

WHO'S BUYING WHOM

FIRST QUARTER 2009 UPDATE

News on mergers and acquisitions in the publishing, Internet, information and training industries from Whitestone Communications, Inc., a leading M&A advisory firm. For a complimentary valuation of your business or to learn more about how Whitestone can help your company meet its strategic goals, please contact Whitestone President Baran Rosen at 212-672-0077, ext. 266, or email brosen@whitestonecommunications.com.

1Q M&A DOLLAR VOLUME PLUMMETS BUT (SURPRISINGLY) NO. OF DEALS HIGHER

New York, N.Y., May 2009— M&A deal dollar volume among publishing, information and training companies decreased 74%

in the first quarter of this year versus the same period last year though the number of deals increased 8%, reports merger and acquisition advisory firm Whitestone Communications. Whitestone tracks media acquisitions and investments for its annual reference, *Who's Buying Whom*, the most comprehensive and detailed report on deals in the publishing, information and training fields.

"Given the crash of the stock market in the first quarter," commented Whitestone President Baran Rosen, "it is no surprise at all to see the dramatic drop in the dollar volume of deals. What is surprising is that the number of transactions should actually increase. In looking at the detail of our research, it

shows that Content-based Internet deals and Consumer Magazine transactions drove this increase."

The first quarter 2009 saw 128 deals on a dollar volume of \$2.5 billion versus 118 deals with a dollar volume of \$9.8 billion in the same period 2008. The 2008 dollar volume was driven by two unusually large deals—the \$4.1 billion purchase of ChoicePoint by Reed Elsevier and Hellman & Friedman's \$2.4 billion purchase of Getty Images.

Looking at the first quarter 2009 versus the fourth quarter of 2008, the number of deals decreased 2% to 131 and the dollar volume of deals was down 22% to \$3.2 billion.

Over the 10 individual business segments tracked by Whitestone, most showed a decreased number of deals in the first quarter 2009 versus prior year same period and versus fourth quarter 2008. Significant variances to prior year were:

INSIDE THIS REPORT

Page 2

- Trade Magazines & Trade Shows
- Consumer Magazines
- Education/Reference

Page 3

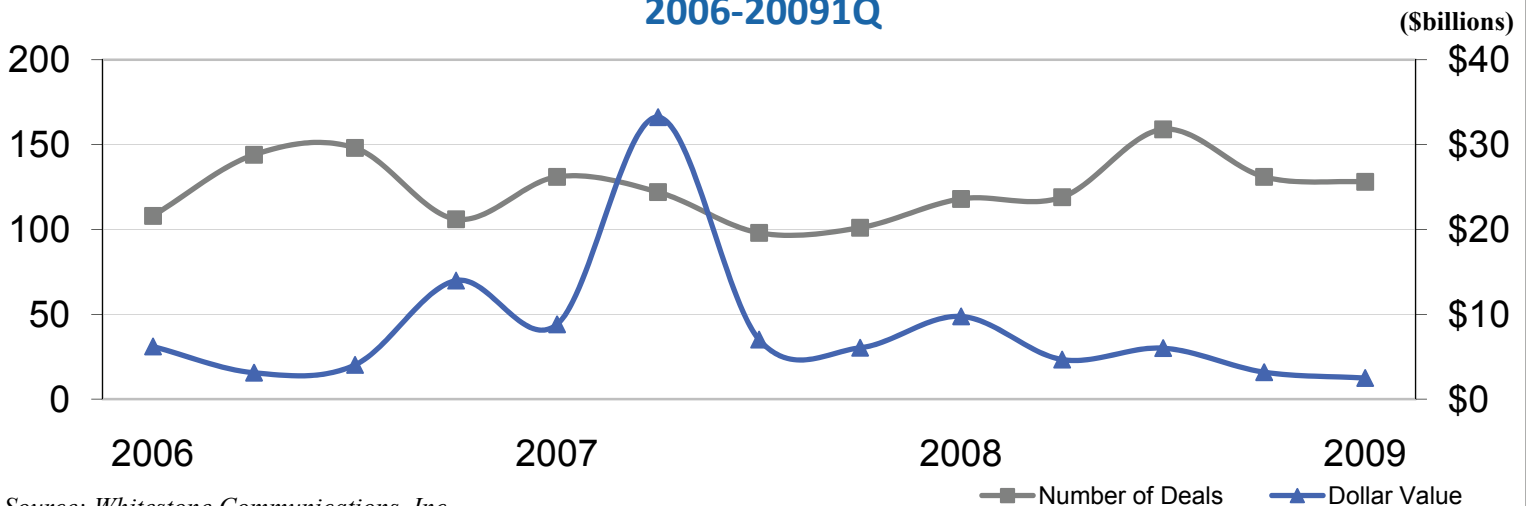
- Training
- Specialized Business Information
- Content-related Internet

