



Summary analysis of transactions in the media, telecoms and technology sectors (Q1 2011)

April 2011

G2Mi tracked 1,046 mergers and acquisitions, investments and partnerships in the first quarter of 2011

We tracked 553 mergers and acquisitions and 320 PE/VC investments in our coverage universe (media, telecoms and media-related technology sectors).

Figure 1) Mergers and acquisitions - by region

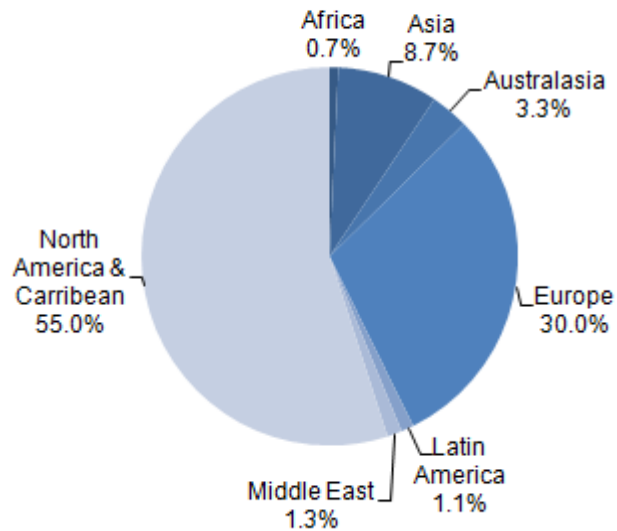
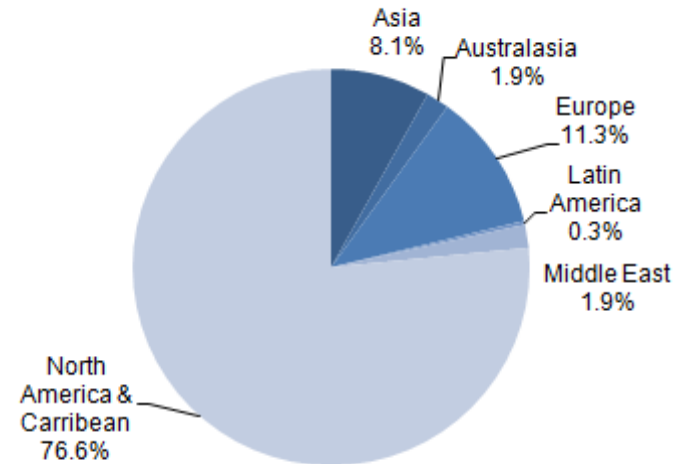


