Media, and Technology Industries

■ **2014 Review of M&A and Investment Activity in the Marketing, Media, and Technology Industries:**

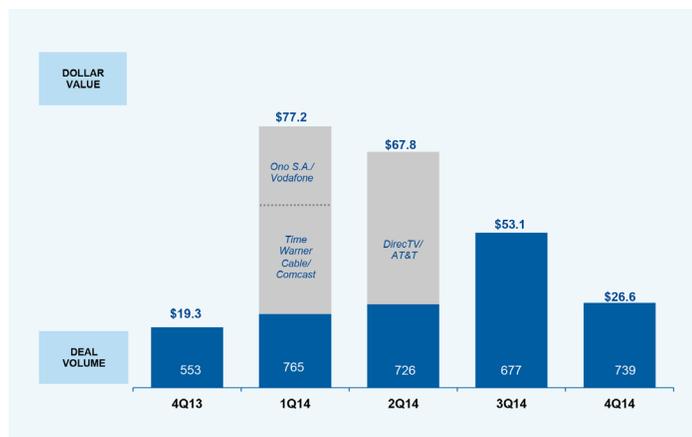
2,907 Transactions Totaling a Reported \$126.6 Billion; 25 +\$1 Billion Transactions During the Year

- Digital Media/Commerce was the Most Active Segment in 2014 for Both M&A and Investment Activity, Totaling 1,075 Transactions and \$49.1 Billion in Reported Deal Value

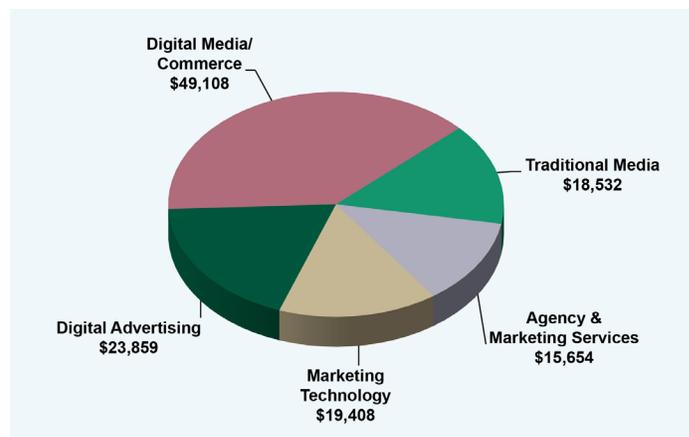
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During 2014, Petsky Prunier tracked 2,907 M&A and investment transactions, of which 1,825 were reported for a total of \$126.6 billion across five broad segments: Digital Media/Commerce, Digital Advertising, Marketing Technology, Agency & Marketing Services, and Traditional Media. Digital Media/Commerce was the most active and highest-value segment spanning control transactions and minority investments with a total of 1,075 transactions, of which 747 were reported worth \$49.1 billion in deal value. There was a total of 349 Digital Media/Commerce acquisitions, of which 85 were worth \$28.3 billion in aggregate reported value. Of the 25 +\$1 billion transactions announced during the year, nine acquisitions worth \$22.5 billion were reported in the Digital Media/Commerce segment. Marketing Technology was the second most active segment with 978 transactions, of which 639 were reported at \$19.4 billion. [\[continued on page 2\]](#)

Marketing, Media, and Technology Industries
4Q13–4Q14 M&A and Investment Activity
(\$ in Billions)



Marketing, Media, and Technology Industries
2014 M&A and Investment Activity
(\$ in Millions)



M&A Activity

There were 1,271 mergers and acquisitions in 2014, accounting for 44 percent of aggregate deal volume. Of those deals, 327 had a reported \$88.7 billion in total deal value. Marketing Technology was the most active M&A segment with 375 transactions. Transactions in the Marketing Technology segment during the second half of the year included:

- Oracle's pending acquisition of data company Datalogix
- Salesforce's reported \$350 million acquisition of RelateIQ, a provider of customer relationship management software solutions
- Australian telecommunications company Telstra's increased stake in video service provider Ooyala from 23 percent to 98 percent, paying \$270 million on top of the \$61 million it had previously invested
- Emdeon's \$200 million purchase of Change Healthcare Corporation, provider of a consumer engagement platform

The Digital Advertising segment generated 187 transactions in 2014, of which 59 totaled \$18.3 million in value. The segment was driven by 13 Online Lead Generation deals, of which eight were reported totaling \$5.4 billion. Digital Video was the most active subsegment during the year with 39 acquisitions, of which 13 were reported at \$2.7 billion in aggregate value. Transactions in the Digital Advertising segment during the second half of the year included:

- Zillow's \$3.3 billion purchase of Trulia, a provider of tools for researching homes for sale, at a valuation of 19.1x revenue
- Alliance Data Systems' pending \$2.3 billion purchase of digital marketing services company Conversant at a valuation of 4.0x revenue and 12.0x EBITDA
- Gannett's acquisition of the remaining 73 percent stake in Cars.com for \$1.8 billion
- The \$950 million purchase of Move, which operates an online network of Websites for real estate search, by News Corporation

The Digital Media/Commerce segment had 349 transactions in 2014, of which 85 were reported at \$28.3 billion in aggregate value. Fifty-nine percent of reported value in the segment was from the Gaming subsegment with 36 acquisitions, of which 18 were worth \$16.7 billion. In addition to GTECH's \$6.5 billion acquisition of gaming company International Game Technology, the largest acquisitions in the segment included:

- Microsoft's \$2.5 billion purchase of Sweden-based gaming company Mojang, the maker of Minecraft
- Amazon's \$970 million acquisition of Twitch, which operates a live streaming site for gaming
- The \$350 million purchase of Trunk Club, an online clothing retailer for men, by Nordstrom

There were 214 Agency & Marketing Services acquisitions in 2014, of which 43 were worth a total of \$14.5 billion. Digital Agency was the most active subsegment and accounted for 42 percent of the segment's M&A volume. Transactions during the second half of the year included:

- Publicis Groupe's pending acquisition of digital agency Sapient for \$3.7 billion
- ICF International's acquisition of digital marketing agency OLSON for \$295 million
- Blackhawk Network's acquisition of Parago, a provider of customer incentive and engagement solutions, for approximately \$290 million

Petsky Prunier tracked 146 Traditional Media transactions in 2014, of which 55 were worth \$16.9 billion. The B-to-B Media subsegment totaled 24 transactions, of which five reported \$1.4 billion in value. Transactions during the second half of the year included:

- UBM's \$972 million purchase of tradeshow organizer Advanstar from Anchorage Capital Group, Ares Management, and Veronis Suhler Stevenson, at a valuation of 4.6x revenue
- CBS Outdoor Americas' \$690 million acquisition of Van Wagner Communications' outdoor advertising businesses
- Whale Media Investments' \$475 million purchase of a majority stake in Forbes Media
- Informa's \$237 million purchase of Hanley Wood Exhibitions

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2014 Most Active Strategic Buyers by Number of Transactions

Buyer	Number of Transactions	Representative Targets
WPP	25	aMVG, Bannerconnect, Cognified, Double Encore, EffectiveBrands
Publicis	17	3 Share, AKM3, Ambito5, Applied Media Logic, BrandsRock
Yahoo	15	Aviate, Blink, Brightroll, Cloud Party, Cooliris
Google	11	Adometry, Appetas, Baarzo, Bitspin, DeepMind Technologies
Facebook	6	Branch Media, CinemaWell.com, Hot Studio, LiveRail, ProtoGeo
Twitter	6	Afterlive.tv, Cover, Gnip, Mandbits, TapCommerce
Omnicom	6	Critical Mass, Haygarth, Heimat Webeagentur, Media interactive, Mood
Dentsu	6	Covario, Fetch Media, Oddfellows, Verwoms, Tempero

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Investment Activity

Minority investments accounted for 56 percent of overall volume and 30 percent of reported deal value in 2014. Of the total 1,635 investments, 1,498 had a reported value of \$37.8 billion. Eighty-one percent of investments was in the Digital Media/Commerce and Marketing Technology segments. Digital Media/Commerce was the most active and highest value segment among investors with 725 investments, of which 662 were reported at \$20.8 billion in aggregate deal value. eCommerce, Mobile Content/Apps, and Social Media/Apps, together, accounted for 76 percent of investments in the Digital Media/Commerce segment. Investments in the segment during the second half of the year included:

- Uber reportedly raised up to \$3 billion in multiple rounds of funding at a latest valuation of more than \$40 billion
- More than \$2 billion raised in multiple rounds during the year by eCommerce site Flipkart, reaching a reported valuation of \$11 billion, from investors including DST Global, GIC, ICONIQ Capital, Tiget Global, Baillie Gifford, Greenoaks Capital, Steadview Capital, T. Rowe Price, and Qatar Investment Authority
- Snapchat raised \$485.6 million in new funding from 23 investors at a reported valuation of \$10 million

Marketing Technology had 603 transactions, of which 554 were worth \$8.6 billion in aggregate reported value. Investment activity in the segment was led by the Analytics & Targeting subsegment with 147 transactions, of which 140 were reported at a total of \$1.4 billion in value. Investments in Marketing Technology during the second half of the year included:

- MasterCard's \$185 million investment in Mozido, a provider of real-time customer analytics
- Accel Partners' \$60 million investment in Hootsuite Media, a provider of social media management solutions
- BlueRun Ventures and Formation 8's \$55 million co-led investment in sales and marketing intelligence provider Radius
- The \$50 million Sequoia Capital-led investment in Medallia, a provider of customer experience tracking software

Buyer & Investor Activity

Strategic buyers announced 1,225 transactions in 2014, of which 307 were reported totaling \$71.2 billion in value. More than half of acquisitions by strategic buyers occurred within the Digital Media/Commerce and Marketing Technology segments, while another 17 percent was within the Agency & Marketing Services segment. The most active buyers across all segments were WPP with 25 acquisitions, Publicis with 17, and Yahoo with 15.

Private equity buyout firms completed 47 acquisitions, 20 of which were reported for a total of \$17.6 billion. Agency & Marketing Services was the highest value segment with eight reported buyouts, of which four were worth \$9 billion in aggregate deal value. In addition to The Carlyle Group's reported \$4.8 billion purchase of outsourced sales and marketing company Acosta Sales & Marketing, private equity transactions during the second half of the year included:

- CVC Capital Partners' \$1.1 billion acquisition of Sky Betting and Gaming from British Sky Broadcasting Group
- Great Hill Partners' 60 percent stake in UK-based Momondo Group, an online travel search company, for \$130 million

Venture and growth capital investors announced 1,635 transactions, of which 1,498 were reported at \$37.8 billion in aggregate deal value. Sequoia Capital and Accel Partners were the most active investors with 25 and 19 investments, respectively, during the year.

IPO Activity

There were 20 IPOs in the Marketing, Media, and Technology industries in 2014. Seven IPOs were completed in the second half of the year, including Cnova, HubSpot, Wayfair, iDreamSky Technologies, Townsquare Media, TubeMogul, and Alibaba, which raised \$25 billion in the largest global IPO ever. Seven of the public offerings in 2014 priced above their initial filing ranges: Care.com, Grubhub, Coupons.com, JD.com, HubSpot, Wayfair, and iDreamSky Technologies. GoDaddy and Zoosk filed to go public in 2014 but have yet to price.

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2014 Most Active Investors by Number of Transactions

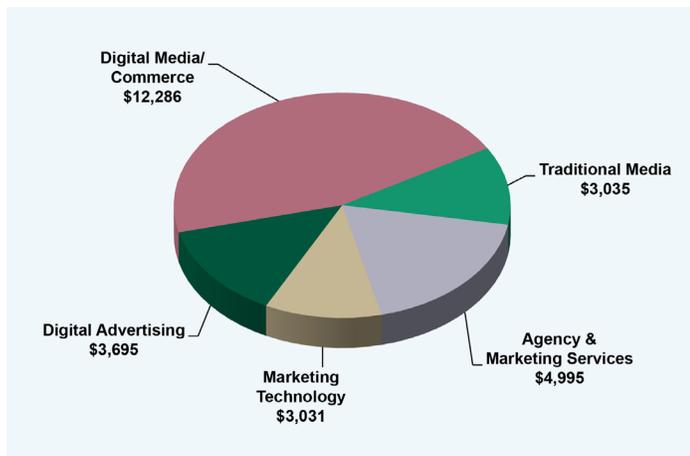
Investor	Number of Transactions	Representative Targets
Sequoia Capital	25	Akosha, Capillary Technologies, C-B4, Kahuna, Keen IO
Accel Partners	19	DataPad, Hootsuite Media, Hotelogix, Invoca, Lightspeed
New Enterprise Partners	18	Acquia, Apropose, Branch Metrics, Captora, Curalate
Bessemer Venture Partners	17	BrightBytes, ClearCare, Ddashlane, Gainsight, Hightower, Intercom App
SoftBank	16	BigCommerce, IgnitionOne, Kony Solutions, Shareablee, Updater
Andreessen Horowitz	16	Granular, Mixpanel, Optimizely, Teleport, Wit.ai
Google	15	Credit Karma, FullStory, Nextbit Systems, Thumbstack, Crossfader
Tiger Global Management	14	Freshdesk, Flipkart, Limeroad.com, Unicommmerce eSolutions, Caviar

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Marketing, Media, and Technology Industries

4Q14 M&A and Investment Activity

(\$ in Millions)

**4Q14 M&A and Investment Summary**

In 4Q14, Petsky Prunier tracked 739 M&A and investment transactions, of which 512 were reported for a total of \$27 billion in aggregate value. Digital Media/Commerce was the most active and highest value segment in 4Q14, accounting for 45 percent of aggregate reported deal value, helped by \$4.7 billion in Mobile Content/Apps investments. The largest deal in the quarter is the pending acquisition of Sapient by Publicis for a reported \$3.7 billion. Fundraising in 4Q14 was led by Uber's \$1.8 billion, including up to \$600 million from China-based eCommerce company Baidu.com, at a reported valuation of more than \$40 billion.