Page 4

- Who's Buying Whom Data Chart

(continued on next page)

Publishing, Information, Internet and Training Industries Acquisitions 2006-20091Q



Source: Whitestone Communications, Inc.

- An increase in the number of consumer magazine deals from five last year to 15 in 2009. Dollar volume was up ten-fold from \$27 million to \$292 million.
- Content-related Internet transactions increased to 31 from 16.
- Publishing-Related Software dollar volume increased from \$381 million last year to \$846 million this year – a 122% increase (*one deal – Autonomy Corp. acquiring Interwoven – accounted for \$775 million*).

Among the more noteworthy transactions in the first quarter of this year (in addition to the Autonomy/Interwoven deal):

- TD Ameritrade acquiring online brokerage and investor education services thinkorswim Group, Inc., for \$606 million
- Lionsgate's \$255 million acquisition of the TV Guide Network and TVGuide.com from Macrovision Solutions Corporation
- ICF International's acquisition of Macro International, a market research and analytics firm serving the federal government, for \$155 million ■

TRADE MAGAZINES/ TRADE SHOWS

DRAMATIC DECLINE IN DOLLAR VOLUME OF TRADE MAGAZINE/TRADE SHOW DEALS

New York, N.Y., May 2009—The dual pressures of the recession and the continued move of advertisers from print to the web drove trade magazine and trade show deal dollar volume down steeply in the first quarter 2009 versus the prior year same period, reports merger and acquisition advisory firm Whitestone Communications.

"It was almost a perfect storm of woe for the trade magazine and trade show M&A market in the first quarter of this

year," notes Whitestone Communications Managing Director Ed Fizzle. "The fear of a deep recession had ad spending collapsing and travel for trade shows declining while the trend to allocate more ad spending to the web versus print continued to gain momentum. In short, this was a horrible squeeze of the trade magazine/trade show world."

The number of trade magazine/trade show deals decreased 14% to 12 in the first quarter 2009 versus the year earlier period total of 14 while the total dollar value of the deals dropped 91%—to \$42 million this year versus \$448 million last year. The first quarter was also off from the fourth quarter 2008 totals of 21 deals and \$73 million dollar value.

Significant transactions for the trade magazine/trade show sector in the first quarter were:

- G+J Deutschland (Germany) acquired the remaining 50% interest it did not own in the G+J Expomedia Events business from Expomedia
- Access Intelligence, a VSS Partners portfolio company, acquired Offshore Communications 2009 and EnergyOcean from Continental Shelf Associates, Inc.
- The Money Show acquired the Financial Forum and CTAS conferences for financial industry professionals from Diversified Business Communications. ■

CONSUMER MAGAZINES

CONSUMER MAGAZINE DEAL PACE INCREASES

New York, N.Y., May 2009—Despite the gloom and doom on the economic front, the pace of consumer magazine acquisitions increased significantly in the first quarter 2009 versus the same prior year period, reports merger and acquisition advisory firm Whitestone Communications.

"This news is a major surprise," noted Whitestone Managing Director Ed Fizzle. "You would have thought consumer magazine owners would be waiting for improved results before selling and that buyers would be waiting for more signs of economic recovery before stepping up to make purchases. Still, the numbers are encouraging and show that, to borrow a phrase from Mark Twain, the rumors of the death of print media may be greatly exaggerated."