Figure 2) PE/VC investments - by region



Internet, technology and telecoms continue to lead in transaction volumes

Figure 3) Mergers and acquisitions - by sector

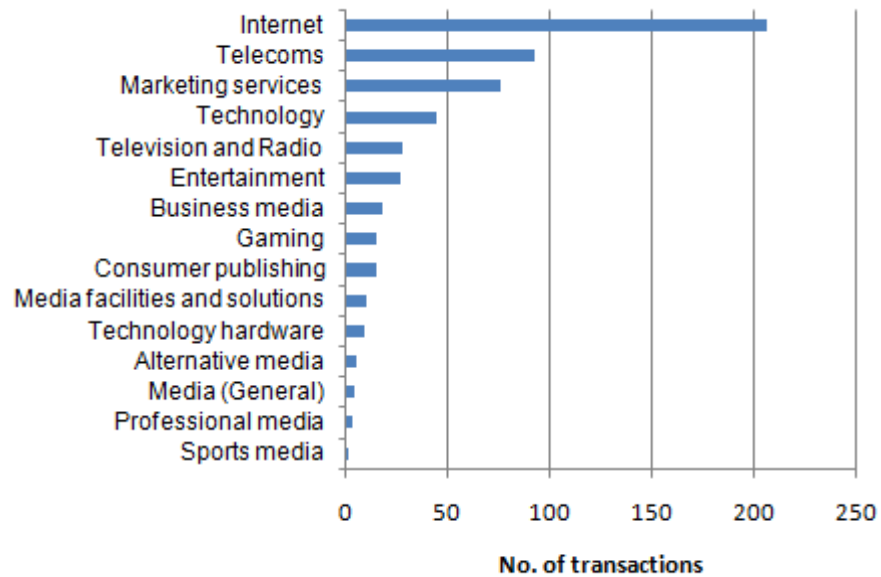
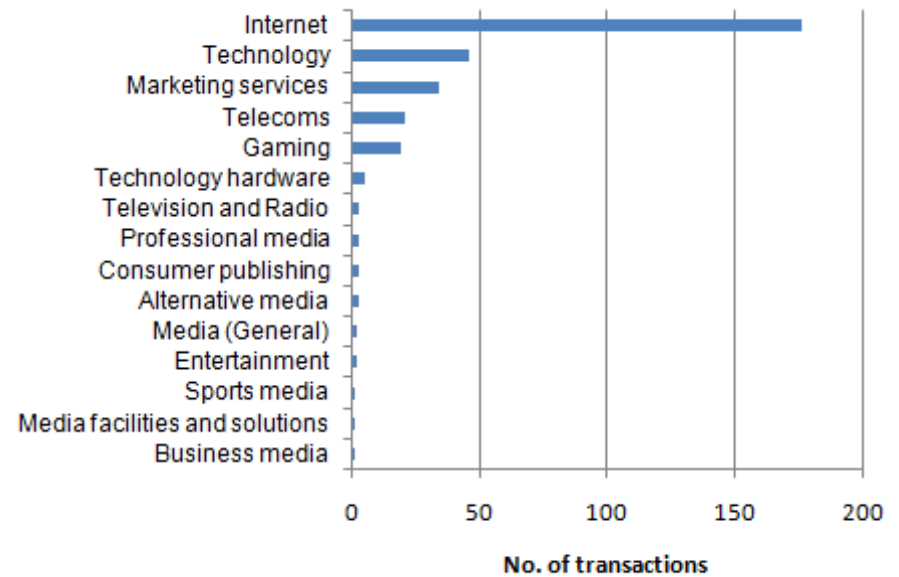


Figure 4) PE/VC investments - by sector



Selected deals in the Internet sector

The internet sector is going through a major phase of innovation primarily driven by social media, cloud services and the mobile internet. This is leading both traditional TMT companies and the leading online players to invest more heavily in inorganic growth opportunities – as they realise that they don't have a monopoly on product innovation. In parallel to this, the new players are focused on a rapid 'build out' strategy to ensure they stay ahead of the game.

On the following pages, there is a selection of deals in the Internet sector involving a number of leading players (Amazon, AOL, eBay, Facebook, Google, Groupon and Yahoo!).

For access to details of all the deals announced in this quarter, please visit G2Mi.com (full data is available to G2Mi subscribers or can be purchased as an individual report).

Amazon.com Inc

Date	Summary	Key Terms	Country of target/investee	Description
Investment				
18/01/2011	Investor group (including Amazon) invest USD 9 million in cloud based information archiving solution provider Sonian Inc	% stake: N.A. Consideration: USD 9 million Sector: Cloud Computing	United States	Amazon.com and Webroot along with existing investors (Summerhill Venture Partners and Prism VentureWorks) invested USD 9 million in the cloud computing company, Sonian Inc as part of series B round of funding. Sonian provides a cloud based range of information archiving services (using Amazon's cloud infrastructure).
M&A				
20/01/2011	Amazon.com Inc acquires control of movie streaming and rental company, Lovefilm International	% stake: 58 Consideration: GBP 200 million Sector: Online Video	United Kingdom	Amazon.com Inc has taken full control of the DVD rental and video streaming service, Lovefilm International Ltd; the deal has valued the whole of Lovefilm at approximately GBP 200 million. Amazon.com is a leading online retailer with a growing presence in distributing print and video content. Lovefilm is provides a subscription based movie DVD rental and online streaming service. In February 2008, Amazon had acquired a minority stake in Lovefilm after merging its own European rental business into Lovefilm.

