



Overall M&A activity within the Media and Entertainment sector decreased 2% over the last twelve months (LTM) ending June 30, 2006 with 556 deals reported compared with 568 deals for the same period last year and with median valuation multiples at 1.9 x Revenue, 11.3 x EBITDA, 15.9 x EBIT and 3.2 x Book Value.

M&A TRANSACTIONS BY SUBSECTOR

For the Last Twelve Months Ended June 30,

	02		03		04		05		06	
Printed Media Publishing	58	16%	61	18%	117	27%	126	22%	154	28%
Marketing Services	42	12%	47	14%	62	14%	87	15%	98	18%
Movies and Entertainment	56	16%	58	17%	47	11%	97	17%	91	16%
Broadcasting and Cable TV	97	27%	81	24%	97	22%	103	18%	69	12%
Diversified Advertising	54	15%	29	9%	59	13%	62	11%	69	12%
Published Electronic Materials	26	7%	23	7%	19	4%	40	7%	34	6%
Music & Written Publishing	8	2%	11	3%	12	3%	26	5%	17	3%
Public Relations Services	8	2%	10	3%	19	4%	12	2%	16	3%
Print Advertising	5	1%	12	4%	7	2%	15	3%	8	1%
Total	354	100%	332	100%	439	100%	568	100%	556	100%

Based upon Mosaic Capital research and subject to qualifications found on our website. Includes all companies with operations in a particular subsector. Valuation multiples include public transactions and premiums for control, which can vary significantly between public and private companies. Private company transactions also typically include valuation discounts for limited liquidity, due to a lack of a public market.

Large national and international strategic buyers lead the demand for U.S.-based businesses in this sector. In addition, private equity groups own or control over 800 portfolio companies and also are fueling demand. Buyers objectives include:

- ▀ Develop Internet-based supply chain models (e.g. - packaged media production and delivery)
- ▀ Develop global networks and serve foreign clients
- ▀ Improve foreign publisher standards and reduce piracy via applying U.S. models

About Mosaic Capital

Mosaic Capital LLC is a national and international provider of investment banking services to middle market companies with revenues between \$15 million and \$400 million. Our services include: Sell-Side assignments; M&A; raising Equity and Debt Capital for expansion, acquisitions and partial owner liquidity; and Valuation and Fairness Opinions. Mosaic Capital has access to global buyers and sellers through its membership in IMAP (www.imap.com), the leading global Mergers and Acquisitions partnership founded in 1971 and employing more than 300 M&A professionals in 33 countries, and whose members have completed 1400 middle market transactions exceeding \$28 billion in value since 2000.

Mosaic Capital is looking to expand its relationships with owners and management teams in the following lines of business:

Print Media Publishing, including:

- ▀ Books, Newspapers & Magazines
- ▀ Promotional, Business & Greeting Cards
- ▀ Maps, Charts & Atlas Publishing

Published Electronic Materials, including:

- ▀ Electronic Directory, Magazine, Newspaper, Database & Audio Book Publishing

Music & Written Publishing, including:

- ▀ Music Publishing
- ▀ News Syndicate & News Agency Services
- ▀ Special Interest Newsletters & Press Releases
- ▀ Stock Photo Agencies
- ▀ Press Clipping Services

Movies & Entertainment, including:

- ▀ Entertainment Venues
- ▀ Production Companies & Equipment
- ▀ Casting Services
- ▀ Talent Agencies & Talent Management
- ▀ Motion Picture Production
- ▀ Post Production Services
- ▀ Motion Picture Distributors & Services
- ▀ Stage Services & Theater Services
- ▀ Dance Services, School & Halls
- ▀ Music & Sports Services
- ▀ Ticket Agencies

Broadcast Advertising, including:

- ▀ Radio, Television & Internet

Broadcasting & Cable, including:

- ▀ Radio Content & Programming
- ▀ Radio Networks & Stations
- ▀ Broadcasting Networks & Stations

Print Advertising, including:

- ▀ Print Posters
- ▀ Print Magazines
- ▀ Newspaper Advertising

Marketing Services

Public Relations Services

Diversified Advertising

SALES & DIVESTITURES • MERGERS & ACQUISITIONS • VALUATIONS • FINANCING

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