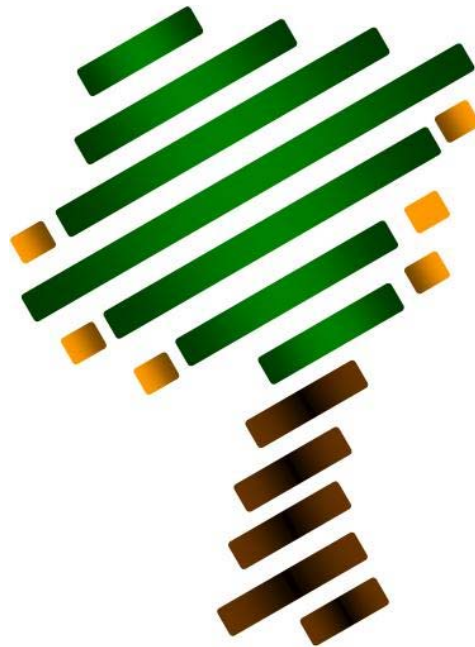


2008 New Media M&A Round-Up

The Year in Digital Media Mergers, Acquisitions & Capital Raises

PEACHTREE MEDIA ADVISORS, INC.

NEW MEDIA INVESTMENT BANKING



PEACHTREE MEDIA ADVISORS, INC.

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Peachtree Media Advisors, Inc.

Peachtree Media Advisors, Inc. is a New York based investment bank serving the out-of-home and interactive marketing sectors of media. The company provides mergers, acquisitions and capital raise advisory services to lower middle-market companies in the two fastest growing sectors of media. John Doyle, Managing Director & Founder, has been a media investment banker for more than 12 years; closed and structured more than 22 deals; and has a strong knowledge-base of financial and strategic buyers in these sectors.

If you are interested in learning more about valuation, positioning, preparation or the merger and acquisition process, please go to www.PeachtreeMediaAdvisors.com or contact John Doyle at (212) 570-1009.

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Online Media M&A Activity in 2008

In 2008, there were 707 merger, acquisition and capital raise transactions in the online sector of media (92 more transactions than the 615 in 2007). The 707 deals were comprised of 348 capital raises, which are substantially more than the 273 capital raises in 2007, and 359 digital media acquisitions that involved a change of control. In addition, there were significantly fewer large scale transactions in 2008 and substantially more small niche-oriented acquisitions than in 2007.

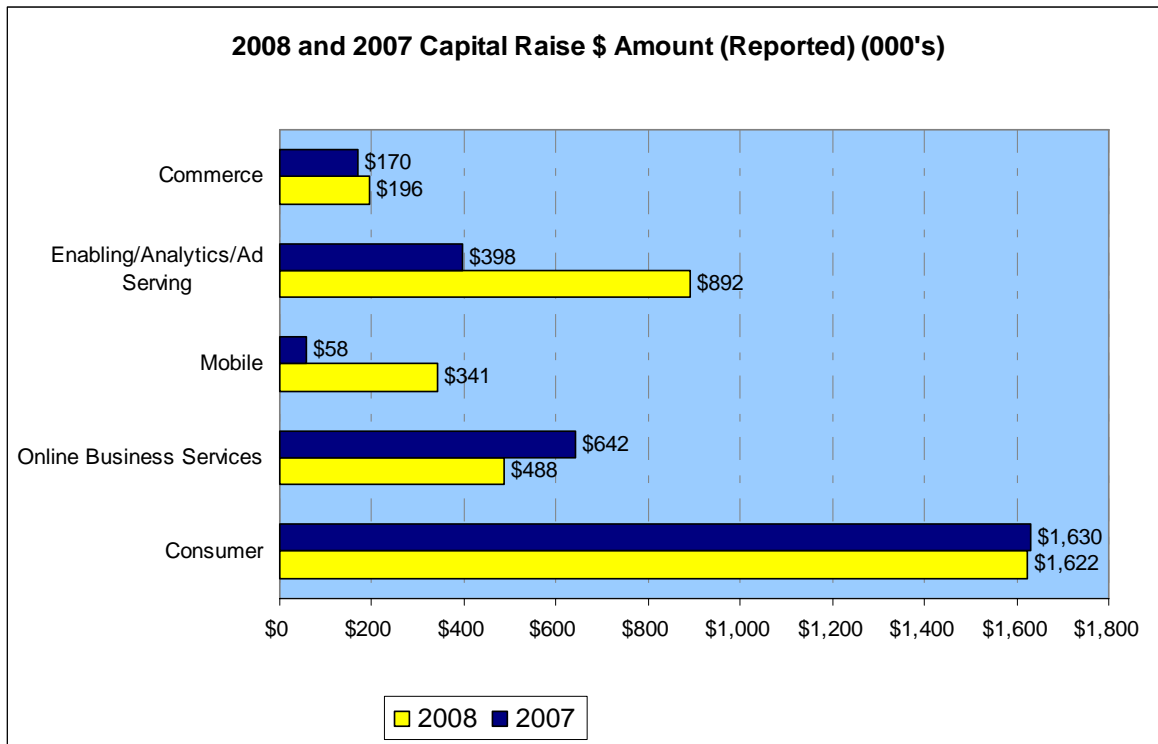
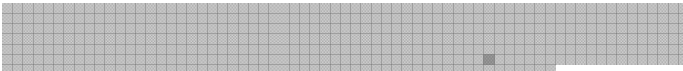
Transaction Value by Sector

