

## MEDIA INDUSTRY

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### 2008 Key Highlights

- The Media Industry's most active buyer in 2008, based on the number (volume) of announced transactions, was Reed Elsevier, with 9 businesses purchased either directly or through a partner or affiliate.
- The segment with the largest disclosed median enterprise value multiples for 2008 was Internet Media with 3.1 times revenue and 15.8 times EBITDA (earnings before interest, tax, depreciation, and amortization).
- Financially sponsored transactions represented 91 transactions which equates to 14 percent of the total volume and \$11.86 billion of value, 31 percent of the market.

### 2008 vs. 2007 Key Trends

- Total transaction volume in 2008 decreased by 9 percent over 2007 from 703 in 2007 to 639 in 2008.
- Total transaction value in 2008 decreased by 76 percent over 2007, from \$151.23 billion in 2007 to \$36.97 billion in 2008.
- The segment with largest decrease in value in 2008 over 2007 was Consumer Publishing with a 89 percent decrease from \$44.30 billion in 2007 to \$4.78 billion in 2008.

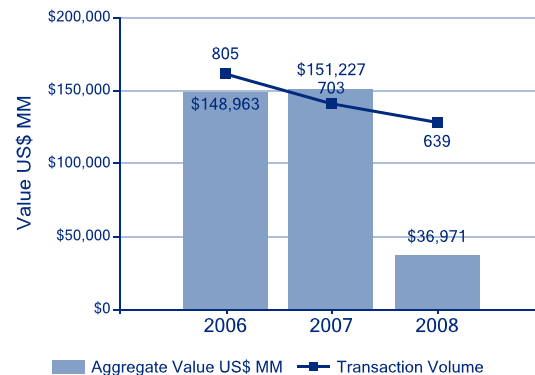
### 2006-2008 Market Overview

Out of 2147 transactions tracked by Berkery Noyes between 2006 and 2008 we determined the aggregate enterprise values paid for transactions, where the values of 767 were disclosed, to be \$292.34 billion. Based on known enterprise values, using a logarithmic scale, we project values of 1380 undisclosed transactions to be \$45.10 billion for a combined total of \$337.43 billion over the past three years.

Transactions receiving enterprise values greater than \$160 million garnered the higher median enterprise value multiple of 3.06 times revenue which is 144 percent greater than companies who received enterprise values of \$10 to \$20 million which captured a median enterprise value of 1.25 times revenue.

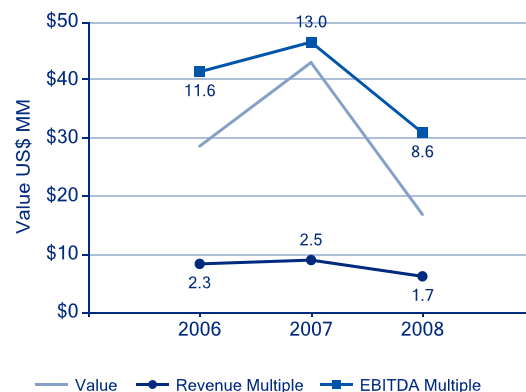
The most active buyer in the Media Industry by way of volume either purchased direct or through partner or affiliated business between 2006 and 2008 with 34 transactions was United Business Media PLC.

#### M&A Market Dynamics



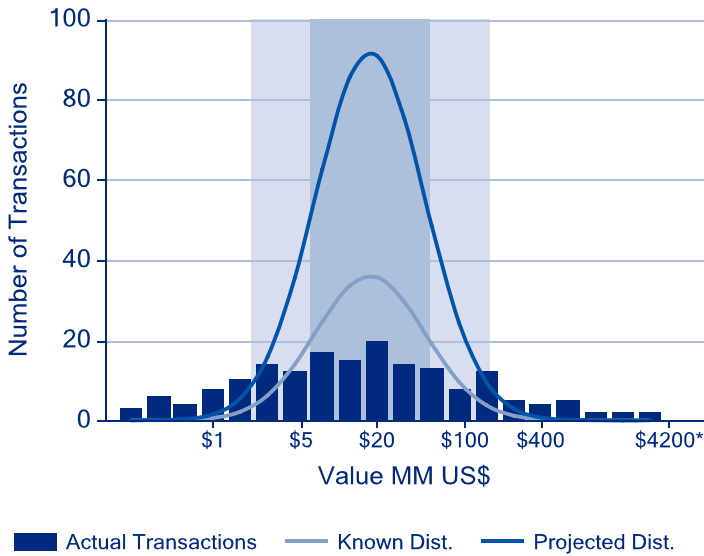
**Figure 1.** 2006 - 2008 value and volume comparison