Digital Media/Commerce

M&A and Investment Activity

Petsky Prunier tracked 542 transactions (160 acquisitions and 382 investments) in the Digital Media/Commerce segment during the second half of 2014, of which 395 had a reported aggregate value of \$33.3 billion. Activity was up six percent in the fourth quarter, while reported value decreased 42 percent. Mobile Content/Apps was the most active subsegment during the second half of the year, with 163 transactions (42 acquisitions and 121 investments), followed by eCommerce, which together accounted for 57 percent of the segment's total activity. In addition to Microsoft's \$2.5 billion acquisition of Mojang and Amazon's \$970 million purchase of Twitch, transactions during the second half of the year included:

- Churchill Downs' \$885 million purchase of social casino studio and mobile gaming producer Big Fish Games
- Expedia's \$606 million acquisition of Australia-based online travel booking services provider Wotif.com, at a valuation of 4.7x revenue and 9.9x EBITDA
- The \$200 million purchase of email prioritization app developer Acomplia by Microsoft
- Intertain Group's \$126 million acquisition of online gaming company Vera&John

In addition to the multi-billion dollar investments in Uber and Flipkart, as well as Snapchat raising nearly \$500 million at a reported \$10 billion valuation, Digital Media/Commerce investments during the second half of the year included:

- The \$700 million Series D raised by China-based taxi-hailing app developer Didi-Dache
- India-based eCommerce marketplace Snapdeal's \$627 million round of funding from SoftBank Capital
- Vice Media's \$250 million investment from Technology Crossover Ventures and an additional \$250 million from A&E Networks, reportedly valuing the company at more than \$2.5 billion

Most Active Digital Media/Commerce Subsegments

Subsegment	3Q14		4Q14		2014		2014 vs 2013 (% 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	80	4,547	69	3,325	323	13,223	13%	73%
Mobile Content/Apps	66	345	97	4,741	305	7,265	61%	177%
Social Media/Apps	49	331	45	1,465	163	2,662	0%	(30%)
Classifieds/Auctions/P-to-P	16	303	28	932	104	3,770	108%	280%
Niche Content	25	14,708	15	1,602	81	17,964	(2%)	1,992%
Gaming	24	694	25	221	91	1,513	18%	(46%)
Web Search/Portals	3	91	0	0	5	2,704	(29%)	190%
Domain Portfolio/Marketplace	0	0	0	0	3	8	200%	150%
Total	263	21,018	279	12,286	1,075	49,108	151%	399%

Buyers

Strategic buyers accounted for 29 percent of transactions in the segment, with 156 deals of which 44 were worth \$19.9 billion in aggregate reported value. In the fourth quarter, reported strategic deal value and volume were down 82 percent and 25 percent, respectively, from 3Q14. Private equity investors completed four acquisitions in the second half. The most active strategic buyer during 2H14 was Yahoo with three transactions.

Digital Media/Commerce Transactions by Type of Buyer/Investor

Subsegment	3Q14		4Q14		2014		2014 vs 2013 (% 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	89	16,885	67	2,989	340	25,403	150%	510%
Private Equity - Buyout	1	0	3	1,132	10	2,901	122%	187%
Private Equity - VC/Growth Capital	173	4,133	209	8,166	725	20,805	151%	346%
Total	263	21,018	279	12,286	1,075	49,108	151%	399%

Digital Advertising

M&A and Investment Activity

There were 234 transactions (92 acquisitions and 142 investments) in the Digital Advertising segment during the second half of 2014, of which 170 had a reported aggregate value of \$16.6 billion. Compared to 3Q14, volume decreased 10 percent, while value decreased 71 percent.