In 2008, overall reported transaction deal value was \$16.9 billion in all of the U.S. online media sectors (see chart below): Consumer; Business; Mobile, Enabling and Commerce. The consumer sector, which is comprised of social networking, blogging, publishers, video and online games, garnered the most attention for M&A activity in 2008. Transactions in the consumer sector



Total Capital Raised \$ in 2008 and 2007

In 2008, \$3.5 billion in reported deal value of venture capital flowed into all sectors of media, representing a 22% increase over the amount of reported \$2.9 billion in capital raised in 2007. The Enabling category had the largest increase in the amount of capital raised attracting \$892 million in 2008, which represents a 124% increase over the \$398 million raised by the sector in 2007. The Mobile sector also saw significant gains in investment capital. The Mobile category raised \$341 million in investment capital in 2008, representing a 488% increase over the \$58 million raised by the sector in 2007. The chart below presents the reported dollar amount of capital raised by each major online media category in 2008 and 2007 (see category key on page 1).

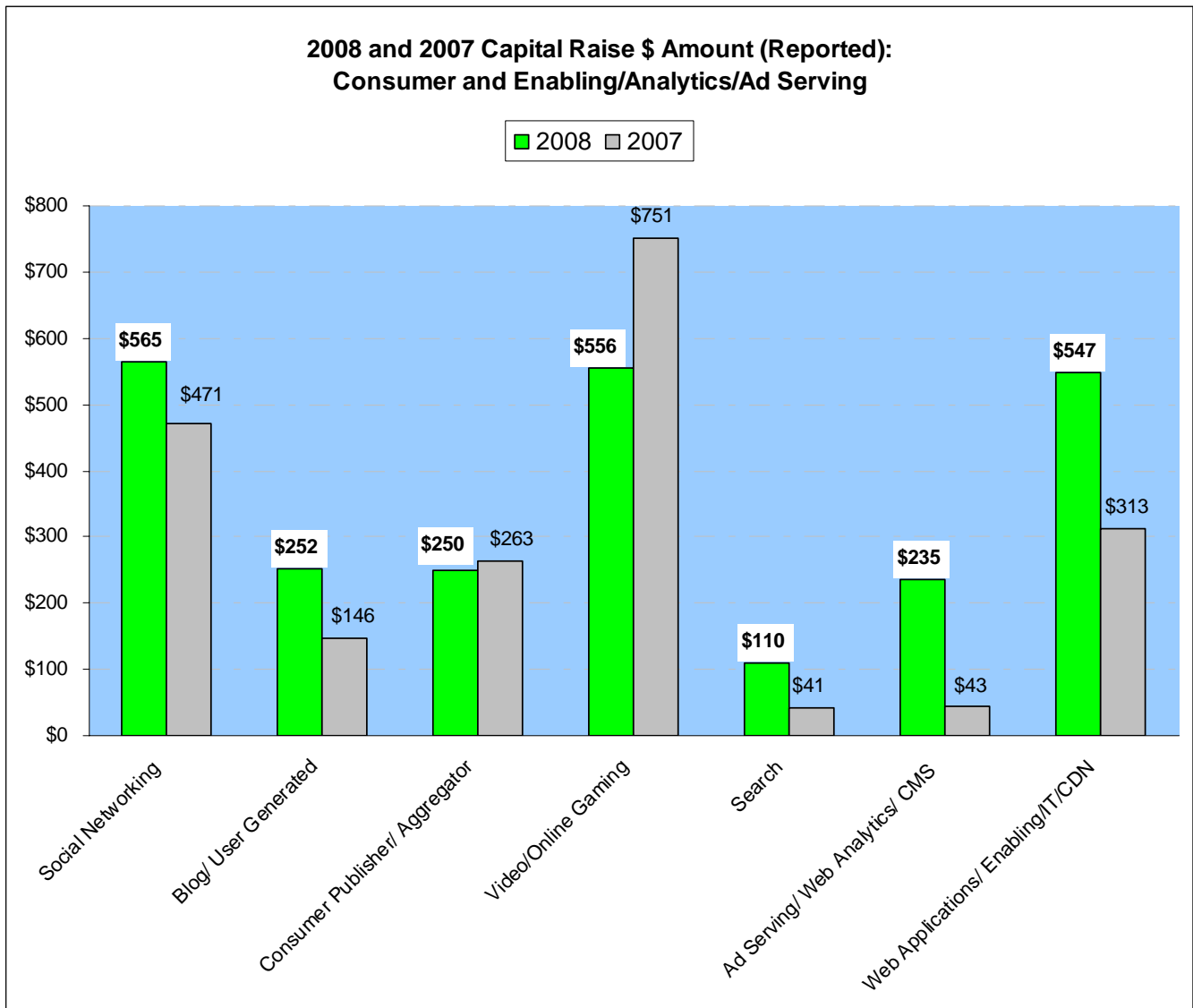


Drill Down into Capital Raised

The chart below presents the reported capital raised by the four sectors that comprise the Consumer category and the three sectors that comprise the Enabling/Analytics and Ad Serving category for 2008 and 2007. Not to be confused with overall transaction volume (in the previous section), capital raised only accounts for investment activity from venture capital or strategic investors.

As seen in the chart below, there were substantial increases in capital raised by

Web application developers and content delivery networks, as well as Web analytics companies helping to optimize ad spend across multiple online formats. In addition, there was a significant increase in the number of social networking capital raise transactions in the beginning of 2008. Even though most of the capital was raised in the first two quarters, social networking companies raised \$565 million dollars in 2008, representing a 20% increase over the amount of capital raised in 2007.