#### Median Enterprise Value Multiples



**Figure 2.** 2006 - 2008 median: Value, Revenue, EBITDA comparison.

Bell Curve - Histogram



**Figure 3.** Shows distribution of transactions among media industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had enterprise values of \$1 million to \$148.4 million. Based on these data, we estimate the total transaction value of deals done from Jan. 1 to Dec. 31, 2008 at \$36.97 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2008 to Dec. 31, 2008

Distribution Table

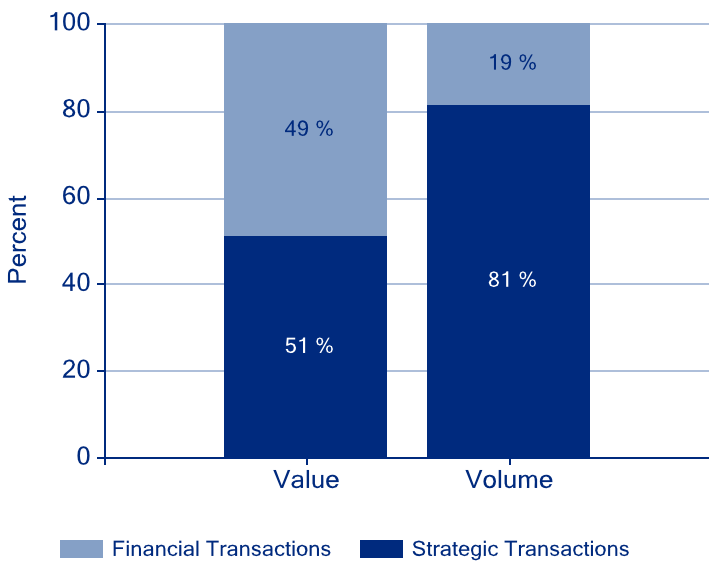
Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	3	0	3	2 %	2 %
\$0.4	6	0	6	3 %	5 %
\$0.6	4	0	4	2 %	7 %
\$1.0	8	1	9	4 %	12 %
\$1.6	10	5	15	6 %	17 %
\$2.7	14	16	29	8 %	25 %
\$4.5	12	36	47	7 %	32 %
\$7.4	17	63	79	9 %	41 %
\$12.2	15	85	100	8 %	49 %
\$20.1	20	91	110	11 %	61 %
\$33.1	14	75	89	8 %	68 %
\$54.6	13	48	61	7 %	76 %
\$90.0	8	24	32	4 %	80 %
\$148.4	12	10	21	7 %	87 %
\$244.7	5	3	7	3 %	89 %
\$403.4	4	1	4	2 %	92 %
\$665.1	5	0	5	3 %	94 %
\$1,096.6	2	0	2	1 %	96 %
\$1,808.0	2	0	2	1 %	97 %
\$2,981.0	2	0	2	1 %	98 %
<b>Total #</b>	<b>180</b>	<b>459</b>	<b>639</b>		
<b>Total \$ Value</b>	<b>\$28,855</b>	<b>\$8,116</b>	<b>\$36,971</b>		

■ Middle 3rd of Industry ■ Middle 2/3rds of Industry

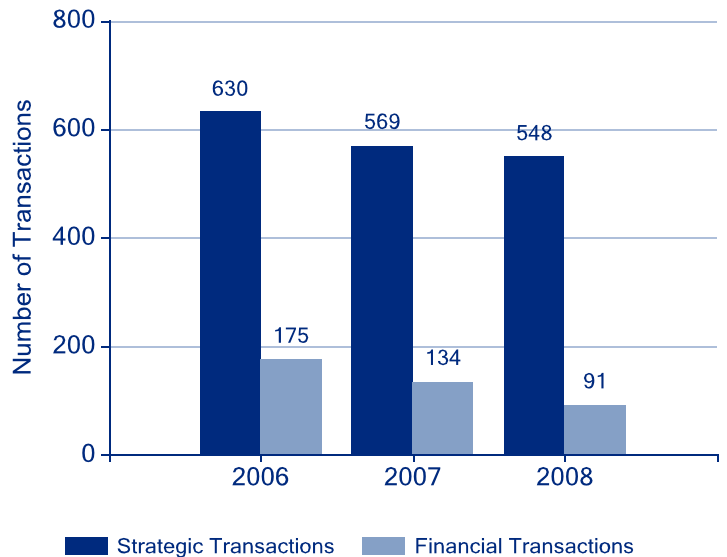
**Figure 4.** Presents the data depicted in the bell curve-histogram.