The number of transactions in the first quarter 2009 were 15, triple the five in the same period last year. Dollar volume climbed to \$292 million—most from one \$225 million transaction—versus \$27 million last year. The first quarter 2009 numbers were also well ahead of fourth quarter 2008 results which had four deals at \$34 million in dollar value.

Among the transactions for the Consumer Magazine sector in the first quarter were:

- Lionsgate's \$255 million acquisition of the \$435 million revenue TV Guide Network and TVGuide.com from Macrovision Solutions Corporation
- Active Interest Media (AIM) and F+W Media did a swap of titles with AIM picking up F=W's Home Buyer Publications and F+W getting AIM's Southwest Art and Collector's Guide
- Northstar Source Group acquired the hip-hop magazine, Source, assuming \$3.8 million in debt. ■

EDUCATION/ REFERENCE

EDUCATION REFERENCE DEAL PACE ACTIVE

New York, N.Y., May 2009—The number of acquisitions in the education, reference and technical publishing segments was up significantly while dollar volume declined in the first quarter of this year versus the same period last year,

reports merger and acquisition advisory firm Whitestone Communications.

“The education/reference/technical publishing area continues fairly resilient versus other parts of the information field that are more susceptible to recessions,” said Whitestone Managing Director Glenn Shapiro. “In particular, there are high hopes that some of President Obama’s stimulus package funding for education will translate to more dollars for educational publishers.”

The number of deals in the first quarter—12—was a 50% increase over the number of deals from last year’s same period while the dollar volume reached \$51 million, down from \$71 million last year. For comparison, the fourth quarter 2008 saw 11 deals valued at \$153 million.

Among first quarter transactions were:

- SunGard Data Systems acquiring instructional management software company Performance Pathways
- Whitestone representing educational software company Siboney Learning Group in its sale to Education Options
- In two separate deals, private equity fund Kennett Partners putting \$12 million into content management solutions business Schoolwires and three funds (Valhalla, Greenhill SAVP and High Peaks) putting \$8 million into open-source college textbook company Flat World. ■

TRAINING

NUMBER OF DEALS IN TRAINING INDUSTRY HOLDS CONSTANT ON LOW DOLLAR VOLUME

New York, N.Y., May 2009—The number of training company acquisitions in the first quarter 2009 was about the same as last year’s first quarter though dollar volume dropped more than 25%, reports merger and

acquisition advisory firm Whitestone Communications.

“Overall, training industry revenue is down in the recession,” said Whitestone Managing Director Glenn Shapiro. “This situation though has not curbed buyers’ appetite for solid businesses in the field. The assumption is that training companies will certainly recover with the overall economy.”

The number of deals in the first quarter this year totaled 14 versus 13 last year while dollar volume was \$95 million versus prior year’s \$128 million. The first quarter deal count trailed the 19 total for fourth quarter 2008 and the dollar volume was also down from \$283 million.

Notable transactions were:

- Lincoln Educational Services Corporation’s \$25.3 million acquisition of Baran Institute of Technology, programs in automotive technology, skilled trades and other areas
- TCI Education acquiring Morrison University, providing post-secondary degrees in business related subjects
- Kaplan, Inc., continued its strong acquisition pace, completed the purchase of the English language learning companies – BrightStar (Vietnam) and West of England Language Services Ltd. ■

SPECIALIZED BUSINESS INFORMATION

SPECIALIZED BUSINESS INFORMATION SECTOR SWOONS

New York, N.Y., May 2009—The pace of acquisitions and the dollar volume of these deals in the Specialized Business Information (SBI) sector—print and electronic information businesses in the financial, real estate, business and legal markets—took a nose dive the first quarter 2009 versus the same year earlier period, reports

merger and acquisition advisory firm Whitestone Communications.