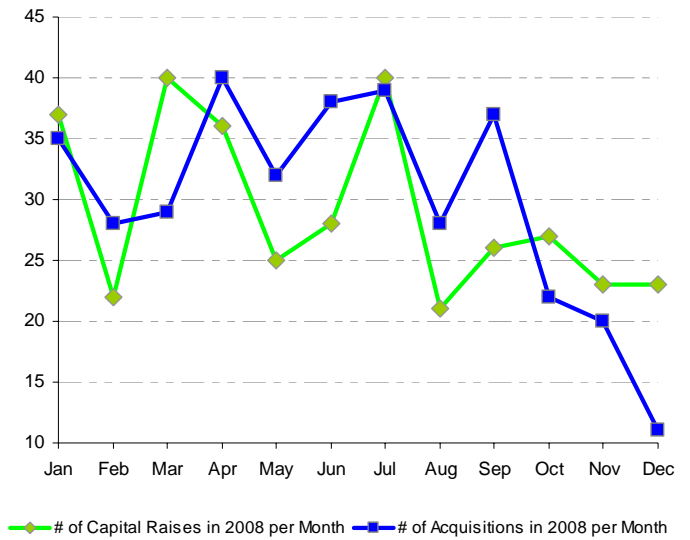
Capital Raises by Quarter in 2008

The chart below 1b0ĐÀ!• ÍAđ% U \$•Đqò“™

Transactions by Month in 2008

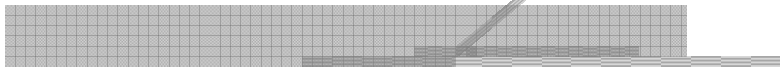
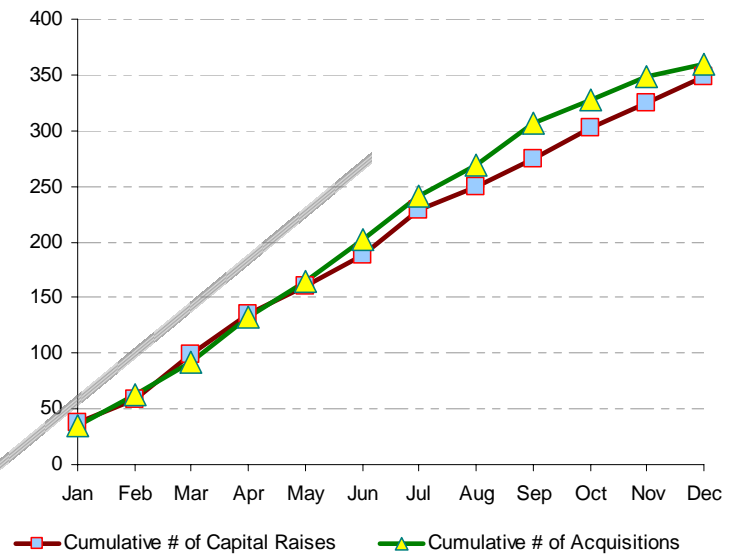
As seen in the chart to the right, the number of acquisitions involving control dropped drastically toward the end of the year. The primary reason for the drop off was the valuation gap between buyers and sellers as well as significantly lower share prices for publicly traded companies. Internet and diversified media companies lost value across the board in 2008. The decrease in share prices made access to currency from the public markets more expensive, which had a double-whammy effect on acquisitions – the purchase price and increased dilution from a lower share price in raising acquisition capital or using their paper as currency.

of Capital Raises vs. Acquisitions in 2008



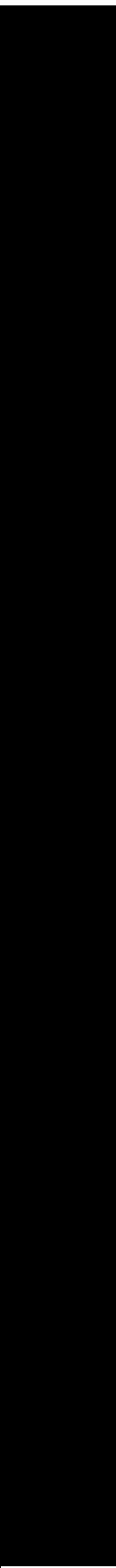
The chart to the right shows the increase in the cumulative monthly number of capital raises and acquisitions during 2008. The number of capital raises remains relatively straight line compared to the drop off in acquisitions toward the end of the year.

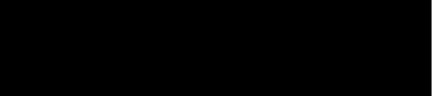
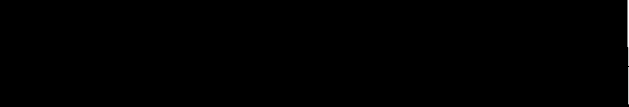
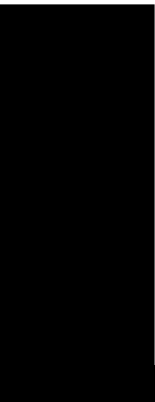
of Capital Raises vs. Acquisitions in 2008