AOL Inc

Date	Summary	Key Terms	Country of target/investee	Description
M&A				
31/01/2011	AOL Inc acquires online video content company Goviral Ltd for USD 74.1 million	% stake: 100 Consideration: USD 74.1 million Sector: Online Advertising	United Kingdom	AOL Inc acquired Goviral for a total consideration of USD 74.1 million. Goviral publishes and distributes branded video content of different brands to around 18,000 publishers. AOL is an online services company that provides online content, products and services to publishers and advertisers. The deal is part of AOL's attempt to reposition itself as an online content provider, gain share in the display advertising market and improve its video offerings in Europe and North America.
10/02/2011	AOL Inc acquires Huffington Post for USD 315 million	% stake: 100 Consideration: USD 315 million Sector: Online Services	United States	AOL Inc acquired the news website, Huffington Post for USD 315 million. Combined with AOL's existing content operations, AOL will have an online media operation with 270 million users including 117 million in the United States. The consideration for a 100% stake is USD 300 million in cash and USD 15 million in AOL stock. The co-founder of the Huffington Post, Ariana Huffington will become President of AOL's content business. Founded in 1985, AOL Inc is an online media company, operating over 80 content sites globally. Founded in 2005, Huffington Post is a leading US-based online news and blogging website.
04/03/2011	AOL Inc acquires local news aggregator Outside.in to integrate into Patch	% stake: N.A. Consideration: N.A. Sector: Online Media	United States	AOL Inc acquired local news aggregator Outside.in. The acquired property will be integrated in to Patch. Outside.in, founded in 2006 by Steven Johnson, provides local news aggregation services and solutions in 84,000 towns in USA. Outside.in had received investments from Union Square Ventures, Milestone Venture Partners, Betaworks and CNN. Patch operates around 800 local blogs and new sites.
Partnerships				
12/01/2011	AOL Inc partners with US-based entertainment producer Endemol to create online content for female audiences	% stake: N.A. Consideration: N.A. Sector: Production	United States	AOL Inc partnered with the entertainment company Endemol USA to develop and produce new online programming targeted at a female audience. AOL is a leading US-based online content company. Endemol is one of the World's leading television production and distribution companies.
25/01/2011	AOL Inc and Valassis partner to develop and market online coupons for grocery stores	% stake: N.A. Consideration: N.A. Sector: Online Coupons	United States	AOL Inc partnered with Valassis to develop and market online coupon services for grocery stores. AOL Inc is a leading online content company. Valassis is engaged in the business of providing local media optimization solutions to advertisers on multiple channels.
26/01/2011	AOL Inc and Heidi Klum partner to develop new content for women	% stake: N.A. Consideration: N.A. Sector: Content	United States	AOL Inc partnered with the former model, Heidi Klum to develop new digital content for female audiences. AOL Inc is engaged in the business of providing online branded content video services for consumers, publishers and advertisers.

eBay Inc

Date	Summary	Key Terms	Country of target/investee	Description
Investment				
16/03/2011	eBay Inc acquires 20% stake in Vietnam based e-commerce company PeaceSoft Solutions	% stake: 20 Consideration: N.A. Sector: E-commerce	Vietnam	The e-commerce company, eBay Inc acquired a 20% stakes in PeaceSoft Solutions Corporation - a Vietnam based software and e-commerce services provider. The acquisition provides eBay access to 27 million internet users in Vietnam. PeaceSoft, founded in 2001 by Nguyen Hoa Binh, provides online content management software and also operates an online auction site (JV with Chodientu-eBay). Peacesoft had received funding from IDG Ventures.
M&A				
29/03/2011	EBay Inc acquired e-commerce and interactive marketing services provider GSI Commerce Inc for USD 2.4 billion	% stake: 100 Consideration: USD 2.4 billion Sector: Internet (general)	United States	The ecommerce company eBay Inc acquired GSI Commerce for USD 2.4 billion. GSI commerce is a leading provide of ecommerce and interactive marketing services. eBay will pay USD 29.25 per share (a 47% premium to the 30 day average closing price). eBay plans to divest GSI's licensed sports merchandise business and 70% of its ShopRunner and Rue La La operation to a newly formed holding company headed by Michael Rubin (GSI CEO). GSI Commerce, founded in 1995 by Michael Rubin (CEO), provides e-commerce and interactive marketing services and solutions to businesses selling products directly to consumers. GSI booked annual revenue of USD 1.36 billion in 2010. EBay had annual revenue of USD 9.16 billion and net income of USD 2.3 billion in 2010.