“The financial and real estate information segments are among the areas that have been hit hardest by the recession,” noted Whitestone Communications Associate Matthew DeBlasio. “In light of these weaker results, it’s not surprising that the overall SBI sector suffered as well.”

The number of deals in the Specialized Business Information sector totaled 24 with a dollar value of \$981 million in the first quarter 2009 versus 46 and dollar value of \$4.9 billion in the same period last year (which included the major \$4.1 billion Reed Elsevier transaction with ChoicePoint). The fourth quarter of 2008 saw 28 deals with a total volume of \$411.

Major deals in this sector:

- *Business* - ICF International acquired Macro International, a market research and analytics for the federal government, for \$155 million
- *Financial* - TD Ameritrade acquired online brokerage and investor education services thinkorswim Group, Inc. for \$606 million
- *Database* – Dow Jones purchase a business offering a European database on emerging private companies, Library House Ltd. ■

INTERNET CONTENT

CONTENT-RELATED INTERNET DEAL PACE MOVES UP ON LOWER DOLLAR VOLUME

New York, N.Y., May 2009—The number of Content-related Internet company acquisitions increased while the dollar volume plunged in the first quarter 2009 versus the same year-earlier period, reports merger and acquisition advisory firm Whitestone Communications.

“The strong drop in dollar volume

shows that the big buyers were all frightened in the first quarter due to the bad economic news,” commented Whitestone Managing Director Susan Isserman. “Buyers were just not willing to bet heavily on the generally high risk type businesses represented by Internet companies.”

The dollar volume of transactions dropped to \$140 million from the year earlier lofty level of \$1 billion. This first quarter 2009 results were also off

significantly from the fourth quarter 2008 total of \$1.1 billion. The number of transaction was up, at 31, versus 16 deals in the same year-earlier period and 29 in the fourth quarter 2008.

Noteworthy content-related Internet deals were:

- Liberty Media acquired online sporting event outcome predictor, PicksPal, for \$9.5 million

- Hearst company UGO Entertainment acquired 1UP.com from Ziff Davis Games Group
- The Knot, Inc., added to its line-up of web sites with the acquisitions of Breastfeeding.com and WedSnap. ■

**M&A DEAL ACTIVITY FIRST QUARTER 2009 vs. 2008
PUBLISHING, INFORMATION AND TRAINING INDUSTRIES**

\$ millions	1Q 2009		1Q 2008		% Change			
	No. of Deals	\$ Value (\$MM)	No. of Deals	\$ Value (\$MM)	No. of Deals		\$ Value	
Trade Magazines/Trade Shows	12	42	14	448	-14%	↓	-91%	↓
Consumer Magazines	15	292	5	27	200%	↑	1000%	↑
Trade Book & Other Consumer Publishing	10	45	7	2,733 ¹	43%	↑	-98%	↓
Education/Reference/Technical	12	51	8	71	50%	↑	-28%	↓
Publishing-Related Software	10	846 ⁵	9	381	11%	↑	122%	↑
Internet/Interactive	31	140	16	1,028 ³	94%	↑	-86%	↓
Training	14	95	13	128	8%	↑	-26%	↓
Specialized Business Information								
<i>Business, Legal and Other</i>	15	335	26	557	-42%	↓	-40%	↓
<i>Finance/Real Estate</i>	7	639 ⁴	16	4,351 ²	-56%	↓	-85%	↓
<i>Newsletters/Directories</i>	2	7	4	33	-50%	↓	-78%	↓
Subtotal	24	981	46	4,940	-48%	↓	-80%	↓
Total	128	\$2,492	118	\$9,755	8%	↑	-74%	↓

Source: Whitestone Communications, Inc.

Footnotes on Major Transactions:

1. Includes Hellman & Friedman’s \$2.4 billion acquisition of Getty Images
2. Includes the \$4.1 billion Reed Elsevier acquisition of ChoicePoint
3. Includes AOL’s \$850 million acquisition of Bebo
4. Includes the \$775 million sale of Interwoven by Autonomy Corp.
5. Includes the \$606 million acquisition of thinkorswim by TD Ameritrade