M&A Transactions & Capital Raised in 2008

Buyer/Investor	Seller	Deal Type	Date	Price (\$ Mil)
PR Newswire Association LLC	HispaniMark LLC	Acquisition	Jan-08	8.5
Monster Worldwide Inc.	Affinity Labs Inc.	Acquisition	Jan-08	61.0
Active Athlete Inc.	GolfBuzz Inc.	Acquisition	Jan-08	n.a.
Active Network Inc., The	RegOnline	Acquisition	Jan-08	n.a.
Active Network Inc., The	WingateWeb LLC	Acquisition	Jan-08	n.a.
Blue Sky Factory Inc.	Blogarithm	Acquisition	Jan-08	n.a.
Oversee.net	Moniker.com	Acquisition	Jan-08	n.a.
Shutterfly Inc.	Nexo Systems Inc.	Acquisition	Jan-08	15.0
Pilot House Ventures, Evergreen and Cedar Fund	PeerApp	Capital Raise	Jan-08	1.0
BRM Capital LLC	Pudding Media Inc.	Capital Raise	Jan-08	8.0
Liberty Media Corporation	Bodybuilding.com LLC	Acquisition	Jan-08	100.0
Prokom Investments	Hakia	Capital Raise	Jan-08	5.0
Grotech Capital Group	ARPU	Capital Raise	Jan-08	8.7
Quantum Ventures of Michigan LLC	LocalBizNOW.com	Capital Raise	Jan-08	n.a.
London Bay Capital	Selling Source Inc., The	Acquisition	Jan-08	130.0
National Lampoon Inc.	CollegeHangover.com	Acquisition	Jan-08	n.a.
Second Avenue Partners	Fanzter Inc.	Capital Raise	Jan-08	2.0
Sutter Hill Ventures	Kadoink.com	Capital Raise	Jan-08	7.0
Banks.com Inc.	Online Investments Inc's certain assets	Acquisition	Jan-08	n.a.
Commerce Planet Inc.	Value Direct Inc.	Acquisition	Jan-08	n.a.
Fictionwise Inc.	eReader.com	Acquisition	Jan-08	n.a.
Tencent Holdings	Outspark	Capital Raise	Jan-08	11.0
Mohr Davidow Ventures	BigTent Design	Capital Raise	Jan-08	5.0
Canaan Partners	Tremor Media Inc.	Capital Raise	Jan-08	11.0
Ticketmaster Group Inc.	TNOW Entertainment Group Inc.	Acquisition	Jan-08	265.0
Union Square Ventures	Zynga Inc.	Capital Raise	Jan-08	10.0
Benchmark Capital and Goldman Sachs	Metaweb (Freebase)	Capital Raise	Jan-08	42.4
Employee Benefit News	Voluntary.com LLC	Acquisition	Jan-08	n.a.
TVC Capital	Mercent	Capital Raise	Jan-08	6.5
JMI Equity	Granicus Inc.	Capital Raise	Jan-08	10.0
Internet Movie Database (Amazon)	Withoutabox	Acquisition	Jan-08	19.0
Benchmark Capital	Conduit	Capital Raise	Jan-08	8.0
Velocity Interactive Group	Broadband Enterprises	Capital Raise	Jan-08	10.0
Investors Private	Fave Media	Capital Raise	Jan-08	1.6
Art Technology Group Inc.	eShopperTools.com Inc.	Acquisition	Jan-08	9.0



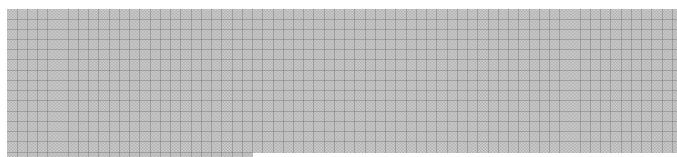


Comparable Public Company Multiples

(\$ in millions)