Facebook Inc

Date	Summary	Key Terms	Country of target/investee	Description
M&A				
26/01/2011	Facebook Inc acquires location based mobile advertising company Rel8tion LLC	% stake: N.A. Consideration: N.A. Sector: Mobile Media	United States	Facebook Inc acquired Rel8tion LLC. Founded in 2010, US-based Rel8tion allows targeting of online advertising based on a user's location and demographic profile. The company was founded by former employees of Google and Microsoft.
25/02/2011	Facebook Inc acquires online job search services provider Pursuit	% stake: N.A. Consideration: N.A. Sector: Online Recruitment	United States	Facebook Inc acquired the online job search services provider Pursuit. The team behind Pursuit Louis Eisenberg, Russ Heddleston and Nicholas Letourneau have joined Facebook. Pursuit was launched with the aim of allowing users to refer job opportunities using services such as Twitter, Facebook and other social media. Facebook is a leading online social media company.
02/03/2011	Social media services provider Facebook Inc acquires group messaging solutions provider Beluga	% stake: N.A. Consideration: N.A. Sector: Mobile Media	United States	Social media solutions provider Facebook Inc acquired group messaging solutions provider Beluga. The acquisition is a talent and technology acquisition. Beluga, founded in 2010 by Ben Davenport, Lucy Zhang and Jonathan Perlow, provides group messaging solutions through its mobile and web application. The application has location based functionality integrated in it. The founders of Beluga are ex-Google executives.
20/03/2011	Facebook acquires mobile applications developer Snaptu	% stake: 100 Consideration: USD 40 -70 million Sector: Mobile Media	Israel	Facebook acquired mobile applications developer Snaptu for a consideration in the range of USD 40-70 million. Founded in 2007, Snaptu is a UK-Israeli company which develops mobile applications compatible with a large range of handsets (not just smartphones); its facebook app works across 2,500 handset models. The deal will enable Facebook to develop its mobile offering at a faster pace.
Partnerships				
25/01/2011	Facebook Inc partners with Snaptu on the development of a Facebook app for low end handsets	% stake: N.A. Consideration: N.A. Sector: Mobile Media	Israel	Facebook has launched a new mobile application in partnership with the UK-Israeli mobile app development company, Snaptu. The mobile app provides facebook access to over 2,500 models of low end handsets. Facebook is a leading online social media and networking company. Snaptu develops mobile applications.

Google Inc

Date	Summary	Key Terms	Country of target/investee	Description
Investment				
20/01/2011	Google Inc (plus angel investors) invest USD 600,000 in online legal social media website LawPivot	% stake: N.A. Consideration: USD 600 thousand Sector: Social Media	United States	Google Inc's venture arm (plus a number of angel investors) invested USD 600,000 in LawPivot as seed funding. LawPivot is a start up venture which connects companies to lawyers through providing both a public and confidential network through which legal questions can be discussed. The company has at least ten angel investors.
26/02/2011	Anti-malware software solutions developer Dasient Inc receives venture investment from Google	% stake: N.A. Consideration: N.A. Sector: Internet Security	United States	The anti-malware solutions company, Dasient Inc received funding from Google Inc's Venture arm. Earlier investors in Dasient included Benhamou Global Ventures, Floodgate and Radar Partners. The funds will be used to expand R&D team and expand sales and marketing initiatives. Dasient, founded in 2008, designs and develops corporate anti-malware software solutions for websites and advertising networks.
07/03/2011	Google Ventures & August Capital invest USD 5.1 million in crowd sourced online car-sharing services provider RelayRides	% stake: N.A. Consideration: USD 5.1 million Sector: Online Services	United States	Google Ventures along with August Capital invested USD 5.1 million in crowd sourced online car-sharing services provider RelayRides. Howard Hartenbaum of August Capital and Joe Krauss of Google Ventures were the listed investors in this round. RelayRides, founded in 2008, provides car sharing services where car owners list their vehicle on a site and rent it out, the car owner receives 65% of total rental fee, RelayRides keeps 15% and rest goes in insurance.