Vertical Search and Digital Video were the most active subsegments with 52 transactions each. In addition to Zillow's \$3.3 billion acquisition of Trulia and Gannett's purchase of Cars.com for \$1.8 billion, activity for the second half of the year included:

- News Corp.'s \$950 million purchase of Move, which operates an online network of Websites for real estate search
- Yahoo's \$640 million acquisition of video ad provider Brightroll
- The \$200 million purchase of digital video adtech company TrueX Media by 21st Century Fox

Digital Advertising investments in the second half of the year included:

- Local services marketplace Thumbtack's \$100 million round of funding from Google Capital
- \$50 million in equity and debt raised by location-based mobile ad specialist xAd from Institutional Venture Partners, Emergence Capital, SoftBank Capital, and Silicon Valley Bank
- \$45 million in debt financing raised by adtech company The Trade Desk from Bridge Bank and Opus Bank

Most Active Digital Advertising Subsegments

Subsegment	3Q14		4Q14		2014		2014 vs 2013 (% 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 Video	27	1,177	25	344	93	4,305	116%	204%
Vertical Search	32	3,817	20	327	74	4,434	57%	1,308%
Mobile Marketing	13	145	16	323	65	669	141%	63%
Local Search	9	98	12	341	51	1,378	(4%)	539%
Ad Networks/Exchanges	13	525	12	689	43	1,885	34%	310%
Comparison Shopping	5	11	9	499	30	586	15%	95%
Digital Promotion/Coupon	6	1,021	6	960	28	2,512	(3%)	344%
Online Lead Generation	6	3,722	3	183	24	5,524	(17%)	3,514%
Search Marketing	5	0	2	0	11	69	(48%)	(93%)
Email Services	3	6	2	0	10	50	100%	199%
Game Advertising	3	34	3	11	6	45	200%	446%
Affiliate/CPA Network	1	2,365	1	18	4	2,401	(56%)	3,511%
Total	123	12,921	111	3,695	439	23,859	172%	862%

Buyers

Strategic buyers accounted for 38 percent of all transactions in the segment during 2H14, with 89 acquisitions, of which 33 were worth \$13.7 billion in aggregate reported value. The most active strategic buyer during the 2H14 was Yahoo with four. Segment activity between the third and fourth quarter fell by 38 percent among strategic buyers, while value decreased 87 percent. There were 252 venture and growth capital investments in 2014, of which 76 of which were in the fourth quarter.

Digital Advertising Transactions by Type of Buyer/Investor

Subsegment	3Q14		4Q14		2014		2014 vs 2013 (% 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	55	12,161	34	1,580	182	17,033	164%	1,350%
Private Equity - Buyout	2	0	1	130	5	1,230	150%	1,262%
Private Equity - VC/Growth Capital	66	760	76	1,985	252	5,596	178%	360%
Total	123	12,921	111	3,695	439	23,859	172%	862%

Marketing Technology

M&A and Investment Activity

A total of 447 deals (166 acquisitions and 281 investments) were completed in the Marketing Technology segment in 2H14, of which 286 had a reported aggregate value of \$6.7 billion. Activity was driven by the Analytics & Targeting subsegment, with 103 transactions of which 30 were acquisitions, the most of any subsegment. Marketing Technology M&A in the second half of the year included:

- Yahoo's purchase of mobile advertising analytics solutions provider Flurry for a reported \$240 million
- The \$233 million purchase of Location Labs, a mobile security platform, by AVG Technologies
- Emdeon's \$200 million purchase of consumer engagement and cost transparency solutions provide Change Healthcare

Analytics & Targeting was also the most invested subsegment during the second half of 2014, accounting for one-quarter of total investments in the segment. Compared to the third quarter, investment value for the subsegment increased 75 percent in 4Q14, while activity was up 43 percent. Marketing Technology investments in 2H14 included:

- Enterprise information management software developer Magnitude Software's \$100 million round of funding from Audax Group
- Andreessen Horowitz's \$65 million investment in mobile analytics platform Mixpanel at a reported valuation of \$865 million
- The \$50 million round of funding raised by mobile commerce-as-a-service provider Deem from Hony Capital

Most Active Marketing Technology Subsegments

Subsegment	3Q14		4Q14		2014		2014 vs 2013 (% 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)
Analytics & Targeting	44	256	59	437	219	5,255	48%	175%
Content Management	20	117	32	346	121	2,068	21%	248%
Social Technology	16	128	22	175	105	960	21%	32%
Mobile Technology	25	1,460	20	301	98	2,546	14%	(6%)
BI Tools	17	230	15	393	63	960	2%	43%
Commerce Management	19	204	23	282	74	1,523	64%	(20%)
SFA/Lead Management	7	89	7	18	33	360	22%	(29%)
CRM	14	646	19	340	61	1,311	(5%)	(4%)
Search & Discovery	5	37	6	86	28	357	33%	32%
Subtotal	167	3,167	203	2,378	802	15,341	151%	188%
Other	32	535	45	653	176	4,067	84%	1%
Total	199	3,702	248	3,031	978	19,408	135%	107%

"Other" includes Ad Serving, Content Delivery Network, Creative Production Platform, Email/Messaging Platform, Market Research Software, 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

Buyers

The most active strategic buyer in the segment during 2014 was Yahoo, which completed five acquisitions. Compared to 3Q14, venture and growth capital investment activity in the fourth quarter was up 32 percent, while strategic buyer activity was up 13 percent.