Company	Market Cap.	Total Debt	Cash	Enterprise Value	LTM Revenue	LTM EBITDA	REV Multiple	EBITDA Multiple	
Online B2B Content									
comScore Inc.	370	1	68	303	111	18	2.7x	17.3x	
Forrester Research	578	0	208	370	236	39	1.6x	9.6x	
Gartner Inc.	1,730	425	145	2,009	1,300	209	1.5x	9.6x	
Jupitermedia Corp.	15	79	4	89	137	17	0.7x	5.2x	
TechTarget	191	4	59	136	107	15	1.3x	9.0x	
TheStreet.com Inc.	100	0	78	23	75	12	0.3x	1.9x	
							MEAN	1.3x	8.8x
Diversified Media									
CBS	6,010	7,100	553	12,557	14,180	2,920	0.9x	4.3x	
Comcast Corp	50,510	33,690	2,920	81,280	33,510	12,880	2.4x	6.3x	
Discovery Communications	4,080	3,909	92	7,897	3,190	1,040	2.5x	7.6x	
Entravision Communications	135	473	118	490	242	82	2.0x	6.0x	
Gannett Co., Inc.	1,970	3,910	123	5,757	6,930	1,770	0.8x	3.3x	
HSN, Inc.	410	389	56	742	2,920	169	0.3x	4.4x	
McGraw-Hill	7,570	1,500	485	8,585	6,510	1,580	1.3x	5.4x	
Media General	54	750	14	790	861	129	0.9x	6.1x	
New York Times	1,110	1,130	46	2,194	3,040	433	0.7x	5.1x	
NewsCorp	24,880	13,490	5,500	32,870	33,440	6,430	1.0x	5.1x	
Time Warner	37,600	37,990	4,360	71,230	47,320	13,590	1.5x	5.2x	
Washington Post	3,800	509	416	3,893	4,420	597	0.9x	6.5x	
							MEAN	1.3x	5.4x
							OVERALL MEAN	1.5x	8.4x
							OVERALL MEDIAN	1.3x	6.3x

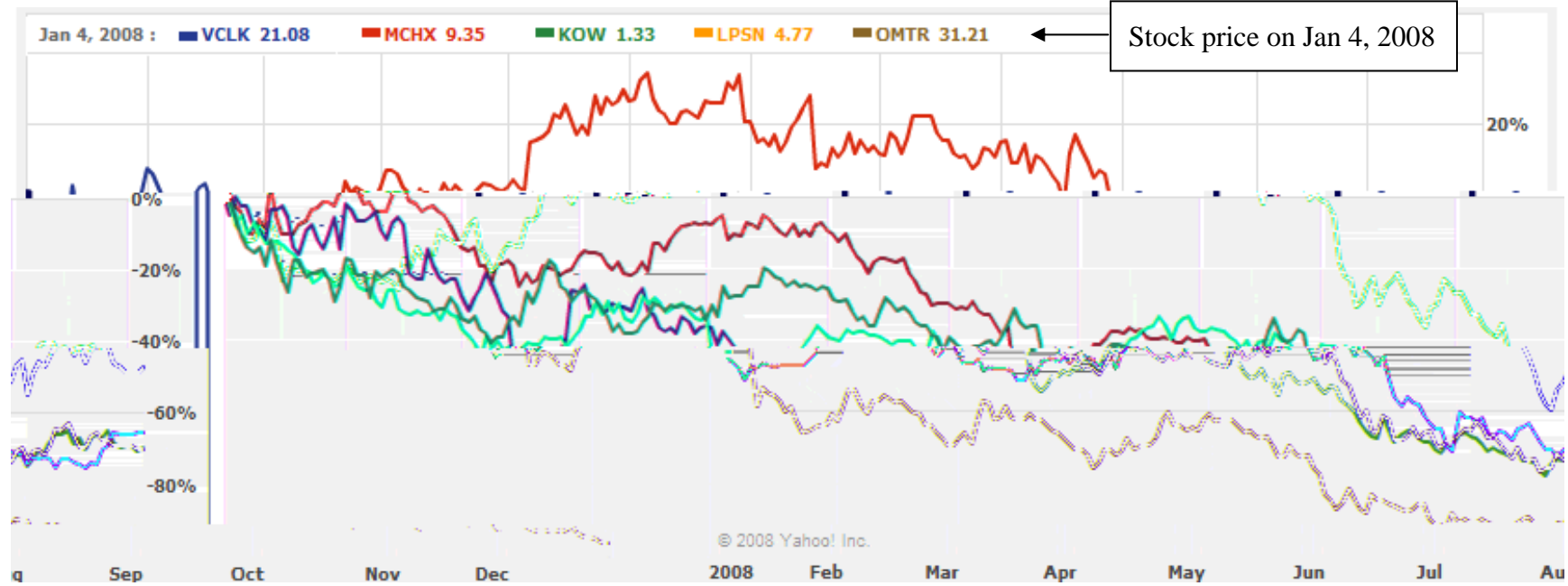
Sources: CapitalIQ; Company SEC Filings. Stock Price 12/30/08.