Google Inc

Date	Summary	Key Terms	Country of target/investee	Description
M&A				
05/01/2011	Google Ventures and Hearst Interactive Media invest USD 1.5 million in social TV applications developer Miso	% stake: N.A. Consideration: USD 1.5 million Sector: Social Media	United States	Google Inc's venture arm along with Hearst Interactive Media invested USD 1.5 million in Miso as part of series A round of financing. Miso is engaged in the business of developing and providing social TV applications. The funding will be used to hire engineers to help in innovating its applications.
13/01/2011	Google Inc acquires USA based online media & entertainment content provider EBook Technologies Inc	% stake: 100 Consideration: N.A. Sector: Online services	United States	Google Inc acquired eBook Technologies Inc. Google Google is an internet company which offers search engine, social media, online retail and online communication services. EBook Technologies is a content provider, based in the USA. The deal is expected to expand the ebook services of Google.
26/01/2011	Google Inc acquires online movies related information analyzer and provider Fflick for USD 10 million	% stake: 100 Consideration: USD 10 million Sector: Online Media	United States	Google Inc acquired Fflick for a total consideration of USD 10 million. Google is engaged in the business of providing search engine, social media and advertising platforms. Fflick is engaged in the business of organizing social media data, filtering and analyzing information about movies. Fflick will be integrated into YouTube to make it more social.
26/01/2011	Google Inc acquires voice messaging firm SayNow	% stake: N.A. Consideration: N.A. Sector: Social Media	United States	Google Inc acquired the voice messaging company, SayNow. Google will integrate SayNow's technology into its voice phone management platform. SayNow voice messaging on social media platforms such as Twitter, Facebook and Android and iPhone-based applications. SayNow was founded and owned by two entrepreneurs (Ujjwal Singh and Nikhyl Singhal).
10/02/2011	YouTube acquires Next New Networks, producer of web based comedy videos	% stake: N.A. Consideration: N.A. Sector: Video Production	United States	Google Inc via YouTube acquired Next New Networks. The acquisition is part of a strategy to improve the quality of videos available on the site to increase advertising revenue. Next New Networks, founded in 2007, is a developer and producer of comedy web videos and provides development services to smaller video producers. Next had backing of investors like Spark Capital, Goldman, Capital group and Fuse Capital.
02/03/2011	Google Inc acquires German security analytics software developer Zynamics GmbH	% stake: N.A. Consideration: N.A. Sector: Online Infrastructu	Germany	Google Inc acquired German security analytics software developer Zynamics. The acquisition included Zynamics reverse engineering tools BinDiff, VxClass, BinNavi and BinCrowd & the people working in development of products. Zynamics, founded in 2004 by CEO Thomas Dullien, develops security analytics software through the use of reverse engineering methods. Google intends to use the solutions provided by Zynamics to fight malware threats.
08/03/2011	Google Inc acquires online price comparison services provider BeatThatQuote for GBP 37.7 million	% stake: 100 Consideration: GBP 37.7 million Sector: Online Services	United Kingdom	Google Inc acquired UK based online price comparison services provider BeatThatQuote for a total consideration of GBP 37.7 million. John Paleomyllites, MD of BeatThatQuote, said, 'The deal will allow us to offer more transparency and better pricing information than existing online offerings.' BeatThatQuote, founded in 2005, provides online price comparisons for UK financial products market. BeatThatQuote will be operated as a standalone company.
16/03/2011	Google Inc acquires Ireland based digital video editing company Green Parrot Pictures	% stake: N.A. Consideration: N.A. Sector: Online Media	Ireland	Google Inc acquired Ireland based digital video editing solutions provider Green Parrot Pictures. The tools and solutions offered by Green Parrot will be integrated into YouTube to help videos become sharper and steadier. Green Parrot, founded in 2004 by CEO Anil Kokaram, provides tools and solutions for digital video and image corrections and mobile application for images correction.