STRATEGIC VS FINANCIAL COMPARISON | January 1, 2006 - December 31, 2008

M&A Dynamics By Transaction Type



Transaction Type



**Figure 5.** Out of 2147 transactions tracked by Berkery Noyes between 2006 and 2008 we found that financially sponsored transactions accounted for 19 percent of the volume or 400 transactions and greater than 49 percent of the value or \$172.07 billion worth of financially sponsored transactions.

**Figure 6.** Financially sponsored transactions represented 14 percent of the volume and 31 percent of the value for 2008 as opposed to 19 percent of the volume and 44 percent of the value for 2007.

Top Ten Notable Transactions 2008

Deal Date	Target Name	Buyer	Value MM US\$
02/20/08	ChoicePoint, Inc.	Reed Elsevier plc	\$4,213
07/06/08	The Weather Channel Properties	Bain Capital, Blackstone Group LP, NBC Universal	\$3,500
10/07/08	Taylor Nelson Sofres plc	WPP Group, plc	\$2,564
02/25/08	Getty Images, Inc.	Hellman & Friedman LLC	\$2,044
05/15/08	CNET, Inc.	CBS Corporation	\$1,761
12/22/08	Digital Out-of-Home Advertising Networks from Focus Media Holding Limited	SINA Corporation	\$1,374
07/31/08	Nova Televisia	Modern Times Group MTG AB	\$967
06/03/08	Grupo Zeta S.A.	Grupo Alfonso Gallardo	\$966
03/13/08	Bebo, Inc.	AOL, LLC.	\$857
12/24/08	Centrale dei Bilanci srl	Bain Capital, Clessidra SGR	\$747
2008 Aggregate Transaction Value			\$36,971
Top 10 Aggregate Transaction Value			\$18,993
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>51 %</b>

Figure 7. Lists the top ten transactions for 2008 and calculates their aggregate enterprise value as a percentage of the 2008 total aggregate enterprise value as shown on Figures 1 & 4.

Median EV/Revenue Multiples By Size

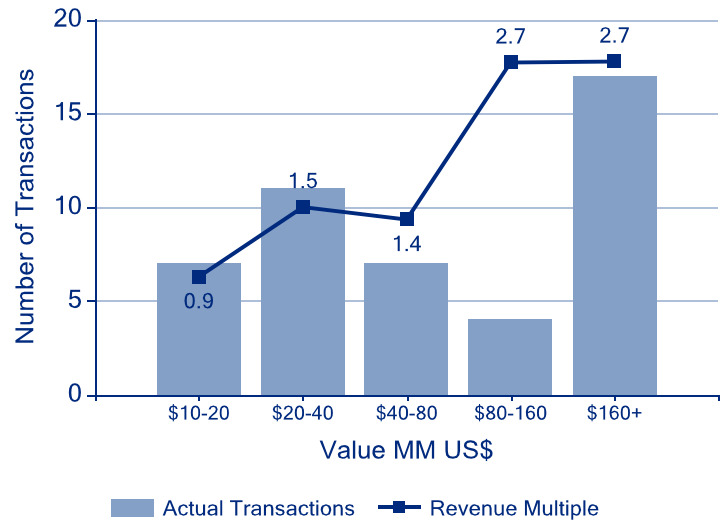


Figure 8. Presents the median enterprise value/revenue multiples paid for companies for in the media industry based on publicly available sales price and revenue data.