Annual Valuations by Sector

The graphs below present the percentage change in the stock price value of representative online media companies from the beginning of 2008. A discussion of these charts appears in the next section and a key for the ticker symbols of the corresponding companies appears below. (The ticker symbols are listed in alphabetical order.)

AMZN - Amazon	KNOT – The Knot	PCLN - Priceline
DIS - Disney	KOW – Kowabunga (Think Partnership)	RATE - Bankrate Inc.
EBAY - Ebay	LPSN – LivePerson, Inc.	TTGT - TechTarget
EXPE - Expedia	MCHX – Marchex	TWX – Time Warner
FORR – Forrester Research	MHP – McGraw Hill	VCLK – Value Click
GOOG – Google	MWW – Monster Worldwide	VIA - Viacom
IACI – Interactive Corp.	NWS – NewsCorp.	YHOO – Yahoo
IT – Gartner	MWW	



Outlook for 2009: Media101 – Content

Without the opportunity to exit through an IPO or sale to a strategic buyer and with limited access to capital, online media companies will be forced to build sustainable businesses in 2009. As the coach says when a team gets off-track, “Back to the fundamentals,” and in this case basic Media 101 is defined as “content.”

The companies that are able to endure the next 12 months will have a crystal clear understanding of who their customer is, what they are selling, and then develop a strong relationship with that customer. In ad supported media, the customer is the advertiser and the product is an engaged consumer. Content, in whatever format, is the primary ingredient for engagement.

Ad supported online media companies sell high levels of engagement of a particular demographic group to advertisers and not just “eyeballs.” The backbone of media is the investment on the part of the consumer to be engaged and return to that particular media. Media companies then sell the opportunity to advertisers to impress upon those consumers.

In 2009, expect online media companies to learn more about their readers and cater to endemic advertising bases that are a perfect match for their audience. The burden will be on the publisher to try to help their customer (the advertiser) move product. Online media companies can learn a lesson from magazine publishers, who are experts at straddling the proverbial line between content and advertising customer. Consumer facing properties will continue to organize into

targeted niche categories allowing advertisers to more effectively reach their target audience with pinpoint accuracy.

Social Media: Steady Growth

Expect continued growth in the consumer facing social media sector, especially the sites with substantial traction already should do exceptionally well, i.e. Facebook, Ning, Yelp and Hi5. The economic climate may actually be a boon to membership growth on account that people with high speed Internet access will most likely continue with the service as opposed to downgrading. In order to save money, people may spend more time online, catching up with friends or joining a social network for the first time. (People may also spend more time watching cable television, which is why 2009 is both an opportunistic and critical time for social media.)

The social networking platform providers that sell pre-built social networking communities to online brands, companies or agencies (e.g., OneSite, HiveLive, KickApps, etc.) may feel the effects of the current economic climate over their branded social media counterparts. However adversely affected, this group should be able to raise additional capital to fund operations over the next twelve months. The reward for the last woman standing is too great not to provide additional funding, Cisco Systems is sure to pay a colossal premium for the hero in this story.

Happy Times Are Here Again!

Lead gen companies and performance-based marketers should expect an increase in customers. Although the e-commerce sector had a relatively dismal holiday shopping season, expect a prudent consumer (with high speed Internet access) to compare prices and do more shopping online. This does not mean that the consumer is going to be gullible and fall for incentivized marketing programs; it only means that more people will be comparing prices online.

In 2009, the e-commerce sector is going to tap performance-based marketing companies to drive traffic to their online storefronts. In addition, expect lead gen companies to do better in 2009 than they have in the past two years. During an economic recession, companies focus less on branding and display ads than generating quality leads.

There are also sectors of the economy that are recession-proof (e.g., teachers, civil servants, lawyers and medical professionals) that will eventually want to purchase big ticket items that typically cater to lead gen companies. Financial institutions will begin seeking quality e-commerce, mortgage, credit cards, bank and insurance leads from these recession-proof professionals as the economy turns around.