Groupon Inc

Date	Summary	Key Terms	Country of target/investee	Description
M&A				
10/01/2011	US online deals website Groupon Inc acquires Indian deals website SoSasta.com	% stake: N.A. Consideration: N.A. Sector: Online Coupons	India	Groupon Inc acquired the Indian local deals website SoSasta.com from its founders. SoSasta will be renamed Groupon India. Groupon has emerged as a leading group buying and discounts website. Launched in 2010, SoSasta provides a range of group buying discounts and coupons; the company is based in Kolkata and has expanded into a number of India's other major cities.
11/01/2011	Groupon Inc acquires Israel based online deals website Grouper for USD 8 million	% stake: 100 Consideration: USD 8 million Sector: E-commerce	Israel	Groupon Inc acquired the Israel based group buying website, Grouper Ltd for a total consideration of USD 8 million. Grouper will be renamed Groupon Israel. Groupon is a leading provider of group buying services; Grouper offers similar services in Israel.
11/01/2011	Groupon Inc acquires South African online deals website Twangoo	% stake: N.A. Consideration: N.A. Sector: Online Coupons	South Africa	Groupon Inc acquired the South African online deals website, Twangoo. Twangoo will be renamed Groupon South Africa. Groupon provides online local discount deals and group buying services. Twangoo offers a similar service in South Africa; it was launched in 2010 in Durban by Daniel Guasco.
Partnerships				
16/01/2011	Groupon Inc partners with Chinese Internet company Tencent to launch a group buying site in China	% stake: N.A. Consideration: N.A. Sector: E-commerce	China	Groupon Inc has partnered with Tencent Holdings Ltd as part of Groupon's Asian expansion plans. Groupon is a leading provider of online discounts and deals. Tencent is a leading Chinese online media company, with a strong reach on both PC and mobile platforms. It is rumoured that the partnership is on a 50:50 basis.

Yahoo! Inc

Date	Summary	Key Terms	Country of target/investee	Description
M&A				
20/01/2011	Yahoo acquires Australian online deals company Spreets for AUD 40 million	% stake: N.A. Consideration: AUD 40 million Sector: E-commerce	Australia	Yahoo Inc's Australian joint venture, Yahoo!7 acquired the online group buying website, Spreets Pty Ltd for a total consideration of AUD 40 million. Yahoo is engaged in the business of providing online communication, search engine and information services. Founded in February 2010, Spreets has 500,000 members and has issued over 274,000 vouchers; it operates sites in both Australia and New Zealand.
Partnerships				
27/01/2011	Yahoo partners with League Managers Association to provide content from football managers on it's UK media platform	% stake: N.A. Consideration: N.A. Sector: Online Content	United Kingdom	Yahoo Inc partnered with League Managers Association to provide content (including video) from football managers across Yahoo's UK media platform and social media channels. Yahoo is a leading online portal and search engine. League Managers Association (LMA) is the association of professional football managers in the UK.
18/03/2011	Yahoo partners with marketing services company Omnicom to promote digital media	% stake: N.A. Consideration: N.A. Sector: Online Media	United States	Marketing services company Omnicom Group partnered with Yahoo! to help promote a better understanding of digital media among its customers. Yahoo! will provide Omnicom agencies and clients access to Yahoo! web analytics and digital education program (the latter created jointly by Omnicom & Yahoo!).

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