Marketing Technology Transactions by Type of Buyer/Investor

Subsegment	3Q14		4Q14		2014		2014 vs 2013 (% 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	78	2,130	82	1,053	361	7,418	165%	19%
Private Equity - Buyout	0	0	6	333	14	3,355	47%	355%
Private Equity - VC/Growth Capital	121	1,572	160	1,645	603	8,635	123%	264%
Total	199	3,702	248	3,031	978	19,408	135%	107%

Agency & Marketing Services

M&A and Investment Activity

There were 124 transactions (100 acquisitions and 24 investments) in the Agency & Marketing Services segment in the second half of 2014, of which 50 were worth \$10.7 billion in aggregate reported value. Digital Agency was the most active subsegment with 53 deals, of which 18 were reported at \$3.6 billion in aggregate deal value. In addition to Publicis' pending \$3.7 billion acquisition of Sapient, ICF International's \$295 million purchase of OLSON, and Blackhawk Network's \$290 million deal for Parago, other transactions in the segment during the second half of the year included:

- The \$169 million acquisition of UK-based advertising and branding services provider The Engine Group to Lake Capital
- Publicis' purchase of global technology and digital design company Nurun from Quebecor Media for \$114 million
- Dentsu Aegis Network's \$48 million purchase of mobile marketing and advertising agency Fetch Media
- BlueFocus Communication's \$47 million purchase of industrial design and branding service fuseproject
- The \$33 million acquisition of digital healthcare agency Cadient Group by Cognizant Technology Solutions

Most Active Agency & Marketing Services Subsegments

Subsegment	3Q14		4Q14		2014		2014 vs 2013 (% 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	23	187	30	3,449	98	4,328	26%	893%
Public Relations	1	0	7	90	24	850	0%	671%
Loyalty/Retention	2	169	8	93	20	470	100%	1,355%
General Agency	6	325	3	295	14	428	133%	249%
Social Agency	5	0	3	0	10	93	(33%)	865%
Database/Analytics	1	0	3	44	9	66	13%	2%
Marketing Consulting	2	78	2	12	9	78	(36%)	50%
Branded Communications	1	10	2	0	8	97	60%	4,678%
DM Agency	1	0	1	850	7	117	133%	2,826%
Experiential Marketing	1	0	1	66	7	117	0%	7,216%
Subtotal	45	761	57	4,875	198	6,431	133%	1,441%
Other	9	4,983	13	121	55	9,223	150%	674%
Total	54	5,745	70	4,995	253	15,654	136%	873%

"Other" includes Healthcare Agency, B-to-B Agency, Promotion Agency, Retail Services, Specialty Agency, Design Agency, Performance/Contract Sales, Product/Price Consulting, Ad Specialty/Premiums, and List Broker/Manager

Buyers

Agency & Marketing Services was an active segment among strategic buyers during 2H14 with 95 acquisitions. The most active buyer in the segment during the second half of 2014 was Publicis with nine acquisitions followed by The CHR Group with three.

Agency & Marketing Services Transactions by Type of Buyer/Investor

Subsegment	3Q14		4Q14		2014		2014 vs 2013 (% 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	41	658	54	3,934	206	5,428	130%	268%
Private Equity - Buyout	2	4,969	3	78	8	9,047	45%	1,064,253%
Private Equity - VC/Growth Capital	11	117	13	983	39	1,179	225%	799%
Total	54	5,745	70	4,995	253	15,654	136%	873%

Traditional Media

M&A and Investment Activity

A total of 69 transactions (60 acquisitions and nine investments) were reported among traditional media companies in 2H14. Of these deals, 31 had \$9 billion in reported aggregate deal value. In addition to UBM's \$972 million purchase of tradeshow organizer Advanstar Communications and CBS Outdoor's \$690 million acquisition of Van Wagner Communications' outdoor advertising businesses, Traditional Media transactions during the second half of the year included:

- Whale Media Investments' \$475 million purchase of a majority stake in Forbes Media
- Postmedia Network's acquisition of Sun Media Corporation's 175 English-language newspapers for \$316 million, at a valuation of 0.6x revenue and 3.6x EBITDA
- Evergrande Real Estate's 75 percent stake in magazine publisher New Media Group for \$122.5 million

B-to-B Media was the most active subsegment in 2H14 with 17 M&A deals, of which four were reported at \$1.4 billion. Transactions included:

- Informa's \$237 million purchase of Hanley Wood's trade show division Hanley Wood Exhibitions
- Condé Nast's \$100 million sale of Fairchild Fashion Media, a trade publisher with titles including *Women's Wear Daily* and *Footwear News*, to Penske Media.