- ❖ **Peachtree Investment Banking Services**
- **Capital Raise**
- **Mergers & Acquisitions**
- **Restructuring & Divestitures**
- **Valuations**
- **Strategic Partner/Business Dev/JV**

Local & Regional Fee on the Street

Although outdoor billboard companies will attract the majority of the OOH media spend, they will also need to shift their focus to selling regional and local advertising. With local and regional banks, auto dealers, restaurants and retailers hurting in this economic environment, traditional OOH media companies are going to rely on regional advertising from hospitals, recruiters (colleges, police, armed services, etc.),

amusement parks, local entertainment, and real estate brokers (Century 21) as well as their bread and butter advertisers – media, grocery stores and fast food chains.

2008 Full Year

Buyer/Investor	Seller	Deal Type	Date	Price (\$ Mil)
Hughes Communications Inc.	Helius Inc.	Acquisition	Jan-08	30.5
Parthenon Capital	Healthclub Panel Network (Captive Media)	Capital Raise	Jan-08	24.3
Dusty's Outdoor Media	Magic Media's TN, IN, IL, and KY billboards	Acquisition	Jan-08	n.a.
Ariel Way Inc.	Lime Truck	Acquisition	Jan-08	n.a.
Ideacast	Transit Television Network	Capital Raise	Jan-08	n.a.
Ignition, Oak and SeaPoint Ventures	Modiv Media	Capital Raise	Jan-08	8.0
Ascend ventures	Channel M	Capital Raise	Jan-08	6.0
Desert Sky Holdings LLC	SmartTalk Media LLC	Acquisition	Jan-08	n.a.
Lamar Advertising Company	Vista Media Group Inc.	Acquisition	Feb-08	100.0
Viad Corp	The Becker Group, Ltd.	Acquisition	Mar-08	n.a.
CBS Corporation	International Outdoor Advertising Group	Acquisition	Mar-08	110.0
Cordjia and The Walnut Group	GOLIATH Solutions LLC	Capital Raise	Mar-08	16.0
Executive Media Network	Corporate Image Media	Acquisition	Apr-08	n.a.
OnSite Network Inc.	Nevada New Media Advertising Inc.	Acquisition	Apr-08	n.a.
Propulsion Ventures	Adcentricity	Capital Raise	Apr-08	3.0
Focus, Mobius, Crosslink, DCM and El Dorado	Ecast	Capital Raise	May-08	12.3
ABS Ventures	Hanger Network Inc.	Capital Raise	Jun-08	10.0
Sutter Hill Ventures	SeeSaw	Capital Raise	Jun-08	3.5
CoActive Marketing Group	mktgpartners	Acquisition	Jun-08	4.8
Veronis Suhler Stevenson	Brand Connections LLC	Acquisition	Jun-08	158.0
Norwest Venture and Trident Capital	Sojern	Capital Raise	Jul-08	16.0
Creative Outdoor Advertising	PartnerBin assets	Acquisition	Jul-08	0.5
TeleHealth Services	Pathware Inc.	Acquisition	Aug-08	n.a.
TouchTunes Music Corporation	Barfly Interactive Networks	Acquisition	Aug-08	n.a.
Red Eagle Ventures	Sports Retail Network	Capital Raise	Aug-08	2.5
M/C Venture Partners	AccentHealth LLC	Acquisition	Sep-08	n.a.
Zoom Media Inc.	ClubCom Inc.	Acquisition	Sep-08	25.0
Amadeus and Wellington	EnQii	Capital Raise	Sep-08	18.0
Fuelcast Media Network	Bhootan (Outcast)	Acquisition	Oct-08	n.a.
CBS Corporation	NextMedia's Hartford and W. Palm Beach faces	Acquisition	Oct-08	n.a.
Bessemer and Mission Ventures	Access 360 Media	Capital Raise	Oct-08	8.0

Source: Peachtree Media Advisors, Inc. internal M&A database, SEC Filings and Press Releases.

2008 Out-of-Home Valuation Comps

The table below presents the current valuations of comparable public out-of-home and diversified media companies. Public company valuations in this sector are in the 2nd quarter of 2008.

Annual Valuations of U.S. Public OOH Companies

The graph below presents the percentage change in the stock price value of representative Out-of-Home and diversified media companies from the beginning of 2007. (The companies are in order of appearance.)

LAMR – Lamar Outdoor	NCMI – National Cinemia
ALOY – Alloy Inc.	CCO – Clear Channel Outdoor
FMCN – Focus Media	

Stock price on Jan 8, 2008