TRANSACTION VOLUME BY SEGMENT | January 1, 2006 - December 31, 2008

Transactions By Market Segment

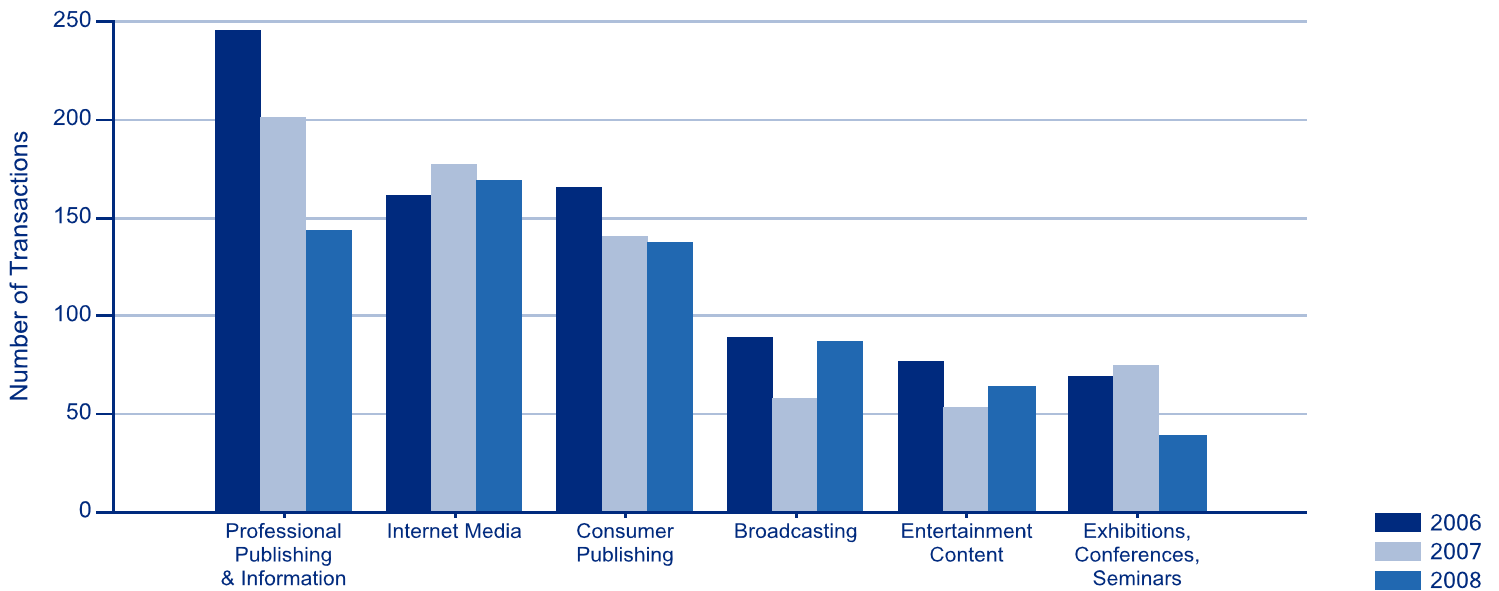


Figure 9. Presents the transaction volume by target segments within the media industry 2006 - 2008.

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### About Berkery Noyes

Founded in 1980, Berkery Noyes is the leading independent investment bank specializing in the information content and technology industries. The firm has initiated, managed and closed more than 400 merger and acquisition transactions for privately held and publicly traded companies in the business, technology, education, health, financial and legal information segments. Berkery Noyes is unique among investment banking firms in that we combine truly independent strategic research and industry intelligence with senior information technology banking expertise. With no equity fund or brokerage business to manage, our partners and investment banking professionals are one hundred percent focused on M&A advisory services. Berkery Noyes employs over 40 individuals with deep industry knowledge and experience who strive to exceed our clients' expectations by maximizing the full value of their information technology and content assets.

All charts in this report are based on data gathered by Berkery, Noyes. For current information ask for our Weekly Deal Report. You'll find a link to it at [www.berkerynoyes.com](http://www.berkerynoyes.com). Click on the "Weekly Deal Reports" tab to sign up.

**JOSEPH BERKERY** | Chief Executive Officer

**JOHN SHEA** | Chief Operating Officer

### FOOTNOTES

#### Market Segments

Market Segment	Description
Broadcasting	Television & Radio Broadcasting
Consumer Publishing	Trade Books, Phone Books, Shopping Guides, Newspapers, Consumer Magazines
Entertainment Content	Film, Music, Television, Video Games
Exhibitions, Conferences, Seminars	Exhibitions, Conferences, Seminars
Internet Media	Web Portals, Social Networks, User-Generated Content, Search engines, Blogs, forums, E-zines
Professional Publishing & Information	Professional Books, Journals, Newletters, Textbooks, Trade Magazines, Newswires, Market Research, Business Information Services

Figure 10. Represents what types of media companies are included in Figure 9.

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