Of the nine Traditional Media investments in 2H14, eight were worth \$1.4 billion in aggregate reported deal value. Investments in the fourth quarter included:

- Softbank's \$250 million investment in production and financing company Legendary Entertainment
- The \$50 million investment by Fortress Capital in Spirit Music Group, an independent music publishing house

Most Active Traditional Media Subsegments

Subsegment	3Q14		4Q14		2014		2014 vs 2013 (% 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	9	121	1	250	41	4,637	(20%)	55%
B-to-B Media	7	150	10	1,209	25	1,370	(4%)	(3%)
Broadcast Television	5	1,944	8	267	23	5,321	(32%)	(46%)
Newspaper Publishing	5	61	4	604	16	1,202	(43%)	194%
Digital Place-Based Media	2	19	2	32	15	468	7%	522%
Consumer Magazine Publishing	2	475	3	50	14	569	(42%)	1,769%
Cable & Satellite Television	2	2,400	0	0	9	2,819	(44%)	(36%)
Radio	4	86	1	67	8	300	(68%)	(66%)
Consumer Book Publishing	1	25	1	7	7	607	(53%)	873%
Traditional Outdoor	1	690	1	550	2	1,240	(67%)	325%
Shopper/Trader/Coupons	0	0	0	0	2	0	(33%)	(100%)
Yellow Pages	0	0	0	0	0	0	(100%)	NM
Total	38	5,970	31	3,035	162	18,532	33%	66%

Buyers

Strategic buyers accounted for 79 percent of deal activity and 76 percent of reported deal value in the segment during the second half of 2014, of which 23 transactions were in the fourth quarter.

Traditional Media Transactions by Type of Buyer/Investor

Subsegment	3Q14		4Q14		2014		2014 vs 2013 (% 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	32	4,852	23	1,984	136	15,904	50%	121%
Private Equity - Buyout	2	50	3	715	10	1,027	(33%)	(41%)
Private Equity - VC/Growth Capital	4	1,069	5	336	16	1,601	(3%)	(28%)
Total	38	5,970	31	3,035	162	18,532	33%	66%

Selected Recent Transactions

<p>HEALTH MARKET SCIENCE a leading supplier of data on healthcare professionals and administrator of one of the largest practitioner-level medical claims databases in the U.S.</p> <p>has agreed to be sold to</p> <p>LexisNexis® Risk Solutions a division of</p> <p>Reed Elsevier (NYSE: RUK)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>DDC the leader in data-driven advocacy campaigns</p> <p>has been sold to</p> <p>Omnicom Group (NYSE: OMC)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>QualityHealth Programs that Perform</p> <p>a leading data-driven patient identification and engagement platform that provides its members access to healthcare education, patient savings, and other valuable programs</p> <p>has been sold to</p> <p>sharecare</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>\$65,000,000</p> <p>DOCTOR DIRECTORY</p> <p>a leading provider of performance-based digital marketing programs to healthcare professionals on behalf of leading pharmaceutical companies</p> <p>has been sold to</p> <p>everyday HEALTH (NYSE: EVDY)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>STEEL MEDIA</p> <p>a provider of outsourced digital campaign management for video, mobile, display, and email</p> <p>has been sold to</p> <p>SOCIAL REALITY (OTCBB: SCRI)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p>\$280,000,000*</p> <p>TRANZACT</p> <p>a leading provider of end-to-end customer acquisition solutions to the insurance sector</p> <p>has sold a majority stake to</p> <p>White Mountains Insurance Group (NYSE: WTM)</p> <p>PetskyPrunier INVESTMENT BANKERS</p> <p><small>*This is an approximate enterprise value</small></p>	<p>cadient group</p> <p>one of the largest digital agencies specializing in multi-channel content marketing solutions for the life sciences industry</p> <p>has been sold to</p> <p>Cognizant (NASDAQ: CTSF)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>Visible ANALYTICS AND ENGAGEMENT</p> <p>a leading SaaS provider of social intelligence, analytics, insights, and engagement</p> <p>has been sold to</p> <p>VOCUS which is being combined with</p> <p>CISION both portfolio companies of</p> <p>GTCR</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>miles TRAVEL MARKETING SOLUTIONS</p> <p>a leading provider of marketing solutions to destinations, resorts, and other travel-related businesses</p> <p>has been recapitalized to support future growth with significant debt financing</p> <p>from</p> <p>Monroe Capital Innovative Capital Creating Value</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>\$50,000,000</p> <p>baseline</p> <p>the leading film and television information, data, and related software company</p> <p>has been sold to</p> <p>gracenote a division of</p> <p>Tribune Media</p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p>COMPACT INFORMATION SYSTEMS</p> <p>one of the largest, independent providers of omnichannel marketing data in the U.S.</p> <p>has acquired</p> <p>ASL marketing a leader in student marketing data</p> <p>from</p> <p>DEFY MEDIA</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>welcome wagon</p> <p>a leading targeted direct marketing company that connects new movers with local businesses</p> <p>has merged with an affiliate of</p> <p>MONEY MAILER and</p> <p>MADISON INDUSTRIES</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>MediaAlpha</p> <p>a disruptive, rapidly expanding marketplace for insurance clicks, calls, and leads</p> <p>has sold a majority stake to</p> <p>White Mountains Insurance Group (NYSE: WTM)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>TagMan</p> <p>a leading global SaaS-based tag management, data management, and marketing attribution provider</p> <p>has been sold to</p> <p>ensighten</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>BRANDERS.COM[®]</p> <p>the largest independent eCommerce retailer of promotional products</p> <p>has been sold to</p> <p>BEL PROMO</p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p>ClickSquared Marketing Software • No Outlets</p> <p>a leading SaaS-based, cross-channel campaign management platform for B2C marketers</p> <p>has been sold to</p> <p>Zeta Interactive</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>NEW TRACK MEDIA LLC</p> <p>a consumer enthusiast media and commerce company</p> <p>has been sold to</p> <p>fw media</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>fresh space SAY WHAT YOU MEAN WITH YOUR FACE</p> <p>one of the largest independent in-store media companies in the U.S.</p> <p>has been sold to</p> <p>ADVANTAGE SALES AND MARKETING</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>Simplifi</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>FrontierCapital</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>SQAD Real Cost Intelligence</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>CLARION CAPITAL PARTNERS, LLC</p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p>LeadKarma</p> <p>a leading provider of online customer acquisition services to the insurance industry</p> <p>has been sold to</p> <p>Bankrate, Inc. (NYSE: RATE)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>ASCRIBE</p> <p>a leading UK-based supplier of healthcare software and IT services</p> <p>a portfolio company of</p> <p>eci</p> <p>has been sold to</p> <p>emis (AIM: EMIS)</p> <p>PetskyPrunier INVESTMENT BANKERS</p> <p>ALTUM</p>	<p>CITIZEN HAWK</p> <p>a premier global provider of SaaS-based online brand protection and domain recovery solutions</p> <p>a portfolio company of</p> <p>maveron</p> <p>has been sold to</p> <p>Wolters Kluwer Corporate Legal Services (Euronext Amsterdam: WKL)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>Engauge</p> <p>one of the largest independent digital agencies</p> <p>has been sold to</p> <p>PUBLICIS GROUPE (ENXTPA: PUB)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>SLINGO</p> <p>a leading developer of popular real-money and social gaming</p> <p>has been sold to</p> <p>realnetworks (Nasdaq: RNWK)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p>brandnetworks POWERING SOCIAL, EMPOWERING CUSTOMERS</p> <p>a leading provider of social software solutions and digital marketing services for some of the world's largest brands, and one of just thirteen Facebook Strategic Preferred Marketing Developers (SPMD)</p> <p>has received a \$68MM minority investment from</p> <p>AEA Investors</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>ACCESSVIA</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>perceptivesoftware a unit of</p> <p>LEXMARK (NYSE: LXX)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>ravora MEDIA, INC.</p> <p>has sold</p> <p>10BEST</p> <p>provider of online travel guides for top destinations around the world</p> <p>to</p> <p>GANNETT (NYSE: GCI)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>river north</p> <p>has sold</p> <p>MARKETING DRIVE along with digital subsidiary</p> <p>WELD TOUCH</p> <p>specializing in retail, digital, shopper marketing and consumer promotion services</p> <p>to</p> <p>matchmg</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>Triad Retail Media</p> <p>a portfolio company of</p> <p>H I G GROWTH PARTNERS</p> <p>has been sold to</p> <p>ROCKBRIDGE GROWTH EQUITY with financing from</p> <p>FALCON</p> <p>PetskyPrunier INVESTMENT BANKERS</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 investment bank Altium (www.altiumcapital.com), which operates from eight offices across Europe. Securities transactions are processed through Petsky Prunier Securities LLC, member of FINRA/SIPC.

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